



Ref: SECT: STOC: 55-22

July 01, 2022

To
The Secretary
BSE Limited
Phiroze Jeejeebhoy Towers,
Dalal Street,
Mumbai - 400 001

To
The Manager,
Listing Department,
National Stock Exchange of India Limited
Exchange Plaza, C-1, G Block, Bandra-Kurla
Complex, Bandra (East), Mumbai - 400 051

Scrip Code: 519552

Scrip Code: HERITGFOOD

Sub: Notice of 30th Annual General Meeting (AGM) and Annual Report 2021-22

Dear Sir/Madam,

This is to inform you that the 30th Annual General Meeting (AGM) of the Company is scheduled to be held on Friday, July 29, 2022 at 10:00 AM through Video Conferencing ('VC') facility or other audio visual means ('OAVM'), in accordance with the Circular issued by Ministry of Corporate Affairs and Securities and Exchange Board of India.

Pursuant to Regulation 34 of the SEBI (Listing Obligation and Disclosure Requirements) Regulations 2015, please find enclosed Notice convening the 30th AGM of the Company and 30th Annual Report for the financial year 2021-22. The 30th AGM Notice along with Annual Report 2021-22 is being sent through electronic mode on July 01, 2022 to those Members whose e-mail addresses are registered with the Company/Registrars and Transfer Agent/Depositories as per the above said circulars.

The 30th Annual Report of the Company for FY 2021-22 is available on the website of the Company at: https://www.heritagefoods.in/uploads/investors/pdf/16565766932Heritage_Foods_30th_AR_2021-22.pdf

The flip book of the 30th Annual Report can be viewed at <https://www.heritagefoods.in/annual-report/2022/flipbook/index.html>

Kindly take the same on record and display the same on the website of your exchange.

For **HERITAGE FOODS LIMITED**


UMAKANTA BARIK
Company Secretary & Compliance Officer
M. No: FCS-6317

Encl: a/a

About the Company:

Heritage Foods founded in the year 1992 is one of the fastest growing Private Sector Enterprises in India, with two business divisions viz., Dairy and Renewable Energy under its flagship company Heritage Foods Limited and Cattle feed business through its subsidiary, Heritage Nutrivet Limited (HNL). Presently Heritage's milk and milk products have market presence in Andhra Pradesh, Telangana, Karnataka, Kerala, Tamil Nadu, Maharashtra, Odisha, NCR Delhi, Haryana, Uttar Pradesh and Uttarakhand. It has total renewable energy generation capacity of 10.50 MW from both Solar and Wind for captive consumption of its dairy factories.



HERITAGE FOODS LIMITED
CIN : L15209TG1992PLC014332
AN ISO: 22000 CERTIFIED COMPANY



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Email: hfl@heritagefoods.in, Website : www.heritagefoods.in



THE THRIVING
Legacy



O F
Heritage

Empowering
farmers

Nutrition to
the nation

Creating value
sustainably



To view or download this report online, please visit: www.heritagefoods.in or scan the QR code

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Key Highlights FY 21-22

(Standalone)

26,429	1,873	6,605
₹ in Mn	₹ in Mn	₹ in Mn
Revenue	EBITDA	Net worth
1,353		1,015
₹ in Mn		₹ in Mn
PBT		PAT

1,353
₹ in Mn
PBT

1,015
₹ in Mn
PAT



Forward-looking statements

Some information in this report may contain forward-looking statements which include statements regarding Company's expected financial position and results of operations, business plans and prospects etc. and are generally identified by forward-looking words such as "believe," "plan," "anticipate," "continue," "estimate," "expect," "may," "will" or other similar words. Forward-looking statements are dependent on assumptions or basis underlying such statements. We have chosen these assumptions or basis in good faith, and we believe that they are reasonable in all material respects. However, we caution that actual results, performances or achievements could differ materially from those expressed or implied in such forward-looking statements. We undertake no obligation to update or revise any forward-looking statement, whether as a result of new information, future events, or otherwise.

30 Years

IS A LONG JOURNEY

30 years span generations, evolving lifestyles and food habits.

A journey that involves foresight, fortitude and unwavering focus to grow and create value for all.

We, at Heritage Foods, are proud to have completed an immensely rewarding and fruitful journey of three decades in 2022, with the support of our farmers, consumers and all other stakeholders.

By maintaining close relationships with farmers and staying closer to the milk production centres, we have always fulfilled our promise of delivering fresh and nutritious value-added dairy products and delighting our consumers.

But we never deviated from the founding principle of serving our farmers, with the highest level of integrity in these 30 years.

We have built a very strong legacy and brand reputation in a traditional industry by modernising the outlook to business with a unique spectrum of innovations across the breadth of our value chain. Our consumer-centric approach led to the creation of several of our product introductions.

As we step into the fourth decade of our journey, the spirit of innovation continues with greater vigour, supported by tech-enabled operations. Our strong commitment to dairy technology and engineering have helped us create some of the most energy-efficient dairy operations in the country. We also educate and support farmers about cattle wellbeing, breeding and nutrition to increase their yield and enhance their income.

While serving responsibly our farmers and consumers, we have also gained reputation as a responsible corporate citizen. As a part of our sustainability initiatives, we are steadily reducing our carbon footprint, expanding greenbelt around our plants, and adopting green energy to power our plant operations.

Although we have traversed three decades, serving value-added products to over 1.5 million households in 11 states, and upholding the spirit of ethical and transparent business practices, we believe that our journey has just begun.

The legacy and strength of the last three decades gives us the courage to dream bigger, perform better and be bolder. We are confident of becoming India's leading science-based dairy products company, constantly rolling out breakthrough innovations to delight our consumers, empowering our farmers, providing nutrition to the nation and creating value for all stakeholders.

FY 21-22 saw us take several steps to widen our procurement network, improve our operating efficiencies and aggressively building a more profitable and value-added portfolio in our core markets.

Notwithstanding short-term challenges in the operating scenario, we are marching towards our immediate mission of becoming a ₹ 6,000 crore company and be a force for good for all stakeholders.

About US

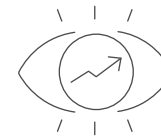
One of the fastest growing private sector companies, Heritage Foods Limited (HFL) today serves more than 1.5 million households daily.



Founded by Sri. Nara Chandrababu Naidu, in 1992, Heritage's milk and milk products continue to have strong market presence in Andhra Pradesh, Telangana, Karnataka, Kerala, Tamil Nadu, Maharashtra, Odisha, NCR Delhi, Haryana, Uttarakhand & Uttar Pradesh.

Over the years we have expanded our portfolio to milk and value-added products including curd, ice cream/frozen dessert, paneer, butter milk, flavoured milk, lassi, milk powders and sweets etc. We remain committed to maintain consistent value and nutrients of milk across the variety of products, across our diverse markets, with our integrated business model.

Vision



Delighting every home with Fresh & Healthy products and empowering the farmers

Heritage in numbers



Manufacturing Capital

18

State-of-the-art milk processing facilities

187

Bulk Coolers, Mini Chilling & Chilling Centres

2.09 mlpd*

Milk chilling capacity

1.66 mlpd*

Milk packaging capacity

2.65 mlpd*

Processing capacity

742 mtpd*

Curd Packaging Capacity

*MLPD: Million Litres Per Day | *MTPD: Metric Ton Per Day



Intellectual Capital

8

New products introduced in FY 21-22

1

Ultra-modern UHT milk processing unit

490

Team members in quality assurance and product development (QA & PD)

65

Heritage Distribution Centres

+0.3

Dairy farmers (in million)



Social and relationship capital

+1.5 Mn

Serving Households

859

Heritage Parlours

29.35 Mn

Spent of CSR

21,452

Farmers benefited through community development activities



Human Capital

3,009

Employees

3,178

People provided indirect employment



Natural Capital

6.30 MW

Wind power

4.20 MW

Solar power

Our journey over three decades

Consumers

We continue to improve nutritional value within our products and promote healthy balanced food habit

Milk Procurement in



Market Presence across India's States in



Farmers

Empowering farmers with daily procurement of milk and assisting them with ancillary support as well

Manufacturing facility in



Procurement centres in



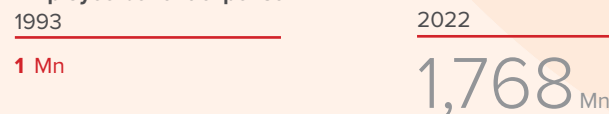
Employees

Provide a safe, healthy and rewarding workplace for our employees

Employees in



Employee benefit expense in



*mlpd = Million litres per day

30 YEARS OF HERITAGE

Aspiring to produce products with consistent quality and nutritional value, our dairy products bring value to lives of millions of our customers. In three decades, we have adopted an innovation strategy to introduce new products aligned to changing consumer behaviour, creating value for stakeholders at large.

Provide sustainable returns via earnings per share and dividends paid

Dividend paid in



EPS as on



Networth in



Market Capitalisation as on



Investors

Comply with regulatory requirements of food safety, milk price and environment footprint

Contribution by way of Direct Tax to exchequer in



Government & Regulators

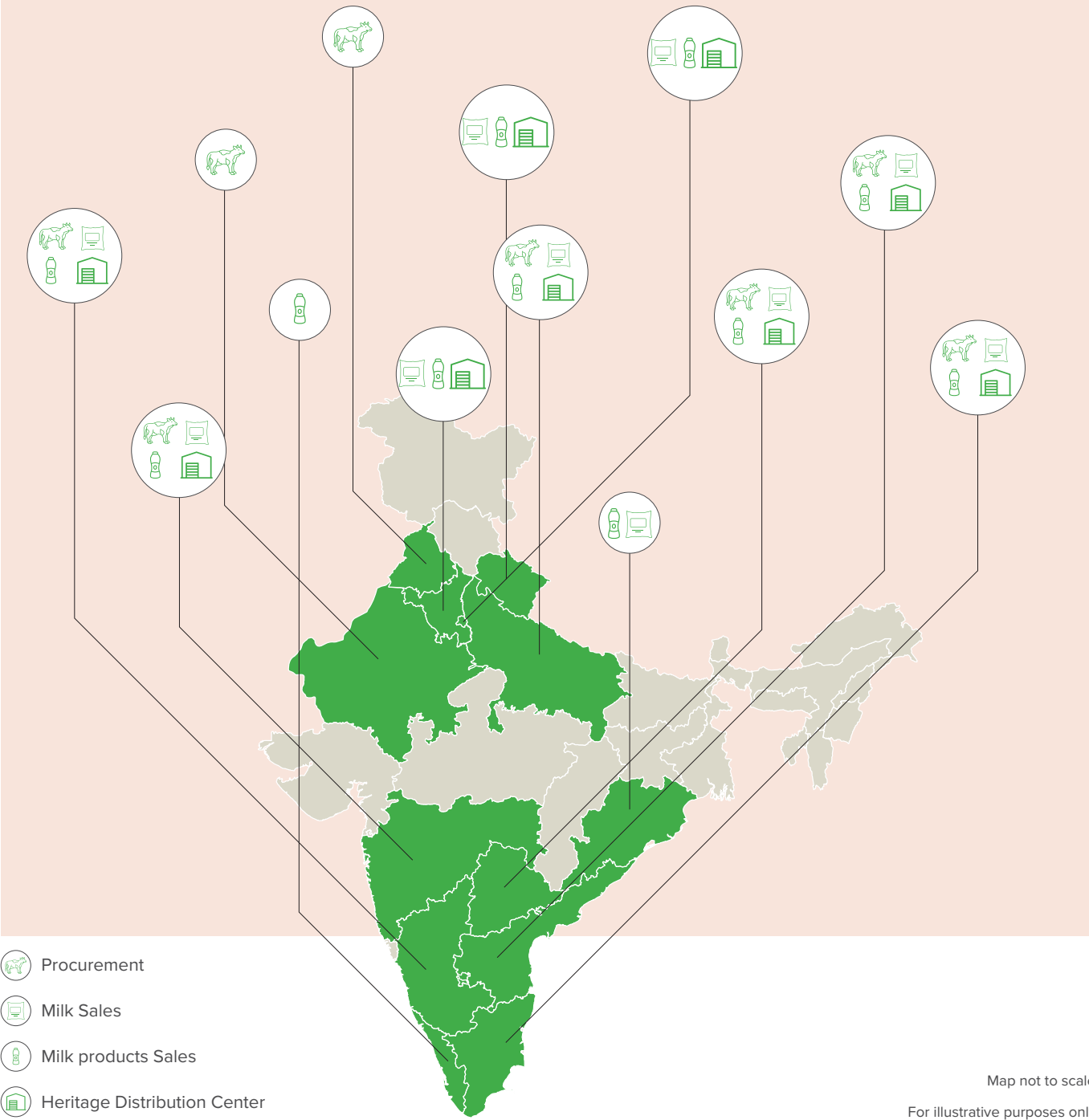
Endeavour continuously to reduce our carbon footprint and make necessary contribution to lives of under-privileged

CSR spent till- FY 21-22



Community

Our presence



- Procurement
- Milk Sales
- Milk products Sales
- Heritage Distribution Center

Map not to scale.
For illustrative purposes only.



Vice-Chairperson & Managing Director's Message



N. Bhuvaneshwari
Vice-Chairperson & Managing Director



Dear Shareholders,

As I write this letter, I cannot help but recall how Heritage Foods Limited was created with a vision to empower dairy farmers. In the three decades of its existence, it has lived up to its vision of strengthening the dairy value chain to become one of the leading private sector dairy brands in the country.



Over the years, we have endeavoured to maintain high standards of quality in our offerings. Now, we are working towards transforming into a prominent health and nutrition player through our value added products (VAP).

In the year under review, the strength and agility of our business model helped us meet our targets and rise above the challenges to start the new financial year on a strong footing.

Macroeconomic review

The FY 21-22 turned out to be significantly more volatile than expected. While the global economy rebounded faster than projected and demand for dairy products remained strong, the pandemic's repeated waves left a lasting impact. Supply chain disruptions, escalating prices and runaway inflation, induced by geopolitical upheavals, had widespread ramifications on businesses globally.

In India, after the debilitating impact of Covid-19 in 2020-21, the dairy sector rebounded significantly owing to the strong demand revival for milk and value-added products. The demand is likely to increase with the rising population, higher disposable income and higher per-capita consumption.

Transforming into a prominent health and nutrition player

India, being the world's largest milk producer, we are seizing every opportunity to capitalise on the growing dairy demand by constantly evaluating our products, distribution channels and supply chain. I am confident our efforts will increase the scalability as well as profitability of our business in the near term, creating value for our stakeholders.

Over the years, we have endeavoured to maintain high standards of quality in our offerings. Now, we are working towards transforming into a prominent health and nutrition player through our value added products (VAP).

Foraying into new segments

In the year under review, we continued to enhance our portfolio of value-added products (VAP), and I am happy to inform that we forayed into new 'Ready To Eat' and 'Heat-n-Eat' segments and strengthened our VAP proposition by launching spiced butter and cup curd as well as Kesar Shrikhand and Amrakhand in its main markets.

Heritage Novandie forayed into yogurt production in Maharashtra and introduced Mamie Yova branded 'French Yogurt' along with 'Yo Pop', a drinkable yoghurt.

We have also focussed on pushing our brand recall higher through franchisee operated parlours and distribution centres, besides an omni-channel network.

Financial performance (Standalone)

We registered a net revenue of ₹26,429 million compared to ₹24,070 million in the previous financial year.

Our EBITDA and PAT stood at ₹1,873 million and ₹1,015 at 7.09 % and 3.84 % margins, respectively.

For Heritage Nutrivet Limited, wholly-owned subsidiary company registered a revenue of ₹946 million. EBITDA stood at ₹47 million and PAT stood at ₹11 million.

Scaling new heights

New-age consumers prefer healthier and more responsibly produced food. To cater to these evolving demands, we are striving to deliver healthy products with superior taste.

Even as we strengthen the brand, we facilitate financial support for cattle purchase, resulting in rising milk production and employment for farmers.

With strong foundations, a diverse portfolio, omni-channel presence and deep social commitments, we remain determined to create sustainable value for all our stakeholders.

We aspire to be a nationally recognised brand with a focus on efficient capital management and maximising shareholders' value.

I take this opportunity to thank our team for their dedicated efforts. I will also like to thank our customers and our shareholders for their unwavering belief in us. Together with your support, we will scale newer heights.

N. Bhuvaneshwari
Vice-Chairperson & Managing Director

Executive Director's Message



N. Brahmani
Executive Director



Dear Shareholders,

On behalf of the Board, I am delighted to present our Annual Report for the financial year 21-22.

Dairy being one of nature's complete foods and a major component of our everyday lives.



Our value added products have been the primary driver of growth for us, not just in our core markets but the ones we have recently ventured in. I am pleased that the strategies that we have put in place for driving growth has paid rich dividends.

Consistent with our financially prudent approach, we have strengthened our balance sheet by achieving debt-free status backed by a healthy cash balance. Our strategies have proven to be effective in the face of unforeseen macroeconomic challenges. As we continue to focus on diversifying our product portfolio, we are looking ahead with confidence.

We believe in the future of dairy and in our capabilities of delivering sustained value to our customers as well as our stakeholders.

To conclude, I would like to thank our dedicated employees, farmers, distributors and customers for their unwavering faith in us. I would like to thank our team for their untiring contributions in a challenging year. I would also like to thank you, our shareholders, for your continued commitment and support over the years.

N. Brahmani
Executive Director

We at Heritage Foods offer dairy in innovative forms, promoting nutritional wellness with taste.

In the year under review we have employed new ways of bringing nutritional values in dairy, while launching a series of products to delight our customers. Our contribution to the value added product portfolio and foray into 'Ready-to-Eat' and 'Heat-n-Eat' segments helped us expand our offerings further.

For value added products, we have been focusing on three areas to drive growth. First, a focused approach on priority products that gives us a competitive edge. Second, a consumer-centric approach in our innovations and marketing strategies. Third, developing an omni-channel strategy to make our products accessible to all our consumers. We are looking at new commerce and distribution models to increase our visibility and accessibility.

Our value added products have been the primary driver of growth for us, not just in our core markets but the ones we have recently ventured in. I am pleased that the strategies that we have put in place for driving growth has paid rich dividends.

We have entrenched our presence in five southern states, and made inroads into Maharashtra, Odisha, Delhi, Haryana, Uttarakhand and Uttar Pradesh. Our strategy for expansion is to deepen our penetration into Tier II and Tier III cities in the same states.

Our Products

for our abundance customers



Our products

Milk



Toned Milk

Processed, pasteurized and homogenized toned milk nurtures a healthy body and a healthy mind.



Standardized milk

Fresh & pure milk is procured from our farmers and processed, pasteurized, homogenized and packed at state-of-the-art processing plants with utmost care to ensure goodness.



Double Toned Milk

Low in fat, yet retaining milk's other benefits, double-toned homogenized milk is best for those seeking calcium



UHT milk

Procured from farmers, processed, pasteurized at ultra-high temperature to ensure each particle is free from bacteria and packed at plant to ensure goodness. Available in multi-layered oxygen barrier poly packs.



Cow Milk

This fresh and pure milk is procured, processed, pasteurized, homogenized and packed at processing plants to ensure goodness.



Full cream milk

Processed at state-of-the-art plants, this rich in fat and pure milk is suitable for those with low BMI.



A2 Full cream milk

100% buffalo milk rich in A2 protein; Specially procured from nearest farms, helps build immunity and easy to digest.



Value Added Products



Curd

A value-added product with a selected culture of beneficial bacteria to impart thick, creamy, rich and glossy texture.



Butter milk

Prepared from fresh and pure curd in processing plants with utmost care. There are different variants available like plain, salted, spicy and jeera flavour.



Flavoured milk

Prepared from fresh and pure double-toned milk in various flavours and colours, this is a delicious and refreshing dairy drink available in glass bottles and PET bottles



Sweet Lassi

Made with pasteurized, homogenized curd, the fermented drink contains healthy bacteria. It is thick and rich with a natural Elaichi flavour.



Sabja Lassi

Sabja Lassi is rich in calcium.



Milk shakes

Heritage Milk Shake is made with high quality raw material to cater to the delicious desire of every single consumer. It is a natural source of milk protein and is rich in calcium.



Cold Coffee

Heritage Coffee is made from fresh toned milk with high quality coffee. It is a sterilized product and packed in tin. It is free from added preservatives. It is free from bacteria, rich in calcium and protein and coffee flavour that refreshes the consumer immediately with goodness of milk.



Immunity milk

Heritage Immunity Milk contains anti-inflammatory properties which help in maintaining a healthy life. Now available in 4 flavours: Turmeric, Ginger, Tulsi and Ashwagandha.



Paneer

Fresh and pure milk is procured, and used for paneer which comes in a pleasing white appearance, and a soft and compact texture. Paneer is vacuum packed in multi-layered film to maintain freshness



Cheese

Heritage Mozzarella Cheese and Processed Cheese is made from 100% Pure Cow Milk and has a delicious taste, rich aroma and smooth body



Sweets

Doodh Peda is made from pure, fresh and highest quality of Milk and Ghee, which is soft, rich in taste and melts in the mouth. It has the right amount of sucrose and is rich in taste and is granular in texture. Milk Cake is made from the highest quality skimmed milk powder and pure ghee, and has a smooth texture and is rich in taste.

Fat Products



Cow Ghee

Cow Ghee is prepared from cow butter. It is golden yellow in colour, has a good aroma and is granular in texture.



Cooking butter

The unsalted cooking butter is made from fresh cream in processing plants with utmost care to ensure goodness.



Buffalo Ghee

Buffalo Ghee is prepared from pure buffalo butter. It is white in colour, has a good aroma and is granular in texture.



Hi Aroma Ghee

Prepared from pure ripened cream with selected bacterial culture, this is light brown in colour with a naturally developed rich aroma and smooth granules.



Tabla Butter

The rich salted butter is made from fresh cream and is manufactured in processing plants, with no added ingredients other than salt.



Fresh Cream

Heritage Fresh Cream has been processed to give a smooth consistency and helps make mouth-watering preparations. It gives food a creamy edge and adds a mouthful of happiness. It has been sterilized at high temperatures and packed safely to ensure that the cream stays fresh until open

Ice-creams



Tubs

Alpenlie Ice-Cream is made with nuts and fruits and is available in flavours such as Chocolate, Pineapple, Fruit Fusion, Pistachio, Butterscotch, Vanilla and Rajbhog.



Bars

Bars are available in flavours such as Almond Crunch, Black Currant, Chocolate Overload, Classic Vanilla, Mango Lychee and Melon Rush.



Kulfi

Anjeer Kulfi : A cool traditional ice-cream.
Malai Kulfi : Made with Real Kesar, Almond and Cashew Nut Powder.



Cones

Offers a range of crunchy biscuits with a blend of delightful flavours and colours such as Strawberry, Butterscotch, Banana Caramel, Black Currant, Rajbhog, Double Chocolate, Vanilla and Choco-chips.



Cups

This perennial favorite is available in delightful cups such as Vanilla, Strawberry, Butterscotch, Chocolate and Orange Tango.



Juicy bar

Gives more joy at a lower price and comes in different flavours like Grape Jelly, Raspberry Twin, Mango Twin, Orange Juice and Mango Juice.

Family packs



Provides family enjoyment in delicious flavours like Vanilla, Strawberry, Butter Scotch, Anjeer Badam, Badam Pista Kesar, Orange Tango, Mango, Chocolate and Lychee Caramel.

Renewable energy business vertical



10.50 MW

Total Renewable energy

₹ 90 Mn

Revenue from renewable energy vertical

4.20 MW

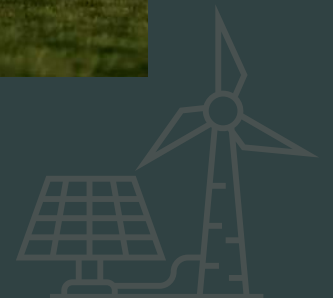
Installed capacity solar power

6.30 MW

Installed capacity wind power

We have understood our environmental responsibility and are committed to increase our green impact. We have constantly invested in renewable energy

projects for captive consumption. We have commissioned and distributing energy through our captive solar & wind power plants at 11 different plants.



Animal nutrition



Farmer community can serve as a platform for product growth and we have been closely associated with farmers to provide them the support they need. We constantly engage with them to provide the technical knowledge through our knowledge building activities.

Heritage Nutrivet Ltd. (wholly owned subsidiary) is a leading livestock, feed and feed supplement manufacturer in South

India. The company strives to give milch animals with feed while ensuring their general health and immunity. Heritage Nutrivet seeks to boost animal milk production and reproduction.

With our state-of-the-art manufacturing facilities at Hindupur and Mallavalli, Andhra Pradesh, we serve 0.3 million farmers across Andhra Pradesh, Telangana, Tamil Nadu, Karnataka and Maharashtra.

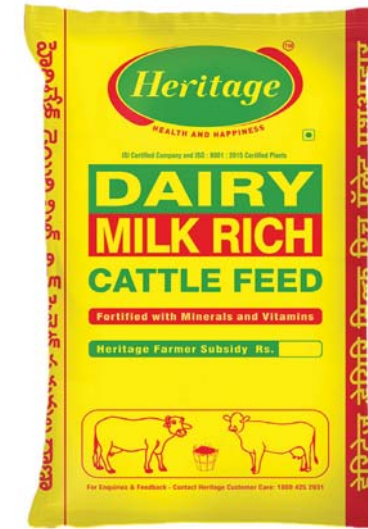
₹ 946 Mn
Revenue

₹ 47 Mn
EBITDA



Product Portfolio

Cattle Feed Products



Benefits

- More milk will be produced.
- Contribute to increase in FAT & SNF % in milk produced.
- Contribute the progeny of the cattle by making them conceive regularly-timely pregnancy.

Feed Supplements & Veterinary Medicine

Vitamins



Benefits

- Improves reproductive performance
- Prevents minerals and vitamins deficiencies
- Improves immunity

Calcium



Benefits

- Maintains milk production
- Prevents milk fever
- Highly palatable and easy to administer

Minerals



Benefits

- Reduces stress and improves immunity
- Improves reproductive performance
- Maintains growth in calves

Veterinary Medicine



Benefits

- Acts against gastrointestinal nematodes including inhibited larval, tapeworms, lungworms, epidermal parasitic skin infestations like pediculosis, mange, ticks, grubs and horn flies.

Fish Feed Products

Floating Fish feed



Enhancing value through partnership

Heritage Novandie Foods Private Limited (HNFPL) is a 50:50 Joint Venture between Heritage Foods Ltd. and Novandie, a subsidiary of Andros, France. With a combined legacy of close to nine decades from its parent companies, HNFPL aims at bringing the Deliciously French experience with the brand Mamie Yova to India. The brand Mamie Yova depicts Frenchness, guilt - free indulgence and pleasure with surprises that are full of nourishment and fulfilment.

50:50

Joint venture Partnership



Product range

Stirred fruit yogurt

We invest all of our expertise and creativity with a touch of quirkiness and exuberance towards awakening your taste buds. Our creamy yoghurt with chunky fruit bits can be enjoyed for breakfast, lunch, a late-afternoon snack, or as a guilt-free dessert.



Yo Pop Drinkable Yogurt

This range of flavoured drinking yogurt is innovated exclusively for the Indian market. The Yo Pop range consists of a 125 ml serving of smooth, delicious and chilled flavoured drink that can be gulped down to feel energised and refreshed.



Natural French Yogurt

This creamy, rich, natural french probiotic yogurt contains zero preservatives. This natural yoghurt provides consumers with numerous probiotic health benefits, making it a great standalone product for consumption or as a kitchen ingredient.



Financial highlights

(Standalone)

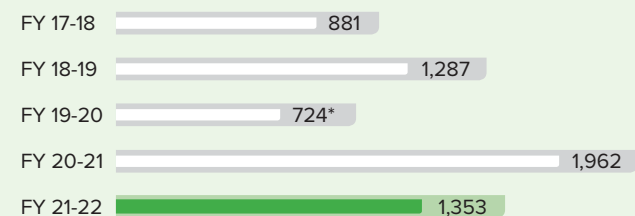
Net turnover

₹ Mn



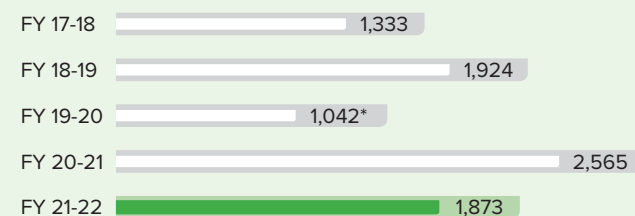
Profit before tax

₹ Mn



EBITDA

₹ Mn



Net fixed assets

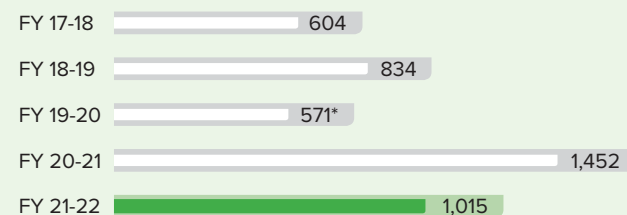
₹ Mn



* Before FVTPL

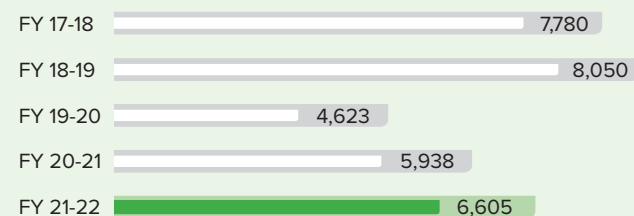
Profit after tax

₹ Mn



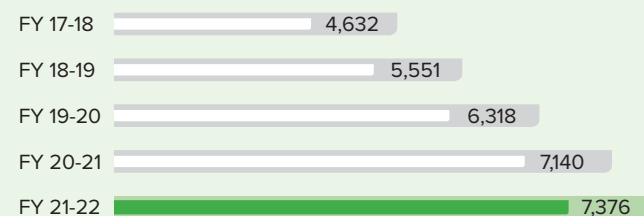
Net worth

₹ Mn



Gross fixed assets

₹ Mn



10 years financial highlights

(Standalone)

₹ in Million

Particulars	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22
Turnover	16,018	17,220	20,730	23,806	18,714	23,440	24,823	26,811	24,070	26,429
Other Income	42	50	70	66	37	72	111	83	84	103
Fair Value gain on Equity Securities	-	-	-	-	2,468	3,954	1,311	2,945	-	-
Total Income	16,060	17,270	20,800	23,871	21,219	27,466	26,245	29,839	24,154	26,532
EBITDA	1,034	987	881	1,365	1,490	1,333	1,924	(769)	2,565	1,873
Depreciation & Amortization	220	250	340	345	249	370	437	480	441	500
Interest	148	119	150	146	93	166	200	197	163	20
Loss due to changes in fair value of derivative liabilities	-	-	-	-	385	3,870	1,311	5,116	48	-
Tax Expenses	137	159	109	306	307	277	452	153	510	337
Profit after Tax (PAT)	500	453	282	554	2,926	604	834	(1,600)	1,452	1,015
Cash Profit/(Loss)	720	703	622	899	1,092	890	1,272	1,051	1,941	1,515
Equity Dividend (%)	30	30	30	30	40	40	40	50	100	100
Dividend Payout (including tax on dividend)	41	81	84	84	112	112	112	116	232	232
Equity Share Capital	116	232	232	232	232	232	232	232	232	232
Reserves and Surplus	1,303	1,558	1,698	2,168	5,700	7,548	7,818	4,391	5,706	6,373
Net Worth	1,419	1,790	1,930	2,400	5,932	7,780	8,050	4,623	5,938	6,605
Gross Fixed Assets	3,635	4,196	4,623	5,184	3,050	4,632	5,551	6,318	7,140	7,376
Net Fixed Assets	2,368	2,715	2,807	3,120	2,874	4,247	4,757	5,156	5,563	5,462

Key Indicators

Particulars	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22
Earnings per share* (₹)	21.64	19.53	12.16	23.89	63.06	13.01	17.98	(34.49)	31.29	21.88
Cash Earnings Per Share (₹)	31.03	30.31	26.81	38.77	23.53	19.18	27.40	22.66	41.81	32.65
Book Value Per Share (₹)	61.16	77.15	83.29	103.45	127.85	167.67	173.49	99.64	127.97	142.35
Debt:Equity Ratio	0.42:1	0.25:1	0.29:1	0.27:1	0.13:1	0.21:1	0.24:1	0.43:1	0.08:1	0.00:1
EBITDA/Turnover (%)	6.27	5.73	4.25	5.68	7.96	5.68	7.75	(2.87)	10.66	7.09
Net Profit Margin (%)	3.12	2.63	1.36	2.33	15.64	2.58	3.36	(5.97)	6.03	3.84
RONW (%)	42.55	28.23	15.16	25.59	70.24	8.81	10.54	(25.25)	27.50	16.18

* EPS and Book Value per share for FY 12-13 has been adjusted on account of issue of bonus shares

Business model

What we rely on

- Financial resources**
 - Networth ₹ 6,605 Mn
 - Operational cash flow ₹ 1,875 Mn
- Employees**
 - 3,009 Employees
- Raw material**
 - Milk collected 1.3 mlpd
- Research & Development Infrastructure**
 - QA & PD Team 490
 - R&D expenditure ₹ 8.99 Mn
- Business partners / Suppliers/ distributors**
 - Milk procurement representatives 11,334
 - Distributor/Agent 6,464
- Resources at processing plants**
 - Water consumed 767 Mn litres
 - Electricity consumed 2,034 Mwh
- State-of-the-art Processing Plants**
 - Milk packaging capacity 1.66 mlpd
 - Milk processing capacity 2.65 mlpd

*mlpd: million litres per day



Driven by strong governance and ethics

The Board and management play a critical role in the sustained success of our company, committed to achieving highest standards of corporate governance. We are committed to incorporating and abiding to compliance with all applicable laws and regulations.

6

Committees formed

4

Independent Directors

100%

Average attendance from the Board in meetings for FY 21-22

We create value for our stakeholders



Consumers



Farmers



Employees



Communities



Government and regulatory authorities



Investors

SDG's

3 GOOD HEALTH AND WELL-BEING



4 QUALITY EDUCATION



8 DECENT WORK AND ECONOMIC GROWTH



9 INDUSTRY, INNOVATION AND INFRASTRUCTURE



11 SUSTAINABLE CITIES AND COMMUNITIES



13 CLIMATE ACTION

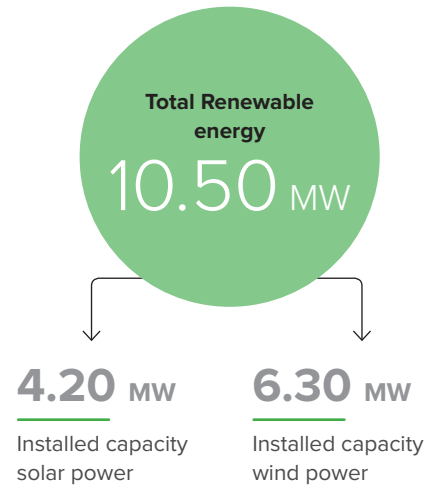


Environmental Responsibilities

We are dedicated for creating a long-term organisation that is focused on meeting our social and environmental responsibilities. As a socially responsible company, we strive to achieve holistic growth through our triple bottom line approach. Our commitment to sustainability is focused on areas that are vital to the sustenance and long-term growth of our company.

Environment

We are always working to lower our operation's environmental effect while also adding value to our stakeholders. We want to help mitigate global warming by reducing the environmental demands we place on already stressed natural systems. We have accomplished near self-sufficiency in sourcing our energy from renewable sources with our solar and wind plants.



Social



We believe human resources to be our most valuable asset, and we prioritise employee development in order to achieve our company's sustainability goals. We recognise that it is our responsibility to make conscientious efforts to make a valuable difference to our community at large.

₹ 29.35 Mn
CSR Expenditure

54
Number of Permanent Women Employees

85%
Employee where given safety and skill training

3,009
Number of Permanent Employees

3,178
Contractual workforce

Governance

We believe in operating our business in ethical and transparent manner. We committed to operating with honesty and integrity, adhering to the highest standards and framework. Our board ensures that all policies and procedures are aligned with the global best practices.

3
Non independent directors

4
Independent directors

2
Women in a top management



Heritage Foods: The road ahead

Creating a strategy for capitalising on possibilities in the dairy industry's changing landscape.

Empowering farmers

Through our long-term relationship with the farmer community and continuous knowledge building initiatives we have built an integrated model that

encompasses 'farm to home' model across our value chain for milk and milk products.

Some of the initiatives include:

01

Long-term relationship to procure milk with right quality and prices

02

Offer good quality cattle feed

03

Provide financing solutions

04

Assist and empower farmers to improve yield of milch animal

05

Educate and create awareness to improve socio-economic status

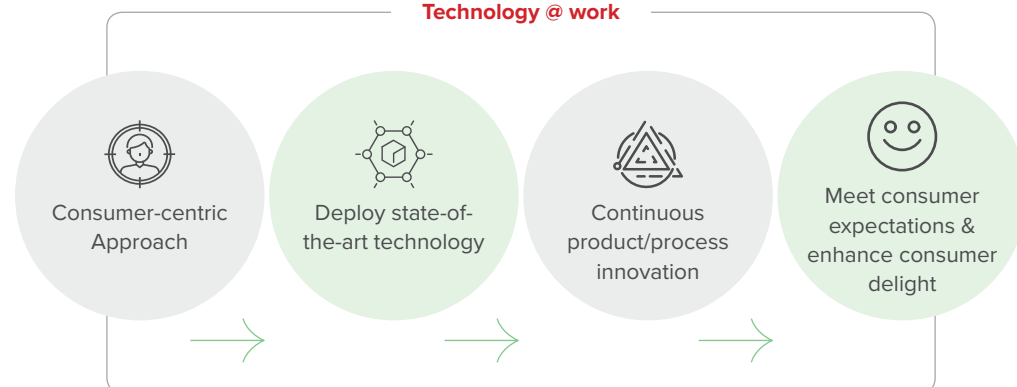


Technological advancements

We are constantly leveraging our technology-enabled network to improve our operational efficiency. Our aim is to optimize operations across the value chain and create value for the stakeholders using state-of-the-art-technology.

These technologies help in maintaining stringent quality control parameters and drive towards product innovation. We have also introduced Heritage TUCH app in Hyderabad so that consumer get hassle-free delivery.

Technology @ work



Diverse portfolio



With the support of our good manufacturing practices and strong research and development, we offer a range of products with best quality.

We also provide a variety of nutritional and value-added products to the millennial, such as flavoured milk, milk shakes, butter, ghee, curd, paneer, lassi, frozen desserts, and ice creams. Some of our products are geared toward millennials, GenY, and GenZ.

Penetrating into new spaces



We leverage our strong distribution network for entering new geographies and strengthen our brand building initiatives. We are also expanding village level milk collection infrastructure bulk coolers and chilling centres.

Research & development



To support our innovation pipeline, we continue to invest in cutting-edge research and development. We have high quality testing equipment in our R&D laboratory. Our strong R&D infrastructure help us in quality improvement of existing products and new product development.



Our Human Capital

We understand the value of having a team that is consumer-focused, performance-driven, and future-ready, all while ensuring their health and well-being. At Heritage Foods, we believe that one of the most important factors in creating long-term value for our organisation is our human capital.

Our Culture

At Heritage, we are constantly seeking to build a work culture that is based on integrity, dedication, and a determination to obtain excellence. We strive to foster a collaborative environment and a culture of shared ideas, expertise development,

and career advancement. We are guided by our vision of improving people's everyday lives because we believe that a company's value is determined by the quality of its employees.



Employee Learning and Development

Our HR initiatives are focused on enhancing, and developing our employees across all functions in order to achieve our strategic objectives. We

are committed for improving employees' technical and managerial abilities through ongoing training and development. Our employees participate in a variety of training programmes aimed at improving their skillsets, including quality control, safety awareness, induction, and overall maintenance.

We develop strong leadership talent pipelines and capability at all levels in a work environment that promotes high performance and employee engagement. We also ensure that everyone has an equal chance at advancement in their careers.

71

Skill and Leadership Development Programs Conducted

2,550

Participants

In Skill and Leadership Development Programs



Employee Engagement

We ensure that our leadership communicates with and engages the workforce on a regular basis. We promote open and regular communication

between managers and their teams, as well as conduct surveys. We provide a culture that enables our employees to speak up, raise concerns, and identify opportunities to improve the workplace.



Every year, we recognise, celebrate, and reward exceptional employee performance in order to inspire the entire workforce to achieve more. We encourage our employees by providing incentives and bonuses while also having a reward system in place. We also conduct employee appraisals on a regular basis in order to assess our employees' performance and help them grow.

Employee Wellbeing

As a people-oriented company, we place emphasis on our employees' and their families' health and well-being. We have

an approach to create lasting value by championing the possibilities offered by a longer life and help improve quality of life and wellbeing for our employees. We closely monitor and ensure the health and well-being of our employees. By promoting best practices in our workplace, we also focus on mental and emotional health and well-being.



Employee Talent Management

We focus on attracting new talent in order to develop a pool of highly skilled and motivated employees. We are constantly striving to enhance our human

capital pool by cultivating a culture that attracts and retains top talent by treating all employees with respect and consideration at all times. We are striving to strengthen our talent capabilities, fortify our connections with current and potential employees, and implement new talent management policies that are aligned with global best practices.



Robust supply chain network

We have a robust supply chain management system in place that helps us to optimize our supply chain through customised process and systems. Integrating technology and innovation at various steps of our supply chain we deliver quality products to our consumers.

Heritage Parlours

Exclusive franchise-based stores selling the whole Heritage product line, including Heritage milk, milk products, ice cream/ frozen dessert, and other Heritage products. Heritage Parlours play an important role in ensuring that Heritage products are available to consumers at their doorstep, with a well-established network in Hyderabad, Visakhapatnam, Rajamahendravaram, Vijayawada, Tirupati, and Chennai.

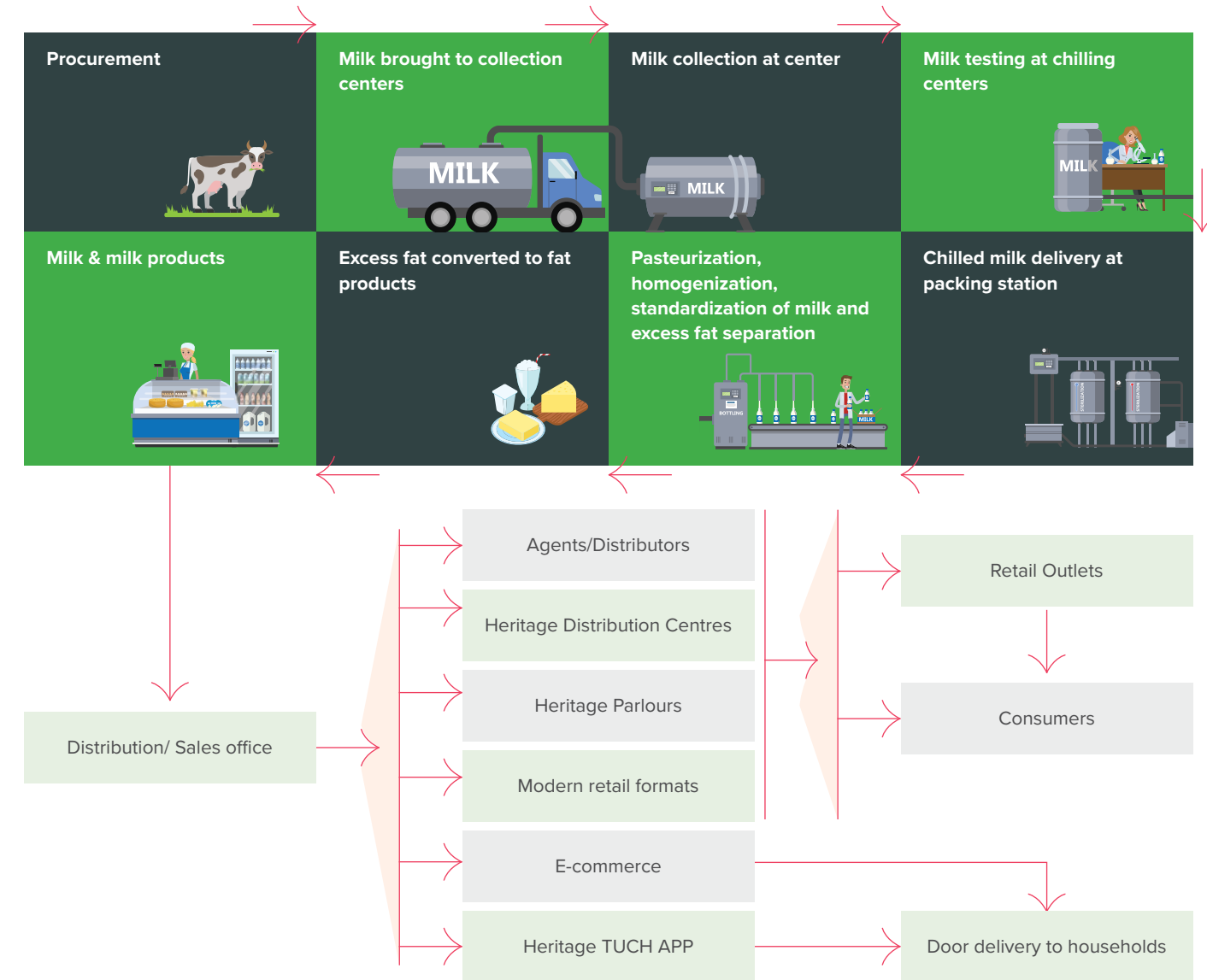


Heritage Distribution Centre

The Heritage Distribution Centre (HDC) is Heritage Foods Ltd.'s marketing arm, offering the whole Heritage product line, including Heritage Milk, milk products, ice cream, etc. and private label items, as well as anything provided or approved by Heritage Foods.



Our supply chain



Heritage distribution network strength

Retail trade

0.13 Mn
Kirana stores

23
Organized retail chains /MRFs

15
E-commerce websites

Heritage owned network

65
Heritage Distribution Centres

859
Exclusive Heritage Parlours

1,105
Heritage TUCH App subscribers

Improving consumer proximity

We as a company stand for health and happiness. Alongside of launching new, innovative and delicious products that have an array of health benefits, we are also working towards improving our time to market and providing superior consumer experience.



In the era of increased consumption of internet and digital platforms, we are also embracing these disruptive technologies to ensure convenience and better experience for our customers. We have launched our own app – **Heritage TUCH** – with the endeavour to provide safe and hassle-free home delivery of our products to our customers in Hyderabad. The app is one-click solution for fulfilling all the dairy product needs of our customers which is delivered at their doorstep.

1.2 Lakhs+
Downloads

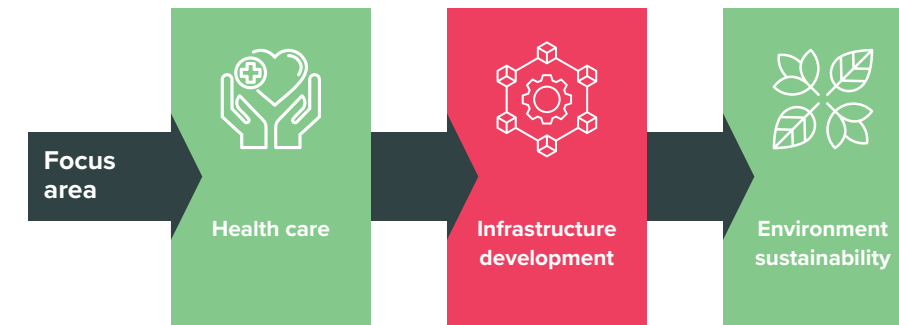
0.10 Lakhs+
Consumers served

Scan the QR code to download the app



Community building

We are committed towards the sustainable development concept and believe in conservation of environment as well as the entire ecosystem around it. CSR is an important part of Heritage’s business procedures and activities.



₹ 29.35 Mn
CSR Expenditure

Heritage Farmers Welfare Activities

Through our Heritage Farmers Welfare Activities (HFVA), we work for the welfare of the dairy farmers. Over the year we have collaborated with various farmers to enhance dairy productivity and the quality of life of dairy farmers. We have been implementing various farmer empowerment initiatives through out the year to constantly support and develop our rural society.

We create value for the farmers



Heritage VET+ is a one-stop solution for milch animal management that focuses on providing remote primary veterinary care and best practices in dairy management to share knowledge with and empower dairy farmers.



67,989
Cattle treated

21,452 Numbers of Farmer benefited
1,071 Number of Cattle health camps



Board of Directors



Mr. N Srivishnu Raju
Non-Executive Independent Director
 DIN: 00025063



Mr. Raju holds a Bachelor's degree in Chemical Engineering from Osmania University. He is also Alumnus of the Harvard Business School and has completed the OPM programme. He is the Founder Chairman and Chief Executive Officer of EXCIGA Group. A director in several public and private companies, he has served in several positions including the Founder and President of Entrepreneurs Organization, Hyderabad, President of CII's (Confederation of Indian Industry) Young Indians, Hyderabad Chapter and a Member on the State Council of CII.

Mr. Ahuja is a graduate in Production Engineering from Pune University Engineering College. He has completed Owner President Management Programme at Harvard University, USA. He started Silver Line Wire Products in 1993 as a manufacturer of plastic-coated wire products for household applications. He is also on the board of several other companies.

Mr. Rajesh Thakur Ahuja
Non-Executive Independent Director
 DIN: 00371406



Mrs. Aparna Surabhi
Non-Executive Independent Woman Director
 DIN: 01641633



Mrs. Surabhi holds a Bachelor's degree in both commerce and law from Bombay University and is a Member of the Institute of Chartered Accountants of India (ICAI) since 1991. She has more than thirty years of experience in handling various kinds of audit and has been a consultant for many start-up businesses.

Mr. Kumar is a Fellow Member of Institute of Chartered Accountants of India (ICAI), Institute of Cost and Management Accountants of India (ICMA) and Institute of Company Secretaries of India (ICSI) with experience of more than 30 years. Presently, he is Chief Financial Officer (CFO) of M/s. Sify Technologies Limited a Nasdaq Listed Company. He is an Independent Director on the Board of Thejo Engineering Limited and Life Insurance Corporation of India. Apart from the above he is also Director in other Private Limited Companies and associated with the ICAI Institute, SEBI, MCA and NEFRA and having good exposure for IFRS.

Mr. M P Vijay Kumar
Non-Executive Independent Director
 DIN: 05170323



Dr. V. Nagaraja Naidu
Non-Executive Director
 DIN: 00003730



Dr. Naidu is a postgraduate in Commerce and Doctorate in Financial Management. He started his career from Administrative Staff College of India, Hyderabad in 1972 held various positions in reputed Universities viz., Professor, Dean Director etc., and taught in the fields of Finance and Business Economics at Post graduate and Doctorate levels. He had been the Registrar (Administrative head) of the Dr. B R Ambedkar Open University for about 10 years. Dr. Naidu was Whole-time Director/ Managing Director of the Company during 1995 to 2007 and is well-versed with Dairy business.

Mrs. Bhuvaneswari holds a Bachelor's degree in Arts and is a director of several companies. She is a dynamic leader and has extensive experience in the business. She has been successfully steering Heritage Foods towards growth and prosperity. She joined the Company in 1994 as a Whole-time Director and is now serving as the Vice-Chairperson and Managing Director. She provides guidance and monitors the overall workflow of the organization.

Mrs. N. Bhuvaneswari
Vice-Chairperson & Managing Director
 DIN: 00003741



Mrs. N. Brahmani
Executive Director
 DIN: 02338940

Mrs. Brahmani holds a Master's degree in Business Administration from Stanford University and a Bachelor's degree in Electrical Engineering from Santa Clara University, California, USA. She is a graduate in Communication Engineering from Chaitanya Bharathi Institute of Technology, Hyderabad, India. She has worked as an Investment Associate in Vertex Venture Management Private Limited during 2009-11 in Singapore. She joined Heritage Foods in 2011 as Vice President Business Development and since 2013 onwards she is serving as the Executive Director. She heads the crucial business functions such as design, development and implementation of strategic plans of the organization in a cost-effective and timely manner.

Board Committees **C** Chairman **M** Member

● Nomination & Remuneration Committee	● Audit Committee
● Stakeholders Relationship Committee	● Management Committee
● Risk Management Committee	● CSR Committee

Awards & Accolades

CII National Energy Conservation Awards for FY 20-21



CII National Award in Food Safety for the Year 2021



1st Prize won by B.Kothakota Plant, Kothakota (M), Chittoor Dist-517370, Andhra Pradesh, India

Certificate of Appreciation from Ministry of Finance



The central Board of Indirect Taxes and Customs conveyed its appreciation to the Company for prompt filing of returns and payments of Goods and Services Tax (GST) as on 31st March, 2021 in the six states viz. Telangana, Maharashtra, Karnataka, Punjab, Haryana, and Rajasthan.

Corporate information

Board of Directors

Mr. N Srivishnu Raju (DIN: 00025063)
Non-Executive Independent Director

Mr. Rajesh Thakur Ahuja (DIN: 00371406)
Non-Executive Independent Director

Mrs. Aparna Surabhi (DIN: 01641633)
Non-Executive Independent Women Director

Mr. M P Vijay Kumar (DIN: 05170323)
Non-Executive Independent Director
(w.e.f. 01.11.2021)

Dr. V Nagaraja Naidu (DIN: 00003730)
Non-Executive Director

Mrs. N Bhuvanewari (DIN: 00003741)
Vice Chairperson & Managing Director*

Mrs. N Brahmani (DIN: 02338940)
Executive Director*

Senior Management

Dr. M Sambasiva Rao
President*

Mr. Srideep Madhavan Nair Kesavan
Chief Executive Officer*
(w.e.f. 28.07.2021)

Mr. J Samba Murthy
Chief Operating Officer

CA A Prabhakara Naidu
(M.No:FCA 200974)
Chief Financial Officer*

CS Umakanta Barik
(M.No:FCS-6317)
Company Secretary and Compliance Officer*

Board Committees

Audit Committee

Mrs. Aparna Surabhi, Chairperson
Dr. V Nagaraja Naidu
Mr. N. Sri Vishnu Raju
Mr. Rajesh Thakur Ahuja
Mr. M P Vijay Kumar (wef. 21.01.2022)

Nomination & Remuneration Committee

Mr. N Sri Vishnu Raju, Chairperson
Mr. Rajesh Thakur Ahuja
Mrs. Aparna Surabhi
Mr. M P Vijay Kumar (wef. 21.01.2022)

Stakeholders Relationship Committee

Dr. V Nagaraja Naidu, Chairperson
Mr. N Sri Vishnu Raju
Mrs. N Bhuvanewari
Mr. Rajesh Thakur Ahuja

Risk Management Committee

Mr. Rajesh Thakur Ahuja, Chairperson
Mrs. Aparna Surabhi
Mr. N Sri Vishnu Raju
Mrs. N Bhuvanewari

CSR Committee

Mr. Rajesh Thakur Ahuja, Chairperson
Mr. N Sri Vishnu Raju
Mrs. N Bhuvanewari

Management Committee

Mrs. Aparna Surabhi, Chairperson
Mr. N Sri Vishnu Raju
Mrs. N Bhuvanewari
Mr. M P Vijay Kumar (wef. 21.01.2022)

Registered Office

#6-3-541/C, Panjagutta,
Hyderabad - 500 082,
Telangana, India
Tel: +91-40-23391221/2, Fax: 23318090
CIN: L15209TG1992PLC014332
E-mail: hfl@heritagefoods.in
www.heritagefoods.in

Statutory Auditors

M/s. Walker Chandio & Co LLP
Chartered Accountants
(FRN: 001076N/N500013),
Unit No – 1, 10th Floor,
My Home Twitaz, APIIC,
Hyderabad Knowledge City,
Raidurg (Panmaktha) Village,
Serilingampally Mandal,
Ranga Reddy District,
Hyderabad – 500 081, Telangana

Secretarial Auditor

M/s. Savita Jyoti Associates
Practicing Company Secretary
#E-86, Sainikpuri
Hyderabad- 500094
Telangana, India

Internal Auditors

M/s. J V S L & Associates,
Chartered Accountants – Hyderabad
M/s. K S Rao & Co,
Chartered Accountants – Hyderabad
M/s. E Phalgun Kumar & Co,
Chartered Accountants – Tirupati
M/s. Ch Veerababu & Co,
Chartered Accountants – Guntur
M/s. D H. Rama Associates,
Chartered Accountants – Ananthapur
M/s. B V Rao & Co. LLP,
Chartered Accountants – Vizag
M/s. Rao & Shyam,
Chartered Accountants – Vizag
M/s. P Praveen & Associates
Chartered Accountants – Nellore
M/s. Khire Khandekar & Kirloskar,
Chartered Accountants – Sangli
M/s. M N S & Co,
Chartered Accountants – Bengaluru
M/s. R. Raghunathan,
Chartered Accountants – Salem
M/s. K. M. Mohandass & Co,
Chartered Accountants – Chennai
M/s. G M J & Co,
Chartered Accountants – Mumbai
M/s. Gupta Dua & Co,
Chartered Accountants – New Delhi

Bankers Consortium

Bank of Baroda
Union Bank of India
ICICI Bank Limited
Kotak Mahindra Bank Limited
HDFC Bank Limited

Listing

BSE Limited, Mumbai
National Stock Exchange of India Limited,
Mumbai

Registrar and Transfer Agents

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

Notice to Members

NOTICE is hereby given that the 30th Annual General Meeting (AGM) of the members of **HERITAGE FOODS LIMITED** will be held on **Friday, July 29, 2022 at 10:00 am (IST)** through Video Conferencing ("VC")/ Other Audio Visual Means ("OAVM") to transact the following business.

The venue of the meeting shall be deemed to be the Registered Office of the Company.

ORDINARY BUSINESS:

1. To receive, consider and adopt:

The Audited Standalone and Consolidated Financial Statements of the Company for the Financial Year ended March 31, 2022, the Reports of the Board of Directors and Auditors' thereon and in this regard, to consider and if thought fit, to pass, with or without modification(s), the following resolution as an Ordinary Resolution:

"RESOLVED THAT the Audited Standalone and Consolidated Financial Statements of the Company for the financial year ended March 31, 2022 and the reports of the Board of Directors and Auditors' thereon, as circulated to the members be and are hereby considered and adopted."

2. Declaration of Dividend:

To declare final dividend on equity shares at the rate of (50%) i.e. ₹ 2.50/- per equity share of face value of ₹ 5/- each for the Financial Year ended March 31, 2022 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 a final dividend at the rate of 50% i.e. ₹ 2.50/- per equity share of face value of ₹ 5/- each fully paid-up Equity Shares of the Company, as recommended by the Board of Directors be and is hereby approved for the financial year ended March 31, 2022."

3. Re-appointment of Director Retiring by Rotation

To appoint a Director in place of Dr. V Nagaraja Naidu (DIN:00003730), who retires by rotation and being eligible, 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 read with the Companies (Appointment and Qualification

of Directors) Rules, 2014 and other applicable provisions of the Companies Act, 2013, Dr. V Nagaraja Naidu (DIN: 00003730), 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."

4. To re-appoint the Statutory Auditors of the Company and fix their remuneration for a second and final term of five consecutive years.

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

"RESOLVED THAT pursuant to Section 139, 141, 142 and other applicable provisions, if any, of the Companies Act, 2013 ("Act") read with the Companies (Audit and Auditors) Rules, 2014 as amended from time to time, M/s. Walker Chandiook & Co. LLP, Chartered Accountants (FRN:001076N/N500013) be and is hereby re-appointed as the statutory auditor of the Company for a second and final term of 5 (five) consecutive years to hold office from the conclusion of 30th Annual General Meeting until the conclusion of the 35th Annual General Meeting of the Company to be held in the year 2027 at such remuneration as may be mutually agreed upon between the Board of Directors of the Company and the Statutory Auditors.

RESOLVED FURTHER THAT the Board of Directors of the Company be and are hereby authorized to do all such acts, deeds, matters and things as may be deemed proper, necessary, or expedient, including filing the requisite forms or submission of documents with any authority or accepting any modifications to the clauses as required by such authorities, for the purpose of giving effect to this resolution and for matters connected therewith, or incidental thereto."

By Order of the Board of Directors

UMAKANTA BARIK
Company Secretary &
Compliance Officer
M. No: FCS-6317
eCSIN: EF006317A000002335

Place : Hyderabad
Date : May 27, 2022

Notes

- In view of the ongoing Covid-19 pandemic, the Ministry of Corporate Affairs ("MCA") has vide its Circular No. 02/2022 dated May 5, 2022, read together with Circular No. 02/2021 dated January 13, 2021, Circular No. 20/2020 dated May 05, 2020, circulars No. 19/2021 dated December 08, 2021 and Circular No. 21/2021 dated December 14, 2021 (collectively referred to as "MCA Circulars") and SEBI Circular No. SEBI/HO/CFD/CMD2/CIR/P/2022/62 dated May 13, 2022, permitted to convene the Annual General Meeting ("AGM" / "Meeting") through Video Conferencing ("VC") / Other Audio Visual Means ("OAVM"), without the physical presence of the members at a common venue. In accordance with the MCA Circulars read with SEBI Circulars, provisions of the Companies Act, 2013 ('the Act') and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations"), the AGM of the Company is being held through VC / OAVM. The deemed venue for the AGM shall be the Registered Office of the Company at # 6-3-541/C, Panjagutta, Hyderabad-500082, Telangana, India.
- In compliance with the above MCA Circulars and SEBI Circular, Notice of the AGM along with the 30th Annual Report 2021-22 is being sent only through electronic mode to those Members whose email addresses are registered with the Company/ Depositories. Members may note that the Notice and 30th Annual Report 2021-22 will also be available on website of the Company (www.heritagefoods.in), websites of the stock exchanges, BSE Limited (www.bseindia.com), National Stock Exchange of India Limited (www.nseindia.com) and on the website of NSDL at www.evoting.nsdl.com
- The Statement, pursuant to Section 102 of the Companies Act, 2013, as amended ('Act') setting out material facts concerning the business with respect to Item No. 4 forms part of this Notice.
- GENERALLY, A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE ON A POLL INSTEAD OF HIMSELF / HERSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. SINCE, THIS AGM IS BEING HELD THROUGH VC / OAVM IN PURSUANT TO THE MCA CIRCULARS, PHYSICAL ATTENDANCE OF MEMBERS HAS BEEN DISPENSED WITH. ACCORDINGLY, THE FACILITY FOR APPOINTMENT OF PROXIES BY THE MEMBERS SHALL NOT BE AVAILABLE FOR THE AGM AND HENCE, THE PROXY FORM AND ATTENDANCE SLIP ARE NOT ANNEXED HERETO.
- Since, the AGM will be held through VC/ OAVM, the route map of the venue of the Meeting is not annexed hereto.
- In terms of the provisions of Section 152 of the Companies Act, 2013 and rules made thereunder, Dr. V Nagaraja Naidu (DIN:

00003730) Non-Executive Director of the Company is 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.

- Pursuant to Regulations 36(3) of SEBI Listing Obligation and Disclosure Requirements) Regulations, 2015, Section 160 of the Companies Act, 2013 and Secretarial Standards on General Meetings (SS- 2), details in respect of Director seeking appointment/reappointment of Directorship at 30th AGM of the Company to be held on Friday, July 29, 2022 is provided in Annexure-1 of this Notice.
- In compliance with the provisions of Section 108 of the Act read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended), Regulation 44 of SEBI Listing Regulations, SS-2 (Secretarial Standard on General Meeting) issued by the Institute of Company Secretaries of India ("ICSI") and the provisions of the MCA Circulars and SEBI Circular, and any amendments thereto, the Company is providing remote e-Voting facility to its Members in respect of the business to be transacted at the AGM and facility for those Members participating in the AGM to cast their vote through Remote e-Voting. For this purpose, the Company has entered into an agreement with National Securities Depository Limited (NSDL), Trade World - A Wing, Kamala Mills Compound, Lower Parel, Mumbai - 400013 for facilitating voting through electronic means, as the authorised agency. The facility of casting votes by a Member using remote e-Voting system as well as remote e-Voting during the AGM will be provided by NSDL. In terms of the MCA & SEBI Circulars, voting can be done only by Remote E-voting/E-voting. The Members are advised to use the E-voting procedure, as provided in the Notice.
- The Company has notified closure of Register of Members and Share Transfer Books from **Saturday, July 23, 2022 to Friday, July 29, 2022** (both days inclusive) for determining the names of member(s) eligible for dividend on Equity Shares, if declared at the Meeting:
 - The dividend on equity shares, if approved at the Meeting, shall be paid/credited in the respective bank account of the members of the company on **Thursday, August 4, 2022**. The dispatch of dividend warrants/demand drafts will be completed on same day.
- M/s. Walker Chandiook & Co LLP, Chartered Accountants (FRN 001076N/N500013) was appointed as Statutory Auditor of the Company at the 25th Annual General Meeting held on August 23, 2017 to hold office till the conclusion of 30th Annual General Meeting of the Company. As M/s. Walker Chandiook & Co LLP, Chartered Accountants are eligible for reappointment for a

second and final term of 5 Consecutive years. Accordingly, a resolution for their re-appointment is proposed to the members in Item no. 4 of this notice of 30th AGM.

11. Members may avail facility of nomination in terms of Section 72 of the Companies Act, 2013, by nominating any person to whom their shares in the Company shall vest in the event of their death.

DISPATCH OF ANNUAL REPORT THROUGH ELECTRONIC MODE:

12. As per the MCA Circulars and SEBI Circular the notice of the AGM along with the 30th Annual Report for the FY 2021-22 is being sent only through electronic mode to those Members whose email addresses are registered with the Company/ Depositories unless any member has requested for a physical copy of the same. Members may note that the Notice and 30th Annual Report for the FY 2021-22 will also be available on the Company's website i.e. www.heritagefoods.in, websites of the Stock Exchanges, i.e., BSE Limited and National Stock Exchange of India Limited at www.bseindia.com and www.nseindia.com respectively and on the website of NSDL at www.evoting.nsdl.com
13. For receiving all communication (including 30th Annual Report for FY 2021-22) from the Company electronically:
 - a) Members holding shares in physical mode and who have not registered/ updated their email address with the Company are requested to register / update the same by writing to the Company with details of folio number(s) and attaching a self-attested copy of PAN card at hfl@heritagefoods.in or to M/s KFin Technologies Limited (KFinTech) at einward.ris@kfintech.com.
 - b) Members holding shares in dematerialised mode are requested to register / update their email addresses with the relevant Depository Participant (DP).

INSTRUCTIONS FOR E-VOTING AND JOINING THE AGM ARE AS FOLLOWS:

14. PROCEDURE FOR VOTING THROUGH ELECTRONIC MEANS:

- i. Pursuant to the provisions of Section 108 of the Act read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended), Regulation 44 of the SEBI Listing Regulations and in terms of SEBI circular no. SEBI/HO/CFD/CMD/CIR/P/2020/242 dated December 9, 2020 in relation to e-Voting facility provided by listed entities, the Company is providing facility of remote e-Voting to its Members in respect of the business to be transacted at the AGM. For this purpose, the Company has entered into an agreement with NSDL for facilitating voting through electronic means, as the authorised agency. The facility of casting votes by a Member using remote e-Voting system as well as e-Voting during the AGM will be provided by NSDL.

- ii. Members of the Company holding shares either in physical form or in electronic form as on the cut-off date of **Friday, July 22, 2022** may cast their vote by remote e-Voting. A person who is not a Member as on the cut-off date should treat this Notice for information purpose only. A person whose name is recorded in the Register of Members or in the Register of Beneficial Owners maintained by the depositories as on the cut-off date only shall be entitled to avail the facility of remote e-Voting before the AGM as well as e-Voting during the AGM.

Any member(s) holding shares in physical form or non-individual member who acquires shares of the Company and becomes a member of the Company after dispatch of the Notice and holding shares as on the cut-off date i.e. **Friday, July 22, 2022**, may obtain the User ID and Password by sending a request at evoting@nsdl.co.in However, if a person is already registered with NSDL for remote e-Voting then the Members can use their existing User ID and password for casting the vote.

In case of Individual Shareholder holding securities in dematerialized mode and who acquires shares of the Company and becomes a Member of the Company after dispatch of the Notice and holds shares in demat mode as on the cut-off date may follow the steps mentioned under **'Login method for e-Voting and joining virtual meeting for individual shareholders holding securities in demat mode.'**

- iii. The remote e-Voting period commences on **Tuesday, July 26, 2022 at 9.00 a.m. (IST) and ends on Thursday, July 28, 2022 at 5.00 p.m. (IST)**. The remote e-Voting module shall be disabled by NSDL for voting thereafter. Once the vote on a resolution is cast by the Member, the Member shall not be allowed to change it subsequently. The voting rights of the Members shall be in proportion to their share of the paid-up equity Share Capital of the Company as on the cut-off date i.e. **Friday, July 22, 2022**.
- iv. Members will be provided with the facility for voting through electronic voting system during the VC/OAVM proceedings at the AGM and Members participating at the AGM, who have not cast their vote on the resolution(s) by remote e-Voting, will be eligible to exercise their right to vote on such resolution(s) upon announcement by the Chairperson. Members who have cast their vote on resolution(s) by remote e-Voting prior to the AGM will also be eligible to participate at the AGM through VC/OAVM but shall not be entitled to cast their vote on such resolution(s) again. Members who have voted on some of the resolutions during the said voting period are also eligible to vote on the remaining resolutions during the AGM. The e-Voting module on the day of the AGM shall be disabled by NSDL for voting 15 minutes after the conclusion of the Meeting.

15. INSTRUCTIONS FOR MEMBERS FOR ATTENDING THE AGM THROUGH VC/OAVM AND REMOTE E-VOTING (BEFORE AND DURING THE AGM) ARE AS UNDER:

- i. Members will be able to attend the AGM through VC/OAVM or view the live webcast of AGM provided by NSDL at <https://www.evoting.nsdl.com> by following the steps mentioned under 'Access NSDL e-Voting system'. After successful login, Member(s) can click on link of 'VC/OAVM' placed under 'Join General Meeting' menu against Company name. The link for VC/OAVM will be available in Shareholder/Member login where the EVEN of the Company will be displayed. Members who do not have the User ID and Password for e-Voting or have forgotten the User ID/Password may retrieve the same by following the process as mentioned in paragraph titled "The instructions for remote e-Voting before/during the AGM" in the Notice to avoid last minute rush.
- ii. Members who would like to express their views or ask questions during the AGM may register themselves as a speaker by sending their request from their registered email address mentioning their name, DP ID and Client ID/Folio number, PAN, mobile number at hfl@heritagefoods.in between July 25, 2022 (9:00 a.m. IST) to July 27, 2022 (5:00 p.m. IST). The Company reserves the right to restrict the number of questions and speakers depending on the availability of time for the AGM. Further, the sequence in which the shareholders will be called upon to speak will be solely determined by the Company.
- iii. Members who need assistance before or during the AGM, can contact NSDL on evoting@nsdl.co.in/1800 1020 990/1800 224 430.

16. THE INSTRUCTIONS FOR REMOTE E-VOTING BEFORE/DURING THE AGM

The details of the process and manner for remote e-Voting are explained herein below:

Step 1: Access NSDL e-Voting system

Step 2: Cast your vote electronically and join General Meeting on NSDL e-Voting system.





Details on Step 1 are mentioned below:

A. Login method for e-Voting and joining virtual meeting for individual shareholders holding securities in demat mode

In pursuance of SEBI circular no. SEBI/HO/CFD/CMD/CIR/P/2020/242 dated December 9, 2020, e-Voting facility is being provided to all the demat account holders, by way of single login credential, through their demat accounts/websites of Depositories/Depository Participants.

Shareholders are advised to update their mobile number and e-mail-id in their demat accounts in order to access e-Voting facility.

Type of shareholders	Login Method
Individual Shareholders holding securities in demat mode with NSDL.	<p>A. NSDL IDeAS facility</p> <p>If you are already registered, follow the below steps:</p> <ol style="list-style-type: none"> 1. Visit the e-Services website of NSDL. Open web browser by typing the following URL: https://eservices.nsdl.com/ either on a personal computer or on a mobile. 2. Once the home page of e-Services is launched, click on the 'Beneficial Owner' icon under 'Login' which is available under 'IDeAS' section. 3. A new screen will open. You will need to enter your User ID and Password. After successful authentication, you will be able to see e-voting services under Value Added Services section. 4. Click on 'Access to e-voting' appearing on the left-hand side under e-voting services and you will be able to see e-voting page. 5. Click on options available against Company name or e-voting service provider – NSDL and you will be re-directed to NSDL e-voting website for casting your vote during the remote e-voting period or joining virtual meeting & e-voting during the meeting. <p>If you are not registered, follow the below steps:</p> <ol style="list-style-type: none"> a. Option to register is available at https://eservices.nsdl.com b. Select 'Register Online for IDeAS' Portal or click at https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp c. Please follow steps given in points 1-5

Type of shareholders	Login Method
	<p>B. e-voting website of NSDL</p> <ol style="list-style-type: none"> Open web browser by typing the following URL: https://www.evoting.nsdl.com/ either on a personal computer or on a mobile phone. Once the home page of e-voting system is launched, click on the icon 'Login' which is available under 'Shareholder/Member' section. A new screen will open. You will need to enter your User ID (i.e. your sixteen digit demat account number held with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL website wherein you can see e-voting page. Click on options available against Company name or e-voting service provider - NSDL and you will be redirected to e-voting website of NSDL for casting your vote during the remote e-voting period or joining virtual meeting & e-voting during the meeting. <p>C. Shareholders/Members can also download NSDL Mobile App 'NSDL Speede' facility by scanning the QR code mentioned below for seamless voting experience.</p>
Individual Shareholders holding securities in demat mode with CDSL	<ol style="list-style-type: none"> Existing users who have opted for Easi/Easiest, they can login through their user id and password. Option will be made available to reach e-Voting page without any further authentication. The URL for users to login to Easi/Easiest are https://web.cdslindia.com/myeasi/home/login or www.cdslindia.com and click on New System Myeasi. After successful login of Easi/Easiest the user will be also able to see the E Voting Menu. The Menu will have links of e-Voting service provider i.e. NSDL. Click on NSDL to cast your vote. If the user is not registered for Easi/Easiest, option to register is available at https://web.cdslindia.com/myeasi/Registration/EasiRegistration Alternatively, the user can directly access e-Voting page by providing demat Account Number and PAN No. from a link in www.cdslindia.com home page. The system will authenticate the user by sending OTP on registered Mobile & e-mail as recorded in the demat Account. After successful authentication, user will be provided links for the respective ESP i.e. NSDL where the e-Voting is in progress.
Individual Shareholders (holding securities in demat mode) login through their depository participants	<ol style="list-style-type: none"> You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. upon logging in, you will be able to see e-Voting option. Click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on company name or e-Voting service provider i.e. NSDL and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting and e-voting during the meeting. <p style="text-align: center;">NSDL Mobile App is available on</p> <p style="text-align: center;">   </p> <div style="display: flex; justify-content: space-around;">   </div>

Important note: Members who are unable to retrieve User ID/Password are advised to use Forget User ID and Forget Password option available at respective website.

Helpdesk for individual shareholders holding securities in demat mode for any technical issues related to login through Depositories i.e. NSDL and CDSL.

Login type	Helpdesk details
Individual Shareholders holding securities in demat mode with NSDL	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at evoting@nsdl.co.in or call at toll free no.: 1800 1020 990 and 1800 22 44 30
Individual Shareholders holding securities in demat mode with CDSL	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at helpdesk.evoting@cdslindia.com or contact at 022-23058738 or 022-23058542-43

B. Login Method for e-Voting and joining virtual meeting for shareholders other than individual shareholders holding securities in demat mode and shareholders holding securities in physical mode

How to Log-in to NSDL e-Voting website?

- Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <https://www.evoting.nsdl.com/> either on a Personal Computer or on a mobile.
 - Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section.
 - A new screen will open. You will have to enter your User ID, your Password/OTP and a Verification Code as shown on the screen.
- Alternatively, if you are registered for NSDL eservices i.e. IDEAS, you can log-in at <https://eservices.nsdl.com/> with your existing IDEAS login. Once you log-in to NSDL eservices after using your log-in credentials, click on e-Voting and you can proceed to Step 2 i.e. Cast your vote electronically.

4. Your User ID details are given below :

Manner of holding shares i.e. Demat (NSDL or CDSL) or Physical	Your User ID is:
a) For Members who hold shares in demat account with NSDL.	8 Character DP ID followed by 8 Digit Client ID For example if your DP ID is IN300*** and Client ID is 12***** then your user ID is IN300***12*****.
b) For Members who hold shares in demat account with CDSL.	16 Digit Beneficiary ID For example if your Beneficiary ID is 12***** then your user ID is 12*****.
c) For Members holding shares in Physical Form.	EVEN Number followed by Folio Number registered with the company For example if folio number is 001*** and EVEN is 101456 then user ID is 101456001***

5. Password details for shareholders other than Individual shareholders are given below:
 - If you are already registered for e-Voting, then you can use your existing password to login and cast your vote.
 - If you are using NSDL e-Voting system for the first time, you will need to retrieve the 'initial password' which was communicated to you. Once you retrieve your 'initial password', you need to enter the 'initial password' and the system will force you to change your password.
 - How to retrieve your 'initial password'?
 - If your email ID is registered in your demat account or with the company, your 'initial password' is communicated to you on your email ID. Trace the email sent to you from NSDL from your mailbox. Open the email and open the attachment i.e. a .pdf file. Open the .pdf file. The password to open the .pdf file is your 8 digit client ID for NSDL account, last 8 digits of client ID for CDSL account or folio number for shares held in physical form. The .pdf file contains your 'User ID' and your 'initial password'.
 - If your email ID is not registered, please follow steps mentioned below in **process for those shareholders whose email ids are not registered.**
6. If you are unable to retrieve or have not received the "Initial password" or have forgotten your password:
 - Click on "**Forgot User Details/Password?**" (If you are holding shares in your demat account with NSDL or CDSL) option available on www.evoting.nsdl.com.
 - Physical User Reset Password?** (If you are holding shares in physical mode) option available on www.evoting.nsdl.com.
 - If you are still unable to get the password by aforesaid two options, you can send a request at evoting@nsdl.co.in mentioning your demat account number/folio number, your PAN, your name and your registered address etc.
 - Members can also use the OTP (One Time Password) based login for casting the votes on the e-Voting system of NSDL.
7. After entering your password, tick on Agree to "Terms and Conditions" by selecting on the check box.
8. Now, you will have to click on "Login" button.
9. After you click on the "Login" button, Home page of e-Voting will open.

Details on Step 2 are mentioned below:
A. How to cast your vote electronically on NSDL e-Voting system and join General Meeting on NSDL e-Voting system?

- After successful login at Step 1, you will be able to see all the companies "EVEN" in which you are holding shares and whose voting cycle and General Meeting is in active status.
- Select "EVEN" of company for which you wish to cast your vote during the remote e-Voting period and casting your vote during the General Meeting. For joining virtual meeting, you need to click on "VC/OAVM" link placed under "Join General Meeting".
- Now you are ready for e-Voting as the Voting page opens.
- Cast your vote by selecting appropriate options i.e. assent or dissent, verify/modify the number of shares for which you wish to cast your vote and click on "Submit" and also "Confirm" when prompted.
- Upon confirmation, the message "Vote cast successfully" will be displayed.
- You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.
- Once you confirm your vote on the resolution, you will not be allowed to modify your vote.

B. The instructions for e-Voting during the AGM are as under:

- The procedure for remote e-Voting during the AGM is same as the instructions mentioned above for remote e-Voting since the Meeting is being held through VC/OAVM.
- Only those Members/Shareholders, who will be present in the AGM through VC/OAVM facility and have not cast their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote on such resolution(s) through e-Voting system at the AGM.

C. General Guidelines for Shareholders:

- Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/Authority letter etc. with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer by e-mail to savitajyotiassociates05@gmail.com with a copy marked to evoting@nsdl.co.in.
- It is strongly recommended not to share your password with any other person and take utmost care to keep

your password confidential. Login to the e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the "Forgot User Details/Password?" or "Physical User Reset Password?" option available on www.evoting.nsdl.com to reset the password.

- In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available at the download section of www.evoting.nsdl.com or call on toll free no.: 1800 1020 990 and 1800 22 44 30 or send a request to evoting@nsdl.co.in.

D. Other Instructions:

- The Board of Directors has appointed Mrs. Savita Jyoti, Partner, M/s. Savita Jyoti Associates, Practicing Company Secretary (CP No: 1796, M.No.3738) as the Scrutinizer to scrutinise the remote e-Voting process as well as e-voting during the AGM in a fair and transparent manner.

The Scrutinizer shall immediately after the conclusion of voting at the AGM, unblock the votes cast through remote e-Voting (votes cast during the AGM and votes cast prior to the AGM) and make consolidated Scrutiniser's Report and submit the same to the Chairperson.

The result of e-voting will be declared within forty-eight hours of the conclusion of the Meeting and the same, along with the consolidated Scrutiniser's Report, will be placed on the website of the Company: www.heritagefoods.in and on the website of NSDL www.evoting.nsdl.com immediately. The result will simultaneously be communicated to the stock exchanges where the shares of the company are listed.

17. PROCEDURE FOR INSPECTION OF DOCUMENTS:

The Register of Directors and Key Managerial Personnel and their shareholding maintained under Section 170 of the Companies Act, 2013 read with Companies (Appointment and Qualification of Directors) Rules, 2014 the Register of Contracts or Arrangements in which the directors are interested, maintained under Section 189 of the Act, and the relevant documents referred to in the Notice will be available electronically for inspection by the members.

All documents referred to in the Notice will also be available electronically for inspection without any fee by the members from the date of circulation of this Notice up to the date of AGM.

18. DIVIDEND RELATED INFORMATION

- The Board of Directors recommended a final dividend on equity shares at the rate of 50% i.e. ₹ 2.50/- per Equity

Share of face value of ₹ 5/- each for the Financial Year ended on March 31, 2022, subject to approval of the Members at the AGM, the dividend will be paid on Thursday, August 04, 2022, to the Members whose names appear on the Company's Register of Members as on the Record Date and in respect of the shares held in dematerialised mode, to the Members whose names are furnished by National Securities Depository Limited and Central Depository Services (India) Limited as beneficial owners as on that date. The dispatch of dividend warrants/demand drafts will be completed on same day.

- The Company has notified closure of Register of Members and Share Transfer Books from **Saturday, July 23, 2022 to Friday, July 29, 2022** (both days inclusive) for determining the names of member(s) eligible for dividend on Equity Shares, if declared at the Meeting.
- As per relevant Circulars, payment of dividend shall be made through electronic mode to the members who have updated their bank account details. Dividend warrants / demand drafts will be dispatched to the registered address of the members who have not updated their bank account details. To avoid delay in receiving dividend, members are requested to update their bank account details with their Depository Participants in case securities are held in demat mode and members holding securities in physical form should send a request for updating their bank details to the Company's Registrar & Share Transfer Agents.
- Payment of Dividend shall be subject to deduction of tax at source (TDS) at applicable rates as notified by the Government of India.
- Members are requested to notify immediately any change of address and other relevant correspondence including NECS/ECS/NEFT/RTGS details and submission of Permanent Account Number (PAN):
 - to their Depository Participants (DPs) in respect of their electronic share accounts; and
 - to the Company at its registered office or the Registrar & Transfer Agent, M/s KFin Technologies Limited (Selenium Tower B, Plot 31-32, Gachibowli, Financial District, Nanakramguda, Hyderabad-500032) in respect of their physical shares, if any, quoting their folio number, Banker's name and account number to ensure prompt and safe receipt of dividend warrants
- Manner of registering mandate for receiving Dividend:
 - with their Depository Participant(s) with whom they maintain their demat accounts if shares are held in dematerialised mode by submitting the requisite documents, and
 - with the Company / KFinTech by clicking on <https://ris.kfintech.com/form15> or by emailing at hfl@heritagefoods.in or ris@kfintech.com, if shares are held in physical mode, by submitting scanned copy of the (i) signed request letter which shall contain member's name, folio number, bank details (Bank account number, Bank and Branch Name and address, IFSC, MICR details), (ii) self-attested copy of the PAN card and (iii) cancelled cheque leaf. In case shares are held in dematerialised mode, details in a form prescribed by your Depository Participant may also be required to be furnished.
- Pursuant to the amendments introduced by the Finance Act, 2020 the Company will be required to withhold taxes at the prescribed rates on the dividend paid to its members w.e.f. April 01, 2020. No tax will be deducted on payment of dividend to the resident individual members if the total dividend paid does not exceed ₹ 5,000/-. The withholding tax rate would vary depending on the residential status of the member and documents registered with the Company as follows

A. RESIDENT MEMBERS:
A.1 Tax Deductible at Source for Resident Members

Sl No	Particulars	Withholding tax rate	Documents required (if any)
1	Valid PAN updated in the Company's Register of Members	10%	No document required (if no exemption is sought)
2	No PAN/Valid PAN not updated in the Company's Register of Members	20%	No document required (if no exemption is sought)
3	Availability of lower/nil tax deduction certificate issued by Income Tax Department u/s 197 of Income Tax Act, 1961	Rate specified in the certificate	Lower tax deduction certificate obtained from Income Tax Authority

A.2 No Tax Deductible at Source on dividend payment to resident members if the Members submit and register following documents as mentioned below table with the Company / Kfintech

Sl No	Particulars	Withholding tax rate	Documents required (if any)
1	Submission of form 15G/15H	Nil	Declaration in Form No. 15G (applicable to any person other than a company or a firm) / Form 15H (applicable to an Individual who is 60 years and above), fulfilling certain conditions
2	Members to whom section 194 of the Income Tax, 1961 does not apply such as LIC, GIC, etc.	Nil	Documentary evidence that the said provisions are not applicable
3	Member covered u/s 196 of Income Tax Act, 1961 such as Government, RBI, corporations established by Central Act & mutual funds	Nil	Documentary evidence for coverage u/s 196 of Income Tax Act, 1961
4	Category I and II Alternative investment Fund	Nil	SEBI registration certificate to claim benefit under section 197A(1F) of Income Tax Act, 1961
5	<ul style="list-style-type: none"> • Recognised provident funds • Approved superannuation fund • Approved gratuity fund 	Nil	Necessary documentary evidence as per Circular No. 18/2017 issued by Central Board of Direct Taxes (CBDT)
6	National Pension Scheme	Nil	No TDS as per section 197A (1E) of Income Tax Act, 1961

B. NON-RESIDENT MEMBERS:

Withholding tax on dividend payment to non-resident members if the non-resident members submit and register following document as mentioned in the below table with the Company / RTA.

Sl No	Particulars	Withholding tax rate	Documents required (if any)
1	Foreign Institutional Investors (FIIs) / Foreign Portfolio Investors (FPIs)	20% (plus applicable surcharge and cess)	FPI registration number / certificate
2	Other Non-resident members	20% (plus applicable surcharge and cess) or tax treaty rate whichever is beneficial	To avail beneficial rate of tax treaty following tax documents would be required: <ol style="list-style-type: none"> i. Tax Residency certificate issued by revenue authority of country of residence of member for the year in which dividend is received ii. PAN iii. Form 10F filled & duly signed iv. Self-declaration for non-existence of permanent establishment/ fixed base in India (Note: Application of beneficial Tax Treaty Rate shall depend upon the completeness of the documents submitted by the Non- Resident member and review to the satisfaction of the Company)
3	Indian Branch of a Foreign Bank	NIL	Lower tax deduction certificate u/s 195(3) obtained from Income Tax Authority Self-declaration confirming that the income is received on its own account and not on behalf of the Foreign Bank
4	Availability of Lower/NIL tax deduction certificate issued by Income Tax Department u/s 197 of Income Tax Act, 1961	Rate specified in certificate	Lower tax deduction certificate obtained from Income Tax Authority

Notes:

- i. The Company will issue soft copy of the TDS certificate to its members through email registered with the Company / Kfintech post payment of the dividend. Members will be able to download the TDS certificate from the Income Tax Department's website <https://incometaxindiaefiling.gov.in> (refer to Form 26AS).
- ii. The aforesaid documents such as Form 15G/ 15H, documents under section 196, 197A, FPI Registration Certificate, Tax Residency Certificate, Lower Tax certificate etc. can be uploaded on the link <https://ris.kfintech.com/form15/> on or before July 20, 2022 to enable the Company to determine the appropriate TDS / withholding tax rate applicable. Any communication on the tax determination/deduction received post July 20, 2022 shall not be considered.
- iii. Application of TDS rate is subject to necessary verification by the Company of the member details as available in Register of Members as on the Record Date and other documents available with the Company / RTA.
- iv. In case TDS is deducted at a higher rate, an option is still available with the member to file the return of income and claim an appropriate refund.
- v. In the event of any income tax demand (including interest, penalty, etc.) arising from any misrepresentation, inaccuracy or omission of information provided by the Member(s), such Member(s) will be responsible to indemnify the Company and also provide the Company with all information/documents and co-operation in any appellate proceedings.
- vi. This Communication is not exhaustive and does not purport to be a complete analysis or listing of all potential tax consequences in the matter of dividend payment. Members should consult their tax advisors for requisite action to be taken by them.

19. IEPF RELATED INFORMATION:

Pursuant to the provisions of Investor Education and Protection Fund (Uploading of information regarding unpaid and unclaimed amounts lying with companies) Rules as amended from time to time, the Company has uploaded the details of unclaimed/ unpaid amounts lying with the Company as on October 21, 2021 (date of Declaration of 1st Interim Dividend) on the website of the Company (www.heritagefoods.in), the information in respect of such unclaimed/ unpaid dividend and the last date for claiming the same are given below:

Financial year ended	Date of Declaration of Dividend	Last date for claiming unpaid Dividend	Unclaimed/Unpaid Dividend as on March 31, 2022	
			Amount outstanding (₹ in Rupees)	No of Shares
2014-15	24-09-2015	29-10-2022	2199882.00	733294
2015-16	19-08-2016	24-09-2023	1721013.00	573671
2016-17	23-08-2017	27-09-2024	2895932.00	723983
2017-18	30-08-2018	04-10-2025	1491520.00	745760
2018-19	30-08-2019	04-10-2026	1457828.00	728914
2019-20	28-08-2020	03-10-2027	1694148.50	524671
2020-21	30-07-2021	03-09-2028	2624739.00	604538
2021-22	21-10-2021 (1 st Interim Dividend)	25-11-2028	1364854.50	644555

Pursuant to Section 124(5) of the Companies Act, 2013 read with the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 as amended from time to time the unclaimed/unpaid dividend amount of ₹ 22,30,704/- (Twenty Two Lakhs Thirty Thousand Seven Hundred and Four Only) for the year 2013-14 was transferred to the Investor Education and Protection Fund during the financial year 2021-22.

Pursuant to the provisions of Section 124 and 125 of the Companies Act, 2013 and the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 as amended from time to time, all shares on which dividend has not been claimed/ paid for seven consecutive years or more shall be transferred to IEPF Authority.

In compliance with the provisions of Section 124 of the Companies Act, 2013, the Company has transferred 24,234 equity shares belongs to 42 members of the company to Investor Education and Protection fund Authority (IEPF) on November 29, 2021 of those members who have not claimed the dividends for a continuous period of 7 years.

Pursuant to Section 124(5) of the Companies Act, 2013 [Section 205C (2) of the Companies Act, 1956] read with the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 as amended from time to time the unclaimed/unpaid dividend and the shares thereof pertaining for the financial year 2014-15 shall be transferred to the Investor Education and Protection Fund during the financial year 2022-23. The members who have not claimed their dividend are requested to claim it as the earliest possible.

Details of shares so far transferred to the IEPF Authority are available on the website of the Company and the same can be accessed through the link: <https://www.heritagefoods.in/iepf>.

The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit their PAN to the Depository Participants with whom they maintain their demat accounts. Members holding shares in physical form should submit their PAN to the Registrar/ Company.

In terms of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations"), securities of listed companies can only be transferred in dematerialised form with effect from April 1, 2019, except in case of transmission or transposition of securities. In view of the above, Members are advised to dematerialise shares held by them in physical form.

20. OTHER INFORMATION

i). Members holding shares in physical mode are:

- a) required to submit their Permanent Account Number (PAN) and bank account details to the Company / KFinTech at <https://karisma.kfintech.com/> members, if not registered with the Company/KFinTech, as mandated by SEBI by writing to the Company at hfl@heritagefoods.in or to KFinTech at einward.ris@kfintech.com along with the details of folio no., self-attested copy of PAN card, bank details (Bank account number, Bank and Branch Name and address, IFSC, MICR details) and cancelled cheque.
- b) advised to register nomination in respect of their shareholding in the Company.

ii). Members holding shares in electronic mode are:

- a) requested to submit their PAN and bank account details to their respective Depository Participants ("DPs") with whom they are maintaining their demat accounts.

b) advised to contact their respective DPs for registering nomination.

iii). Non-Resident Indian members are requested to inform KFinTech / respective DPs, immediately of:

- a) Change in their residential status on return to India for permanent settlement.
- b) Particulars of their bank account maintained in India with complete name, branch, account type, account number and address of the bank with pin code number, if not furnished earlier.

iv). Members holding shares in electronic form may note that bank particulars registered against their respective depository accounts will be used by the Company for payment of dividend. The Company or its Registrars and Transfer Agents i.e. KFin Technologies Limited cannot act on any request received directly from the members holding shares in electronic form for any change of bank particulars or bank mandates. Such changes are to be advised only to the Depository Participant by the member(s).

v). Members holding shares in electronic form are requested to intimate immediately any change in their address or bank mandates to their Depository Participants with whom they are maintaining their Demat accounts. Members holding shares in physical form are requested to advise any change in their address or bank mandates immediately to the Company / RTA.

vi). Pursuant to Section 101 and Section 136 of the Companies Act, 2013 read with relevant Rules made there under, Companies can serve Annual Reports and other communications through electronic mode to those members who have registered their e-mail address either with the Company or with the Depository. Those members, who desire to receive notice / documents through e-mail, are requested to communicate their e-mail ID and changes thereto from time to time to his/ her Depository Participant / the Company's Registrar & Share Transfer Agent as the case may be. Members who have not registered their e-mail address either with the Company or with the Depository are requested to register as soon as possible

vii). The members may note that pursuant to the Section 20 of the Companies Act, 2013 and on the approval of members in their meeting held on August 19, 2016 the Board of Directors have fixed a fee of ₹ 10 per page single sided excluding postage and courier charges for servicing of documents by post or by registered post or by speed post or by courier or by electronic or mode as requested by any member of the Company.

viii). Members are requested to follow the process detailed below and intimate changes, if any, pertaining to their name, postal address, e-mail address, telephone/mobile numbers, Permanent Account Number (PAN), mandates, nominations, power of attorney, bank details such as, name of the bank and branch details, bank account number, MICR code, IFSC code, etc.

Type of holder	Process to be followed
	For availing the following investor services, send a written request in the prescribed forms to the RTA of the Company, KFin Technologies Limited either by email to einward.ris@kfintech.com or by post to Selenium Tower B, Plot 31 & 32, Financial District, Nanakramguda, Serilingampally Mandal, Hyderabad – 500032.
	Form for availing investor services to register PAN, email address, bank details and other KYC details or changes / update thereof for securities held in physical mode Form ISR-1
	Update of signature of securities holder Form ISR-2
Physical	For nomination as provided in the Rules 19 (1) of Companies (Share capital and debenture) Rules, 2014 Form SH-13
	Declaration to opt out Form ISR-3
	Cancellation of nomination by the holder(s) (along with ISR-3) / Change of Nominee Form SH-14
	Form for requesting issue of Duplicate Certificate and other service requests for shares / debentures / bonds, etc., held in physical form Form ISR-4
	The forms for updating the above details are available at https://www.heritagefoods.in/static/images/pdf/investor-communication.pdf
Demat	Please contact your DP and register your email address and bank account details in your demat account, as per the process advised by your DP.

ix). Members may also note that the 30th Annual Report for the financial year 2021-22 will also be available on the Company's website www.heritagefoods.in. For any communication, the members may also send requests to the Company's investor email id: umakanta@heritagefoods.in.

By Order of the Board of Directors

Place : Hyderabad
Date: May 27, 2022

UMAKANTA BARIK
Company Secretary & Compliance Officer
M. No: FCS-6317

Explanatory Statement Pursuant to Section 102 of the Companies Act, 2013

The following explanatory Statement sets out all the material facts relating to the Ordinary Business mentioned in Item No. 4 of the Notice of AGM dated May 27, 2022:

Item No: 4

M/s. Walker & Chandio, Chartered Accountants (FRN:001076N/N500013), Unit No. 1, 10th Floor, My Home Twitza, APIIC, Hyderabad Knowledge City, Raidurg (Panmaktha) Village, Serilingampally Mandal, Ranga Reddy District, Hyderabad 500081, Talangana, was appointed as the Statutory Auditor of the Company at the 25th Annual General Meeting ('AGM') held in the year 2017 for a term of 5 years and they hold office upto the conclusion of the 30th Annual General Meeting of the Company.

The Audit Committee and the Board recommends the ordinary resolution for their reappointment as set out in item no.4 of this notice taking into account their credentials and also based on the evaluation of the quality of audit work done by the statutory auditors.

Credentials

"Walker Chandio & Co LLP, Chartered Accountants ("the LLP") established in 1935 as an independent Indian partnership firm later converted to LLP during the year 2014, with its head office at L-41 Connaught Circus, New Delhi-110 001. The LLP provides assurance, tax and advisory services through its 62 partners and more than 1826 staff from its offices in 14 cities in India, namely, Bengaluru, Chandigarh, Chennai, Delhi (2 offices including head office) Gurgaon, Hyderabad, Kolkata, Mumbai (2 offices), Noida, Pune, Kochi, Dehradun. The LLP is registered with the Institute of Chartered Accountants of India ("ICAI") as well as the PCAOB (Public Company Accountancy Oversight Board) in the US and also with Comptroller and Auditor General of India".

The terms and conditions of re-appointment of the statutory auditor and the proposed fees are as follows:

- Term of Appointment:** Second and final term of 5 consecutive years from the conclusion of 30th AGM till the conclusion of 35th AGM (ie. from April 01, 2022 to March 31, 2027).
- Proposed Fees:** The proposed remuneration to be paid to Statutory Auditor for audit services for the financial year ending March 31, 2023, is 45,15,000 (Rupees Forty Five Lakhs Fifteen Thousand only) plus applicable taxes and out-of-pocket expenses. Besides the audit services, the Company would also obtain certifications from the statutory auditors under various statutory regulations and certifications required by statutory authorities, audit related services and other permissible non-audit services as required from time to time, for which they will be remunerated separately on mutually agreed terms, as approved by the Board of Directors in consultation with the Audit Committee.

The remuneration to be paid to statutory auditors for the remaining term i.e. from FY 2023-24 to 2026-27 till the conclusion of the 35th AGM of the Company to be held on the year 2027 shall be mutually agreed between the Board of Directors and Statutory Auditors from time to time as per the recommendations of the Audit Committee.

The proposed fees is based on knowledge, expertise, industry experience, time and efforts required to be put in by them, which is in line with the industry benchmarks.

None of the directors and key managerial personnel or their relatives is interested financially or otherwise in the resolution as set out in item no. 4 of this notice.

The Board recommends the resolution sent forth in the item no.4 for the approval of the members.

By Order of the Board of Directors

Place : Hyderabad
Date: May 27, 2022

UMAKANTA BARIK
Company Secretary & Compliance Officer
M. No: FCS-6317

ANNEXURE-1

Information of Director seeking re-appointment under Section 152 of the Companies Act, 2013, Regulation 36(3) of the SEBI (Listing Obligations and Requirements) Regulations, 2015 and Secretarial Standard-2

Brief resume of the Director, nature of his expertise in specific functional areas, names of Companies in which he hold directorships and chairmanships of Board / Committees and their shareholding in the Company are provided below:

Name of the Director	Dr. V. Nagaraja Naidu
Director Identification Number	00003730
Date of Birth	01-07-1947
Date of Appointment	05-06-1992
Profile / Qualifications & Experience	Dr. V Nagaraja Naidu, is a postgraduate in Commerce and Doctorate in Financial Management. Dr. Naidu started his career from Administrative Staff College of India, Hyderabad in 1972 held various positions in reputed Universities viz., Professor, Dean Director etc., and taught in the fields of Finance and Business Economics at Post graduate and Doctorate levels. He had been the Registrar (Administrative head) of the Dr. B R Ambedkar Open University for about 10 years. Dr. V Nagaraja Naidu was Whole-time Director/Managing Director of the Company during 1995 to 2007 and is well-versed with Dairy business. It is in the interest of the Company to continue to avail his valuable expertise.
Remuneration Proposed to be paid	Will be entitled to Sitting Fees for attending the Board and Committee Meetings of the Company.
List of Directorships held in other Companies/LLP as on 31/03/2022*	M/s. Vihaan Auto Ventures Private Limited (CIN: U34100TG2014PTC096853) M/s. Kira Techmanagement Services Private Limited (CIN: U72900TG2019PTC130444)
Chairman/Member of the Committees of the Boards of other companies in which he is Director as on 31/03/2022*	Nil
Shareholding in the Company	1,00,000 Equity Shares
Relationship with Other Directors, Manager and other Key Managerial Personnel of the Company.	Not related to any Director / Key Managerial Personnel

* Directorship includes Directorship of other Indian Companies and Committee memberships includes only Audit Committee and Stakeholders' Relationship Committee of Public Limited Company (Whether Listed or not).

By Order of the Board of Directors

Place : Hyderabad
Date : May 27, 2022

UMAKANTA BARIK
Company Secretary & Compliance Officer
M. No: FCS-6317

Board's Report

To the Members,

Your Directors have a great pleasure in presenting the 30th Annual Report together with the Audited Standalone & Consolidated Financial Statements of your Company for the Financial Year ended March 31, 2022.

Financial Results

The Company's financial performance for the year ended March 31, 2022 is summarized below: (₹ in Millions)

Particulars	Standalone	
	FY 2021-22	FY 2020-21
Net Sales	26404.91	24067.87
Other Operating Income	24.30	2.42
Total Revenue	26429.21	24070.29
Add: Other Income	103.14	84.07
Total Income	26532.35	24154.36
Less: i) Total Expenditure	24556.70	21525.36
ii) Fair value loss on FVTPL equity shares	-	48.12
Profit before Finance cost, Depreciation, Amortisation Expenses and Tax	1975.65	2580.88
Less: i) Finance cost	32.01	178.48
ii) Depreciation and Amortisation Expenses	499.64	440.54
Profit before tax and exceptional items	1444.00	1961.86
Exceptional items	91.40	-
Profit before tax	1352.60	1961.86
Less: i) Current Tax	343.01	500.37
ii) Deferred Tax	(5.75)	9.85
Profit after tax	1015.34	1451.64

Performance of the Company

Standalone

Your Company, during the year under review earned revenue from operations (Gross) of ₹ 26,429.21 Million, against ₹ 24,070.29 Million over the previous year. The profit before Finance Cost, depreciation & amortization and tax was of ₹ 1975.65 Millions as against ₹ 2,580.88 Million in the previous year.

The Profit After Tax for the current year is ₹ 1,015.34 Million against ₹ 1,451.64 Million in the previous year.

Consolidated

Your Company, during the year under review earned revenue from operations (Gross) of ₹ 26,812.79 Million, against ₹ 24,731.13 million over the previous year. The profit before Finance Cost, depreciation & amortization and tax was of ₹ 1,869.31 Millions as against ₹ 2,679.24 Million in the previous year.

The Profit After Tax from continuing operations for the current year is ₹ 965.21 Million against ₹ 14,90.50 Million in the previous year.

Transfer to General Reserves

Your Directors do not propose to transfer any amount to general reserves for the financial year ended March 31, 2022.

Dividend

During the year under review the Board of Directors at its meeting held on October 21, 2021 declared 1st interim dividend of 50% i.e. ₹ 2.50/- per equity share of face value of ₹ 5/- each amounting to ₹ 115.99 Million for the Financial Year 2021-22 and paid on November 12, 2021.

Your Directors have pleasure in recommending a final dividend of 50% i.e. ₹ 2.50/- per equity share of face value of ₹ 5/- each for the financial year ended March 31, 2022 at their meeting held on May 27, 2022 amounting to ₹ 115.99 Million. The dividend payout is subject to approval of members at the ensuing Annual General Meeting.

The Register of Members and Share Transfer Books will remain closed from Saturday, July 23, 2022 to Friday, July 29, 2022 (both days inclusive) for the purpose of payment of dividend for the financial year ended March 31, 2022. The Annual General Meeting is scheduled to be held on Friday, July 29, 2022.

Dividend Distribution Policy

In terms of Regulation 43A of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations"), the Company has formulated and adopted a Dividend Distribution Policy with the objective of providing clarity to its stakeholders on the profit distribution strategies of the Company. During the year, the said Policy has been reviewed by the Board of Directors of the Company. The policy hosted on the website of the Company at <https://www.heritagefoods.in/policy>

Share Capital

The Authorised Share Capital of the Company as on March 31, 2022 was ₹ 500,000,000/- divided into 9,60,00,000 equity shares of ₹ 5/- each and 20,00,000 preference shares of ₹ 10/- each. The paid up Equity Share Capital as on March 31, 2022 stood at ₹ 23,19,90,000/- divided into 4,63,98,000 equity shares face value of ₹ 5/- each. During the year under review, the Company has not issued any shares including 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, 2022, none of the Directors of the Company holds any instruments convertible into equity shares of the Company. The Company has not issued equity shares with differential rights as to dividend, voting or otherwise as on March 31, 2022.

Deposits

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

Buy Back of shares

The Company has not bought back any of its shares during the Financial Year ended March 31, 2022.

Particulars of Loans, Guarantees and Investments

Loans: During the year under review your Company has not given any loans to any persons or body corporates as envisaged under Section 186 of the Companies Act, 2013.

Guarantees: The Company has given corporate guarantee as at March 31, 2022 of ₹ 207.50 Million for the credit facilities availed by its wholly owned subsidiary Company namely M/s. Heritage Nutrivet Limited (CIN: U15400TG2008PLC062054) (the outstanding as on March 31, 2022 was ₹ 79.69 Million) and ₹ 220 Million for the credit facilities availed by its joint venture Company namely Heritage Novandie Foods Private Limited (CIN: U74999TG2017PTC120860) (the outstanding as on March 31, 2022 was ₹ 120.26 Million).

Investments: During the year under review your Company has invested ₹ 104.65 million in the equity shares of its Joint Venture namely Heritage Novandie Foods Private Limited.

Particulars of Contract or Arrangements made with Related Parties

The particulars of contracts or arrangements with related parties as per Section 188 of the Companies Act, 2013 and rules made thereof as amended from time to time and as per the Related Party Transaction (RPT) policy the Company during the financial year ended March 31, 2022 in prescribed Form AOC-2 is annexed to this Board's Report (Annexure-1). Further there are no materially significant related party transactions during the year under review with Promoters, Directors, Key Managerial Personnel's and their relatives, which may have potential conflict with interest of the company at large. The related party transactions were placed before the audit committee and also to the Board at their respective meetings for approval. All related party transactions entered during the year were in the ordinary course of business and at arm's length basis. Details of the related party transactions during the year are part of the financial statements forming part of this Annual Report.

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

There are no material changes and commitments affecting financial position of the company, which occurred after the end of the financial year i.e., March 31, 2022.

Director's Responsibility Statement as required under Section 134 (3)(c) & (5) of the Companies Act, 2013.

The financial statements are prepared in accordance with the provision of Section 129 read with Schedule III of the Companies Act, 2013 and the rules made thereof, Ind-AS and Generally Accepted Accounting Principles (GAAP) under the historical cost convention on accrual basis except the sale proceeds received under REC Mechanism of the Renewable Energy. GAAP comprises mandatory accounting standards as prescribed under Section 133 of the Companies Act, 2013 ('the Act'), read with Rule 7 of the Companies (Accounts) Rules, 2014, the provisions of the Act and guidelines issued by the Securities and Exchange Board of India (SEBI). There are no material departures from prescribed accounting standards in the adoption of these standards.

The Board of Directors to the best of their knowledge and understand confirm that:

- In the preparation of the annual accounts (Standalone & Consolidated) for the financial year 2021-22, the applicable accounting standards have been followed along with proper explanation relating to material departures.
- They have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year 2021-22 and of the profit and loss of the Company for that period.
- They have taken Proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities if any,
- The annual accounts of the company have been prepared on a going concern basis.
- They have laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and were operating effectively; and
- They have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

Variation in market capitalization

	As at March 31	
	2022	2021
Market Capitalization (₹ in million)	14,838.08	13,622.50
Price earning Ratio	14.62	9.38

Note: Data based on share prices quoted on BSE

Management Discussion and Analysis

In terms of the provisions of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 as amended from time to time, the Management's Discussion and Analysis is provided in a separate section and forms an integral part of this Report.

Corporate Governance

Corporate governance is an ethically driven business process that is committed to values aimed at enhancing an organization's brand and reputation. This is ensured by taking ethical business decisions and conducting business with a firm commitment to values, while meeting stakeholders' expectations. It is imperative that your company's affairs are managed in a fair and transparent manner. This is vital to gain and retain the trust of the stakeholders.

In terms of Regulation 34 of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter "Listing Regulations") as amended from time to time, a Report on Corporate Governance along with Compliance Certificate

issued by Statutory Auditors of the Company forms integral part of this Annual Report.

Business Review

Your Company has not changed its nature of business during the period under review. Your Company has two divisions i.e. Dairy division and Renewable division in operation in different States in India as on March 31, 2022.

Dairy Business:

Global Dairy Industry: World milk production is expected to increase by 1.6 percent annually between 2021 and 2029 and reach 997 million tons in 2029, according to a report prepared by OECD-FAO. This report reveals that the increase in milk yield is highly related to the diet. In countries where grazing-based livestock breeding is carried out, milk production increases are mostly related to the number of herds, while in countries where special feeding is common, production increases due to productivity.

Indian Dairy Industry: India has been the leading producer and consumer of dairy products worldwide since 1998 with a sustained growth in the availability of milk and milk products. Dairy activities form an essential part of the rural Indian economy, serving as an important source of employment and income. India also has the largest bovine population in the world. However, the milk production per animal is significantly low as compared to the other major dairy producers. Moreover, nearly all of the dairy produce in India is consumed domestically, with the majority of it being sold as fluid milk. On account of this, the Indian dairy industry holds tremendous potential for value-addition and overall development.

Along with offering profitable business opportunities, the dairy industry in India serves as a tool of socio-economic development. Keeping this in view, the Government of India has introduced various schemes and initiatives aimed at the development of the dairy sector in the country. For instance, the "National Dairy Programme (Phase-I)" aims to improve cattle productivity and increase the production of milk expanding and strengthening and expanding the rural milk procurement infrastructure and provide greater market access to the farmers. On the other hand, the private participation in the Indian dairy sector has also increased over the past few years. Both national and international players are entering the dairy industry, attracted by the size and potential of the Indian market. The focus is being given to value-added products such as cheese, yogurt, probiotic drinks, etc. They are also introducing innovative products keeping in mind the specific requirements of the Indian consumers. These players are also improving their milk procurement network which is further facilitating the development of the dairy industry in India.

Dairy Market Forecast: As per the research report by IMARC Group, The dairy market in India has reached a value of ₹ 13,174 Billion in 2021. Looking forward, IMARC Group expects the market to reach ₹ 30,840 Billion by 2027, exhibiting a CAGR of 14.98% during 2022-2027.

Organized & Unorganized Dairy Market in India: Being one of the primary dairy consumables in India, the demand increase for milk in the country is owed to the increasing population. As of

FY 2020-21, 70-74% of the Indian dairy and milk processing market was part of the unorganized sector.

State-wise segment: Uttar Pradesh, Rajasthan, and Gujarat have been the major milk producing states in India. Uttar Pradesh is the largest dairy and milk-producing state because it is home to the highest buffalo population and the second-highest cattle population in the country. The majority of the rural population in this state is engaged in livestock rearing and dairying. Gujarat has numerous cooperative dairy milk unions, private dairy plants, and primary milk cooperative societies, which play crucial role in the production of milk in the state.

Value-added product: Apart from milk, the revenue of the Indian dairy and milk processing industry is generated from several value-added products such as butter, curd, paneer, ghee, whey, flavored milk, ultra-high temperature (UHT) milk, cheese, yogurt etc. The value-added products market is under-penetrated, thus having tremendous scope for the growth and is expected to grow at much faster rate as compared with the commodity market.

Export/Import: From India, the export of dairy products has increased to countries like Bhutan, Afghanistan, Canada, Egypt, and the United Arab Emirates. India has also imported a significant amount of dairy products from countries like France, New Zealand, Ireland, France, Ukraine, and Italy.

Key growth drivers of the market: India's livestock sector is regarded as one of the largest in the world with a bovine population of 299.90 Mn, which comprises of cow's and buffalo's. The growth of the Indian dairy and milk processing market is ensured by the steady supply of milk which is the primary raw material for this industry.

The major challenge faced by the Dairy Industry is the organization of the supply chain and logistics. The good part is that challenges are nothing but opportunities in disguise and in order to meet this challenge head on, proactive steps need to be taken to empower farmers and provide a stronger supply chain for them to rely on. Even though India is the largest producer of milk in the world, the industry itself is largely unorganized, with only 26-30% percent of the total milk produced being channelized in an organized manner. The first step to countering this would be to shift the focus to smaller dairy farms, which sometimes lack veterinary facilities and basic nutritious fodder etc.

Increasing Demand for Milk and Value-Added Products: With an increase in the spending power of the population, the demand for milk and other value-added dairy products is expected to increase in the coming years. In order to meet the rising demand, there needs to be a marked shift from the unorganized to the organized sector. Moreover, consumers now-a-days are not only hold greater buying power but also health conscious regarding what they consume. Value added products are produced by some modification or enhancement via addition or segregation of liquid wholesome milk. Value-added products include cheese, paneer, ghee, yoghurt and probiotic drinks etc. These products are produced by alteration and enrichment via use of additives,

microbial fermentation or simply mixing with liquid milk. There is thus a necessity to provide healthy dairy products which can be readily consumed. This creates an opportunity for boutique dairy farms to set up local operations providing fresh cow or buffalo milk to consumers. Over and above with people having less time these days, the demand for premium value added products such as probiotic yoghurt, cheese, milk shakes etc. are on the rise. These products not only have a higher margin but also have a longer shelf life which makes the supply chain easier and cost effective.

There is immense room for the organized sector to gain market share of marketable milk from unorganized sector as per the Department of Animal Husbandry, Dairying and Fisheries, the organized milk handling is expected to grow from 26-30% at present to 50% by FY23.

Organised players account for just 26-30% of the overall milk market and expect their share to grow going forward. Also expect rising milk procurement prices to be passed on by B2C players, resulting in stable margins.

Government Initiatives: Government is progressively taking initiatives to promote the dairy industry in India, in which inclination towards cattle breeding, clean milk production, dairy development and feed fodder management are included. The Department of Animal Husbandry, NDDB, and other government affiliated institutions manage these initiatives in a constructive way. Utilizing the available resources for dairy industry to their full extent is the main objective behind these initiatives. The manner in which Dairy industry would enhance milk production and upgrade milk processing technologies, is also supervised by these departments/agencies.

Your Company is a strong player in the curd segment and has expanded its product basket by entering into the fastest growing product like Yoghurt, through a Joint Venture Company.

The motto of your company is to empower farmers by doing the following activities

- Facilitating loans for the purchase of cattle through commercial banks/ NBFCs
- Facilitating cattle insurance;
- Conducting veterinary camps for animals at frequent intervals;
- Supply of high quality cattle feed and fodder seeds;
- Ensuring timely payment to farmers.

In its bid to become a pan India player, your Company has expanded its distribution of products to 11 states in India covering South, West and North India. It has direct procurement network of 0.3 million dairy farmers across eight major milk producing States namely, Andhra Pradesh, Telangana, Karnataka, Tamil Nadu, Maharashtra, Rajasthan, Punjab and Haryana. The direct

route of milk procurement enables it to maintain quality. The company also operates 187 bulk coolers, chilling plants and procured 1.3 Million liters of milk per day. It operates 18 own processing plants with installed milk processing capacity of 2.7 million liters per day.

Your Company procures 1.3 Million litres of milk daily from 0.3 million farmers across eight states. The milk is directly procured from farmers which ensures greater consistency in milk quality and consistency in supply. The company's installed processing capacity is 2.7 Million liters per day and chilling capacity is 2.13 Million LPD. Products of the Company are available across 11 states viz. Andhra Pradesh, Telangana, Karnataka, Kerala, Tamil Nadu, Maharashtra, Odisha, NCR Delhi, Haryana, Uttar Pradesh and Uttarakhand.

COVID

The second wave of the global health pandemic COVID-19 in the month of April and May 2021 in India and the lockdown imposed by the State Governments resulted in slowdown of most of the businesses in India. Your Company's plants continued to operate as per the business requirements and in compliance with the instructions and guidelines issued by the Government of India and the respective State Governments.

Your Company was been categorised under "Essential Commodities" as per the notification issued by Ministry of Home Affairs (MHA) Govt. of India, for supply of Milk and Milk Products. The pandemic had no material adverse impact on the company's business, although the sales of milk and value-added products have come down because of the lockdown imposed by various State Governments. Transportation was also impacted initially to some extent due to absenteeism of drivers. All the milk supplied by farmers was procured and processed during the lockdown period.

However, the availability of raw materials and the supply chain of the company were not affected.

The Company took conscious decision to balance uninterrupted operations and ensuring a safe working environment. The company is continuously ensuring a safe working environment to its employees by sanitizing its work place regularly. Your Company has complied with the COVID-19 guidelines issued by the Government of India and the respective State Governments.

The Board of Directors expressed their satisfaction about the way company has handled the business during the period of COVID-19 outbreak.

Renewable Energy Division

Your Company strongly recognizes the responsibility towards protecting the environment. As a forward-looking enterprise, it is strongly committed to extending the Green' footprint.

Your Company is taking a lot of initiatives for conservation of energy. Renewable energy was the major focus area in the last ten years. Now your Company has 10.50 MW of solar and wind power

for captive consumption. Your Company is continuously investing in latest technologies and efficiencies to conserve energy.

Renewable Energy Division of your Company had achieved the turnover of 90.03 Million during the year under review

Subsidiary / Associate Companies

Your Company as on March 31, 2022 is having following subsidiary/ associate/joint venture Companies:

Heritage Nutrivet Limited (CIN: U15400TG2008PLC062054)

A wholly owned Subsidiary Company operating with Animal Nutrition and one of the leading Live Stock Feed & Feed Supplements Companies in Southern and Western India, covering over 0.3 million farmers spread across five states viz., Andhra Pradesh, Telangana, Tamil Nadu, Karnataka and Maharashtra. Product quality is pivotal in our endeavour towards "HEALTHY MILCH ANIMAL – HAPPY FARMER"

It is also proficient in providing cost-effective solutions for the farmers facing ground reality. The products of the Heritage Nutrivet Limited are innovatively engineered to serve varieties of needs of the animals. It segregate the animal feed into dairy power, dairy milk, rich, dairy supreme, milk magic plus, gomitra, gomitra plus.

Skil Raigam Power (India) Limited (CIN:U40102TG2009PLC063671)

An associate Company as per the provisions of Section 2(6) of the Companies Act, 2013, which has been declared as Dormant Company as per Section 455(2) of Companies Act, 2013 vide SRN: T42936765 dated September 22, 2021, the Company will be in the process of setting up hydro power plant at Raigam, in Arunachal Pradesh. Your Company is having 43.33% of shareholding in this Company.

Heritage Novandie Foods Private Limited (CIN: U74999TG2017PTC120860)

A 50:50 Joint Venture Company between Heritage Foods Limited (HFL), Hyderabad, India and Novandie, France with an object to manufacture and market various Fruit Yoghurts and other dairy products in India. The Company had started the commercial production on February 16, 2021 and launched French Yoghurt brand 'Mamie Yova' in India. The Company is hoping to woo Indian consumers with its fruit-based yogurt and aims to have a strong presence across 8-10 key cities in the next two years. Due to COVID out-break the Company has not make the market penetration in large scale, however during the coming financial year the company is expected to make more penetration in the market, resulting to make more revenue and losses will be minimised.

The details of transaction are available in the AOC-1 which is forming part of the consolidated financial statement. The gist of financial performance of the Subsidiary/ Associate/Joint Venture companies is as follows.

Particulars	₹ in Millions					
	Heritage Nutrivet Limited (Wholly Owned Subsidiary) year ended on		Skil Raigam Power (India) Limited (Associate) year ended on		Heritage Novandie Foods Private Limited (Joint Venture) year ended on	
	31/03/2022	31/03/2021	31/03/2022	31/03/2021	31/03/2022	31/03/2021
Total Income	959.97	1218.56		-	23.49	1.17
Total Expenses	944.32	1120.98	28.91	0.19	144.17	45.33
Profit/ (Loss) before tax	15.65	97.58	(28.91)	(0.19)	(120.68)	(44.16)
Current tax	0.58	16.03	-	-	-	-
Deferred tax	4.48	9.43	-	-	-	-
Profit/ (loss) for the year	10.59	72.12	(28.91)	(0.19)	(120.68)	(44.16)

During the financial year under review, your Company has not added/ removed any subsidiaries, joint ventures or associate companies.

In accordance with Section 136 of the Companies Act, 2013, the audited financial statements, including the consolidated financial statements and related information of the Company and audited accounts of each of its Subsidiary, Associate and Joint Venture are available on the website of your Company www.heritagefoods.in. These documents will also be available for inspection during the business hours of the Company at its registered office in Hyderabad, India.

Quality

Your Company continues the journey of delivering value to its consumers/customers through significant investments in quality assurance programs.

Your Company adheres to international quality standard certifications such as ISO 22000:2018 (Food Safety Management System), ISO 9001:2015 (Quality Management System), ISO 45001:2018 (Occupational Health & Safety), ISO 14001:2015 (Environmental Management System), ISO 50001:2018 (Energy Management System) and HALAL Certification by JUHF. Your Company has also have AgMark, BIS and EIA certificates.

The Quality department of your Company handles large change management initiatives to drive quality and productivity improvements across the Company, using various techniques and updated technologies.

Branding

"Heritage" as a brand reflects your company's identity, core values and belief system. Your company is actively working on diversifying the products portfolio in line with the current consumer trends and mission of bringing health, nutrition & happiness to every home. On the communication front your company focusing on improving

consumer connect using social & digital media platforms. In the coming years, your company shall develop interactive and engaging campaigns that help to connect with the consumer actively.

Awards & Recognitions

During the financial year 2021-22 your Company has received the following awards and recognitions.

- CII National Energy Conservation Awards for FY 2020-21**
 - 1st Prize won by Gokul Plant, Charndragiri (M), Chittoor Dist-517101, Andhra Pradesh, India
 - 2nd Prize won by Bayyavaram Plant, Bayyavaram(V), Visakhapatnam District-531031, Andhra Pradesh, India
 - Certificate of Merit to Bengaluru Plant, Yadavanhalli (V), Anekal Taluk, Bengaluru South-562107, Karnataka, India
- CII National Award in Food Safety for the Year 2021**
 - 1st Prize won by B. Kothakota Plant, Kothakota (M), Chittoor Dist-517370, Andhra Pradesh, India
- The central Board of Indirect Taxes and Customs conveyed its appreciation to the Company for prompt filing of returns and payments of Goods and Services Tax (GST) as on 31st March, 2021 in the following states:

PUNJAB	HARYANA	RAJASTHAN
MAHARASHTRA	KARNATAKA	TELANGANA

Human Resources and Industrial Relations

Your Company takes pride in the commitment, competence and dedication shown by its employees in all areas of business. Your company ensures that it provides a harmonious and cordial

working environment to all its employees. To ensure good human resources management, your Company focused on all aspects of the employee lifecycle. This provides a holistic experience for the employee as well. During their tenure at the Company, employees are motivated through various skill- development program, engagement and volunteering programs. Your company has put in continued efforts in building capabilities of Human Resources with adoption of specific and targeted interventions. Your Company has a structured induction process at all locations and management development programs to upgrade skills of managers. Objective appraisal systems based on Key Result Areas are in place for all employees.

Your Company is committed to nurture, enhance and retain talent through superior Learning & Organizational Development.

The total strength of your Company employees as on March 31, 2022 was 3009.

Investor Relationship

Your Company continuously strives for excellence in its Investor Relationship (IR) engagement with Domestic and International investors and has set up feedback mechanism to measure IR effectiveness. Structured conference calls and periodic investor/analyst interactions, participation in investor conferences, quarterly earnings calls and annual analyst meet with the Executive Director, President, Chief Executive Officer, Chief financial Officer, Chief Operating Officer and Business Heads were organised during the year. Your Company always believes in leading from the front with emerging best practices in IR and building a relationship of mutual understanding with investor/ analysts. Your Company ensures that relevant information about the Company is available to all the investors by uploading all such information at the Company's website and the Stock Exchanges where the shares of the company are listed.

Credit Rating

The details of the credit rating are as follows:

- a) Credit rating obtained by the company: in respect to long term and short term debts
- b) Name of the credit rating agency: Credit Rating Information Services of India Limited (CRISIL)
 - i. Long term Rating: CRISIL A/Positive
 - ii. Short term Rating: CRISIL A1
- c) Date on which the credit rating was obtained: April 07, 2022 (valid up to December 31, 2022)
- d) Revision in the credit rating: No
- e) Reasons provided by the rating agency for a downward revision: NA

Particulars of Employees and Related Disclosures

The table containing the names and other particulars of employees in accordance with the provisions of Section 197(12) of the Companies Act, 2013, read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are provided in Annexure-2A. A statement containing the names of every employee employed throughout the financial year and in receipt of remuneration of ₹ 10.20 million or more per annum or employed for part of the year and in receipt of ₹ 0.85 million or more in a month under Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 as amended from time to time are provided in Annexure-2B to this report.

Information Technology and Digitization:

Implementation of IT & Digital Transformation Strategy has been a key priority for your company for the financial year 2021-22. The Strategy was focused on addressing the perspective of all the stakeholders, viz. Farmer, Consumer, Customer and the Employee to achieve the desired outcomes of reducing the Cost, enhancing the efficiency, consumer delight and enhancing revenue.

Introduction of various initiatives using Data Science such as grading of MCCs & Agents and Forecasting of SMP Price - have helped the Organisation in taking data driven decisions. BI Dashboards have been deployed covering all major functions such as; Sales, Procurement, Finance, Production, Purchase & Stores and Human Resource.

Heritage CLapp (Customer Live Application) & DMS (Distributor Management System) have given an edge in terms of streamlining the primary and secondary sales process from Agent level up to the counter sales level in an authentic manner.

Vet+ app continued to widen its user base and the range of services helping the Farmers with hassle free veterinary services and eventually enhancing their income.

All the IT related initiatives combinedly have helped the organisation in being consumer centric and farmer friendly while making Heritage as the best place to work with for its employees.

Board Diversity

Your Company recognizes and embraces the importance of a diverse board for its success. Your Company believes that a truly diverse board will leverage differences in thought, perspective, knowledge, skill and industry experience, cultural and geographical background, age and gender, which will help the Company, retain its competitive advantage. The Board has adopted the Board Diversity Policy which sets out the approach to diversity of the Board of Directors. The Policy is available in the Company website i.e. www.heritagefoods.in > Investor > Policies.

Meetings of the Board

The Board met six (6) times during the financial year 2021-22, the details of which are given in the Corporate Governance Report forms part of this Annual Report. The intervening gap between any two meetings was within the period prescribed by the Companies Act, 2013 and SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015.

Policy on Director's Appointment and Remuneration

The current policy is to have an appropriate mix of Executive and Non-executive & Independent and Women Directors to maintain the independence of the Board, and separate its functions of governance and management. As on March 31, 2022, the Board consists of 7 members, 2 of them are Executive/Whole-time directors, 1 is Non-Executive Director, 1 is Non-Executive Independent Woman Director and 3 are Non-Executive Independent Directors. The Board periodically evaluates the need for change in its composition and size.

The policy of your Company on directors' appointment and remuneration, including criteria for determining qualifications, positive attributes, independence of a director and other matters as provided under Section 178(3) of the Companies Act, 2013, and SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 was adopted by the Board. It is affirmed that the remuneration paid to the Director(s) are as per the terms laid out in the nomination and remuneration policy of the Company.

Declaration from Directors

Your Company has received necessary declaration from all directors stating that they are not debarred or disqualified from being appointed or continuing as Directors of companies as per the Securities and Exchange Board of India, Reserve Bank of India, Ministry of Corporate Affairs or any such other Statutory Authority.

Declaration by Independent Directors

Your Company has received necessary declaration from each independent director stating that they met the criteria prescribed for independence under Section 149 of the Companies Act, 2013 and Regulation 25 of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 and the Board has confirmed its veracity and taken the same on record.

Board Evaluation

As per the provisions of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time the Nomination and Remuneration Committee laid down criteria for performance evaluation of individual director(s), the board and its committee(s). Accordingly,

an annual evaluation was carried out for the Board's performance, its Committees and individual director(s).

The Board performance evaluation is carried out through a structured questionnaire which provides a clear and valuable feedback for Board effectiveness and highlighting areas for further development.

The following are some of the broad issues that are considered in performance evaluation questionnaire

- Ability to act on a fully informed basis, in good faith, with due diligence and in the best interest of the company and the stakeholders.
- Optimum combination of knowledge, skill, experience and diversity on the Board as well as its Committees.
- Relationships and effective communication among the Board members.
- Effectiveness of individual non-executive and executive directors and Committees of Board.
- Quality of the discussions, general information provided on the company and its performance, papers and presentations to the Board.
- Risk management as well as processes for identifying and reviewing risks.
- Well- defined mandate and terms of reference of Committee.
- Attendance at Board as well as Committee Meetings
- Procurement of Information, preparation for Board Meetings and value of contribution at meetings
- Relationships with fellow Board members, the company secretary and senior management and mutual trust and respect they stimulated within the Board.
- Keeping update with the latest developments in the areas of governance and financial reporting
- Willingness to devote time and effort to understand the company and its business
- Providing necessary guidance using their knowledge and experience in development of corporate strategy, major plans of action, risk policy, and setting performance objectives.
- Independence exercised in taking decisions, listening to views of others and maintaining their views with resolute attitude
- Ability in assisting the Company in implementing the best corporate governance practices.

- Capability in exercising independent judgement to tasks where there is potential conflict of interest
- Commitment in fulfilling the director's obligations fiduciary responsibilities.

The Board of Directors received all evaluations from each Director including Board as a whole and its committee based on the above criteria, discussed various points and all points are satisfactory, no further action is required. There were no actions pending from the previous year observations. The detailed format of Board evaluation is available in the website of the Company i.e. https://www.heritagefoods.in/uploads/investors/pdf/15870145475 Board_&_Director_Evaluation_Framework.pdf

Training of Independent Directors

Every new independent director of the Board attends an orientation program. To familiarize the new inductees with the strategy, operations and functions of your Company, the Executive Directors/Senior Managerial Personnel make presentations to the inductees about the Company's strategy, operations, product and service offerings, markets, organization structure, quality and risk management etc.

Appointment/Re-Appointment

Mr. M P Vijay Kumar (DIN: 05170323) has been appointed as a Non-Executive Independent Director of the Company w.e.f. November 01, 2021, for a period of 5 consecutive years, the said appointment was approved by shareholders through postal ballot on November 24, 2021.

The approval of members through special resolution was taken on April 29, 2022 for Continuation of directorship as per Regulation 17(1A) of SEBI (Listing Obligations and Disclosure Requirements), Regulations 2015 of Dr. V Nagaraju (DIN: 00003730) as a Non Executive Director after attaining the age of 75.

In order to comply with the provisions of section 152 of the Companies Act, 2013 and rules applicable thereunder, the appointment of Dr. V. Nagaraja Naidu (DIN: 00003730) Non-Executive Director of the Company is liable to retire by rotation at this Annual General Meeting, being eligible offers himself for re-appointment.

Retirements and Resignations

During the year under review, none of the Directors retired or resigned from the Board.

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. Bhuvanewari	00003741	Vice Chairperson & Managing Director
Mrs. N. Brahmani	02338940	Executive Director
Mr. A Prabhakara Naidu	FCA 200974	Chief Financial Officer
Mr. Umakanta Barik	FCS 6317	Company Secretary& Compliance Officer
Dr. M Sambasiva Rao	-	President
Mr. Srideep Madhavan Nair Kesavan*	-	Chief Executive Officer

* Mr. Srideep Madhavan Nair Kesavan appointed as Chief Executive Officer the Company w.e.f 28-07-2021

Committees of the Board

Currently, the Board has six committees i.e. Audit Committee, Nomination and Remuneration Committee, Corporate Social Responsibility Committee, Stakeholders Relationship Committee, Risk Management Committee and Management Committee.

A detailed note on the Board and its committees is provided under the Corporate Governance Report section in this Annual Report. The composition of the committees and compliances, as per the applicable provisions of the Act and Rules, are as follows:

Name of the Committee	Composition of the Committee	Highlights of roles and responsibilities
Audit committee	Mrs. Aparna Surabhi (C) Mr. Rajesh Thakur Ahuja (M) Mr. N Srivishnu Raju (M) Mr. M P Vijay Kumar (M) (wef. 21/01/2022) Dr V Nagaraja Naidu (M)	<ul style="list-style-type: none"> • All recommendations made by the audit committee during the year were accepted by the Board. • Reviewing, with the management, the quarterly financial statements before submission to the Board for approval. • Approval or any subsequent modification of transactions of the Company with related parties. • Reviewing, with the management, the performance of statutory auditors and internal auditors, adequacy of internal control systems, etc.
Nomination and Remuneration Committee	Mr. N Srivishnu Raju (C) Mr. Rajesh Thakur Ahuja (M) Mrs. Aparna Surabhi (M) Mr. M P Vijay Kumar (M) (wef. 21/01/2022)	<ul style="list-style-type: none"> • The committee oversees and administers executive compensation, operating under a written charter adopted by our Board of Directors. • The nomination and remuneration committee has framed the nomination and remuneration policy.
Corporate Social Responsibility Committee	Mr. Rajesh Thakur Ahuja (C) Mr. N Srivishnu Raju (M) Mrs. N Bhuvanewari (M)	<ul style="list-style-type: none"> • To formulate and recommend to the Board, a Corporate Social Responsibility (CSR) Policy indicating activities to be undertaken by the Company in compliance with provisions of the Companies Act, 2013 and rules made there under. • To monitor the implementation of the CSR Policy of the Company from time to time
Stakeholders Relationship Committee	Dr. V Nagaraja Naidu (C) Mr. N Srivishnu Raju (M) Mrs. N Bhuvanewari (M) Mr. Rajesh Thakur Ahuja(M)	<ul style="list-style-type: none"> • The committee reviews and ensures redressal of investor grievances. • The committee noted that all the grievances of the investors have been resolved during the year.
Risk Management Committee	Mr. Rajesh Thakur Ahuja (C) Mr. N Srivishnu Raju (M) Mrs. N Bhuvanewari (M) Mrs. Aparna Surabhi (M)	<ul style="list-style-type: none"> • The purpose of the committee is to assist the Board in fulfilling its corporate governance with regard to the identification, evaluation & mitigation of operational, strategic and environmental risks efficiently and effectively. • The Company has developed and implemented a risk management framework that includes identification of elements of risk, if any, which in the opinion of the Board may threaten the existence of the Company.
Management Committee	Mrs. Aparna Surabhi(C) Mr. N Srivishnu Raju (M) Mr. M P Vijay Kumar (M) (wef. 21/01/2022) Mrs. N Bhuvanewari (M)	<ul style="list-style-type: none"> • Setting the strategic direction to guide and direct the activities of the organization; • Ensuring the effective management of the organization and its activities; and • Monitoring the activities of the organization to ensure they are in keeping with the founding principles, objects and values.

C- Chairperson M-Member

Policies

The SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 mandated the formulation of certain policies for all listed companies. All the corporate policies are available on the Company website (www.heritagefoods.in/Investors/policies). The policies are reviewed periodically by the Board and updated based on need and new compliance requirement.

In addition to its Code of Conduct and Ethics, key policies that have been adopted by the Company are as follows:

Name of the policy	Brief description	Web link
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 the Chairperson of the Audit Committee.	https://www.heritagefoods.in/policy
Insider Trading Policy and Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information	The Company has adopted a Code of Conduct to Regulate, Monitor & Report Trading by Insiders and Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information as per the SEBI (Prohibition of Insider Trading) Regulation 2015, with a view to regulate trading in securities by the Directors and Designated Persons while in possession of unpublished price sensitive information in relation to the Company and during the period when the Trading Window is closed and other certain situations. All Board of Directors and the designated employees have confirmed compliance with the Code.	
Policy and procedure of inquiry in case of leak or suspected leak of unpublished price sensitive information ("upsi")	The Policy aims to provide a framework for inquiry in case of leak or suspected leak of Unpublished Price Sensitive Information.	
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, key managerial personnel 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.	
Policy for Determining Material Subsidiaries	The policy is used to determine the material subsidiaries and material non-listed Indian subsidiaries of the Company and to provide the governance framework for them.	
Related Party Transaction Policy	The policy regulates all transactions between the Company and its related parties	
Policy on Preservation of Documents	The policy deals with the preservation of corporate records of the Company.	
Archival Policy	The policy deals with the retention and archival of corporate records of the Company.	
Business Responsibility Policy	This Policy endorses the Company's commitment to follow principles and core elements, in conducting its business, as laid down in the National Voluntary Guidelines on Social, Environmental and Economic responsibilities of Business.	
Dividend Distribution Policy	This Policy is to ensure the right balance between the quantum of Dividend paid and amount of profits retained in the business for various purposes	
Policy on Determination of Materiality of Events	The Policy is to determine materiality of events or information relating to the Company and to ensure timely and accurate disclosure on all material matters concerning the Company.	
Risk Management Policy	This policy sets out the objectives and accountabilities for the management of risk within the Company such that it is structured, consistent and effective	
Anti-Sexual Harassment – Safe work environment policy	The policy aims at providing a safe work environment for women at workplace	
Code of Conduct to Regulate, Monitor & Report Trading by Insiders	This code Regulates any kind of Insider Trading by designated persons	

Note: There were no changes in the above policies during the year under review except the Related Party Transaction Policy of the Company.

Remuneration of Directors, Key Managerial Personnel and Senior Management

The remuneration paid to the Directors, Key Managerial Personnel and Senior Management is in accordance with the Nomination and Remuneration Policy formulated in accordance with Section 178 of the Act and Regulation 19 of the Listing Regulations.

The information required under Section 197 of the Act read with Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 in respect of Directors/ employees of the Company is set out in the Annexure-2 [A&B] to this report.

Auditors' & Auditor's Report

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 their 25th Annual General Meeting held in the year 2017, approved the appointment of M/s. Walker Chandiook & Co. LLP, Chartered Accountants (FRN 001076N/N500013), as the Statutory Auditors of the Company for a term of 5 years i.e. from the conclusion of 25th Annual General Meeting till the conclusion of ensuing 30th Annual General Meeting of the Company.

The Audit reports dated May 27, 2022 (Standalone UDIN: 22207660AJRYHR7151) (Consolidated UDIN: 22207660AJRYLT1186) issued by M/s. Walker Chandiook & Co. LLP, Chartered Accountants, Statutory Auditors on the Company's standalone and consolidated financial statements for the financial year ended 2021-22 is part of the Annual Report. There has been no qualification, reservation or adverse remark in their Report.

The Board of Directors of the Company on recommendation of the Audit Committee, has recommended the re-appointment of M/s. Walker Chandiook & Co. LLP, Chartered Accountants (FRN 001076N/N500013), as statutory auditors of the Company for second and final term of 5 (five) consecutive years (i.e. from April 01, 2022 to March 31, 2027) to the members at the ensuing Annual General Meeting of the Company. Accordingly, a resolution proposing appointment of M/s. Walker Chandiook & Co. LLP, Chartered Accountants, as statutory auditors of the Company from the conclusion of 30th Annual General Meeting till the conclusion of 35th Annual General Meeting of the Company pursuant to Section 139 of the Companies Act, 2013, forms part of the Notice calling 30th Annual General Meeting of the Company, Further, M/s. Walker Chandiook & Co. LLP has furnished a certificate of their eligibility and consent for appointment under Section 139(1) & 141 of the Companies Act, 2013 and the Rules made thereunder.

Cost Auditor

As your Company is dealing with Skimmed Milk Powder, which require to maintain the cost records. Your Company has maintained all the required records as specified by the Central Government under sub-section (1) of Section 148 of the Companies Act, 2013 and the appointment of Cost Auditor is not applicable for your Company.

Secretarial Auditor and Secretarial Standards

The Secretarial Audit was carried out by Mrs. Savita Jyoti, Partner, M/s. Savita Jyoti Associates, Practicing Company Secretary (CP No:1796, M.No.3738), Hyderabad - 500094, Telangana for the financial year 2021-22. The Report issued by the Secretarial Auditors is annexed in Annexure-3 and forms integral part of the Board's Report. There has been no qualification, reservation or adverse remark in their Report.

In terms of Section 204 of the Companies Act, 2013 read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 the Board of Directors appointed Mrs. Savita Jyoti, Partner, M/s. Savita Jyoti Associates, Practicing Company Secretary (CP No:1796, M.No.3738), Hyderabad - 500094, Telangana as the Secretarial Auditors of the Company for the financial year 2022-23.

In terms of Regulation 24(A) of SEBI (Listing Obligation and Disclosure Requirements) Regulation, 2015 as amended from time to time, the Company has obtained the Secretarial Compliance certificate from Mrs. Savita Jyoti, Partner, M/s. Savita Jyoti Associates, Practicing Company Secretary (CP No: 1796, M.No.3738), Hyderabad - 500094, Telangana is annexed in Annexure-3(i) and forms part of the Annual Report and the same was also intimated to the Stock Exchanges where the shares of the Company are listed.

Pursuant to Regulation 34(3) and Schedule V Para C clause (10) (i) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, Company has obtained a certificate from Mrs. Savita Jyoti, Partner, M/s. Savita Jyoti Associates, Practicing Company Secretary (CP No:1796, M.No.3738), Hyderabad - 500094, Telangana is annexed in Annexure-3(ii) and forms part of the Annual Report and the same was also intimated to the Stock Exchanges where the shares of the Company are listed.

Your Company has obtained a secretarial Audit Report of its wholly owned subsidiary company namely Heritage Nutrivet Limited from Mrs. Khusboo Laxmi Bhagat, Partner of M/s. KLB & Associates, Practicing Company Secretary (CP No:14703, M.No.9376), Hyderabad- 500016, Telangana is annexed in Annexure- 3(iii) and forms part of the Annual Report.

Your Company is in compliance with all applicable Secretarial Standards issued by the Institute of Company Secretaries of India, New Delhi for the financial year ended March 31, 2022.

Internal Auditors

The Company has appointed external firms of Chartered Accountants across the locations as internal auditors to conduct internal audit and to review 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 on monthly basis. The Internal Auditors send the quarterly audit observations to the Company in addition to the monthly reports and the same were presented quarterly by the lead internal auditor of the Company to the Audit Committee. The Audit Committee along with Statutory Auditors and

the management of the Company meets all Internal Auditors of the Company once in a year and review the internal controls and its adequacy. The Board of Directors on recommendation of the Audit Committee appoints/re-appoints the Internal Auditors every year in compliance with Section 138 of the Act read with the Companies (Accounts) Rules, 2014. List of Internal Auditors is provided in the corporate information section in the Annual Report.

Internal Audit & Control Systems

Your Company has a well-defined and documented internal audit & control system, which is adequately monitored. Checks & balances and control systems have been established to ensure that assets are safe guarded, utilized with proper authorization and recorded in the books of account. The Internal control systems are improved and modified continuously to meet the changes in business conditions, statutory and accounting requirements.

These are supplemented by internal audit of your Company carried out by reputed firms of Chartered Accountants across the locations of the Company. Your Company has an Audit Committee consisting of Four Non-Executive Independent Directors and one Non-Executive Director. The Audit Committee of the Board of Directors and Statutory Auditors are periodically apprised of the internal audit findings and corrective actions taken. The Audit Committee of the Board of Directors reviews the adequacy and effectiveness of internal control system and suggests improvements if any for strengthening them. Your Company has a robust Management Information System which is an integral part of the control mechanism.

Listing and Custodian Fees

The equity shares of your Company are listed at BSE Limited, Mumbai and National Stock Exchange of India Limited, Mumbai. The applicable annual listing fees were paid before the due date. The annual custodian fees have also been paid to the depositories before the due date.

Significant Material Orders Passed by the Regulators

There were no significant material orders passed by any Regulators/ Courts that would impact the going concern status of the Company and its future operations.

Your Company has complied with all the Acts, Rules, Regulations and Guidelines issued/prescribed by the Securities Exchange Board of India, Reserve Bank of India, Ministry of Corporate Affairs and other statutory authorities.

Annual Return

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

Internal Financial Control (IFC) and its adequacy

Your Company has adequate Internal Financial Controls as per Section 134(5)(e) of Companies Act, 2013, that 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.

The Board has inter alia reviewed the adequacy and effectiveness of the Company's internal financial controls relating to its financial statements.

The Board has discussed with the Management of the Company the major financial risk exposures if any and the steps taken by it to monitor and control such exposures, overseen and reviewed the functioning of the Whistle Blower Mechanism and the findings in respect of the investigations conducted on frauds if any, which were material in nature and the actions taken by the Management, in this regard.

Your Company has adopted necessary policies and procedures for ensuring the orderly and efficient conduct of its business, including adherence to 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 financial information.

During the year, such controls were tested and no reportable material weakness in the design or operation was observed by the consultant namely, CA JSS Sivarama Prasad, Chartered Accountant (M No. 208735), Hyderabad appointed by the Board of Directors of the company

During the year no fraud by the Company or with the Company by its officers or employees has been noticed / reported.

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

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

CEO & CFO Certification

The Vice Chairperson & Managing Director, Chief Executive Officer and Chief Financial Officer of the Company have given annual certification on financial reporting and internal controls to the Board in terms of Regulation 17(8) of the SEBI (Listing Obligation & Disclosure Requirements) Regulation, 2015. Vice Chairperson & Managing Director, Chief Executive Officer and Chief Financial Officer also give quarterly certification on financial results while placing the financial results before the Board in terms of Regulation 33(2) (a) of the SEBI (Listing Obligation & Disclosure Requirements) Regulation, 2015. The annual certificates given by the Vice-Chairperson & Managing Director, Chief Executive Officer and Chief Financial Officer forms part of this Annual Report.

Corporate Social Responsibility (CSR)

Your Company has been an early adopter of corporate social responsibility (CSR) initiatives. Your Company has made Corporate Social Responsibility (CSR) an integral part of its ethos and culture. Your company has constituted a Corporate Social Responsibility Committee ("CSR Committee") in accordance with Section 135 of the Companies Act, 2013. A robust system of reporting and monitoring has been put in place to ensure effective implementation of planned CSR initiatives.

The CSR activities / projects as per the provisions of the Companies Act, 2013 and rules made thereof, is undertaken directly by the Company or through a registered trust or a registered society. During the Financial Year 2021-22 the CSR Committee of the Board evaluated various options to implement the CSR activities and decided to contribute the mandated CSR amount to the following implementing Agencies:

S. No	Name of the implementing Agency	List of Activities
1.	NTR Memorial Trust, NTR Bhavan, Road No. 2, Banjara Hills, Hyderabad -500034, Telangana.	To carry out the activities such as promoting education, enhancing the vocational skill & supply of clean drinking water, disaster management, relief and rehabilitation etc.
2.	Asian Healthcare Foundation, #6-3-661, Somajiguda, Hyderabad 500082, Telangana.	To carry on research related to Single cell whole transcriptome based approach to understand the dysregulation in immune repertoire in COVID-19 long haulers

NTR Memorial Trust

NTR Memorial Trust is operating since 1997 towards the promoting and preventive of health care of the needy groups, meeting the educational needs of underprivileged students, advancing the concept of entrepreneurship and self-employment and offering support and relief during disasters and lot more other initiatives for the upliftment of the backward and needy population in the society.

Asian Healthcare foundation

Asian Healthcare Foundation (AHF) is the research and training wing of Asian Institute of Gastroenterology (AIG), a premier medical institution (accredited by OMED) providing tertiary medical care for gastroenterology related diseases. The mission of AHF is to conduct focused research in frontier areas of gastroenterology & minimum invasive surgical Gastroenterology and to translate the benefits for better patient care not only for India but for the world at large.

The mandated CSR amount of the Company for FY 2021-22 was ₹ 29.35 million out of which ₹ 0.025 million was spent on single year project and ₹ 29.325 million was allocated for spending on ongoing/ multi-year projects. The details of the CSR initiatives undertaken by the Company on CSR activities during the year are set out in Annexure-4 forming part of the Board's Report in the format

prescribed in the Companies (Corporate Social Responsibility Policy) Rules, 2014.

These projects are in accordance with Schedule VII of the Companies Act, 2013 and the Company's CSR Policy. The Policy is available at the Company's website at www.heritagefoods.in.

Business Responsibility Report (BRR)

Pursuant to regulation 34(2)(f) of SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015, top 1000 listed entities based on their market capitalisation as on 31st March every year, are required to submit their Business Responsibility Report (BRR) as a part of their Annual Report. The Annual Report shall contain a Business Responsibility Report (BRR) describing the initiatives taken by the Company from an environmental, social and governance perspective. BRR has been designed as a tool to help companies understand the principles and core elements of responsible business practices and start implementing which reflect their adoption in the manner the company undertakes its business. Based on the market capitalization of BSE as on March 31, 2022 your Company was in sl no. 796 under top 1000 listed Company. In compliance with the regulation, the BRR is annexed in Annexure-5 to the board report.

Energy Conservation, Technology Absorption & Foreign Exchange Earnings & Outgo

The particulars as prescribed under Sub-section (3)(m) of Section 134 of the Companies Act 2013, read with the Companies (Accounts) Rules, 2014 are provided in the Annexure-6 to the Board Report.

Transfer of Un-Claimed Dividends and Shares

Pursuant to Section 124(5) of the Companies Act, 2013 [Section 205C(2) of the Companies Act, 1956] read with the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 as amended from time to time the unclaimed/unpaid dividend amount of ₹ 22,30,704/- (Twenty Two Lakhs Thirty Thousand Seven Hundred and Four Only) for the year 2013-14 was transferred to the Investor Education and Protection Fund during the financial year 2021-22.

In compliance with the provisions of Section 124 of the Companies Act, 2013, the Company has transferred 24,234 no of equity shares belongs to 42 members of the company to Investor Education and Protection fund Authority (IEPF) on November 29, 2021 of those members who have not claimed the dividends for a continuous period of 7 years.

Pursuant to Section 124(5) of the Companies Act, 2013 [Section 205C (2) of the Companies Act, 1956] read with the Investor Education and Protection Fund (awareness and protection of Investors) Rules, 2001 as amended from time to time the unclaimed/unpaid dividend and the shares thereof pertaining for the financial year 2014-15 shall be transferred to the Investor Education and Protection Fund during the financial year 2022-23.

The information in respect of unclaimed/unpaid dividend & shares thereto and the last date for claiming the dividend are given below:

Financial year ended	Date of Declaration of Dividend	Last date for claiming unpaid Dividend	Unclaimed/Unpaid Dividend as on March 31, 2022	
			Amount outstanding (₹ in Rupees)	No of Shares
2014-15	24-09-2015	29-10-2022	2199882.00	733294
2015-16	19-08-2016	24-09-2023	1721013.00	573671
2016-17	23-08-2017	27-09-2024	2895932.00	723983
2017-18	30-08-2018	04-10-2025	1491520.00	745760
2018-19	30-08-2019	04-10-2026	1457828.00	728914
2019-20	28-08-2020	03-10-2027	1694148.50	524671
2020-21	30-07-2021	03-09-2028	2624739.00	604538
2021-22	21-10-2021 (1 st Interim Dividend)	25-11-2028	1364854.50	644555

The voting rights on the shares transferred to IEPF Authority shall remain frozen till the rightful owner of such shares claim the shares. The company sends reminders to the members concerned to claim the unclaimed and unpaid dividends & shares thereto before they are transferred to the IEPF Authority as per the applicable provisions.

The members whose shares and dividend thereof got transferred to IEPF Authority shall claim the dividends and shares from IEPF Authority by submitting an online application in the prescribed e-Form-IEPF-5 available on the website www.iepf.gov.in and the procedure prescribed thereon.

Mr. Umakanta Barik is the Nodal Officer who was appointed by the Company under the provisions of IEPF.

Risk Management

Your Company have constituted a Risk Management Committee pursuant to Section 134 (3) (n) of the Companies Act, 2013 & Regulation 21 of SEBI (Listing Obligations & Disclosure Requirements) Regulations 2015, which has been entrusted with the responsibility to assist the Board in (a) Overseeing and approving the Company's enterprise risk management framework; and (b) Overseeing that all the risks that the organization faces such as strategic, financial, credit, market, liquidity, security, property, Information Technology, legal, regulatory, reputational and other risks have been identified and assessed and there is an adequate risk management infrastructure in place capable of addressing those risks.

The Committee had formulated a Risk Management Policy for dealing with different kinds of risks which it faces in day to day operations of the Company. Risk Management Policy of the Company outlines different kinds of risks and risk mitigating measures to be adopted by the Board. The Risk Management Procedure shall be reviewed by the Risk Management Committee and Board of Directors on a half- yearly basis at the time of review of Financial Results of the Company.

The policy is available in the Company website: www.heritagefoods.in>Investor> policies

Policy on Sexual Harassment

The Company has always believed in providing a safe and harassment free workplace for every women working in Company's premises, through various interventions and practices. The Company has adopted policy and constituted the Internal Complaint Committee under Prevention of Sexual Harassment of Women at Workplace in accordance with the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 as amended from time to time.

The Company has not received any complaints during the year.

The Company regularly conducts awareness programmes for its employees.

The following are the summary of sexual harassment complaints received and disposed of during the year:

Sl No	Particulars	Status of the No. of complaints received and disposed off
1	Number of complaints on sexual harassment received	Nil
2	Number of complaints disposed off during the year	Nil
3	Number of cases pending for more than ninety days	Nil
4	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	Nil

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 and Regulation 22 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. A

mechanism has been established for employees to report concerns about unethical behaviour, actual or suspected fraud, or violation of Code of Conduct and Ethics. It also provides for adequate safeguards against the victimization of employees who avail of the mechanism and allows direct access to the Chairperson of the Audit Committee in exceptional cases. The Audit Committee reviews periodically the functioning of whistle blower mechanism. No complaint have been received during the Financial Year ended March 31, 2022. No personnel have been denied access to the Audit Committee during the Financial Year 2021-22.

The details of said vigil mechanism are given in Corporate Governance Report, which forms part of this Annual Report. A copy of the Whistle Blower Policy is available in the company's website i.e. www.heritagefoods.in.

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. The standalone and consolidated financial statements of the Company, forming part of the Annual Report, have been prepared and presented in accordance with all the material aspects of the Indian Accounting Standards ('Ind AS') as notified under section 133 of the Companies Act 2013 read with the Companies (Indian Accounting Standards) Rules 2015 (by Ministry of Corporate Affairs ('MCA')) and Regulation 33 of SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015 as amended and relevant amendment rules issued thereafter and guidelines issued by the Securities Exchange Board of India ('SEBI'). There was no revision of Financial Statements (Standalone & Consolidated) and Board Reports during the year under review.

Prevention of Insider Trading Code

As per SEBI (Prohibition of Insider Trading) Regulation, 2015 as amended from time to time, the Company has adopted a Code of Conduct for Prevention of Insider Trading. The Company has appointed Mr. Umakanta Barik, Company Secretary of the Company as Compliance Officer, who is responsible for setting forth procedures and implementation of the code of conduct for trading in Company's securities. During the year under review, there has been due compliance with the said code.

Acknowledgement and Appreciation

The Board takes this opportunity to thank all farmers, consumers, customers, vendors, 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 for their hard work, dedication and commitment. The enthusiasm and unstinting efforts of the employees have enabled the Company to remain an industry leader. 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.

For and on behalf of the Board of Directors

Place : Hyderabad
Date : May 27, 2022

N. BHUVANESWARI
Vice Chairperson & Managing Director
(DIN: 00003741)

N. BRAHMANI
Executive Director
(DIN : 02338940)

Annexure-1

FORM NO. AOC-2

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

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

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

There were no contracts or arrangements or transactions entered into during the year ended 31st March, 2022, which were not at arm's length basis.

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 2021-22. However the details of non-material contracts or arrangement or transactions are given below:

Sr. No.	Name(s) of the related party	Nature of Relationship	Nature of contracts/arrangements / transactions	Value of contracts/ arrangements/ transactions during the Year (₹ In Millions)	Duration of contracts/ arrangements/ transactions
1.	Heritage Nutrivet Limited (HNL)	Wholly-owned Subsidiary Company	Investment made (including financial guarantee)	1.00	During FY 2021-22
			Sale of products	4.81	Purchase order/Invoice
			Financial guarantee income	2.05	During FY 2021-22
			Purchases	557.73	Purchase order/Invoice
			Lease rental income	0.54	As per agreement
			Purchase/(sale) of Property, plant and equipment	3.35	Purchase order/Invoice
			Expenditure incurred on behalf of HNL	0.75	During FY 2021-22
			Brand income	0.94	As per agreement
2.	Heritage Novandie Foods Private Limited (HNFPL)	Joint Venture Company	Investment made (including financial guarantee)	105.15	During FY 2021-22
			Sale of products	4.27	Purchase order/Invoice
			Purchase of products	0.01	Purchase order/Invoice
			Financial guarantee income	2.20	During FY 2021-22
			Lease rental income	1.09	As per agreement
			Expenditure incurred on behalf of HNFPL	4.67	During FY 2021-22
3.	Heritage Finlease Limited	Enterprise over which Vice-Chairperson & Managing Director and Executive Director of the Company exercise significant influence	Remittance of loan proceeds collected on behalf of Heritage Finlease Limited	1,372.71	As per agreement
			Cattle loan facilitation charges	2.58	As per agreement
			Reimbursement of insurance proceeds received on behalf of Heritage Finlease Limited	0.03	During FY 2021-22
			Deposit paid	1.51	As per the lease agreement
			Lease rentals paid	1.81	As per the lease agreement
			CSR expenditure	15.40	As per CSR initiatives
4.	NTR Memorial Trust	Enterprise over which Vice-Chairperson & Managing Director and Executive Director of the Company exercise significant influence	CSR expenditure	15.40	As per CSR initiatives

Sr. No.	Name(s) of the related party	Nature of Relationship	Nature of contracts/arrangements / transactions	Value of contracts/ arrangements/ transactions during the Year (₹ In Millions)	Duration of contracts/ arrangements/ transactions
5.	Basavatarakam Indo-American Cancer Hospital	Executive Director of the Company is one of the trustee	Others (Staff welfare expenses)	0.93	During FY 2021-22
6.	Mrs. N. Bhuvanewari	Key Managerial personnel (Vice Chairperson and Managing Director)	Short-term employee benefits	76.93	As per terms of appointment
			Post-employment benefits	0.97	
			Other long-term benefits	0.87	
7.	Mrs. N. Brahmani	Key Managerial personnel (Executive Director)	Short-term employee benefits	61.54	As per terms of appointment
			Post-employment benefits	0.49	
8.	Dr. M. Sambasiva Rao	Key Managerial personnel (President)	Short-term employee benefits	27.65	As per terms of appointment
			Post-employment benefits	0.76	
			Other long-term benefits	1.39	
9.	Mr. Srideep Madhavan Nair Kesavan	Key Managerial personnel (CEO)	Short-term employee benefits	10.19	As per terms of appointment
			Post-employment benefits	0.55	
10.	Mr. A. Prabhakara Naidu	Key Managerial personnel (Chief Financial Officer)	Short-term employee benefits	7.96	As per terms of appointment
			Post-employment benefits	0.40	
			Other long-term benefits	0.22	
11.	Mr. Umakanta Barik	Key Managerial personnel (Company Secretary & Compliance Officer)	Short-term employee benefits	3.81	As per terms of appointment
			Post-employment benefits	0.19	
			Other long-term benefits	0.64	
12.	Mr. N Srivishnu Raju	Non-Executive Independent Directors	Sitting fees	0.53	During FY 2021-22
13.	Mr. Rajesh Thakur Ahuja	Non-Executive Independent Directors	Sitting fees	0.56	During FY 2021-22
14.	Mrs. Aparna Surabhi	Non-Executive Independent Directors	Sitting fees	0.56	During FY 2021-22
15.	Mr. Muthu Raju Paravasa Raju Vijay Kumar*	Non-Executive Independent Directors	Sitting fees	0.15	During FY 2021-22
16.	Dr. V Nagaraja Naidu	Non-Executive Directors	Sitting fees	0.39	During FY 2021-22

Note: Appropriate approvals have been taken from the Audit Committee and Board for the Related Party Transactions by the Company and no amount paid as advance for the above Related Party Transaction.

* Hereinafter referred as Mr. M P Vijay Kumar

For and on behalf of the Board of Directors

Place : Hyderabad
Date : May 27, 2022

N. BHUVANESWARI
Vice Chairperson & Managing Director
(DIN: 00003741)

N. BRAHMANI
Executive Director
(DIN : 02338940)

Annexure-2 (A & B)

PARTICULARS OF EMPLOYEE

(As per Sub-section (12) of section 197 of the Act and rules made thereof as amended from time to time)

A. Information as per Rule 5(1) of Chapter XIII, Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

i. Remuneration paid to whole-time directors

Name of the director	Title	Remuneration in FY 2021-22 (₹ in Million)*	Remuneration in FY 2020-21 (₹ in Million)*	% increase of remuneration in FY 2021-22 as compared to FY 2020-21	Ratio of remuneration to MRE
Mrs. N. Bhuvanewari	Vice Chairperson & Managing Director	76.93	110.80	(30.57)	398.29
Mrs. N. Brahmani	Executive Director	61.54	88.64	(30.57)	318.61

MRE: Median Remuneration of Employees

* Remuneration including monthly salary, Perquisite & Performance/Annual Pay

Note: Mrs. N Bhuvanewari, Director and Mrs. N Brahmani, Managing Director of the wholly owned subsidiary Company viz. M/s. Heritage Nutrivet Limited, except sitting fee of ₹ 0.08 million & ₹ 0.01 million respectively for attending the Board meeting of the wholly owned subsidiary Company they have not received any other remuneration for the FY 2021-22.

The Whole-Time Directors of the Company are being paid monthly remuneration and Annual/Performance Pay as per the terms of appointment approved by the members at their meeting held on March 12, 2019 by way of postal Ballot.

ii. Remuneration/Sitting Fee paid to Non-Executive Directors

Name of the director	Sitting Fee in FY 2021-22 (₹ in Million)	Sitting Fee in FY 2020-21 (₹ in Million)	% increase /(decrease) of Sitting Fee in FY 2021-22 as compared to FY 2020-21	Ratio of Sitting Fee to MRE
Mr. N Srivishnu Raju	0.53	0.68	(23.5)	2.74
Mr. Rajesh Thakur Ahuja	0.56	0.59	(6.78)	2.90
Mrs. Aparna Surabhi	0.56	0.60	(8.33)	2.90
Mr. MP Vijay Kumar*	0.15	-	-	0.78
Dr V Nagaraja Naidu	0.39	0.51	(23.5)	2.02

* Mr. M.P Vijay Kumar appointed as Non-Executive Independent Director of the Company w.e.f. November 01, 2021.

The above Directors are not paid any commission except the sitting fees for attending the Board and Committee meetings.

iii. Remuneration of other Key Managerial Personnel (KMP)

Name of the KMP	Designation	Remuneration* in FY 2021-22 (₹ in Million)	Remuneration in FY 2020-21 (₹ in Million)	% increase of remuneration in FY 2021-22 as compared to FY 2020-21	Ratio of Remuneration to MRE
Dr. M Sambasiva Rao	President	27.65	34.96	(20.91)	143.15
Mr. Srideep Madhavan Nair Kesavan#	CEO	10.19	-	-	52.76
Mr. A. Prabhakara Naidu	CFO	7.96	6.24	27.56	41.21
Mr. Umakanta Barik	CS	3.81	3.10	22.90	19.73

Mr. Srideep Madhavan Nair Kesavan appointed as Chief Executive Officer the Company w.e.f 28-07-2021

* Remuneration including monthly Salary, Variable Pay, Perks & Performance Incentive

Sl No	Director/Employee Name	Designation	Annual Gross Remuneration Received for FY21-22** (₹ in Million)	Qualification	Total Years of Experience	Date of Joining in the Company	Age (Yrs)	Last Employment before Joining the Company	No of Equity Shares held in the Company
(i) Director									
1	Mrs. N Bhuvanewari	VC&MD	76.93#	B.A	28	12.12.1999	60	Vertex Venture Management Private Limited, Singapore.	10661652
2	Mrs. N. Brahmani	ED	61.54#	B. Tech., MBA	14	28.06.2013	34	Joint Secretary, Ministry Of Commerce And Industry, Govt. Of India	203200
(ii) Employee									
1	Dr. M Sambasiva Rao	President	27.65*	M.Sc, PhD	38	23.01.2006	65	Coca Cola India Private Limited	86789
2	Mr. Srideep Madhavan Nair Kesavan	CEO	10.19	B.Tech, MBA (PGDBM, Marketing) XLRI	25	28.07.2021	49	Heritage Foods Limited.	1350
3	Mr. A Prabhakara Naidu	CFO	7.96	B.Sc. C.A	33	07.08.1992	61	Reliance Life Science Limited	-
4	Mr. J Samba Murthy	COO	7.29	MBA (Marketing)	33	01.04.2007	56	Salem Dairy	600
5	Mr. D.V.R.K Prasad	Sr.VP	5.41	IDD(DT), BBA	39	07.11.1996	60	Reliance Industries Limited	-
6	Mr. Chilikalapudi Rajababu	Sr.GM	5.01	M.Tech, MDBA	25	12.04.2007	48	Meritor Commercial Vehicle Systems (India) Private Limited	-
7	Mr.Dheeraj Tandon	Sr.GM	4.78	MBA(HR), PG Dip.(T&D)	23	05.10.2016	46	Real Time Governance - Govt. Of India	40
8	Mr. Balaji Adivishnu	GM	4.53	MBA (Mkt), MSc (Maths)	22	27.06.2019	46	Suhail Bahwan Group Holding	-
9	Mr. Shailendra Sarin	Sr. GM	4.22	BSc, PGDM	30	26.08.2019	57	Junagadh Dairy (Mother Dairy)	-
10	Mr. Suresh Kumar Patidar	Sr.GM	3.93	M.Tech (DT)	27	06.07.2012	52		-

VC&MD: Vice Chairperson & Managing Director
ED: Executive Director
CFO: Chief Financial Officer
CEO: Chief Executive Officer

Remuneration including monthly salary, Perks & Performance/Annual Pay
* Remuneration includes Salary & Performance incentive
** Gross Remuneration includes Monthly Remuneration, Variable Pay

All the above appointments are contractual and they are not relative of any Director of the company except Mrs. N. Bhuvanewari and Mrs. N. Brahmani are related to each other. None of the employees of the company are working outside of India.

- The annual Median Remuneration of Employees (MRE) was ₹ 0.19 million and ₹ 0.19 million in financial year 2021-22 and financial year 2020-21 respectively.
- The number of permanent employees on the rolls of the Company as of March 31, 2022 was 3009
- The revenue was grown by 9.80% during financial year 2021-22 as compare to the previous financial year.
- The aggregate remuneration of employees excluding WTD decreased in FY 2021-22 over the previous financial year by 1.00%
- The aggregate remuneration of employees including WTD decreased in FY 2021-22 over the previous financial year by 6.91%
- The aggregate remuneration of WTD decreased in FY 2021-22 over the previous financial year by 30.40%
- The aggregate remuneration of KMP decreased in FY 2021-22 over the previous financial year by 22.68%
- The Company affirms that the remuneration is as per the remuneration policy of the Company.

iv. Statement required under Rule 5(2) of the Companies (Appointment and remuneration of Managerial Personnel) Rules, 2014.

B. Information as per Rule 5(2) of Chapter XIII, the Companies (Appointment & Remuneration of Managerial Personnel) Rules, 2014

i. Details of employee Employed throughout the financial year was in receipt of remuneration for that year which in the aggregate, was not less than One Crore and Two lakh rupees

Employee Name	Designation	Educational qualification	Age	Experience (in years)	Date of joining	Gross Remuneration Paid (₹ in Million)	Previous employment and designation
Dr. M Sambasiva Rao	President	M.Sc., Ph.D.	65	38	23/01/2006	27.65*	Joint Secretary, Ministry of Commerce and Industry Govt. of India

* Remuneration includes Salary & Performance incentive

ii. Details of employee Employed for a part of the financial year was in receipt of remuneration for any part of that year at a rate which, in the aggregate, was not less than Eight Lakhs and Fifty Thousand rupees per month:

Employee Name	Designation	Educational qualification	Age	Experience (in years)	Date of joining	Gross Remuneration Paid (₹ in Million)	Previous employment and designation
Mr. Srideep Madhavan Nair Kesavan*	CEO	MBA (PGDBA, Marketing), B.Tech	48	24	28.07.2021	10.19	Vice President Marketing, Juices and value added category, Coca cola India & South-West Asia BU

* Mr. Srideep Madhavan Nair Kesavan appointed as Chief Executive Officer the Company w.e.f 28-07-2021

For and on behalf of the Board of Directors

N. BHUVANESWARI
Vice Chairperson & Managing Director
(DIN: 00003741)

N. BRAHMANI
Executive Director
(DIN : 02338940)

Place : Hyderabad
Date : May 27, 2022

FORM No. MR-3
SECRETARIAL AUDIT REPORT

Annexure-3

For the Financial year ended 31st March, 2022

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

To,
The Members,
Heritage Foods Limited
CIN:L15209TG1992PLC014332
6-3-541/C, Panjagutta,
Hyderabad-500082, Telangana

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

Based on our 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, we hereby report that in our opinion, the company has during the audit period covering the financial year ended on 31st March, 2022 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March, 2022 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made there under as amended from time to time;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made there under;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act') as amended from time to time:-
 - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
 - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;
 - (d) The Securities and Exchange Board of India (Depositories and Participants) Regulations, 2018;
 - (e) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999; -- N.A.

- (f) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; -- N.A.
- (g) 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;
- (h) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; -- N.A.
- (i) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998; -- N.A.
- (j) The Securities and Exchange Board of India (Listing Obligation & Disclosure Requirements) Regulations, 2015.

We 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 complied with the following laws applicable specifically to the Company.

- a. Food safety and Standards Act, 1954 and the Rules made there under
- b. The Prevention of Foods Adulteration Act, 1954 and the Rules made there under

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

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India, New Delhi. and
- (ii) The Listing Agreements entered into by the Company with the BSE Limited and The National Stock Exchanges of India Limited, Mumbai

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

We further report that, the Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors & Woman Directors. The change in the composition of the Board of Directors during the period under review i.e. the appointment of Mr. M P Vijay Kumar as a Non-Executive Independent Director of the Company for a period of 5 (five) years from 01.11.2021 to 31.10.2026 was carried out in compliance with the provisions of the Act.

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

As per the minutes of the meeting duly recorded and signed by the Chairperson, the decisions of the Board were approved by majority and no dissenting views have been recorded.

We further report that based on the information provided and the representation made by the Company and also on the review of the

Compliance certificates / reports taken on record by the Board of Directors of the Company, in our opinion, there are adequate systems and processes in the Company that commensurate with the size and operations of the Company to monitor and ensure compliance with the applicable laws, rules, regulations and guidelines.

We further report that during the audit period of the Company: There was no instance of: Demerger/ Restructuring/ Scheme of Arrangement of any entity with the Company and vice-versa.

We further report that, during the audit period the company has taken the approval of its members through postal ballot in compliance with the MCA and SEBI Circulars for appointing Mr. M P Vijay Kumar (DIN: 05170323) as a Non-Executive Independent Director of the Company for a period of 5 (five) years from 01.11.2021 to 31.10.2026, notice for which was sent to shareholders on 25.10.2021 and the date of passing of resolution was 24.11.2021.

We further report that, during the audit period the company has also sought the approval of its members through postal ballot in compliance with the MCA and SEBI Circulars for Continuation of directorship of Dr. V Nagaraja Naidu (DIN: 00003730), Non-Executive Director of the Company in terms of Regulation 17(1A)

of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) (Amendment) Regulations, 2018, notice for which was sent to shareholders on 30.03.2022 and the date of passing of resolution was 29.04.2022.

We further report that, our Audit was subjected only to verifying adequacy of systems and procedures that are in place for ensuring proper compliances on the part of the Company.

For **SAVITA JYOTI ASSOCIATES**

Savita Jyoti

Partner

M. No. FCS No. 3738

CP. No. 1796

UDIN F003738D000298934

Place: Hyderabad

Date: May 10, 2022

This Report has to be read with our testimony of even date which is annexed as Annexure- A and forms an integral part of this report.

ANNEXURE-A TO SECRETARIAL AUDIT REPORT

To,
The Members,
Heritage Foods Limited
CIN:L15209TG1992PLC014332
6-3-541/C, Panjagutta,
Hyderabad-500082, Telangana

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

- 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.
- We have followed the audit practices and processes that were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on a test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices we followed provide a reasonable basis for our opinion.
- We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
- Whenever required, we have obtained Management representation about the compliance of laws, rules and regulations and happenings of events etc. We have also verified the applicable provisions of IEPF which is complied by the Company.
- 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.
- The Secretarial Audit is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management conducted the affairs of the Company

For **SAVITA JYOTI ASSOCIATES**

Savita Jyoti

Partner

M. No. FCS. No-3738, CP. No. 1796

UDIN F003738D000298934

Place: Hyderabad

Date : May 10, 2022

Annexure-3(i)

SECRETARIAL COMPLIANCE REPORT OF

M/S HERITAGE FOODS LIMITED

CIN: L15209TG1992PLC014332

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

For the Financial year ended 31st March, 2022

[as per the regulation 24(A) of SEBI (LO&DR) Regulations, 2015 as amended from time to time]

- Savita Jyoti partner of M/s. Savita Jyoti Associates, Practicing Company Secretary (CP No: 1796, M.No. 3738), have examined:
 - all the documents and records made available to us and explanation provided by M/s. Heritage Foods Limited
 - the filings/ submissions made by the listed entity to the stock exchanges,
 - website of the Company,
 - any other document/ filing, as may be relevant, which has been relied upon to make this certification, for the year ended 31st March, 2022 in respect of compliance with the provisions of :
 - the Securities and Exchange Board of India Act, 1992 ("SEBI Act") and the Regulations, circulars, guidelines issued thereunder; and
 - the Securities Contracts (Regulation) Act, 1956 ("SCRA"), rules made thereunder and the Regulations, circulars, guidelines issued thereunder by the Securities and Exchange Board of India ("SEBI");

The specific Regulations, whose provisions and the circulars/ guidelines issued thereunder, have been examined, include:-

- Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;
- Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;
- Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
- Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018; : Not Applicable during the year under review
- Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014; Not Applicable during the year under review
- Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; Not Applicable during the year under review
- Securities and Exchange Board of India (Issue and Listing of Non- Convertible and Redeemable Preference Shares) Regulations, 2013; Not Applicable during the year under review
- Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
- Securities and Exchange Board of India (Depositories and Participants) Regulations, 2018;

and based on the above examination, I/We hereby report that, during the Review Period:

- The listed entity has complied with the provisions of the above Regulations and circulars/ guidelines issued thereunder
- The listed entity has maintained proper records under the provisions of the above Regulations and circulars/ guidelines issued thereunder insofar as it appears from my/our examination of those records.
- There are no actions taken against the listed entity/ its promoters/ directors/ material subsidiaries either by SEBI or by Stock Exchanges (including under the Standard Operating Procedures issued by SEBI through various circulars) under the aforesaid Acts/ Regulations and Circulars/ guidelines issued thereunder:
- There are no observations made in previous report, hence action taken from listed entity was not required.

for **SAVITA JYOTI ASSOCIATES**

Savita Jyoti

Partner

M.No. FCS. -3738, CP. No. 1796

UDIN: F003738D000299022

Place: Hyderabad

Date: May 10, 2022

Annexure-3(ii)

CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

(pursuant to Regulation 34(3) and Schedule V Para C clause (10)(i) of the SEBI
(Listing Obligations and Disclosure Requirements) Regulations, 2015)

To,
The Members,
Heritage Foods Limited
CIN:L15209TG1992PLC014332
6-3-541/C, Panjagutta,
Hyderabad-500082, Telangana

We have examined the relevant registers, records, forms, returns and disclosures received from the Directors of M/s. Heritage Foods Limited having CIN:L15209TG1992PLC014332 and having registered office at # 6-3-541/C, Panjagutta, Hyderabad-500082 produced before us by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In our opinion and to the best of our information and according to the verifications (including Directors Identification Number (DIN) status at the portal www.mca.gov.in) as considered necessary and explanations furnished to us by the Company & its officers, we hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on 31st March, 2022 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs or any such other Statutory Authority.

Sr. No.	Name of Director	DIN	Date of Last appointment in Company
1.	Mr. N Srivishnu Raju	00025063	30/08/2019
2.	Mr. Rajesh Thakur Ahuja	00371406	30/07/2021
3.	Mrs. Aparna Surabhi	01641633	01/04/2019
4.	Mr. M P Vijay Kumar	05170323	01/11/2021
5.	Dr. Vadlamudi Nagaraja Naidu	00003730	28/08/2020
6.	Mrs. N Bhuvanawari	00003741	01/04/2019
7.	Mrs. N Brahmani	02338940	01/04/2019

Ensuring the eligibility for the appointment/continuity of every Director on the Board is the responsibility of the management of the Company. Our responsibility is to express an opinion on these based on our verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For **SAVITA JYOTI ASSOCIATES**

Savita Jyoti

Partner

M.no. FCS-3738, CP. No. 1796

UDIN F003738D000299033

Place : Hyderabad

Date : May 10, 2022

Annexure-3(iii)

FORM No. MR-3

SECRETARIAL AUDIT REPORT

For the Financial year ended 31st March, 2022

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

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

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by M/s. Heritage Nutrivet Limited (herein after called the "Company"). Secretarial audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon. Based on my verification of the Company's, books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the company has during the audit period covering the financial year ended on 31st March, 2022 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March, 2022 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made there under as amended from time to time;
- (ii) The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;
- (iii) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act') to the extent applicable to the company:-
 - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011; Not Applicable
 - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015; Not Applicable
 - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009, as amended from time to time; Not Applicable
 - (d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999; Not Applicable
 - (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; Not Applicable
 - (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding

- the Companies Act and dealing with client; Not Applicable
- (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; Not Applicable.
 - (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998; Not Applicable
 - (i) The Securities and Exchange Board of India (Listing Obligation & Disclosure Requirements) Regulations, 2015; Not Applicable
 - (iv) The other laws, as informed and certified by the management of the Company which are specifically applicable to the Company are:
 1. Factories Act, 1948
 2. Payment of Wages Act, 1936, and rules made thereunder
 3. The Minimum Wages Act, 1948, and rules made thereunder
 4. Employee's State Insurance Act, 1948, and rules made thereunder
 5. The Employee's Provident Fund and Miscellaneous Provisions Act, 1952, and rules made thereunder
 6. The Payment of Bonus Act, 1965, and rules made thereunder
 7. Payment of Gratuity Act, 1972, and rules made thereunder
 8. The Water (Prevention & Control of Pollution) Act, 1974, read with Water (Prevention & Control of Pollution) Rules, 1975
 9. Industrial Disputes Act, 1947
 10. The Air (Prevention and Control of Pollution) Act, 1981
 11. The Environment (Protection) Act, 1986
 12. Hazardous Wastes (Management, Handling and Transboundary Movement) Rules, 2008
 13. Contract Labour (Regulation and Abolition Act), 1970
 14. Maternity Benefit Act, 1961
 15. Child Labour (Prohibition and Regulation) Act, 1986
 16. Industrial Employment (Standing Orders) Act, 1946
 17. Employee's Compensation Act, 1976
 18. Equal Remuneration Act, 1976
 19. Employment Exchange (Compulsory Notification of Vacancies) Act, 1959
 20. Food Safety And Standards Act, 2006 and the Rules made thereunder;
- I have also examined compliance with the applicable clauses of the following as amended from time to time:
- (i) Secretarial Standards issued by The Institute of Company Secretaries of India, New Delhi.

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

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

- a) Maintenance of various statutory registers and documents and making necessary entries therein.
- b) Forms, returns, documents and resolutions required to be filed with the Registrar of Companies and the Central Government.
- c) The Annual General Meeting held on 23rd July, 2021.
- d) Minutes of the proceedings of General meetings and of the Board Meetings.
- e) Constitution of the Board of Directors, appointment, retirement and reappointment of Directors including the Managing Director.
- f) During the year under review the Board of Directors met 5 times, i.e 12th May, 2021, 20th July, 2021, 13th October,

2021, 19th January, 2022, 14 March, 2022. The time gap between the two Board meetings is within 120 days as per the Secretarial Standard-1.

- g) No Payment of remuneration was made to Directors including the Managing Director/Whole-time Directors except sitting fee.

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

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

For KLB & Associates

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

Place: Hyderabad
Date: May 06, 2022

ANNEXURE-A TO SECRETARIAL AUDIT REPORT

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

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

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

For KLB & Associates

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

Place: Hyderabad
Date: May 06, 2022

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 in one or more than one activities mentioned in the Schedule VII to the Companies Act, 2013. The CSR initiatives of the Company are mainly focused in education, healthcare, environment, relief, disaster management etc. and Covid-19 related activities as permitted by the law. The projects undertaken during the Financial Year 2021-22 were within the broad framework of Schedule VII to the Companies Act, 2013. Details of the CSR policy of the Company is available on the website of the Company at www.heritagefoods.in.

2. Composition of CSR Committee:

Sl. No.	Name of Director	Designation / Nature of Directorship	Number of meetings of CSR Committee held during the year	Number of meetings of CSR Committee attended during the year
1	Mr. Rajesh Thakur Ahuja	Chairperson	3	3
2	Mr. N Srivishnu Raju	Member	3	2
3	Mrs. N Bhuvanewari	Member	3	3

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: <https://www.heritagefoods.in/committee>

CSR Policy: <https://www.heritagefoods.in/policy>

CSR Projects: <https://www.heritagefoods.in/static/images/pdf/CSR%20Activities%20for%20FY%202021-22.pdf>

4. The details of Impact assessment of CSR projects carried out in pursuance of sub-rule (3) of rule 8 of the Companies (Corporate Social Responsibility Policy) Rules, 2014, if applicable: (attach the report): Not Applicable

5. The amount available for set off in pursuance of sub-rule (3) of rule 7 of the Companies (Corporate Social Responsibility Policy) Rules, 2014 and amount required for set off for the financial year, if any:

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

6. Average net profit of the company as per section 135(5): ₹ 1,467.33 million for FY 2020-21

Particulars	Amount (₹ in Mn)
Two percent of average net profit of the company as per section 135(5) [A]	29.35
Surplus arising out of the CSR projects or programmes or activities of the previous financial years [B]	-
Amount required to be set off for the financial year, if any [C]	-
Total CSR obligation for the financial year [A]+[B]+ [C]	29.35

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

Total Amount Spent for the Financial Year 2021-22 (₹ In Mn)	Amount Unspent (₹ In Mn)				
	Total Amount transferred to Unspent CSR Account as per section 135(6)	Amount transferred to any fund specified under Schedule VII as per second proviso to section 135(5)			
	Amount	Date of Transfer	Name of the Fund	Amount	Date of Transfer
17.77	11.58	25/04/2022	NA	Nil	NA

The unspent amount of ₹ 11.58 millions (₹ 7.06 million available with Company and ₹ 4.52 million available with Asian Healthcare Foundation-implementing agency) will be spent in accordance with the CSR Amendment Rules

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

(1)	(2)	(3)	(4)	(5)		(6)	(7)	(8)	(9)	(10)	(11)	
Sl. No.	Name of the Project	Item from the list of activities in Schedule VII to the Act	Local area (Yes/No)	Location of the project		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
1	Health care facilities by setting up Oxigen Plant	Promoting Healthcare	Yes	Andhra Pradesh	Chittoor	1 year	4.00	4.00	Nil	No	NTR Memorial Trust	CSR00001602
2	Health care facilities by setting up Oxigen Plant	Promoting Healthcare	Yes	Andhra Pradesh	Srikakulam	1 year	4.26	4.26	Nil	No	NTR Memorial Trust	CSR00001602
3	Health care facilities by setting up Oxigen Plant	Promoting Healthcare	Yes	Telangana	Gudur	1 year	4.17	4.17	Nil	No	NTR Memorial Trust	CSR00001602
4	Health care facilities by setting up a Blood Bank	Promoting Healthcare	Yes	Andhra Pradesh	Vizakhapatnam	2 years	2.97	2.97	Nil	No	NTR Memorial Trust	CSR00001602
5	Health care- Single cell whole transcriptome based approach to understand the dysregulation in immune repertoire in COVID-19 long haulers	Promoting Healthcare	No	Telangana	Hyderabad	3 years	6.87	2.35	4.52	No	Asian Healthcare Foundation	CSR00002479
Total							22.27	17.75	4.52			

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

(1)	(2)	(3)	(4)	(5)		(6)	(7)	(8)	
Sl. No.	Name of the Project.	Item from the list of activities in Schedule VII to the Act	Local area (Yes/No)	Location of the project		Amount Spent for the project (₹ in Mn).	Mode of Implementation -Direct (Yes/No)	Mode of implementation - Through implementing Agency	
				State	District			Name	CSR registration number
1	Promoting Healthcare, Education	Promoting Healthcare, Education	Yes	Karnataka	Bengaluru	0.025	Yes	NA	NA
Total						0.025			

(d) Amount spent in Administrative Overheads: Nil

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

(f) Total amount spent for the Financial Year (8b+8c+8d+8e) : ₹ 17.77 million

(g) 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)	29.35
ii	Total amount spent for the Financial Year	17.77
iii	Excess amount spent for the financial year [(ii)-(i)]	Nil
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)]	Nil

9. (a) 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	
Nil							

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

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

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

Date of creation or acquisition of the capital asset(s)	Amount of CSR spent for creation or acquisition of capital asset – Fiscal 2022 (₹ in million)	Details of the entity or public authority or beneficiary under whose name such capital asset is registered, their address etc.	Details of the capital asset(s) created or acquired (including complete address and location of the capital asset)
June 30, 2021	4.00	Kuppam Area Hospital Chittoor District, Andhra Pradesh	Oxigen Plant, Kuppam, Chittoor District, Andhra Pradesh
September 30, 2021	4.26	Tekkali Government Hospital Srikakulam District, Andhra Pradesh	Oxigen Plant Tekkali, Srikakulam District, Andhra Pradesh
March 04, 2022	4.17	Guduru Government Hospital Mahaboobabad District, Telangana.	Oxigen Plant Guduru, Mahaboobabad District, Telangana
March 04, 2022	2.97	NTR Memorial Trust Road No.2, Banjara Hills, Hyderabad, Telangana	Building Renovation Vizag Blood Bank Nowroji Road, Waltair Ward, Vizag.

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

During FY 2021-22, the Company has spent ₹ 17.77 million on various healthcare projects. The unspent amount of ₹ 11.58 millions (₹ 7.06 million available with Company and ₹ 4.52 million available with Asian Healthcare Foundation-implementing agency) was transferred to unspent CSR account and will be spent in accordance with the CSR Amendment Rules.

Rajesh Thakur Ahuja
(DIN: 00371406)
(Chairperson CSR Committee)

N. Bhuvanewari
(DIN: 00003741)
Vice-Chairperson & Managing Director

Annexure-5

BUSINESS RESPONSIBILITY REPORT 2021-22

CONTENTS

Section A:	General Information about the Company
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Section D:	Business Responsibility Information
Section E:	Principle-wise Performance
Principle 1:	Ethics, Transparency and Accountability
Principle 2:	Safety and Sustainability
Principle 3:	Well-being of all Employees'
Principle 4:	Protection of Stakeholders Interest
Principle 5:	Respecting and Promoting Human Rights
Principle 6:	Respecting and Protecting Environment
Principle 7:	Responsibility towards Public and Regulatory Policy
Principle 8:	Inclusive Growth & Equitable Development
Principle 9:	Consumer Value

Section A: General Information about the Company

- Corporate Identity Number of the Company:** L15209TG1992PLC014332
- Name of the Company:** Heritage Foods Limited
- Registered Address:** #6-3-541/C, Punjagutta, Hyderabad-500082, Telangana, India
- Website:** www.heritagefoods.in
- E-mail ID:** hfl@heritagefoods.in
- Financial Year reported:** 1st April to 31st March
- Sector(s) that the Company is engaged in (industrial activity code-wise):**

The Company is engaged in the business of procurement and processing of Milk & Milk products, manufacturing of cattle feeds and also generation of power through solar & wind for the captive consumption of its dairy plants.

Industrial Group	Description
105	Manufacture of dairy products
351	Generation of power through solar & wind for the captive consumption of its dairy plants

Note: The above grouping is as per National Industrial Classification of the Ministry of Statistics and Programme Implementation.

- List three key products / services that the Company manufactures/ provides (as in balance sheet):**
 - Milk
 - Milk products.
 - Generation of Renewable Energy
- Total number of locations where business activity is undertaken by the Company:**
 - Number of international locations: The Company does not carry on business at any international location.
 - Number of national locations: The Company's businesses and operations are spread in 205 locations across the country.
- Markets served by the Company:** The Company products have a national presence and a few products are exported.

Section B: Financial Details of the Company as on March 31, 2022

1. Paid up Capital:	₹ 231.99 Millon
2. Revenue from operation:	₹ 26429.21 Millon
3. Total Profit After Tax:	₹ 1015.34 Millon
4. Total spending on Corporate Social Responsibility (CSR) as a Percentage of profit after tax (%):	The mandated CSR amount of the Company for FY 2021-22 was ₹ 29.35 million which was 2% of the average net profits of the Company for the preceding three financial years.
5. List of activities in which expenditure in Sr.No.4 above has been incurred:	The CSR amount was spent for promoting healthcare. (Refer Annexure-4 of the Directors Report)

Section C: Other Company's Details

- Does the Company have any Subsidiary Company /Companies?**

Yes, as on March 31, 2022, the Company has one wholly owned subsidiary namely M/s. Heritage Nutrivet Limited (CIN:U15400TG2008PLC062054) and one Associate Company namely M/s SKIL Raigam Power (India) Limited (CIN:U40102TG2009PLC063671) and one Joint Venture Company namely M/s. Heritage Novandie Foods Private Limited (CIN:U74999TG2017PTC120860).

2. Do the Subsidiary Company / Companies participate in the BR Initiatives of the parent company?

No participation by the said subsidiary in business responsibility initiatives.

3. Does any other entity / entities (suppliers, distributors etc.) that the Company does business with, participate in the BR initiatives of the Company?

The Company encourages its suppliers, dealers and other stakeholders to support various initiatives taken by the Company towards its business responsibility.

Section D: Business Responsibility Information

1. Details of Director / Directors responsible for BR:

a) Details of the Director / Directors responsible for implementation of the business responsibility policy / policies

DIN	00003741
Name	Mrs. N Bhuvanewari
Designation	Vice Chairperson and Managing Director

DIN	02338940
Name	Mrs. N Brahmani
Designation	Executive Director

b) Details of the BR Head

DIN	00003741
Name	Mrs. N Bhuvanewari
Designation	Vice Chairperson and Managing Director
Tel No.	040 – 23391221
Email ID	hfl@heritagefoods.in

DIN	02338940
Name	Mrs. N Brahmani
Designation	Executive Director
Tel No.	040 – 23391221
Email ID	hfl@heritagefoods.in

2.1. Principle-wise (as per NVGs) BR Policy/policies (Reply in Y/N):

The National Voluntary Guidelines on Social, Environmental and Economic Responsibilities of Business (NVGs) released by the Ministry of Corporate Affairs has adopted nine areas of Business Responsibility.

These are briefly are as under:

- Principle 1: Ethics, Transparency and Accountability [P1]
- Principle 2: Safety and Sustainability [P2]
- Principle 3: Well-being of all Employees [P3]
- Principle 4: Protection of Stakeholders Interest [P4]
- Principle 5: Respecting and Promoting Human Rights [P5]
- Principle 6: Respecting and Protecting Environment [P6]
- Principle 7: Responsibility towards Public and Regulatory Policy [P7]
- Principle 8: Inclusive Growth & Equitable Development [P8]
- Principle 9: Consumer Value [P9]

Sr. No.	Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
1.	Do you have a policy/policies for:	Y	Y	Y	Y	Y	Y	Y	Y	Y
2.	Has the policy been formulated in consultation with the relevant stakeholders?	Y	Y	Y	Y	Y	Y	Y	Y	Y
3.	Does the policy conform to any national / international standards? If yes, specify? (50 words)	Yes. The policies are based on the 'National Voluntary Guidelines on Social, Environmental and Economic Responsibilities of Business' released by the Ministry of Corporate Affairs, Govt of India								
4.	Has the policy being approved by the Board? If yes, has it been signed by MD/Owner/CEO/appropriate Board Director?	Yes. The policies have been approved by the Board and signed by the Vice Chairperson and Managing Director.								
5.	Does the company have a specified committee of the Board/ Director/ Official to oversee the implementation of the policy?	Yes, the Company's officials/ respective departments are authorised to oversee the implementation of the policy								
6.	Indicate the link for the policy to be viewed online ?	Policies are available in the following link: https://www.heritagefoods.in/uploads/investors/pdf/16093093834B_R_Policy.pdf								
7.	Has the policy been formally communicated to all relevant internal and external stakeholders?	Yes, the policies have been communicated to all the internal and external stakeholders								
8.	Does the company have in-house structure to implement the policy/ policies?	Y	Y	Y	Y	Y	Y	Y	Y	Y
9.	Does the Company have a grievance redressal mechanism related to the policy/ policies to address stakeholders' grievances related to the policy/policies?	Yes, any grievances or feedback to the policies can be sent to hfl@heritagefoods.in								
10.	Has the company carried out independent audit/evaluation of the working of this policy by an internal or external agency?	The Policy relating to Environment, Health and Safety are evaluated by internal as well as external ISO audit agencies. The Whistle Blower Policy is reviewed by the Audit Committee of the Board annually.								

2.2. If answer to Sr. No.2.1 against any principle is 'No', please explain why: (Tick up to 2 options)

Not applicable since the response to none of the Principles is in negative.

3. Governance related to BR

Indicate the frequency with which the Board of Directors, Committee of the Board or CEO to assess the BR performance of the Company. Within 3 months, 3-6 months, annually, more than 1 year.

There is no defined frequency. Assessment is an ongoing exercise and is an inherent part of corporate functions.

Does the Company publish a BR or a Sustainability Report? What is the hyperlink for viewing this report? How frequently it is published?

No

Section E: Principle-wise Performance

Principle 1: Business should conduct and govern themselves with Ethics, Transparency and Accountability

1.1 Does the policy relating to ethics, bribery and corruption cover only the company? Does it extend to the Group/Joint Ventures/ Suppliers/Contractors/NGOs /Others?

The Company adopted the Code of Ethics and Business Policies governing conduct of business of the Company in an ethical manner. The Company encourages its business partners to follow the code.

The Board of the Company has also adopted a Code of Conduct (Code) which applies to the Directors, Key Managerial Personnel and the senior management of the Company. The Company obtains an annual confirmation affirming compliance with the Code from the Directors Key Managerial Persons and the senior management every year.

1.2 How many stakeholder complaints have been received in the past financial year and what percentage was satisfactorily resolved by the management?

The Company received 106 complaints/requests from the members during 2022-23 and there were no complaints pending as on March 31, 2022

Principle 2: Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle

2.1 List up to 3 of your products or services whose design has incorporated social or environmental concerns, risks and/or opportunities.

Implemented ISO 22000 (Food Safety), ISO 14001 (Environmental Safety) and ISO 50001 (Effective Energy Management System)

2.2 Does the company have procedures in place for sustainable sourcing (including transportation)? If yes, what percentage of your inputs was sourced sustainably? Also, provide details thereof, in about 50 words or so.

Our Company's sourcing of milk has increased many folds since last 30 years. We have a sustainable sourcing from farmers across the states we are operating. To keep our sourcing sustainable we do undertake lot of ESI activities which help farmers keep supplying milk to us.

2.3 Has the company taken any steps to procure goods and services from local and small producers, including communities surrounding their place of work? If yes, what steps have been taken to improve their capacity and capability of local and small vendors?

The Milk which is the raw material for the Dairy is procured locally from small farmers in the nearby villages. The Farmers are encouraged to produce more milk through extensive E&I activities which includes Artificial Insemination, Cattle Loans, subsidized feed, free medical camps, supply of fodder slips, etc and their total Milk produced is accepted without any restriction in any season.

2.4 Does the company have a mechanism to recycle products and waste? If yes what is the percentage of recycling of products and waste (separately as <5 per cent, 5-10 per cent, >10 per cent).

The Company is not having any policy to recycle the products. In case of waste such as: water shall be treated before utilizing for irrigation purpose within the plant premises. As per Government Extended Producer Responsibility we send plastic to the approved recyclers.

Principle 3: Businesses should promote the well being of all employees

3.1 **Total number of employees:** 3009

3.2 **Total number of employees hired on temporary/contractual/ casual basis:** 3178

3.3 **The number of permanent women employees:** 54.

3.4 **The number of permanent employees with disabilities:** NIL

3.5 **Do you have an employee association that is recognized by management?**

Presently, Company does not have any employee association.

3.6 **What percentage of your permanent employees is members of this recognized employee association? – NA**

3.7 **Please indicate the Number of complaints relating to child labour, forced labour, involuntary labour, sexual harassment in the last financial year and pending, as on the end of the financial year.**

Sr. No.	Category	No of complaints filed during the financial year	No of complaints pending as on end of the financial year
1	Child Labour /forced Labour/involuntary	Nil	Nil
2	Sexual harassment	Nil	Nil
3	Discriminatory employment	Nil	Nil

3.8 **What percentage of your under mentioned employees were given safety and skill upgradation training in the last year?**

a. Permanent Employees – 85%

b. Permanent Women Employees – 98%

c. Casual/Temporary/Contractual Employees – 98%

d. Employees with Disabilities – NA

Principle 4: Businesses should respect the interests of, and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalized.

4.1 Has the Company mapped its internal and external stakeholders?

Yes, the Company has mapped the stakeholders i.e. farmers, customers, shareholders, employees, suppliers, banks and financial institutions, government and regulatory bodies.

4.2 Out of the above, has the Company identified the disadvantaged, vulnerable and marginalized stakeholders?

The Company continuously engages with small and marginal farmers and identifies their needs and priorities so as to serve.

4.3 Are there any special initiatives taken by the company to engage with the disadvantaged, vulnerable and marginalized stakeholders. If so, provide details thereof, in about 50 words or so.

The Company has taken special initiatives for welfare of the farmers. The activities includes vet+ app, cattle insurance, insurance coverage for farmers, healthcare facilities for milch animals, relief activities in case of any unforeseen calamities.

Principle 5: Businesses should respect and promote human rights. The Company respects and promotes human rights for all individuals. The Company's commitment to human rights and fair treatment is set in its Policy on Human Rights.

5.1 Does the policy of the Company on human rights cover only the Company or extend to the Group/ Joint Ventures / Suppliers/ Contractors / NGOs / Others?

The Company follows its policy on Human Rights which are applicable to all employees in the Company. The Company encourages its Business Partners to follow the policy. Company discourages dealing with any supplier/contractor if it is in violation of human rights and also prohibits the use of forced or child labour at all manufacturing units /with business associates.

5.2 How many stakeholder complaints have been received in the past financial year and what percent was satisfactorily resolved by the management?

The Company has not received any stakeholder complaint pertaining to human rights during the financial year 2021-22.

Principle 6: Business should respect, protect and make efforts to restore the environment

6.1 Does the policy related to Principle 6 cover only the company or extends to the Group /Joint Ventures / Suppliers / Contractors / NGOs /others.

The Company follows its policy on Environment Protection which is applicable to all its business places.

6.2 Does the company have strategies/ initiatives to address global environmental issues such as climate change, global warming, etc? If yes, please give hyperlink for webpage etc.

Company is in constant lookout for opportunities for reducing its own operational environmental footprint.

Use of renewable energy to the extent possible & energy conservation efforts are in line with global initiatives such as climate change.

6.3 Does the company identify and assess potential environmental risks?

Yes, the Company has a mechanism to identify and assess potential environmental risks in its plants and projects. The Company is consistently putting in efforts to improve the environment protection measures further.

6.4 Does the company have any project related to Clean Development Mechanism?

Currently no projects related to Clean Development Mechanism have been taken up by the Company. However we are in constant lookout for opportunities in this regard.

6.5 Has the Company undertaken any other initiatives on – clean technology, energy efficiency, renewable energy, etc. If yes, please give hyperlink for web page etc.

The Company has designed technologies to enable resource efficient, sustainable manufacturing processes and technologies required to manufacture its products. The efforts of the Company are aimed to minimise energy consumption by adopting energy conservation measures.

6.6 Are the Emissions/Waste generated by the Company within the permissible limits given by Central Pollution Control Board (CPCB) / State Pollution Control Board (SPCB) for the financial year being reported?

Company's emissions/waste generated are always within the regulatory defined limits.

6.7 Number of show cause/ legal notices received from CPCB/ SPCB which is pending (i.e. not resolved to satisfaction) as on end of Financial Year.

The Company has not received any show cause notice or legal notice from Central Pollution Control Board/State Pollution Control Board during 2021-22.

Principle 7: Businesses, when engaged in influencing public and regulatory policy, should do so in a responsible manner

7.1 Is your company a member of any trade and chamber or association? If Yes, Name only those major ones that your business deals with:

The Company is a member of The Federation of Telangana and Chambers of Commerce and Industry (FTCCI) and The Confederation of Indian Industry (CII).

7.2 Have you advocated/lobbied through above associations for the advancement or improvement of public good? If yes specify the broad areas.

Company's Senior Management represents the Company in various industry forums. They understand their responsibility while representing the company in such associations, and while they engage in constructive dialogues and discussions in favour of public good.

Principle 8: Businesses should support inclusive growth and equitable development

8.1 Does the Company have specified programmes/ initiatives/projects in pursuit of the policy related to Principle 8?

The Company undertakes the initiatives through the CSR committee of the Board as per the CSR policy of the Company. A brief outline of the policy for undertaking the CSR activities of the Company includes the following:

- Promoting education
- Enhancing the vocational skills
- Promoting and preventive health care
- Environment Sustainability
- Rural Development projects
- Disaster management, relief and rehabilitation

8.2 Are the programmes/projects undertaken through in-house team/own foundation / external NGO / government structures /any other organization?

The Company's Social Responsibility Projects have been carried out by the Company directly and/or through implementing agencies (i.e. NTR Memorial Trust and Asian Healthcare Foundation).

8.3 Have you done any impact assessment of your initiative? (From CSR)

As per the CSR amendment Rule, 2021 the impact assessment studies are not required by the Company. However, internally the Company performs an impact assessment of its initiatives at the end of each year to understand the efficacy of the programme in terms of delivery of desired benefits to the community and to gain insights for improving the design and delivery of future initiatives.

8.4 What is your company's direct contribution to community development projects - Amount in INR and the details of the projects undertaken?

The Company has allocated CSR amount of ₹ 29.35 million on community development projects for promoting healthcare.

8.5 Have you taken steps to ensure that this community development initiative is successfully adopted by the community?

Companies CSR initiatives are rolled out in partnership with NTR Memorial Trust or any other implementing Agency as decided by the Board. This helps in increasing reach as well as ensuring adoption of initiatives by communities. CSR Committee of the Board track and monitor the progress and takes necessary steps to make it successful.

Principle 9: Businesses should engage with and provide value to their customers and consumers in a responsible manner

9.1 What percentages of customer complaints / consumer cases are pending as on the end of financial year?

There are no consumer complaints pending as on the end of financial year.

9.2 Does the company display product information on the product label, over and above what is mandated as per local laws? Yes / No / N.A. / Remarks (additional information)

No, the Company adheres to all the applicable regulations regarding product labelling and displays relevant information on it.

9.3 Is there any case filed by any stakeholder against the Company regarding unfair trade practices, irresponsible advertising and/or anti-competitive behaviour during the last five years and pending as on end of financial year.

Neither any complaint was filed relating to above during the past five years nor is any complaint pending as at the end of financial year.

9.4 Did your Company carry out any consumer survey/ consumer satisfaction trends?

Yes, Consumer satisfaction is important for business. Company connects with consumer with multiple touch points. A survey is conducted with consumers to understand the product quality feedback.

For and on behalf of the Board of Directors

N. BHUVANESWARI
Vice Chairperson & Managing Director
(DIN: 00003741)

N. BRAHMANI
Executive Director
(DIN : 02338940)

Place : Hyderabad
Date : May 27, 2022

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. Your Company continue to investigate the feasibility of technologies with the potential to reduce emissions and contribute to energy efficiency".
- i. Energy conservation dictates how efficiently a company can conduct its operations. The Company has recognized the importance of energy conservation in decreasing the deleterious effects of global warming and climate change. The Company has undertaken various energy efficient practices that have reduced the growth in carbon dioxide (CO₂) emissions and strengthened the Company's commitment towards becoming an environment friendly organization. A dedicated 'Energy Conservation Cell' is focusing on energy management and closely monitor energy consumption pattern across all manufacturing sites. Periodic energy audits are conducted to improve energy performance.
 - ii. Won 3 CII National Energy Conservation Awards in the Year 2020-21 at the All India Level
 - iii. Some old Pumps are replaced with energy-efficient pumps
 - iv. Heat Recovery Systems are installed at various Plants to save on /Thermal Energy
 - v. During the period under review the Company has not invested any additional amount in energy conservation equipment's.
- B. Technology Absorption
- i. The efforts made by the Company towards technology absorption during the year under review are:
 - Installed Compact type skid mounted refrigeration system
 - Installed energy efficient evaporative conditioner/compressor
 - Installed of high energy efficient ammunition screw compressor system along with variable frequency drive (VFD)
 - Commissioned 2TPH and 4TPH Biomass Fuel Fired Boilers
 - Provided LED lighting system to all applicable packing stations
 - Installed Automatic CIP system
 - Provided Crate conveyor system
 - Many high Capacity motors are arranged with VFDs to Save on Electricity
 - Ammonia Refrigeration Systems at our Shamirpet Plant are integrated for efficient Operations
 - Ammonia Pumping system arranged for Cold rooms
 - ii. The benefits derived like product Improvement, cost reduction, product development or import substitution: Energy saving & reduction of cost of products, improved product quality.
 - iii. In case of imported technology (imported during the last three years reckoned from the beginning of the financial year) : Nil
 - iv. The Expenditure incurred on Research and Development : ₹ 8.99 Million
- C. Foreign Exchange Earnings and Outgo During the year under review foreign exchange earnings was Nil (previous Year- Nil) and foreign exchange outgo was ₹ 0.35 Million (Previous year ₹ 31.37 Million)

For and on behalf of the Board of Directors

Place : Hyderabad
Date : May 27, 2022

N. BHUVANESWARI
Vice Chairperson & Managing Director
(DIN: 00003741)

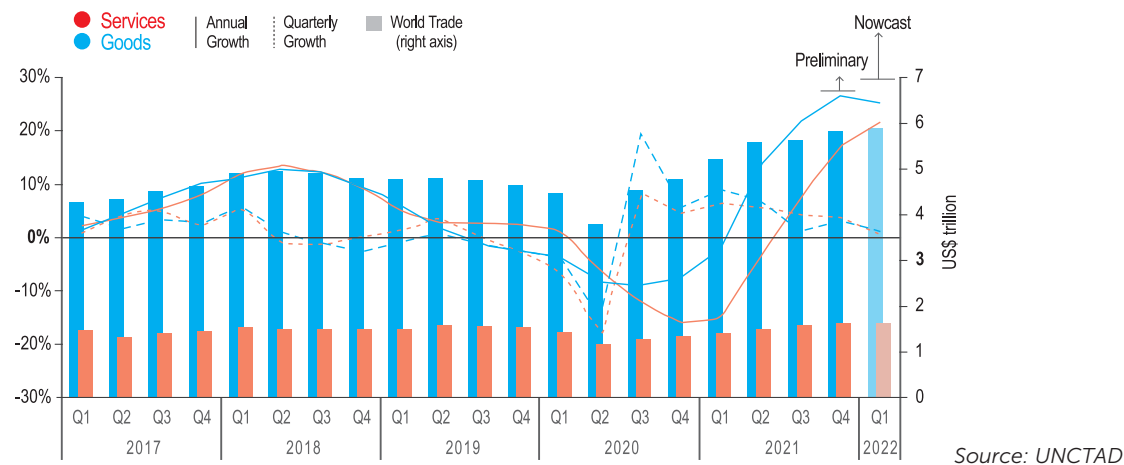
N. BRAHMANI
Executive Director
(DIN : 02338940)

Management Discussion and Analysis

The Global Economy – World View

The global economy grew at a rate of 5.5 per cent in FY 2021, after declining by 3.4 per cent in FY 2020. The rebound was mostly fuelled by a significant increase in family spending and a minor increase in investments, both of which had previously been impacted adversely due to the lockdown restrictions. In FY 2021, the global gross product was 1.9 per cent higher than in 2019, although it was still 3.3 per cent below the actual expected levels before the epidemic.

Trade took hold in the first half of FY 2021, after which it started progressing in the second half. The third quarter experienced a slowdown in growth, after which trade picked up again in the fourth quarter. The value of trade in goods increased to \$5.8 trillion and services rose to \$50 billion. The overall value of global trade reached the value of \$28.5 trillion in FY 2021, 25 per cent higher than FY 2020.



Global inflation has been steadily increasing, with the median headline Consumer Price Index (CPI) expected to reach 4.6 per cent in May 2021, up from 1.2 per cent in May 2020. Increasing food costs around the world, supply chain disruptions, and a recovery of demand are the main factors of rising headline inflation.

Outlook

Global growth is expected to touch 4.4 per cent in 2022, down 0.5 percentage point from previous projections. This is mostly due to the slowing of growth in the United States and China as a result of the fiscal and monetary policies, as well as ongoing supply chain issues.

Inflation is projected to last longer in both developed and developing countries. Supply chain disruptions are expected to ease during FY 2022 as demand is expected to gradually rebalance. Energy and food prices are projected to rise moderately in FY 2022.

Indian Economy – On Growth Path

The economic impact of the second wave of Covid-19 was smaller than the impact of the first. The GDP has shown signs of recovery since the second half of FY 2020-21. The Indian economy is expected to experience a growth in GDP at the rate of 9.2 per cent in FY2021-22 compared to a contraction by 6.6 per cent in FY 2020-21.

India's exports of both goods and services have been good in 2021-22. Despite rising trade costs, merchandise exports have crossed the US\$30 billion mark in eight consecutive months in FY 2021-22. The reasons for rising trade costs are global supply constraints such as fewer operational shipping vessels, exogenous events such as blockage of the Suez Canal and the Covid-19 pandemic in China's port city, Shenzhen, etc.

Manufacturing is expected to grow at 12.5 per cent FY2022 after contracting by 7.2 per cent in FY2021. The services sector has been the most impacted during the pandemic. It is projected to grow at a rate of 8.2 per cent after contracting by 8.4 per cent in FY 2020-21.

Outlook

The GDP of India is expected to grow to 8 % to 8.5 % in FY 2022-23, primarily due to the widespread vaccine coverage, supply-side reforms, export growth, easing of regulations and increase in capital spending.

The projection for inflation in FY 2022-23 is 4.5 % with Q1 inflation being 4.9 %, Q2 at 5 %, Q3 being 4 % and Q4 being 4.2 %.

The Indian economy is well prepared for any challenges that it might face in FY 2022-23. The Government is focusing on supply-side reforms too rather than just on demand management. These reforms will include more simplified and efficient processes, deregulation of multiple sectors, product-linked incentive (PLI) schemes etc.

Global Dairy Industry

According to a report from IMARC, the industry is expected to grow over 5.09 per cent between FY 2022 to FY 2027.

Milk production in New Zealand increased by 9.8 % in March, 2021 compared to March, 2020 even after drier climate conditions in the country. Production was down by 0.8 % in February, 2021 compared to the same period last year. The major reason for decreasing production was reducing herds, labour challenges and farm exits. EU's milk production dropped by 3.8 % in February, 2021 and many EU countries like Germany, France and Netherlands faced this problem. The US experienced an increase in the production of milk by 1.8 %

Dairy Industry in India

India is the largest producer and consumer of dairy products in the world. It produces 22 % of the total global dairy production. The dairy industry is an essential part of the rural economy and is one of the major sources of employment and income for the rural population. According to a report by IMARC, the dairy industry is expected to grow at a CAGR of 14.98 % between FY2022-2027.

Majority of the dairy produced in India is consumed domestically, most of which is liquid milk.

As per a report by CRISIL, revenue from the organised dairy sector will rebound by 12 % in FY 2022 compared to the growth of approximately 1 % in FY 2020-21. The growth would be largely due to the pick-up in demand of value added products (VAP), steady sales of liquid milk and rising retail rates in the year. Operating profitability is expected to reach its pre-pandemic levels as a result of high packaging and transport costs and high raw milk prices.

Government Initiatives

The Government of India has implemented the Rashtriya Gokul Mission from FY 2021-22 to improve productivity and enhance milk production. These schemes aim to improve remuneration for farmers. An allocation of ₹ 2400 crore has been made over the next five years. Many new technologies have been made available to the farmers under these schemes which focus on promoting private entrepreneurship to enhance affordability and increase access.

With efficient implementation, it is expected that 8 crore farmers involved in the dairy industry will benefit directly as a result of the increased milk production, which is expected to increase from 198.4 million metric tonnes in FY 2019-20 to 300 million metric tonnes in FY 2024-25.

Opportunities

Increasing Health Awareness - As an after effect of Covid people are opting more for nutrient-rich and immunity-boosting foods.

Rising Income levels - With income levels rising, the spending on dairy and value-added products has been on the rise. Affordable innovation would help people buy more of the products from the Company.

Rising young working population - An increasing young urban population is expected to grow from 31 per cent in FY 2011 to 36

per cent in FY 2036. The food sector is thus likely to see a growth in consumption.

Demand for premium products - As income levels rise and lifestyles change, consumers are demanding products with innovation and benefits. This provides an opportunity for the food and dairy companies to innovate and launch products that will attract the consumers to the Company.

Challenges

- Increased competition from local players and international companies
- Lack of awareness among the farmers and dairy farms not being in the best of the conditions
- Extensive cross-breeding for raising milk productivity may lead to disappearance of indigenous cattle
- Unusual climate change and adverse weather conditions
- Rapidly changing preferences amongst customers

Company Overview

Heritage Foods Limited is amongst the top dairy companies in India. It operates through two verticals - dairy and renewable energy. The Company carries a wide range of products like, fresh milk, curd, paneer, ghee, buttermilk, UHT milk, lassi, flavoured milk, ice-cream/frozen dessert and other dairy-based products. Currently its products are present in 11 states.

The Company has a robust R&D policy, advanced technology for manufacturing and processing, top tier quality control, a highly qualified team to oversee its operations. It has 18 processing plants, 187 bulk coolers, mini chilling and chilling centres to ensure availability of fresh and high-quality products.

Product Categories

Milk

Fresh Milk

Fresh milk is the most consumed product in India. It is also the most trusted source for essential nutrients for health. With the increasing population the consumption of milk is also on the rise. Health consciousness, dietary needs and rising living standard have also been major contributors to rising demand of fresh milk. The growth rate for liquid milk is expected to be 16.80 per cent during FY 2021-26

A2 Milk

A2 milk is 100 per cent buffalo milk with full cream, which is procured from the farms and sterilised in the Company's plants. The milk is high in A2 protein, it boosts immunity and is easy to digest.

UHT Milk

UHT milk, or ultra-high temperature milk, is made by processing milk at high temperatures to remove pathogens. The UHT process preserves all the nutrients present in milk and makes it suitable for storage at room temperature for long periods

without any preservatives. UHT milk is more convenient than ordinary fluid milk as it does not need to be stored in a refrigerator or boiled before consumption. Currently, one of the major factors driving the market is the ease of storage of UHT milk, which facilitates its transportation over long distances to milk-scarce regions. Some of the other growth-inducing factors include ease of use, long-shelf life, changing dietary habits, etc. The UHT milk market in India is expected to grow at a CAGR of 15.3 per cent during the forecast period (FY 2021-2026).

Skimmed Milk Powder

The Indian skimmed milk powder (SMP) market experienced strong growth during FY 2015-2020. Milk powder manufacturing is a simple process carried out in a large scale. It involves the gentle removal of water at the lowest possible cost under strict hygienic conditions while retaining all the desirable natural properties of the milk colour, flavour, solubility, nutritional value. The Indian skimmed milk powder (SMP) market is expected to grow at a CAGR of around 13 per cent during FY 2021-2026.

Value-added Products

Curd

Curd represents an essential part of a balanced diet and can also be consumed by lactose intolerant people. Owing to the high content of calcium, vitamin D, proteins and phosphorus present in it, curd helps strengthen bones and improve digestion. As per the IMARC Group report the market exhibited double-digit growth in curd during FY 2015-2020. The healthy growth of the market can be attributed to numerous factors. Population growth, rising disposable incomes, increasing health consciousness among consumers and its affordable price are some of the factors that are currently broadening the growth of the market. The curd market in India is expected to grow at a CAGR of 15.3 per cent during the forecast period (FY 2021-2026).

Paneer

The *paneer* market in India exhibited strong growth during FY 2015-2020. *Paneer* is a non-fermentative and non-melting type of cheese, obtained by acid and heat coagulation of milk. It is one of the most extensively consumed dairy products in India. *Paneer* is used in various combinations with other vegetables and dishes, and forms an important ingredient of the Indian traditional cuisine. *Paneer* emerged as a viable option for a considerable vegetarian population. Apart from this, factors such as increasing population, urbanisation, improved cold supply chain and growing Chilling infrastructure penetration also influenced market growth. The *paneer* market in India is expected to grow at a CAGR of 15 per cent during FY 2021- 2026.

Cheese

The cheese market in India exhibited strong growth during FY 2015-2020. India is currently the world's largest producer of milk owing to which the cheese market holds significant growth potential. With the rising influence of western cuisines and inflating disposable incomes, consumers are now shifting from *paneer* to cheese, thereby increasing its demand in the country.

In addition to this, manufacturers are introducing a number of flavoured cheese products, including pepper, garlic, red chilli flakes and oregano pickle, which cater to the different tastes and preferences of consumers in India. The cheese market in India is expected to grow at a CAGR of 24.80 per cent during FY 2021-2026.

Buttermilk

Buttermilk represents an integral part of a balanced diet and has been traditionally consumed as a refreshment drink for centuries in India. It offers relief from heat and has gained immense popularity in India due to the country's extremely hot summers. The demand for buttermilk is also increasing as it is good for digestion and boosts immunity. The buttermilk market in India is expected to grow at a CAGR of 22.4 per cent during the forecast period (FY 2021-2026).

Flavoured Milk

Flavoured milk represents one of the most popular dairy-based beverages in India. The market is expected to grow at a CAGR of 24.3 per cent during FY 2021-2026.

Milkshake

The consumers who are mostly responsible for the demand of this product are the young and the salaried class. The Indian milkshake market has reported strong growth during FY 2015-2020. The market is expected to grow at a CAGR of 25.3 per cent during FY 2021-2026. It is currently being driven by numerous factors such as a large young population, changing lifestyles, convenience, value addition, health consciousness, etc. Immunity Milk - Immunity Milk contains anti-inflammatory properties, which help one maintain a healthy life. It is now available in four flavours: turmeric, ginger, tulsi and ashwagandha.

Sweets

Doodh Peda & Milk Cake are made out of the highest quality milk & ghee which is soft, rich in taste and melts in the mouth. With the right amount of sucrose addition, it is rich in taste and granular with better chewiness.

Lassi

The Indian *lassi* market exhibited strong growth during FY 2015-2020. *Lassi*, also known as desi buttermilk, is obtained by the churning of curd. It is a bit sour in taste and has a rich dense texture. It is consumed mostly in the northern part of the country, especially during the summer. *Lassi* not only offers refreshment during the summer time, but also boosts the energy levels. Apart from this, it also helps in fighting other summer-related problems such as prickly heat, gastro-intestinal problems and the build-up of bacteria. These factors have highly added to market growth. The Indian *lassi* market is likely to grow at a CAGR of 21 per cent during 2021-2026.

Ice-creams/Frozen Dessert

Ice-cream today represents one of the fastest growing food segments in India. The healthy growth of the market can be

attributed to numerous forces. The ice-cream market in India is expected to grow at a CAGR of 17.3 per cent during FY 2021-2026.

Fat Products

Ghee

Ghee, which is widely used in Indian cooking, is the pure butter fat left over after the milk solids and water are removed from butter. It is very fragrant with a rich taste and is the second largest consumed dairy product in India, after liquid milk. The ghee market in India is expected to exhibit strong growth during FY 2021-2026.

Butter

Heritage butter is made from best quality fresh cream and contains no added ingredients other than salt. Manufactured in state-of-the-art processing plants with utmost care to ensure goodness, the table butter market in India is expected to grow at a CAGR of 19 per cent during FY 2021-2026.

Cream

The Indian cream market exhibited strong growth during FY 2015-2020. Cream is a dairy product which is used to give a smooth texture and consistency to food products. Nowadays, it is widely used in the preparation of various dishes, desserts and beverages such as ice-creams, salads, sweet meals, tea, coffee, etc. The Indian cream market is likely to grow at a CAGR of around 15 per cent during FY 2021-2026.

Distribution

The Company has a wide distribution network that ensures that its products are available across the country. Heritage parlours and Heritage distribution centres are franchised stores and distribution wings that sell the whole line of items offered by the Company. It considers every distribution outlet as an ambassador of the Heritage brand. Through these distribution arms, it ensures that consumers receive high-quality goods and services. As on March 31, 2022, the Company had 6,464 agents/distributors in general trade, 859 Heritage parlours and 65 Heritage distribution centres in 11 states across India. Heritage products are available in all modern retail stores and e-commerce channels.

Empowering Farmer Community

Growth and welfare of the farmer community is at the core of the Company's operations. The Company is on a continual quest to empower the farmers by procuring milk at mutually beneficial costs, encouraging best practices around the quality and quantity of milk and providing support services to help them improve their milk yields by organising free veterinary check-ups and vaccination drives for the cattle. Extending farm loans and cattle insurance and providing nutritional livestock feed at subsidised rates are other significant steps adopted by the Company. All these interventions have enabled it to forge strong relationships with farmers.

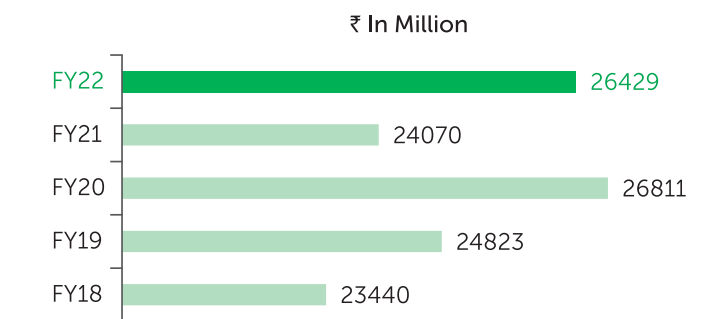
Review of Operations

Tangible Results:

Financial year	Revenue from operation (₹ in Million)	EBIDTA (₹ in Million)	PAT (₹ in Million)
FY22	26,429	1,873	1,015
FY21	24,070	2,565 [#]	1,452
FY20	26,811	(769) [#]	(1,600) [#]
FY19	24,823	1,924	834
FY18	23,440	1,333	604

[#] EBIDTA and PAT is after considering the Fair value gain on FVTPL equity shares and loss due to changes in derivative liabilities of Investments in FRL.

Revenue Trend

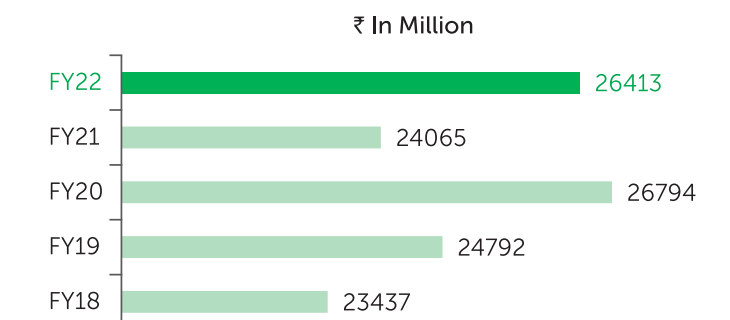


The Company is gradually targeting to grow contribution of value added products to consolidate top line. Curd will continue to remain the largest component of value-added product segment, contributing to over 79% share to the value-added segment. Other products constitute buttermilk, flavored milk, lassi, paneer and ice creams/frozen dessert.

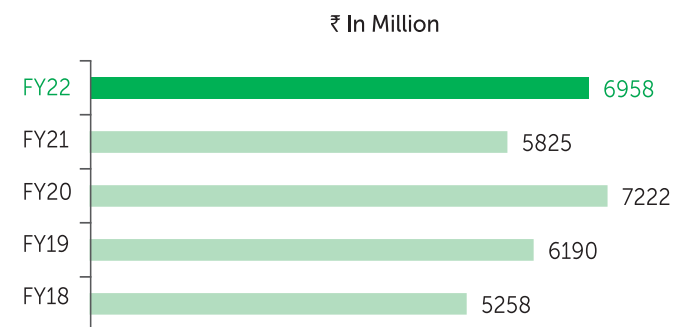
Dairy Vertical:

The Dairy division accounting for 99.98% of revenue is the flagship business vertical of the Company. The 5-year revenue of the dairy vertical is given below:

Dairy Revenue



Value Added Products Turnover



Renewable Energy Vertical:

Your Renewable Energy Division strongly recognizes the responsibility towards protecting the environment. As a forward-looking enterprise, it is strongly committed to extending our 'Green' footprint. In line with this thinking, the division has 10.50 MW Renewable Energy Capacity i.e. 4.20 MW Solar Power and 6.30 MW Wind Power in the states of Andhra Pradesh, Telangana, Maharashtra, Tamil Nadu and Karnataka for the captive consumption:

₹ 90 Million Revenue from Renewable Energy	10.50 MW Renewable Energy Capacity
---------------------------------------------------	-------------------------------------------

Heritage Nutrivet Limited

To enhance presence in the Indian Market, the Company has one wholly owned Subsidiary viz. Heritage Nutrivet Limited, located in Hyderabad, dealing with Animal Nutrition, and one of the leading Live Stock Feed & Feed Supplements players in Southern and Western India covering over 0.3 million farmers spread across five states viz., Andhra Pradesh, Telangana, Tamil Nadu, Karnataka and Maharashtra. During FY 2021-22 the Company achieved Sales turnover of ₹ 946 Million and profit before tax of ₹ 16 Million.

Heritage Novandie Foods Private Limited

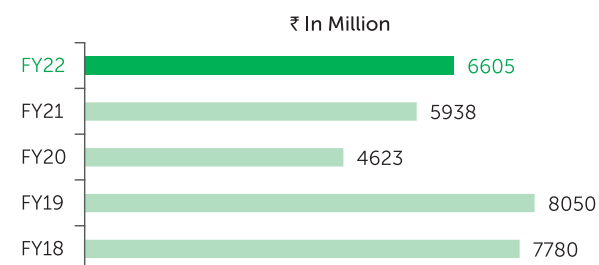
With an eye on the fast-growing value-added dairy segment, the Company has established a Joint Venture Company namely, Heritage Novandie Foods Private Limited (HNFPL) to manufacture and market various types of Fruit Yoghurt and other dairy products in India. The HNFPL had started the commercial production on February 16, 2021 and launched French Yoghurt brand 'Mamie Yova' in India. HNFPL is hoping to woo Indian consumers with its fruit-based yogurt and aims to have a strong presence across 8-10 key cities in the next two years.

Financial Overview

The Company has created significant wealth for its members as it continues to maintain its growth momentum to become a nationally recognized brand for healthy and fresh products. Given below is the Company's performance for the last five years in various parameters.

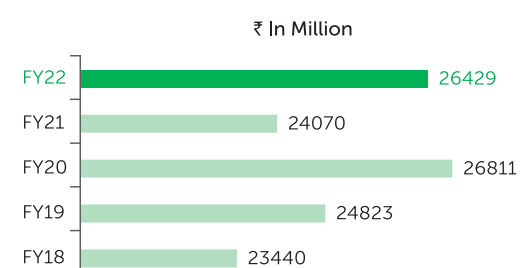
Net worth Trend:

The net worth of the Company for the last five years is as follows.



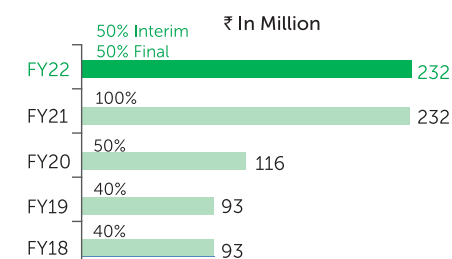
Revenue Trend

The revenue for the last five years is as follows.



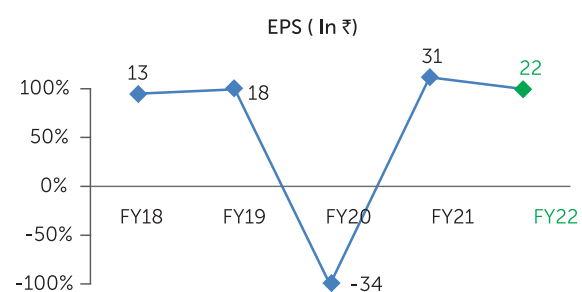
Dividend Payment History

The Dividend and the payout ratio computed on consolidated profits have remained high. The dividend payout ratio in last five years.



Earnings per Share

Earnings per share (EPS) (Equity Shares of the face value of ₹ 5/- each)



Key Financial Highlights for FY 2021-22

The following information is the standalone information of your company and it should be read in conjunction with the financial statements and related notes for the financial year ended March 31, 2022.

Overview of Standalone Financial Results

Particulars	2021 - 22		2020 - 21		FY 2022 Vs 2021
	₹ In Millions	% of Revenue	₹ In Millions	% of Revenue	% of Growth
Net Sales	26404.91	99.91	24067.87	99.99	9.71
Other operating income	24.30	0.09	2.42	0.01	904.13
Total Revenue	26429.21	100.00	24070.29	100.00	9.80
Less: Total Expenditure	24556.70	92.91	21525.36	89.43	14.08
Add: Other Income	103.14	0.39	84.07	0.35	22.68
Profit before Interest, Depreciation and Tax	1975.65	7.48	2629.00	10.92	(24.85)
Less: Finance costs	32.01	0.12	178.48	0.74	(82.07)
Depreciation & Amortisation	499.64	1.89	440.54	1.83	13.42
Profit before tax and exceptional items	1444.00	5.46	2009.98	8.35	(28.16)
Less: Exceptional items	(91.40)	(0.35)	0.00	0.00	0.00
Profit before tax and FVTPL	1352.60	5.12	2009.98	8.35	(32.71)
Loss due to changes in the FVTPL equity securities	0.00		(48.12)		
Profit before tax	1352.60	5.12	1961.86	8.15	(31.06)
Less: Current tax	343.01		500.37		
Less: Deferred tax	(5.75)		9.85		
Profit after tax	1015.34	3.84	1451.64	6.03	(30.06)

Standalone Segment results:

Particulars	2021 - 22		2020 - 21		FY 2022 Vs 2021
	₹ In Millions	% of Revenue	₹ In Millions	% of Revenue	% of Growth
1. Total Revenue					
a. Dairy	26413.02		24064.96		9.76
b. Renewable energy	90.03		68.83		30.80
c. Others	-		-		
Total (a+b+c)	26503.05		24133.79		9.82
2. Inter-segment Revenue					
a. Dairy	-		-		
b. Renewable energy	73.84		63.50		16.28
c. Others	-		-		
Total (a+b+c)	73.84		63.50		16.28
3. External Revenue					
(Incl other operating income)					
a. Dairy	26413.02		24064.96		9.76
b. Renewable energy	16.19		5.33		203.74
c. Others	-		-		
Total (a+b+c)	26429.21		24070.29		9.80
4. Segment Results					
(Profit (+) / (Loss) (-) before tax and finance costs)					
a. Dairy	1361.42	5.15	2184.94	9.08	(37.69)
b. Renewable energy	37.30	41.43	28.75	41.77	29.74
c. Others	(0.31)		-		
Total (a+b+c)	1398.41	5.29	2213.69	9.20	(36.83)
Less: Finance Cost	32.01		178.48		
Loss due to changes in the FVTPL equity securities	-		48.12		
Others	32.06		30.60		
Add: Interest income	6.82		5.37		
Gain on investments	11.44		-		
Total Profit before Tax	1352.60	5.12	1961.86	8.15	(31.06)

Segment wise Revenue Break-up:

₹ In Millions

	2021 - 22	2020 - 21
Dairy		
Finished goods sold		
Milk	17482.81	16233.84
Value Added Products	6938.72	5823.98
Fat Products	1400.40	1454.45
Skimmed Milk Powder	4.21	5.68
Total	25826.15	23517.95
Traded goods		
E&I	529.26	515.86
Value Added Products	19.58	1.26
Others	3.15	9.53
Total	551.99	526.65
Sale of Service	22.32	18.46
Other operating income	12.57	1.90
Total Dairy Revenue	26413.02	24064.96
Renewable Energy		
Finished goods sold	4.46	4.81
Other operating income	11.73	0.52
Total Renewable Energy Revenue	16.19	5.33
Total Revenue	26429.21	24070.29

CASH FLOW

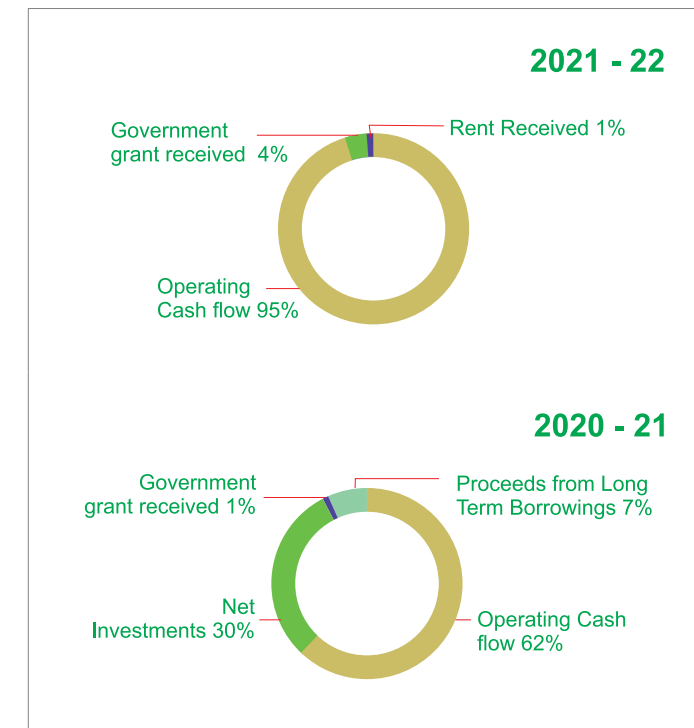
Cash Inflows

Particulars	2021 - 22	%	2020 - 21	%
Operating Cash flow	1875.05	95.11	2621.83	61.73
Net Investments	-	-	1297.40	30.55
Government grant received	73.26	3.72	26.65	0.63
Interest Received	2.31	0.12	3.17	0.07
Movement in other bank balances, net	-	-	2.70	0.06
Rent Received	20.89	1.06	13.19	0.31
Proceeds from Long Term Borrowings	-	-	282.52	6.65
Total	1971.51	100.00	4247.46	100.00

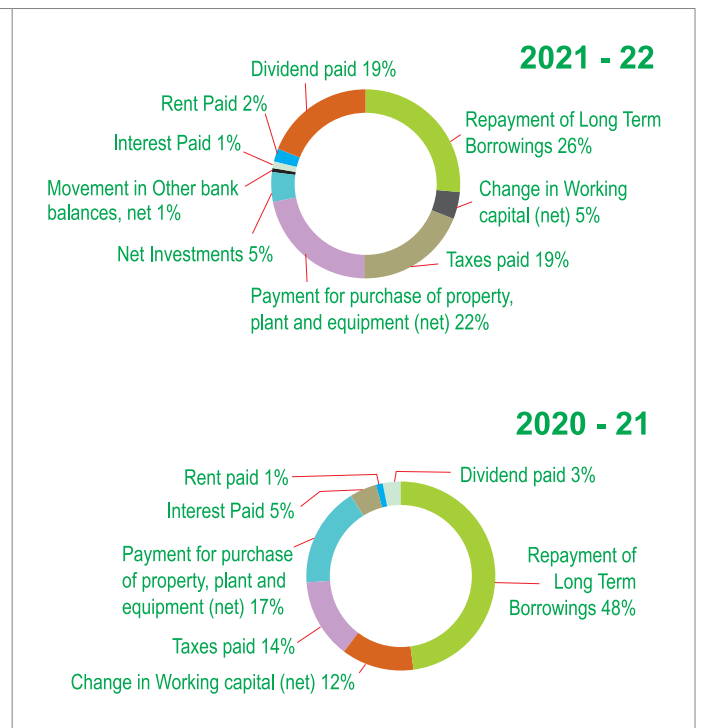
Cash Outflows

Particulars	2021 - 22	%	2020 - 21	%
Repayment of Long Term Borrowings	484.71	26.38	1797.03	47.82
Change in Working capital (net)	85.74	4.67	466.66	12.42
Taxes paid	351.15	19.11	513.90	13.67
Payment for purchase of property, plant and equipment(net)	400.02	21.77	648.16	17.25
Net Investments	93.21	5.07	-	-
Movement in other bank balances, net	12.42	0.68	-	-
Interest Paid	20.66	1.12	172.89	4.60
Rent Paid	41.68	2.27	43.49	1.16
Dividend paid	347.99	18.94	116.00	3.09
Total	1837.58	100.00	3758.13	100.00
Net increase /(decrease) in cash and cash equivalents	133.93		489.33	
Add: Opening Cash and Cash Equivalents	190.83		(298.50)	
Cash and cash equivalents at the end of the period	324.76		190.83	
Cash and cash equivalents include :				
Cash on hand	25.79		33.03	
Balances with banks in current accounts	298.97		162.49	
Loans repayable on demand from banks	0.00		(4.69)	

Cash Inflows



Cash Outflows



Key Financial Ratios as per SEBI Listing Obligations and Disclosure Requirements (Amendment) Regulations, 2018;

Particulars	31 March 2022	31 March 2021
Debtors Turnover Ratio	163	135
Inventory Turnover Ratio (on Cost of Goods Sold)	10.76	11.10
Interest Coverage Ratio	66.60	12.84
Current Ratio	1.60	1.24
Debt Equity Ratio	0.00	0.08
Operating Profit (PBIT) Margin (%)	5.15%	8.68%
Net Profit Margin (%)	3.84%	6.03%
Return on Net Worth (RONW)	16.18%	27.50%

GROWTH STRATEGY AND OUTLOOK

Penetration in existing market - The Company strives to penetrate the already existing markets with its products. The focus is on penetrating with value-added products and not just milk.

Spending on enhancing facilities - The Company plans to spend its Capex on maintaining and improving the existing processing, cold chain facilities and also on procurement.

Increasing product reach - Expanding the franchisee operated outlets to make the products of the Company more accessible to the consumers is the primary focus area. Also the Company is devising a model called Heritage Distribution Centre where set-ups will be bigger with a distribution model and not only an over-the-counter sales model. These centres will also distribute value-added products along with milk.

Outlook - The Company aims to increase the penetration in the existing markets rather than entering new ones. Considering the changing demographic factors like changing lifestyle, increasing income etc., a penetration strategy can help in expanding its consumer base.

RISK AND CONCERNS

Type of Risk	Description	Mitigation Strategy
Competition Risk	The Company faces competition from local players, large private players and international players	To mitigate this risk the Company- <ul style="list-style-type: none"> Ensures that they know the competition Produces differentiated products Strategies to gain competitive advantage Plans to update its brand image Regularly listen to the existing customer
Climate Risk	Unpredictable weather conditions such as drought, rainfall, heat etc can affect the product of milk and thus cause fluctuations in price.	The Company ensures that it has upgraded to newer technologies to help farmers in addressing varied climatic condition and its impact on dairy production.
Operational Risk	System failure, equipment failure and anything that can disruption in course of the business can result in losses.	This risk is mitigated by <ul style="list-style-type: none"> Identifying risks in the market Analysing risk levels and assessing the severity of the risk. Introducing risk management tools and models Monitoring and evaluating risks and the risk management system periodically. Appointing right set of people to evaluate the risks and plan the strategy to face the risks
Quality Risk	Risk of the product not being of upmost quality and other issues such adulteration, contamination or tampering, which may result in product being recalled can lead to financial losses.	Setting up of a standard production process, robust quality control process, advanced manufacturing process, planning preventive and corrective activities are adopted by the Company to mitigate this risk.
Regulatory Risk	Inability to comply with the applicable laws and regulations may lead to stringent penalties, claims and reputational damage.	With efficient corporate governance practices, the Company ensures its functions are aligned with the industry.
Raw Material	Continuous change in prices can result in costly raw material which can increase cost of production and further cause losses to the Company.	Sourcing of the highest grade materials, incoming raw material testing and inspection, dual sourcing of raw material and customer-specific raw material requirements are the steps adopted by the Company to lower raw material risk.

HUMAN RESOURCES

Human capital is the most essential part of the Company. The Company keeps promoting a collaborative work environment where all the employees feel safe and a part of the Company. The Human Resources policies of the Company are aimed at attracting, nurturing and retaining talent in a constantly evolving business environment while ensuring trust, transparency and teamwork amongst its employees. The Application Tracking System (ATS) is a robust digital platform deployed by the Company for talent acquisition.

The Company offers various modules for skill development regularly and conducts a structured induction process at all locations and management development programmes to upgrade the managerial skills.

Further, the employee recognition programme is a vital part of the Company. Towards this, regular communication is done with the top management for identifying and rewarding the best performers across different functions. In addition, objective appraisal system based on Key Performance Indicators (KPI's) are in place to reward employees. As on March 31, 2022, the total number of employees was 3009.

INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

The Company has a well-framed internal control system commensurate with the size and nature of its business. These internal controls ensure safeguarding of assets from unauthorised use or disposition, proper recording and reporting of all transactions and compliance with applicable regulatory requirements. The internal control systems are reviewed and modified continually to keep up with the changes in business environment and statutory requirements.

The framework is monitored by the internal audit team of the Company. The Audit Committee of the Board is periodically apprised of the internal audit findings. The Audit Committee reviews the efficacy and effectiveness of the internal control system, takes corrective actions and suggests measures for strengthening it. The Company has a robust Management Information System which forms an integral part of the control mechanism.

QUALITY & SAFETY

Quality and food safety is of primary importance to the Company. It ensures that the quality control system remains robust and the products undergo strict quality checks. The factories are certified under the Safety and Health Management System that complies with ISO 45001:2018 & the Environment Management System that complies with ISO 14001:2015.

SUSTAINABLE MODEL

The Company aims at creating a sustainable business model and reduce its carbon footprint on the environment. It focuses on energy conservation and optimal utilisation across all areas of operations. Factories are encouraged to consistently improve operational efficiencies, minimise consumption of natural resources and reduce water usage, energy usage and carbon emissions while maximising volumes.

PACKAGING AND PLASTIC WASTE MANAGEMENT

Plastic is one of the major components when it comes to ensuring safe quality of products and lesser leakages. But the plastic waste

from the factories contributes primarily to environmental pollution. The Company strives to minimise the impact from plastic waste by participating in recycling of plastic.

SUPPLY CHAIN

With growing digitisation and rising internet penetration, technology-driven operations across the organisation have become imperative. The Company has been leveraging sales automation and specialised digital processes to provide solutions to its diverse customer base.

The Company has deployed numerous digital tools and technologies to drive engagement with partners leading to speed of response to customers and transparency of information in the value chain processes and making product delivery seamless.

CAUTIONARY STATEMENT

Statements in this report describing the Company's objectives, projections, estimates and expectations may constitute "forward looking statements" within the meaning of applicable laws and regulations that involve risks and uncertainties. Such statements represent the intention of the Management and the efforts being put into place by them to achieve certain goals. Actual results might differ materially from those either expressed or implied in the statement depending on the circumstances. Therefore, the investors are requested to make their own independent assessments and judgments by considering all relevant factors before making any investment decision.

Report on Corporate Governance

The Directors of Heritage Foods Limited ("the Company") have pleasure in presenting the Company's Report on Corporate Governance for the Financial Year 2021-22 in pursuant to Regulation 34(3) read with Schedule V and other applicable provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('SEBI Listing Regulation').

1. COMPANY'S PHILOSOPHY ON CODE OF CORPORATE GOVERNANCE

Corporate Governance is to conduct business with a firm commitment to values, while meeting stakeholders' expectations. It is based on preserving core beliefs and ethical business conduct while maintaining a strong commitment to maximise long-term stakeholder value. Your Company carries on an ethically driven business process that is committed to ethical practices aimed at enhancing stakeholder value. As a good corporate citizen, your Company is dedicated towards following the best corporate governance practices built through conscience, fairness, transparency, accountability, building confidence of its various stakeholders, thereby paving the way for its enduring success.

Since its inception, your Company has taken conscious efforts to operate in a manner responsible to all stakeholders. Your Company has maintained the highest standards of corporate governance all through its operations. Your Company is committed to moulding Corporate Governance practices in line with its core values, beliefs and ethics. Your Company believes in attainment of highest levels of transparency in all facets of its operations and maintains an unwavering focus on good Corporate Governance practices.

Your Company continues to strengthen its governance principles to generate long-term value for its various stakeholders on a sustainable basis thus ensuring ethical and responsible leadership both at the Board and at the Management levels.

The Corporate Governance is ongoing process and your Company has always focused on good corporate governance, which is a key driver of its long term value creation and trust. Even in fiercely competitive business environment, the management and employees of your company are committed to uphold the core values of transparency, integrity, honesty and accountability

Your Company's Corporate Governance Framework ensures that the company makes timely disclosures, shares accurate information regarding its financial and business performance.

Your Company's Corporate Governance Philosophy is based on the following principles:

- Corporate Governance Standards should satisfy both letter and spirit of the law
- Ensure transparency and maintain a high level of disclosure
- Clearly distinguish between personal conveniences and corporate resources
- Communicate externally and truthfully, about how the Company is run internally as permitted by the statute.
- Have a simple and transparent corporate structure driven solely by business needs
- The Management is the trustee of the members' capital and not the owner.

Transparency and accountability are the two basic requirements of Corporate Governance. Responsible Corporate conduct is integral to the way the Company do the business. The actions are governed by the values and principles which are reinforced at all levels in your Company. The code of business is reflected in the continued commitments to ethical business practices across the dealings.

An effective Board is a pre-requisite of Good Corporate Governance practices. Well-Informed and Independent Board is essential to bring objectivity and transparency in the management and in the dealings of your Company. The Board of your company is committed to protect the long-term interests of all stakeholder(s), and considering this, it provides objective and prudent guidance to the management. As on March 31, 2022, the Board consists of seven (7) members out of which two (2) are Executive/ Whole-time Women Directors, three (3) are Non-Executive Independent Directors, one (1) is Non-Executive Independent Woman Director and one (1) is Non-Executive Director.

Ethics/Governance Policies:

Your company has adopted a set of policies and Codes and ensure that the business of your company is carried out in line with its core value systems. Your Company strives to conduct the business and strengthen the relationship in a manner that is dignified, distinctive and responsible. Your Company adhere to ethical standards to ensure integrity, transparency, independence and accountability in dealing with stakeholders. Therefore, your Company has adopted various codes and policies to carry out business in an ethical manner. Some of these codes and policies are:

- Code of Conduct & Ethics for Board & Senior Management
- Code of Conduct for Fair Disclosure of Unpublished Price Sensitive Information

- Code of Conduct to Regulate, Monitor & Report Trading by Insiders
- Whistle Blower Policy
- Policy on Materiality of Related Party Transactions
- Corporate Social Responsibility Policy
- Board Diversity and Nomination & Remuneration Policy
- Board Evaluation Framework
- Policy for Determining Material Subsidiaries
- Risk Management Policy
- Familiarisation Programme for Independent Directors
- Policy on Preservation of Documents
- Archival Policy
- Policy on Determination of Materiality of Events
- Business Responsibility Policy
- Dividend Distribution Policy
- Policy and procedure of inquiry in case of leak or suspected leak of UPSI
- Anti-Sexual Harassment – Safe work environment policy

Appropriate Governance Structure with defined roles and responsibilities:

Your Company has put in place an internal management structure with defined roles and responsibilities of every constituent of the system. The Company's members appoint the Board of Directors, which in turn governs the Company. The Board has constituted six Committees to discharge its responsibilities in an effective manner. The Company Secretary acts as the Secretary to all the Committees of the Board constituted under the Companies Act, 2013 and SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 as amended from time to time. The Vice Chairperson & Managing Director (VC&MD) and Executive Director (ED) provide the overall direction and guidance to the business. In the operations and functioning of the Company, the VC&MD is assisted by Executive Director and a core group of senior level executives.

Board Leadership:

An enlightened Board consciously creates a culture of leadership to provide a long-term vision and policy approach to improve the quality of governance. The Board of Directors from time to time obtained a compliance report in respect to Corporate Legislation such as: Companies Act, 2013 and rules made thereunder and other applicable SEBI act and regulations and labour act and regulations. The Board's actions and decisions are aligned with the Company's best interests. It is committed to the goal of sustainably elevating the Company's

value creation. Your Company has defined guidelines and an established framework for the meetings of the Board and its Committees. These guidelines seek to systematise the decision making process at the meeting of the Board and its Committees in an informed and efficient manner.

The Board critically evaluates your Company's strategic direction, management policies and their effectiveness. The agenda for the Board reviews include strategic review from each of the Board committees, a detailed analysis and review of annual strategic and operating plans and capital allocation and budgets. Additionally, the Board reviews related party transactions if any, possible risks and risk mitigation measures, financial reports from the Chief Financial Officer (CFO) and business reports from the division heads. Frequent and detailed interaction sets the agenda and provides the strategic road map for the Company's future growth.

2. BOARD OF DIRECTORS

a) Composition and category of Directors

The Board of your company bears the ultimate responsibility for the organization and administration of your company. It is vital to have a well-balanced Board with a combination of Executive, Non-Executive and Independent, Woman Directors on the Board of the Company to ensure Board's independence and effective management. The Board Composition of your company is in conformity with the requirement of Section 149(4) of the Companies Act, 2013 ("the Act") and Regulation 17 of the SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015 as amended from time to time. As on March 31, 2022, the Board consists of Seven (7) members, out of which Two (2) are Executive/Whole-time Women Directors, Three (3) are Non-Executive Independent Directors, one (1) is Non-Executive Independent Woman Director and one (1) is Non-Executive Director. The Board periodically evaluates the need for change in its composition and size.

None of the Independent Directors on the Board serve as an independent director in more than seven listed entities and none of the Directors on the Board is a member of more than 10 Committees excluding private limited companies, foreign companies and companies under Section 8 of the Companies Act, 2013 ("the Act") or Chairman of more than 5 Committees as specified in Regulation 26 of SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015, across all the Companies in which he/she is a Director. The Directors have made the necessary disclosures regarding Committee positions during the period under review. For the purpose of determination of limit of the Board Committees, chairpersonship and membership of the Audit Committee and Stakeholders' Relationship Committee has been considered as per Regulation 26(1)(b) of SEBI Listing Regulations.

Roles, Responsibilities and Duties of the Board

The duties of Board of Directors have been enumerated in Listing Regulations, Section 166 of the Companies Act, 2013 read with the rules and Schedule IV of the said Act. The Board has complete access to all the information within the Company. As a part of its function, the Board periodically reviews all the relevant information, which is required to be placed before it, pursuant to the SEBI Listing Regulations, and, in particular, reviews and approves financial statements, business plans, projects, strategies, annual budgets, projects and capital expenditure. The Board discharges all its responsibilities, functions, duties and obligations in timely and effective manner in accordance with applicable laws, keeping close watch on the business operations of the Company. The day to day affairs of the Company are managed by the Vice Chairperson & Managing Director and Executive Director assisted by the Senior Management team of the Company under the overall supervision of the Board.

Board Meeting Frequency and location:

The Board meets at least once a quarter to review the quarterly results and other items of the agenda. Whenever necessary, additional meetings are held. Other Committee meetings are held based on the requirements but at least one meeting of each committee is held in a financial year. In the case of business exigencies or urgency of matters, resolutions are passed by circulation. Video conferencing facility is provided to the Directors who are not able to attend the meetings due to some emergencies. The location of the Board meetings is informed well in advance to all the Directors. Six (6) Board meetings were held during the year ended March 31, 2022 and the gap between two meetings did not exceeded one hundred and twenty days. The said meetings were held on: May 19, 2021, July 28, 2021, October 21, 2021, November 2, 2021, January 21, 2022, March 25, 2022.

Agenda and relevant information to Directors:

The agenda for each Board / Committee meeting is circulated well in advance to the Directors. All material information is incorporated in the agenda facilitating meaningful and focused discussions in the meeting. Every Board / Committee Member is free to suggest items for inclusion in the agenda. Being a responsible environment friendly Company, agendas and other relevant documents / information to Board / Committee members are provided in secured electronic mode.

Board Meetings - Matters:

All divisions / departments of the Company are advised to schedule their work plans in advance, particularly with

regard to matters requiring discussion / approval / decision of the Board meetings. All such matters are communicated to the Company Secretary in advance so that the same could be included in the Agenda for the Board / Committee meetings. Agendas for such meetings are finalized in discussion with the Vice-Chairperson & Managing Director of the Company.

Presentations by management:

The Chief Financial Officer, Chief Executive Officer, Chief Operating Officer, Company Secretary and Internal Audit Head updates the Board on their related matters through presentations / Board notes. Such presentations and Board notes cover finance, sales, marketing, major business segments and operations of the Company, including business opportunities, business strategy and risk management practices, internal audit observations, regulatory changes and their probable impact on the operations of the Company.

Availability of information to Board Members

The Board has unrestricted access to all Company related information including that of your employees. All the relevant information to be placed before the board as required under the SEBI Listing Regulations and Companies Act, 2013 is placed before the Board for its consideration regular updates provided to the Board include:

- Annual operating plans and budgets, capital budgets and any updates thereon
- Quarterly results of the operating divisions or business segments
- Quarterly/Annually report on Management Information System division wise
- Monthly summary report of Internal Audit observations division wise
- The Board/Committee minutes of the Subsidiary/ Associate Company/Joint Venture Company/ Controlled Trust
- General notices of interest received from Directors, if any
- Dividend including IEPF data
- Minutes of meetings of previous Board & Committee Meetings and abstracts of Circular Resolutions passed, (if any) etc.
- Information on recruitment and remuneration of senior officers just below the Board level, including appointment or removal of the Chief Financial Officer and Company Secretary, if any.

- Materially important Show cause, demand, penalty/ prosecution notices if any.
- Fatal or serious accidents, dangerous occurrences, any material significant effluent or pollution problems.
- Any materially relevant defaults in financial obligations to and by us or substantial non-payment for goods sold by the Company.
- Any issue that involves possible public or product liability claims of a substantial nature
- Details of joint ventures or collaboration agreements, if any.
- Transactions that involve substantial payments toward goodwill, brand equity or Intellectual Property.
- Significant labour problems and their proposed solutions. Any significant development in Human Resources/ Industrial Relations front like signing of wage agreement, implementation of Voluntary Retirement Scheme etc.
- Sale of investments, subsidiaries, assets which are material in nature and not in normal course of business.
- Details of foreign exchange exposures and the steps taken by management to limit the risks of adverse exchange rate movement.
- Non-compliance with any regulatory, statutory or listing requirements, as well as member services, such as non-payment of dividend and delays in share transfer etc.

Minutes of the Meeting:

The Company Secretary & Compliance Officer of the Company records the proceedings of the Meetings and circulates the draft Minutes to Board/Committee Members within 15 days of the Meeting. Suggestions of the Directors are properly incorporated in the Minutes. Final Minutes are recorded in the Minutes Book within 30 days of the Meeting. Certified copies of the signed minutes are sent to the Directors within 7 days of sign by the Chairperson of the Board/Committee meeting.

Post Board Meeting Mechanism

All the Proceedings of the Board Meetings are recorded as per the requirements of the Companies Act, 2013 and SEBI Listing Regulations. All the decisions taken by the Board and its Committees are promptly communicated to the concerned departments or divisions. All the Post Board Meeting filings on the Stock Exchange / Registrar

of Companies are done as per the requirement of the SEBI Listing Regulations and Companies Act, 2013 and rules made there under as amended from time to time. Action taken/status reports on decisions of the previous meeting(s) are followed-up and placed at the next meeting for information and further recommended actions, if any.

Selection of Independent Directors

Considering the requirement of skill sets on the Board, eminent people having an independent standing in their respective field/profession and who can effectively contribute to the Company's business and policy decisions are considered by the Nomination and Remuneration Committee for appointment as Independent Director on the Board. The Committee, inter alia, considers qualification positive attributes, area of expertise and number of Directorships and Memberships held in various committees of other Companies by such persons in accordance with the Company's Policy for Selection of Directors and determining Directors' independence. The Committee evaluates the balance of skills, knowledge and experience on the Board and on the basis of such evaluation, prepare a description of the role and capabilities required of an independent director. The person recommended to the Board for appointment as an independent director shall have the capabilities identified in such description. The Board considers the Committee's recommendation, and takes appropriate decision.

Meetings of Independent Directors

Pursuant to Schedule IV of the Companies Act, 2013 & Rules made there under and SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 as amended from time to time, the independent directors of the Company shall hold at least one meeting in a year, without the attendance of non-independent directors and members of the Management. The meeting shall review the performance of non-independent directors and the Board as a whole; review the performance of the Chairperson of the Board, taking into account the views of the executive directors and non-executive directors; assess the quality, quantity and timeliness of flow of information between the Management and the board that is necessary for it to effectively and reasonably perform its duties.

One meeting of Independent Directors was held during the year i.e. on May 19, 2021.

Succession planning

The Nomination and Remuneration Committee works with the Board on the leadership succession plan, and also prepares contingency plans for succession in case of any exigencies.

b) Attendance of each Director at the meeting of the Board of Directors and last Annual General Meeting:

Name	No. of Board Meetings		Attendance at Last AGM on July 30, 2021
	Held	Attended	
Independent Director			
Mr. N. Srivishnu Raju	6	4	Yes
Mr. Rajesh Thakur Ahuja	6	6	Yes
Mrs. Aparna Surabhi	6	6	Yes
Mr. M.P. Vijay Kumar*	6	3	Not Applicable
Non Executive Director			
Dr. V. Nagaraja Naidu	6	6	Yes
Whole-time Director			
Mrs. N Bhuvaneswari	6	6	Yes
Mrs. N Brahmani	6	6	Yes

* Mr. M. P. Vijay Kumar has been appointed as a Non-Executive Independent director w.e.f 01.11.2021 for a period of 5 consecutive years

Video conferencing facilities and other audio visual means are provided to the Directors to participate in the meetings

c) Name and number of other board of directors or committees in which a director is a member or chairperson:

Name	No. of other Directorships* (Including Heritage Foods)	Committee Memberships# (Including Heritage Foods)		Category of Directorship and name of the other listed Company(s) as on 31-03-2022
		Member	Chairperson	
Non-Executive Independent Director				
Mr. N. Srivishnu Raju	20	4	1	<ul style="list-style-type: none"> Amara Raja Batteries Limited – Non Executive Independent Director Zydus Wellness Limited – Non Executive Independent Director
Mr. Rajesh Thakur Ahuja	5	2	-	Nil
Mrs. Aparna Surabhi	5	1	1	Nil
Mr. M. P. Vijay Kumar	6 [^]	3	1	<ul style="list-style-type: none"> Thejo Engineering Limited - Non Executive Independent Director Geogit Financial Services Limited - Non Executive Independent Director
Non-Executive Director				
Dr. V. Nagaraja Naidu	3	2	1	Nil
Whole-time Director				
Mrs. N Bhuvaneswari	5	1	-	Nil
Mrs. N Brahmani	6	-	-	Nil

* The directorships held by directors as mentioned above, does not include directorships in Foreign Companies.

In accordance with Regulation 26 of the Listing Regulations, Membership(s) / Chairmanship(s) of only Audit Committees and Stakeholders' Relationship Committees in all Public Limited Companies have been considered.

[^] Includes the directorship in Life Insurance Corporation of India.

d) Number of meeting of the Board of directors held and dates on which held:

Six (6) Board meetings were held during the year ended March 31, 2022 and the gap between any of the two consecutive meetings was not exceeding one hundred and twenty days. The said meetings were held on: May 19, 2021, July 28, 2021, October 21, 2021, November 2, 2021, January 21, 2022 and March 25, 2022. The necessary quorum was present for all through out the meetings.

The tentative dates for Board meetings in the ensuing financial year are decided in advance and published as part of the Annual Report. The Chairperson of the Board and the Company Secretary & Compliance Officer, drafts the agenda for each meeting,

along with explanatory notes, in consultation with the Vice Chairperson & Managing Director and communicate these in advance to the Directors. Every Board member can suggest the inclusion of additional items in the agenda. The Board meets at least once a quarter to review the quarterly results and other items on the agenda. Additional meetings are held when necessary.

e) Disclosure of relationship between directors inter-se:

As on March 31, 2022, the Board consists of Seven (7) members, out of which (2) are Executive/Whole-time Women Directors, three (3) are Non-Executive Independent Directors, one (1) is Non-Executive Independent Woman Director and one (1) is Non- Executive Director.

None of the Directors has relations with each other except Executive Director/Whole-time director of the Company. Mrs. N. Brahmani, Executive Director of the Company is the daughter-in-law of Mrs. N Bhuvaneswari, Vice Chairperson cum Managing director of the Company.

f) Number of shares and convertible instruments held by non-executive directors:

None of the Non-executive directors of the Company are having shares and convertible instruments except Dr. V. Nagaraja Naidu, he is holding 1,00,000 equity shares as on March 31, 2022.

g) Familiarisation programmes for Board Members

On being introduced onto the board of the company, every director is given an induction and is made aware about the organisations Vision, mission, Challenges, risk and opportunities. The Board members are provided with necessary documents/ brochures, reports and internal policies to enable them to familiarise with the Company's procedures and practices. Periodic presentations are made at the Board and its Committee Meetings, on business and performance updates of the Company and business strategy. Detailed presentations on the Company's business segments were made at the meetings of the Directors held during the year. Site visits to various plant locations are organized for the Directors to enable them to understand the operations of the Company. By apprising the Board with up to date information about the organisation and its business, your company ensures that the Board is updated about the regular workings of the company.

h) Skills/Expertise/Competencies of the Board of Directors

The following is the list of core skills/expertise/competencies identified by the Board of Directors as required in the context of the Company's business(es) for it to function effectively and those available with the Board as a whole.

- Sales & Marketing: Experience in sales and marketing management based on understanding of the consumer & consumer goods industry, developing strategies to grow sales and market share, build brand equity awareness and enhance enterprise reputation.
- General management / Governance and Compliance: Service on a company board to develop insights about maintaining board and management accountability, Strategic thinking, decision making, protecting member interests and observing appropriate governance practices. Ability to identify key risks to the organisation in a wide range of areas including legal and regulatory compliance and monitor risk and compliance management frameworks and systems.
- Financial skills: Understanding the financial statements, financial controls, risk management, mergers and acquisition, etc. Management of the finance function of an enterprise, resulting in proficiency in complex financial management, capital allocation, and financial reporting processes, or experience in actively supervising a financial officer, accounting officer, controller, auditor or person performing similar functions
- Technical and professional skills / Policy Development: Ability to identify key issues and opportunities for the Company within the Dairy industry and develop appropriate policies to define the parameters within which the organisation should operate and knowledge including legal and regulatory aspects.
- Operational Skill/ Strategy planning, Mergers and Acquisitions: Experience in operating and managing on dairy business. Ability to think strategically and identify and critically assess strategic opportunities and threats and develop effective strategies in the context of the strategic objectives of the Company's relevant policies and priorities. Leading growth through acquisitions and other business combinations, with the ability to assess 'build or buy' decisions, analyze the fit of a target with the Company's strategy and culture, accurately value transactions, and evaluate operational integration plan.
- Leadership: Extended leadership experience for a significant enterprise, resulting in a practical understanding of organizations, processes, strategic planning, and risk management. Demonstrated strengths in developing talent, planning succession, and driving change and long-term growth. Oversee strategic human resource management including workforce planning, employee and industrial relations and oversee large scale organisational change.
- Information Technology: A significant background in technology, resulting in knowledge of how to anticipate technological trends, generate disruptive

innovation, and extend or create new business models. Knowledge and experience in the strategic use and governance of information management and information technology within the organisation.

- viii. International Business: Knowledge of and experience in companies with operations outside of India. The Directors of your Company comprises of qualified individuals who collectively possess the above skills, competencies, and experience across diverse fields that enable them to make effective contributions to the Board and its Committees. Given below is a list of core skills, expertise and competencies of the individual Directors:

Director	Key Board Qualifications							
	Area of Expertise							
	Financial	Policy De-velopment	Leadership	Information Technology	Strategy planning, Mergers and Acquisitions	Governance and Compliance	Sales & Marketing	International Business
Mr. N. Srivishnu Raju	√	-	√	√	√	√	√	√
Mr. Rajesh Thakur Ahuja	√	-	√	√	-	√	√	√
Mrs. Aparna Surabhi	√	√	√	√	√	√	-	-
Mr. M.P. Vijay Kumar	√	√	√	√	√	√	-	-
Dr. V. Nagaraja Naidu	√	√	√	-	√	√	√	-
Mrs. N Bhuvanewari	√	√	√	√	√	√	-	-
Mrs. N Brahmani	√	√	√	√	√	√	√	√

These skills/competencies are broad-based, encompassing several areas of expertise/experience. Each Director may possess varied combinations of skills/experience within the described set of parameters, and it is not necessary that all Directors possess all skills/experience listed therein.

i) Declaration by Independent Directors

All the Independent Directors of the Company have given declarations and confirmed that they meet the criteria of Independence as provided under Section 149(6) of the Act and Regulation 16(1)(b) of the Listing Regulations and that they are not aware of any circumstance or situation, which exist or may be reasonably anticipated, that could impair or impact their ability to discharge their duties with an objective independent judgment and without any external influence. They also declare that apart from receiving director's remuneration (sitting fees) they did not have any pecuniary relationship or transactions with the company, its promoters, its directors, senior management and they are not a material supplier, service provider or customer or a lessor or lessee of the company, which may affect their independence, and was not a substantial member of the company i.e. owning two percent or more of the block of voting shares.

j) Reason for resignation of an Independent Director

During the year under review none of the Independent Directors resigned from the Company.

k) Policy for Prevention of Insider Trading

The Company has adopted a Policy for Prohibition of Insider Trading ("Policy/Code") for Regulating, Monitoring and Reporting of Trades by Designated Persons' ("the Code") in accordance with the SEBI (Prohibition of Insider Trading) Regulations, 2015 (The PIT Regulations).

The Company is having in place the required IT infrastructure for maintaining Digital Structural Database and for monitoring the insider trading activities as per the applicable Regulations of SEBI (Prohibition of Insider Trading) Regulations, 2015.

The Policy is applicable to Promoters, Member of Promoter's Group, all Directors, designated persons and third parties such as auditors, consultants etc. who are expected to have access to unpublished price sensitive information relating to the Company. The trading window is closed from the first day of the every quarter and will open after the 48 hours of the declaration of financial results and occurrence of any material events as per the code. The Audit Committee of the company shall review compliance with the provisions of these regulations at least once in a financial year and shall verify that the systems for internal control are adequate and are operating effectively.

The Company has also formulated 'The Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information (UPSI)' in compliance with the PIT Regulations. The company also has a whistle-blower policy to make employees aware of such policy to enable employees to report instances of leak of UPSI and a separate procedure for enquiry in case of leak

of UPSI is also in place. The Code & policies are displayed on the Company's website viz. www.heritagefoods.in. All Directors and Senior Management of the Company have affirmed the compliance of all policies for the financial year ended March 31, 2022.

l) Appointment and Tenure of Directors

The Directors of the Company are appointed / reappointed by the Board on the recommendation of the Nomination and Remuneration Committee and approval of the members at the General Meetings. In accordance with the Articles of Association of the Company and provisions of the Act, Non-Executive Directors, except Independent Directors, of the Company, are liable to retire by rotation at the Annual General Meeting each year and, if eligible, offer themselves for re-appointment. Independent Directors are appointed as per the applicable provisions of the companies act, 2013 and rules made thereof and SEBI (Listing Obligations and Disclosure Requirements), Regulations 2015.

The Vice-Chairperson & Managing Director is not liable to retire by rotation but in compliance with Section 152(6) of the Companies Act, 2013 and rules made thereunder Executive Director of the Company is liable to retire by rotation.

During the year under review Mr. M. P. Vijay Kumar (DIN: 05170323) has been appointed as a Non-Executive Independent director w.e.f 01.11.2021 for a period of 5 consecutive years.

The approval of members through special resolution was taken on April 29, 2022 for Continuation of directorship of Dr. V. Nagaraja Naidu (DIN: 00003730) as a Non-Executive Director after attaining the age of 75 as per Regulation 17(1A) of SEBI (Listing Obligations and Disclosure Requirements), Regulations 2015.

BOARD COMMITTEES

The Board of Directors of the Company are having 6 (Six) Committees as on March 31, 2022 i.e.

- i. Audit Committee
- ii. Nomination & Remuneration Committee
- iii. Stakeholders Relationship Committee
- iv. Corporate Social Responsibility Committee
- v. Risk Management Committee
- vi. Management Committee

The quorum for committee meetings is as per the Companies Act and SEBI Listing Regulation. The Company Secretary of the company is acting as the Secretary in each Committee.

m) Frequency and Length of Meeting of the Committees of the Board

Each Committee meets as often as necessary subject to minimum number and frequency as stipulated in its charter or as prescribed in the Act and Listing Regulations. The agenda for the Committee meeting is shared with all the members of the Committee at least 7 days in advance.

3. AUDIT COMMITTEE

a) Brief description and term of reference:

The Committee composition meets with requirements of Section 177 of the Companies Act, 2013 and Regulation 18 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended from time to time. Members of the Audit Committee possess financial accounting expertise/exposure.

Terms of reference

The terms of reference of the Audit Committee is in alignment with the provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended from time to time, are as follows:

- i. Oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
- ii. Recommendation for appointment, remuneration and terms of appointment of auditors;
- iii. Approval of payment to statutory auditors;
- iv. Reviewing with the management, the quarterly/ annual financial results/statements and auditor's report thereon before submission to the Board for approval; -
- v. Reviewing with the management, the statement of uses/application of funds raised through an issue, the statement of funds utilized for purposes other than those stated in offer documents/prospectus/ notice and the report submitted by the monitoring agency monitoring the utilization of proceeds of a public or rights issue, and making appropriate recommendations to the board to take up steps in the matter;
- vi. Reviewing and monitoring the auditor's independence and performance and effectiveness of audit process;
- vii. Approval or any subsequent modification of transactions of the Company with related parties;
- viii. Scrutiny of inter-corporate loans and investments;
- ix. Valuation of undertakings or assets of the Company, wherever it is necessary;

- x. Evaluation of internal financial controls and risk management systems;
- xi. Reviewing with the management, performance of statutory and internal auditors, adequacy of the internal control systems;
- xii. Reviewing the adequacy of internal audit function and discussion with the internal auditors of any significant findings and follow up thereon;
- xiii. Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board;
- xiv. Discussion with the statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
- xv. To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, members and creditors;
- xvi. Review the functioning of whistle blower mechanism;
- xvii. Monitoring the Compliances as per the provisions of SEBI (PIT) Regulations, 2015
- xviii. Approval of appointment of Chief Financial Officer;
- xix. Reviewing the utilization of loans and/or advances from/investment by the holding company in the subsidiary exceeding ₹ 1,000 million or 10% of the asset size of the subsidiary, whichever is lower including existing loans/advances/investments existing as on the date of coming into force of this provision
- xx. Consider and comment on rationale, cost-benefits and impact of schemes involving merger, demerger, amalgamation etc., on the listed entity and its shareholders.
- xxi. Such other matter as prescribed under Part-C of Schedule-II of SEBI Listing Regulation and from time to time be required under any statutory, contractual or other regulatory requirement
- xxii. Apart from the aforementioned terms of reference, the Audit Committee mandatorily monitors and provides an effective supervision of the Management's financial reporting process, to ensure accurate and timely disclosures, with the highest levels of transparency, integrity and quality of financial reporting. The Audit Committee oversees the work carried out in the financial reporting process by the Management,

the internal auditors and the statutory auditors. The committee has the ultimate authority and responsibility to select, evaluate and where appropriate, replace the statutory auditors in accordance with the law. All possible measures were taken by the committee to ensure the objectivity and independence of the statutory auditors.

b) Composition, name of the members and chairperson:

Composition of the Committee as on March 31, 2022:

Name	Designation	Category
Mrs. Aparna Surabhi	Chairperson	Non Executive Independent Women Director
Mr. N Srivishnu Raju	Member	Non Executive Independent Director
Mr. Rajesh Thakur Ahuja	Member	Non Executive Independent Director
Mr. M.P. Vijay Kumar*	Member	Non Executive Independent Director
Dr. V. Nagaraja Naidu	Member	Non Executive Director

* Mr. M.P. Vijay Kumar has been appointed as a member of the Audit Committee w.e.f January 21, 2022.

c) Meeting and attendance during the year:

Five (5) meetings of Audit Committee were held during the financial year 2021-22, i.e. May 19 2021, July 28, 2021, October 21, 2021, January 21, 2022 and March 25, 2022. The attendance details of the Committee Meeting are as follows:-

Name	No. of Meetings	
	Held	Attended
Mrs. Aparna Surabhi	5	5
Mr. N Srivishnu Raju	5	4
Mr. Rajesh Thakur Ahuja	5	5
Mr. M.P. Vijay Kumar*	5	1
Dr. V Nagaraja Naidu	5	5

* Mr. M.P. Vijay Kumar has been appointed as a member of the Audit Committee w.e.f January 21, 2022.

Mrs. N. Bhuvaneswari, Vice Chairperson & Managing Director, Mrs. N. Brahmani, Executive Director, Dr. M. Sambasiva Rao, President, Mr. A Prabhakara Naidu, Chief Financial Officer, Mr. Srideep Madhavan Nair Kesavan Chief Executive officer and Mr. J Samba Murthy, Chief Operating Officer of the Company are permanent invitees and Auditors are also invited to the Audit Committee Meeting, Mr. Umakanta Barik, Company Secretary & Compliance Officer is the Secretary to the Committee.

4. NOMINATION & REMUNERATION COMMITTEE

a) Brief description of terms of reference:

The terms of reference, constitution, powers, quorum and other matters in relation to the Nomination and Remuneration Committee are as per the Regulation 19 read with Part D of Schedule II of SEBI Listing Regulations, Section 178 of the Companies Act, 2013 as amended from time to time.

- i. Formulate the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board of Directors a policy relation to for remuneration for the directors, key managerial personnel and other employees;
- ii. Formulation of criteria for evaluation of performance of Independent Directors and the Board of Directors;
- iii. Devising a policy on diversity of board of Directors;
- iv. Identifying persons who are qualified to become of Directors and who may be appointed in senior management in accordance with the criteria laid down and recommend to the Board of Directors their appointment and removal;
- v. Whether to extend or continue the term of appointment of the independent director, on the basis of the report of performance evaluation of Independent Directors;
- vi. Recommend to the Board, all remuneration, in whatever form payable to senior management
- vii. Evaluate the balance of skills, knowledge and experience on the Board and on the basis of such evaluation, prepare a description of the role and capabilities required of an independent director. For the purpose of identifying suitable candidates, the Committee may:
 - a) use the services of an external agencies, if required;
 - b) consider candidates from a wide range of backgrounds, having due regard to diversity; and
 - c) consider the time commitments of the candidates.
 - d) The committee shall review and discuss all matters pertaining to candidates and shall evaluate the candidates in accordance with a process that it sees fit, passing on the recommendations to the Board. The committee coordinates and oversees the annual self- evaluation of the Board and of individual directors. The Committee also review the performance and approve the revision of

annual fixed salary & variable pay and promotions of all the Employees one level below the Board including the Functional Heads of the Company. The committee also regularly evaluate the usefulness of such performance parameters, and make necessary amendments.

b) Composition, name of members and chairperson:

Name	Designation	Category
Mr. N Srivishnu Raju	Chairperson	Non-Executive Independent Director
Mr. Rajesh Thakur Ahuja	Member	Non-Executive Independent Director
Mrs. Aparna Surabhi	Member	Non-Executive Independent Woman Director
Mr. M.P. Vijay Kumar#	Member	Non-Executive Independent Director

Mr. M.P. Vijay Kumar has been appointed as a member of the Nomination and Remuneration Committee w.e.f January 21, 2022.

c) Meeting and attendance during the year:

The Nomination & Remuneration Committee held four meetings during the financial year 2021-22 i.e. on May 19, 2021, July 28, 2021 and October 21, 2021 and March, 25 2022. The attendance details of the Committee Meetings are as follows:

Name	No. of Meetings	
	Held	Attended
Mr. N Srivishnu Raju	4	3
Mr. Rajesh Thakur Ahuja	4	4
Mrs. Aparna Surabhi	4	4
Mr. M.P. Vijay Kumar#	4	1

Mr. M.P. Vijay Kumar has been appointed as a member of the Nomination and Remuneration Committee w.e.f January 21, 2022.

Mrs. N Brahmani, Executive Director, Dr. M Sambasiva Rao, President of the Company are invitees to the Committee Meeting, Mr. Umakanta Barik, Company Secretary & Compliance Officer is the Secretary to the Committee.

d) Performance evaluation criteria for - directors:

One of the key functions of the Committee is to monitor and review the board evaluation framework. Your Board is committed to assessing its own performance as a Board in order to identify its strengths and areas in which it may improve its functioning. The Board works with the nomination and remuneration committee to lay down the evaluation criteria for the performance of executive / non-executive / independent directors. The questionnaire is a key part of the process of reviewing the functioning and effectiveness of the Board and for identifying possible paths for improvement. Each Board member is requested

to evaluate the effectiveness of the Board dynamics and relationships, information flow, decision-making of the directors, relationship to stakeholders, performance, strategy and the effectiveness of the whole Board and its various committees on a scale of one to five. Feedback on each director is encouraged to be provided as part of the questionnaire and shares the feedback with the Chairperson. The Chairperson discusses the feedback at the Board Meeting.

5. STAKEHOLDERS RELATIONSHIP COMMITTEE

The Stakeholders Relationship Committee’s (SRC) composition and the terms of reference meet with the requirements of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and as specified in Section 178 of the Companies Act, 2013 & rules made thereof as amended from time to time as follows.

- i. Resolving the grievances of the security holders of the Company including complaints related to transfer/transmission of shares, non-receipt of annual report, non-receipt of declared dividends, issue of new/ duplicate certificates etc.
- ii. Review of measures taken for effective exercise of voting rights by members
- iii. Review of adherence to the service standards adopted by the Company in respect of various services being rendered by the Registrar and Share Transfer Agent
- iv. Review of various measures and initiatives taken by the listed entity for reducing the quantum of unclaimed dividends and ensuing timely receipt of dividend warrants/ annual reports/statutory notices by the members of the Company
- v. To approve, Sub- division, Consolidation and issue of new/ duplicate share certificates, whenever requested for by the members of the company.

The Committee authorised Vice Chairperson & Managing Director and Executive Director of the Company to sign the Memorandum of Share Transfer/Transmissions submitted by Registrar of Transfer Agent and counter signed by Company Secretary & Compliance Officer of the company and same to be rectified by the Committee in subsequent meeting if any.

a) Name of non-executive director heading the committee:

Dr. V Nagaraja Naidu – Non-executive Director

b) Name and designation of compliance officer:

Mr. Umakanta Barik, Company Secretary & Compliance Officer acts as the Secretary for the Committee, who is designated as Compliance Officer in pursuant to SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 as amended from time to time.

c) Details of the Complaints/request during Financial Year 2021-22 as follows:

No of complaints/request received: 106

No of complaints/request resolved: 106

No of pending complaints/request : NIL

Composition, name of members and chairperson:

Name	Designation	Category
Dr. V Nagaraja Naidu	Chairperson	Non Executive Director
Mr. N. Srivishnu Raju	Member	Non Executive Independent Director
Mrs. N Bhuvaneswari	Member	Executive Director
Mr. Rajesh Thakur Ahuja	Member	Non Executive Independent Director

Four (4) Stakeholders Relationship Committee meetings were held during the financial year 2021-22. These were held on May 19, 2021, July 28, 2021, October 21, 2021 and January 21, 2022. The attendance details of the Committee Meeting are as follows:-

Stakeholders Relationship Committee Attendance:

Name	No. of Meetings	
	Held	Attended
Dr. V Nagaraja Naidu	4	4
Mr. N Srivishnu Raju	4	4
Mrs. N Bhuvaneswari	4	4
Mr. Rajesh Thakur Ahuja	4	4

5(a). Risk Management Committee

In accordance with the provisions of Regulation 21 of the SEBI (LODR) Regulations and applicable provisions of the Companies Act, 2013, the Board constituted Risk Management Committee. The Committee’s prime responsibility is to implement, review and monitor the risk management plan and policy of the Company. The Committee shall be aware of the significant risk exposures of the Company and assess whether Management is responding appropriately towards them in timely manner.

The Committee’s constitution and terms of reference meet with the requirements of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Companies Act, 2013, as amended from time to time.

Composition, name of members and chairperson:

Name	Designation	Category
Mr. Rajesh Thakur Ahuja	Chairperson	Non Executive Independent Director
Mr. N. Srivishnu Raju	Member	Non Executive Independent Director
Mrs. N Bhuvaneswari	Member	Executive Director
Mrs. Aparna Surabhi	Member	Non Executive Independent Woman Director

Two (2) Risk Management committee meetings were held during the financial year 2021-22 on October 21, 2021 & March 25, 2022.

Risk Management committee Attendance:

Name	No. of Meetings	
	Held	Attended
Mr. Rajesh Thakur Ahuja	2	2
Mr. N. Srivishnu Raju	2	1
Mrs. N Bhuvaneswari	2	2
Mrs. Aparna Surabhi	2	2

Mrs. N Brahmani, Executive Director, Dr. M Sambasiva Rao, President and Mr. A Prabhakara Naidu Chief Financial Officer of the Company are permanent invitees to the Committee Meeting, Mr. Umakanta Barik Company Secretary & Compliance Officer of the Company is the Secretary to the Committee.

5(b).Corporate Social Responsibility Committee (CSR)

The Corporate Social Responsibility Committee is constituted in pursuance to the Provision of Section 135 of the Companies Act, 2013 and the rules made there under as amended from time to time. The Committee’s prime responsibility is to assist the Board in discharging its responsibilities by way of formulating and monitoring implementation of the framework of ‘Corporate Social Responsibility policy’ observe good practices at all levels, and to suggest remedial measures wherever necessary.

The Committee’s constitution and terms of reference meet with the requirements of the Companies Act, 2013 and rules made thereof as amended from time to time Composition of the Committee as on March 31, 2022:

Name	Designation	Category
Mr. Rajesh Thakur Ahuja	Chairperson	Non Executive Independent Director
Mr. N. Srivishnu Raju	Member	Non Executive Independent Director
Mrs. N. Bhuvaneswari	Member	Executive Director

The committee shall be overseeing the activities/ functioning with regards to Company’s project/ works of implementing partners, being an external agency for implementation of the CSR activities of the Company and identifying the areas of CSR activities, programs and execution of initiatives as per pre-defined guidelines/policy.

Three (3) CSR Committee meetings were held during the financial year 2021-22. These were held on May 19, 2021, October 21, 2021 and March 25, 2022. The attendance details of the Committee Meeting are as follows:-

CSR Committee Attendance:

Name	No. of Meetings	
	Held	Attended
Mr. Rajesh Thakur Ahuja	3	3
Mr. N. Srivishnu Raju	3	2
Mrs. N. Bhuvaneswari	3	3

Mrs. N Brahmani, Executive Director, Dr. M Sambasiva Rao, President and Mr. A Prabhakara Naidu Chief Financial Officer of the Company are permanent invitees to the Committee Meeting. Mr. Umakanta Barik Company Secretary & Compliance Officer of the Company is the Secretary to the Committee.

5(c). Management Committee

The terms of reference of the Management Committee is to consider and dispose off any day to day matters, with a view to ensure smooth operations and timely action/ compliances. The Committee meets at frequent intervals and disposes matters which are of urgent in nature without having to wait for the next Board Meeting and those items are not statutory require for the approval of the Board.

Composition, name of members and chairperson:

Name	Designation	Category
Mr. Aparna Surabhi	Chairperson	Non-Executive Independent Woman Director
Mr. N. Srivishnu Raju	Member	Non-Executive Independent Director
Mr. M.P. Vijay Kumar*	Member	Non-Executive Independent Director
Mrs. N. Bhuvaneswari	Member	Executive Director

Mr. M.P. Vijay Kumar has been appointed as a member of the Management Committee w.e.f January 21, 2022.

Seven (7) Management Committee meetings were held during the financial year 2021-22. These were held on April 19, 2021, June 21, 2021, August 24, 2021, September 27, 2021, November 24, 2021, December 12, 2021 and February 23, 2022. The attendance details of the Committee Meeting are as follows:-

Management Committee Attendance:

Name	No. of Meetings	
	Held	Attended
Mrs. Aparna Surabhi	7	7
Mr. N. Srivishnu Raju	7	7
Mr. M.P. Vijay Kumar#	7	1
Mrs. N. Bhuvanewari	7	7

Mr. M.P. Vijay Kumar has been appointed as a member of the Management Committee w.e.f. January 21, 2022

Mrs. N Brahmani, Executive Director, Dr. M. Sambasiva Rao, President, Mr. A. Prabhakara Naidu Chief Financial Officer, Mr. Srideep Madhavan Nair Kesavan, Chief Executive Officer and Mr. J Samba Murthy, Chief Operating Officer of the Company are permanent invitees to the Committee Meeting, Mr. Umakanta Barik Company Secretary & Compliance Officer is the Secretary to the Committee.

6. REMUNERATION OF DIRECTORS

The Nomination and Remuneration Committee determines and recommends to the Board the compensation payable to director(s). All Board-level compensation shall be approved by the members and disclosed separately in the financial statements. Remuneration for the Vice- Chairperson & Managing Director and Executive Director consists of fixed component and variable component.

The compensation payable to the Independent/ Non-Executive Directors is limited to sitting fees and reimbursement of actual conveyance, travelling and other expenses for attending the

c) Other disclosures with respect to remuneration:
i. All elements of remuneration of individual directors summarized under major groups such as salary, benefits, bonuses, stock options, pensions etc:

The Details of remuneration paid/payable for the year ended March 31, 2022 is as follows:

Name	Sitting Fees	Remuneration	Perquisites/ Perks	Performance / Annual Pay	Total
					(₹ in Millions)
Independent Directors					
Mr. N Srivishnu Raju	0.53	-	-	-	0.53
Mr. Rajesh Thakur Ahuja	0.56	-	-	-	0.56
Mrs. Aparna Surabhi	0.56	-	-	-	0.56
Mr. M.P. Vijay Kumar#	0.15	-	-	-	0.15
Non Executive Director					
Dr. V Nagaraja Naidu	0.39	-	-	-	0.39
Whole-time Directors					
Mrs. N. Bhuvanewari	-	18.00	1.50	57.43	76.93
Mrs. N Brahmani	-	9.00	-	52.54	61.54

Mr. M. P. Vijay Kumar appointed as a Non-Executive Independent director w.e.f 01.11.2021.

ii. Details of fixed component and performance linked incentives, along with the performance criteria:

The Non-Executive Directors of the Company were paid only sitting fees and reimbursement of actual expenses for attending the Board/ Committee meetings. The performance criteria for two Executive Directors/Whole-time Directors entitled for Performance Linked Incentive as determined by the Nomination & Remuneration Committee, Board of Directors and approved by the members of the Company at their meeting held on March 12, 2019.

Board & Committee meeting(s), as approved by the Board & members, as per the provisions of the Companies Act, 2013 and SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 as amended from time to time. The performance of the Independent Directors are reviewed by the Board on an annual basis.

a) All pecuniary relationship or transactions of the Non-Executive Directors

There is no pecuniary relationship or transactions between the company and Non-Executive directors except the sitting fees they are getting for attending the board/committee meeting and dividend on shares held by him/her.

b) Criteria of making payments to Non-Executive Directors:

The Non-Executive Directors are paid by way of Sitting Fees and reimbursement of actual expenses for attending the Board/ Committee Meeting. The Non-Executive Directors/ Independent Directors do not have any material pecuniary relationship or transactions with the Company. The performa appointment letter of the Non-Executive Director including the payment thereof is available on the website of the Company i.e. https://www.heritagefoods.in/investors/Policy/Draft_Appointment_Letter_-_Non-Executive_Independent_Director.pdf. The details of the amount paid to all Directors are disclosed in point no. 5(c)(i) of the Corporate Governance Report section in the Annual Report.

iii. Service contracts, notice period, severance fees:

The Company has entered service contract/issued appointment letter with executive directors having a 3 months' notice period either side and there is no severance fees involved for any of its directors of the Company. The Company also has issued appointment letter to Non-Executive independent director as prescribed by the companies Act and applicable regulations.

iv. Stock option details, if any and whether issued at a discount as well as the period over which accrued and over which exercisable:

The Company has not granted any stock option to any of its directors. Dr. V Nagaraja Naidu, Non-Executive Director of the Company is holding 1,00,000 equity shares of face value of ₹ 5 each, Mrs. N Bhuvanewari and Mrs. N Brahmani, Executive/ Whole-time Directors of the Company are holding 1,06,61,652 and 2,03,200 equity shares of face value of ₹ 5 each of the Company respectively as on March 31, 2022.

Besides dividend on equity shares, if any, held by the Directors and payments as mentioned above no other payments have been made nor have the Directors of the company entered into any transactions of pecuniary nature.

7. GENERAL BODY MEETINGS
a) Location and time, where the last three annual general meeting held:

For the financial year 2019-20 & 2020-21, the Company's Annual General Meeting was held through VC/OAVM pursuant to the Ministry of Corporate Affairs ("MCA") circular No. 20/2020 dated May 5, 2020 read together with circulars No. 14/2020 dated April 8, 2020 and No. 17/2020 dated April 13, 2020 and SEBI Circular No. SEBI/HO/CFD/CMD1/CIR/P/2020/ 79 dated May 12, 2020 and SEBI (Listing Obligation & Disclosure Requirement) Regulations, 2015 and the deemed venue was the Registered Office of the Company.

For the Financial year 2018-19 the Company's Annual General Meetings were held at Auditorium Hall, 2nd Floor, National Institute for Micro, Small and Medium Enterprises, Yousufguda, Hyderabad-45. Details of date & time are as follows:

Financial year ended	Date and time	Special Resolution(s) Passed
March 31, 2021	July 30, 2020 at 10:30 am	Re-appointment of Mr. Rajesh Thakur Ahuja (DIN:00371406) as Non-Executive Independent Director of the company
March 31, 2020	August 28, 2020 at 10:30 am	NIL
March 31, 2019	August 30, 2019 at 10.30 am.	Re-appointment of Mr. N Srivishnu Raju (DIN:00025063) as Non-Executive Independent Director of the company

b) Whether any special resolutions passed in the previous three annual general meeting:

Yes, during the financial year 2018-19 & 2020-21 special resolutions were passed for re-appointment of Mr. N Srivishnu Raju (DIN: 00025063) as Non-Executive Independent Director of the company for a second term of five years and re-appointment of Mr. Rajesh Thakur Ahuja (DIN:00371406) as Non-Executive Independent Director of the company for a second term of five years respectively.

c) Postal ballot:

During the financial year 2021-22, members of the company have approved the resolution, stated in the below table by requisite majority, by means of Postal ballot, including Electronic Voting (e-voting). The Postal Ballot Notice dated October 21, 2021 along with the Postal Ballot Form was sent in electronic form to the members whose e-mail addresses were registered with the Company/ respective Depository Participants.

The Company had published a notice in the newspaper on October 26, 2021 in Financial Express (all edition) and Andhra Prabha (Hyderabad edition) in compliance with the provisions of the Companies Act, 2013 and Secretarial Standard – 2. The voting period commenced from at 09:00 A.M. on Tuesday, October 26, 2021 and ended at 05:00 P.M. on Wednesday, November, 24, 2021 (IST). The voting rights of members were reckoned on the paid-up value of shares registered in the name of member/beneficial owner (in case of electronic shareholding) as Friday, October 22, 2021.

The details of the voting pattern are given below:

Name of the Resolution	Type of Resolution	No. of Votes Polled	Votes Cast in favour		Votes Cast against	
			No. of Votes	%	No. of Votes	%
To appoint Mr. M P Vijay Kumar (DIN : 051770323) as a Non-Executive Independent Director of the Company for a term of 5 (five) consecutive years w.e.f. 01.11.2021 to 31.10.2026	Ordinary	3,11,01,385	3,11,01,266	99.9996	119	0.0004

During the financial year 2021-22, the approval of the members was also sought for the special resolution, stated in the below table by means of Postal ballot, including Electronic Voting (e-voting). The Postal Ballot Notice dated Friday, 25th March, 2022 was sent in electronic form to the members whose e-mail addresses were registered with the Company/respective Depository Participants. The resolution was approved by requisite majority on Friday, April 29, 2022.

The details of the voting pattern are given below:

Name of the Resolution	Type of Resolution	No. of Votes Polled	Votes Cast in favour		Votes Cast against	
			No. of Votes	%	No. of Votes	%
Continuation of directorship of Dr. V Nagaraja Naidu (DIN: 00003730), Non-Executive Director of the Company in terms of Regulation 17(1A) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) (Amendment) Regulations, 2018	Special	3,20,97,601	3,20,90,060	99.977	7,541	0.023

The Company had published a notice in the newspaper on March 31, 2022 in Financial Express (all edition) and Andhra Prabha (Hyderabad edition) in compliance with the provisions of the Companies Act, 2013 and Secretarial Standard – 2. The voting period commenced from at 09:00 A.M. on Thursday, March 31, 2022 and ended at 05:00 P.M. on Friday, April 29, 2022 (IST). The voting rights of members were reckoned on the paid-up value of shares registered in the name of member/beneficial owner (in case of electronic shareholding) as on Friday, March 25, 2022.

d) **Person who conducted the postal ballot exercise:**

The Board had appointed Mrs. Savita Jyoti (M No: 3738, CP No:1796) Partner of M/s. Savita Jyoti Associates, Hyderabad-500094, Telangana as the Scrutiniser for conducting both the above postal ballot processes in a fair and transparent manner and had engaged the services of M/s. KFin Technologies Limited as the agency for the purpose of providing e-voting facility. Mrs. Savita Jyoti, submitted her reports on the postal Ballot to the Vice-Chairperson and Managing Director on November 25, 2021 and April 30, 2022.

e) **Whether any special resolution is proposed to be conducted through postal ballot:**

There is no immediate proposal for passing any resolution through Postal Ballot.

f) **Procedure for postal ballot:**

In compliance with Sections 108 and 110 and other applicable provisions of the Companies Act, 2013, read with the related Rules and read with MCA circulars, the Company provides electronic voting (e-voting) facility, in addition to physical ballot, to all its members. For this purpose, the Company has engaged the services of M/s. Kfin Technologies Limited.

The postal ballot notices was sent by email to all the members who have registered their mail id. The Company also publishes a notice in the newspaper declaring the details and requirements as mandated by the Act and applicable rules.

Voting rights are reckoned on the paid-up value of the shares registered in the names of the members as on the cut-off date.

The scrutinizer completes his/her scrutiny and submits his/her report to the Vice-Chairperson & Managing Director of the Company, and the consolidated results of the voting are announced by the Vice-Chairperson & Managing Director / authorized officer. The results are also displayed on the Company website, www.heritagefoods.in, besides being communicated to the stock exchanges and registrar and share transfer agent.

8. Means of Communication

a) **Financial Results:**

The Quarterly/Half yearly/Annual Un-Audited/Audited Financial Results (Standalone & Consolidated) along with the Limited Review Report from Statutory Auditors are submitted to the Stock Exchanges and uploaded on the website of the Company as per the applicable provisions of the SEBI (LO&DR) Regulations, 2015 as amended from time to time.

The members are provided with the necessary information with notices sent for the Annual General Meeting / Extraordinary General Meeting. Any other information sought by members is being provided on request.

b) **News Paper where results normally published:**

The quarterly/annual Financial results are published in English newspaper namely i.e. Financial express all editions and vernacular language newspaper namely i.e. Vishalandhra/Andhra Prabha, Hyderabad edition.

c) **Website:**

The Company's website i.e., www.heritagefoods.in contains a separate dedicated section 'Investor Relations' where members information is available. Full text of Annual Report is also available on the website in a user friendly and downloadable format as per the requirement of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 as amended from time to time.

d) **News Releases, Presentations etc :**

The Quarterly results, Shareholding Patterns, Official News releases, analysis and information to investors, etc. are displayed on the company's website: www.heritagefoods.in as well as on the website of the Stock Exchanges where the shares of the Company are listed.

e) **Presentations to institutional investors/analysts:**

Detailed presentations are made to institutional investors and financial analysts on the Company's unaudited quarterly as well as audited annual financial results. These presentations are also uploaded on the Company's website www.heritagefoods.in and on the website of the Stock Exchanges where the shares of the Company are listed.

Annual Report: The Annual Report containing inter-alia Notice of the 30th Annual General Meeting, Audited Annual Accounts (Standalone & Consolidated), Board's Report including Annexure thereto, Auditors Report, Management Discussion and Analysis, Report on Corporate Governance, Secretarial Audit Report and other important information is circulated to Members and others entitled thereto.

Reminder to Investors: Reminders for unclaimed/ unpaid dividend and shares thereof are sent to members as per records every year.

NSE Electronic Application Processing System (NEAPS) (Scrip Code: HERITGFOOD): The NEAPS is a web-based application designed by National Stock Exchange of India Limited (NSE), Mumbai for Corporates. All periodical compliance filings like shareholding pattern, corporate governance report, media releases, among others are filed electronically on NEAPS.

BSE Corporate Compliance & Listing Centre (the 'Listing Centre') (Scrip Code: 519552): BSE's Listing Centre is a web-based application designed for Corporates. All periodical compliance filings like shareholding pattern, corporate governance report, media releases, among others are also filed electronically on the Listing Centre.

SEBI Complaints Redress System (SCORES ID: H00059): The investor complaints are processed in a centralised web-based complaints redress system. The salient features of this system are: Centralised database of all complaints, online upload of Action Taken Reports (ATRs) by concerned companies and online viewing by investors of actions taken on the complaint and its current status.

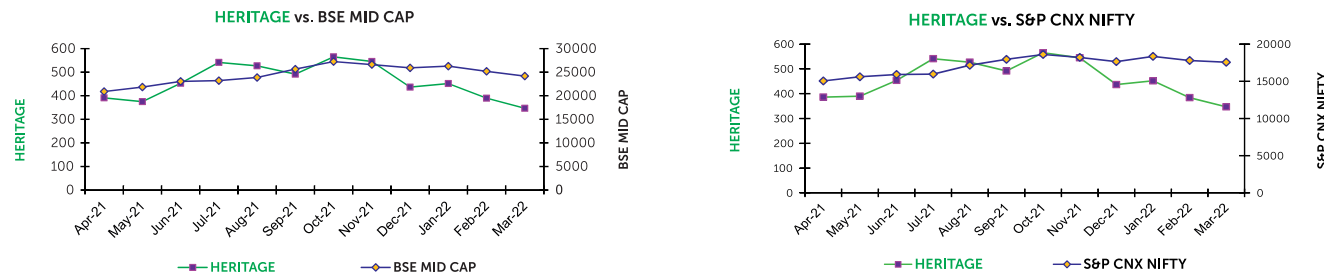
9. GENERAL SHAREHOLDER INFORMATION

(a)	Company Identification No.(CIN)	L15209TG1992PLC014332
	Annual General Meeting - Date and Time	July 29, 2022, Friday, 10:00 a.m
	Venue	The Company will conduct the 30 th AGM for FY 2021-22 through VC/OAVM pursuant to Ministry of Corporate Affairs ("MCA") Circular No. 02/2022 dated May 5, 2022, read together with Circular No. 02/2021 dated January 13, 2021, Circular No. 20/2020 dated May 05, 2020, circulars No. 19/2021 dated December 08, 2021 and Circular No. 21/2021 dated December 14, 2021 (collectively referred to as "MCA Circulars") and SEBI Circular No. SEBI/HO/CFD/CMD2/CIR/P/2022/62 dated May 13, 2022 dated May 13, 2022. The deemed venue shall be the Registered Office of the Company.
(b)	Financial year	April 01 to March 31
	Financial Calendar	June 30, 2022 – Last week of July, 2022
	(tentative) Results for the quarter ending	September 30, 2022 – Last week of October, 2022 December 31, 2022 - Last week of January, 2023 March 31, 2023 - Last week of May, 2023 Annual General Meeting - July, 2023
	Date of Book Closure	Saturday, July 23, 2022 to Friday, July 29, 2022 (both days inclusive)
(c)	Dividend Payment date	The dividend, if declared, shall be paid/credited to the respective bank account of members on August 04, 2022 subject to deduction of applicable taxes. The dispatch of dividend warrants/demand drafts will be completed on same day.
(d)	Listing on Stock Exchanges	BSE Limited (BSE) Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai - 400 001 National Stock Exchange of India Limited (NSE) "Exchange Plaza", Bandra-Kurla Complex, Bandra (E), Mumbai – 400051
	Payment of Listing Fee	Annual listing fee for the year 2022-23 has been paid by the Company to BSE and NSE.
(e)	Stock / Scrip Code	BSE – 519552 NSE – HERITGFOOD (Shares of the Company are trading in demat form only as per the SEBI regulations)
	ISIN Number	INE978A01027

(f) Market Price Data – high, low during each month of the financial year 2021-22

Month	NSE (in ₹ per share)		BSE (in ₹ per share)	
	HIGH	LOW	HIGH	LOW
Apr-21	386.20	292.50	391.00	293.95
May-21	390.00	324.00	375.00	324.10
Jun-21	453.60	335.35	452.90	335.55
Jul-21	541.00	425.35	541.50	425.45
Aug-21	527.00	425.55	526.90	424.80
Sep-21	491.65	427.50	491.65	428.40
Oct-21	565.00	446.05	446.10	523.90
Nov-21	544.80	395.10	395.90	427.55
Dec-21	436.70	391.60	391.55	409.15
Jan-22	451.95	366.05	365.60	379.95
Feb-22	383.90	287.45	287.70	308.70
Mar-22	347.00	298.25	298.45	319.80

(g) Performance in comparison to broad based indices – BSE MID CAP & NSE NIFTY



(h) During the year under review the shares of your Company are not suspended from trading by any of the stock exchange where the shares are listed.

(i) Registrar to an issue and share transfer agent:

KFin Technologies Limited
 Karvy Selenium Tower B, 6th Floor, Plot 31-32, Gachibowli, Financial District.
 Nanakramguda, Hyderabad – 500 032. Tel: +91-40-67161566, Toll Free No.: 1800-4258-998; Fax: +91-40-23114087

(j) Share transfer system:

SEBI vide its notification No. SEBI/LAD-NRO/GN/2018/24 dated June 08, 2019 notified that except in case of transmission or transposition of securities, requests for effecting transfer of securities shall not be processed unless the securities are held in dematerialized form with a depository and came into effect from April 01, 2019. The Board has delegated the authority for approving transmission, etc. of the Company's securities to the Vice Chairperson & Managing Director/Executive Director. A summary of transmission of securities of the Company so approved by the Vice Chairperson & Managing Director/ Executive Director are placed at every Stakeholder's Relationship Committee. The Company obtains from a Company Secretary in Practice yearly certificate of compliance with the share transfer formalities as required under Regulation 40(9) of SEBI (Listing Obligations & Disclosure Requirement) Regulations 2015 and files a copy of the said certificate with Stock Exchanges.

(k) Distribution of Shareholding as on March 31, 2022

Category Code	Category of Shareholder	Number of Share-holders	Total number of Shares	As a percentage of (A+B+C)
(A)	Shareholding of Promoters and Promoter Group			
1	Indian	10	1,82,93,444	39.43
2	Foreign	-	-	-
	Total Shareholding of Promoter and Promoter Group	10	1,82,93,444	39.43
(B)	Public Shareholding			
1	Institutions	40	81,23,886	17.51
2	Non-institutions	37,370	1,99,80,670	43.06
	Total Public Shareholding	37,410	2,81,04,556	60.57
(C)	Shares held by Custodians and against which Depository Receipts have been issued	-	-	-
1	Promoter and Promoter Group	10	1,82,93,444	39.43
2	Public	37,410	2,81,04,556	60.57
	Total (A)+(B)+(C)	37,420*	4,63,98,000	100.00

* The number of share holders were arrived after clubbing the same PAN

Shareholding Pattern by Size as on March 31, 2022

Category (No. of Shares)	No. of Shareholders	No. of Shares	% of Total Shares
Up to 500	35,799	37,43,086	8.07
501 - 1000	834	12,31,688	2.65
1001 - 2000	396	11,35,529	2.45
2001 - 3000	98	4,83,316	1.04
3001 - 4000	71	5,06,380	1.09
4001 - 5000	54	5,05,990	1.09
5001 - 10000	78	11,50,271	2.48
10001 - Above	90	3,76,41,740	81.13
TOTAL	37,420	4,63,98,000	100.00

(l) Dematerialization of shares and liquidity:

Total Shares in Demat and Physical form as on March 31, 2022.

Sl. No	Category	Total Shares	% To Equity
1	Physical	5,59,896	1.21
2	NSDL	4,11,49,965	88.69
3	CDSL	46,88,139	10.10
Total		4,63,98,000	100.00

Dematerialisation of Shares

98.79% of the Company's paid-up Equity share capital has been dematerialised as on March 31, 2022. The total holdings of shares of promoters/PAC are in Demat form. The trading of the Equity shares of the company is permitted only in dematerialised form as per the notification issued by SEBI.

The Company has complied the Regulation 31(2) of SEBI (Listing Obligation & Disclosure Requirement) Regulation 2015, as follows:

Category of Shareholder	Total		Shares In Demat Form	
	No. of Shareholders	No. of shares Held	No. of Shares	% of Respective Shareholding
Promoters & Promoters Group	10	1,82,93,444	1,82,93,444	100.00%
Public	37,410	2,81,04,556	2,75,44,660	98.01%
Total:	37,420	4,63,98,000	4,58,38,104	

To enable us to serve our investors better, we request shareholders whose shares are in the physical mode to dematerialize their shares and update their bank accounts with the respective depository participants.

m) **The Company has not issued any ADRs/GDRs/Warrants or any convertible instruments during the year under review.**

n) **Commodity price risk or foreign exchange risk and hedging activities:**

The Company is subject to the Commodity price risk due to fluctuation price of Dairy Commodities. During the year Company has not exported its products to any country.

o) **Major Plant Locations:**

B. Kotha Kota

Bering (V), Sankarapuram (Post),
Kotha kota (M), Chittoor Dist-517370,
Andhra Pradesh, India

Bayyavaram

Bayyavaram (V), Kasimakota
(M), Visakhapatnam Dist.-531031
Andhra Pradesh, India

Bengaluru

Yadavanhalli (V) Neraluru Post, Attibele Hobli
Anekal Taluk Bengaluru South-562107
Karnataka, India

Bhattiprolu

Vellaturu Raod, Bhattiprolu (V) & (M),
Guntur. Dist-522 256, Andhra Pradesh, India

Bobbili

Mettavalasa (V), Growth Center, Bobbili,
Vizianagaram Dist-535 558, Andhra Pradesh, India

Chittoor

Sundrajapuram (V),
ER palli post, G.D Nellore (M),
Chittoor Dist-517 125, Andhra Pradesh, India

Gokul

Kasipentala (V),
Charndragiri (M), Chittoor Dist-517 101
Andhra Pradesh, India

Kalluru

Koralagudam (V) Kalluru (M), Khammam Dist-507 209
Telangana, India

Manor

Survey No. 13/1 & 13/2, Village – Durves, Near Manor,
Palghar Taluk, Dist-Thane, Maharashtra-401403

Narketpalli

Cheruguttu (V), Narketpalli (M), Nalgonda Dist-508 254
Telangana, India

Pamarru

Yendagandi (V), K. Gangavaram (M),
East Godavari Dist-533 305, Andhra Pradesh, India

Rai

D No.497, Food Park, Phase 1,
Sector-38, Industrial Estate – HSIIDC,
Rai, Sonapat Dist-131 029, Haryana, India

Sangvi

Milakt No. 892, AT/Post - Sangavi, Phaltan taluka,
Satara Dist-415 523, Maharashtra, India

Shameerpet

Survey No 174,198, 203, Sampanbole Village,
Shamirpet Mandal, Medchal Dt-500 078,
Telangana, India

Uppal

C- 10 Raoad No 7, IDA Uppal, Hyderabad-500 039
Telangana, India

Vadamadurai

MorePatti (V), Vadamadurai, Dindigul Dist-624 802
Tamilnadu, India

p) **Address for Correspondence**

To Registrar and Share Transfer Agent

KFin Technologies Limited
Kary Selenium Tower B, 6th Floor, Plot 31-32, Gachibowli,
Financial District. Nanakramguda, Hyderabad – 500 032,
Tel: +91-40-67161566
Toll Free No.: 1800 309 4001
Email id - einward.ris@kfintech.com
Website: www.kfintech.com

To Heritage Foods Limited

Mr. Umakanta Barik
Company Secretary & Compliance Officer
Heritage Foods Limited, #6-3-541/C, Panjagutta,
Hyderabad-500 082, Telangana, India,
Tel: +91-40-23391221. E-mail: hfl@heritagefoods.in
Website: www.heritagefoods.in

q) **Credit Rating:**

The details of the credit rating are as follows:

- Credit rating obtained by the company: in respect to long term and short term debts
- Name of the credit rating agency: Credit Rating Information Services of India Limited (CRISIL)
 - Long term Rating: CRISIL A/Positive
 - Short term Rating: CRISIL A1
- Date on which the credit rating was obtained: April 07, 2022 (valid up to December 31, 2022)
- Revision in the credit rating: No
- Reasons provided by the rating agency for a downward revision: NA

Pursuant to Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("the Regulation"), your Company has intimated such to the stock exchanges, where the share of the Company are listed.

10. OTHER DISCLOSURES

a) **Disclosure in materiality significant related party transactions: Regulation 23 of the SEBI Listing Regulations and as defined under the Act**

During the period under review, there have been no materially significant related party transactions, monetary transactions or relationships between the Company and directors, the Management, Key Managerial Personnel, Subsidiaries or relatives, except for those disclosed in the Notes on Accounts, forming part of the Annual Report.

The policy on Related Party Transactions is hosted on the website of the Company under the web link : <https://www.heritagefoods.in/policy>

b) **Details of non-compliance by the listed entity, penalties, strictures imposed on the listed entity by the stock exchange(s) or the board or any statutory authority, on any matter related to capital market, during the last three years: [Schedule V (C) 10(b) to the SEBI Listing Regulations]**

There was no non-compliance during the last three years by the Company on any matter related to Capital Market. There were no penalties imposed nor strictures passed on the Company by Stock Exchanges, SEBI or any Statutory Authority.

c) **Details of establishment of vigil mechanism, whistle blower policy and affirmation that no personnel has been denied access to the audit committee: (Regulation 22 of the SEBI Listing Regulations)**

The Board of Directors of the Company had adopted the Whistle Blower Policy. 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. There is no complaint received during the Financial Year ended March 31, 2022.

No personnel have been denied access to the Audit Committee. The Whistle Blower Policy has been disclosed on the Company's website under the web link: <https://www.heritagefoods.in/policy>

d) **Details of compliance with mandatory requirements and adoption of the non-mandatory requirements: Schedule II Part E of the SEBI Listing Regulations**

The Company has complied with all mandatory requirements SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 as amended from time to time. The Company has adopted following non-mandatory requirements SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015:

With regard to the discretionary requirements, the Company has adopted the clauses relating to the following:

The Board: The Company does not have any regular Chairperson.

Communication to Members: Quarterly/ Half yearly/Annual Financial statements are published in the Newspapers, intimated to the Stock Exchanges and uploaded in the Company's website. Investors presentations on Quarterly/ Half-yearly/annual financial statements are uploaded on the Company's website and intimated to Stock Exchanges, where shares of the Company are listed and was sent to all the members of the Company through e-mail.

Audit Qualification: The Company is in the regime of unqualified financial statements (Standalone & Consolidated).

Reporting of Internal Auditors: The Internal Auditors make presentations to the Audit Committee on their reports on a regular basis. They are submitting the Internal Audit Report with observations, reviews, comments and recommendations through presentations which they have observed during their Audit along with follow up actions taken by the management.

e) **Policy for determining 'material' subsidiaries is disclosed: Regulation 24 of the SEBI Listing Regulations**

The Audit Committee reviews the Standalone & Consolidated financial statements of the Company and the investments made in the unlisted subsidiary company. The minutes of the Board Meetings along with a report on significant developments of the unlisted subsidiary company are periodically placed before the Board of Directors of the Company. The Company does not have any material unlisted subsidiary company. The Company has a policy of determining 'material' subsidiaries which is hosted on the website at <https://www.heritagefoods.in/policy>

f) **Web link where policy for dealing with related party transactions is disclosed:**

The URL of policy on dealing with related party transaction is <https://www.heritagefoods.in/policy>

g) **Disclosure for commodity price risks and commodity hedging activities:**

The Company is subject to the Commodity price risk due to fluctuation price of Dairy products. During the year Company has not exported any products of the Company.

h) The Company has not made any preferential allotment or qualified institutions placement during the year under review.

i) A certificate obtained from Mrs. Savita Jyoti, Partner, M/s. Savita Jyoti Associates, Practicing Company Secretary (M. No: 3738, CP No: 1796), Hyderabad - 500094, Telangana stating that none of the directors on the Board of the Company have been debarred or disqualified from being appointed or continuing as directors of companies by SEBI/ Ministry of Corporate Affairs or any such statutory authority which forms part of the Annual Report [Annexure-3(ii) in the Boards Report]

j) During the year there were no instances where Board had not accepted any recommendation of any Committee of the Board which is mandatorily required.

k) Remuneration/Fees of Statutory Auditor:

During the year under review your Company and its Subsidiary/Associate/ Joint Venture Company paid the following remuneration/ fees to the Statutory Auditor namely M/s. Walker Chandio & Co. LLP, Chartered Accountants (FRN 001076N/N500013).

(₹ in Million)

Particulars	Heritage Foods Limited	Heritage Nutrivet Limited	Skil Raigam (India) Limited	Heritage Novandie Foods Private Limited
Statutory Audit fee	5.07	0.60	0.09	0.59
Limited review fee	1.73	-	-	-
Certification fee	0.48	0.19	-	-
Tax audit fee	0.82	0.15	-	-
Taxation matters	0.19	-	-	-
Reimbursement of Expenses	0.15	0.08	-	-
Total	8.44	1.02	0.09	0.59

l) Disclosures in relation to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 as amended from time to time:

- No of complaints filed during the financial year: Nil
- No of complaints disposed of during the financial year: Nil
- No of complaints pending as on end of the financial year: Nil

m) Disclosures regarding the appointment or reappointment of independent directors:

The Companies Act, 2013 and Rules made thereof as amended from time to time provides for the appointment of independent directors. Sub-section (10) of Section 149 of the Companies Act, 2013 provides that independent directors shall hold office for a term of up to five consecutive years on the board of a company; and shall be eligible for reappointment on the passing of a Special Resolution by the members of the Company. Accordingly, all independent directors were appointed by the members at the general meeting as required under Section 149(10).

Further, Section 149(11) states that no independent director shall be eligible to serve on the Board for more than two consecutive terms of five years each. Section 149(13) states that the provisions of retirement by rotation as defined in Sub-sections (6) and (7) of Section 152 of the Act shall not apply to such independent directors.

The Company has issued formal letter of appointment to all the Independent Directors on their appointment inter-alia explaining their roles, responsibilities, code of conduct, their functions and duties as directors of the Company. The terms and conditions of the appointment of Independent Directors have been uploaded on the website of the Company and can be accessed at <https://www.heritagefoods.in/policy>

n) Preservation of Documents

The Company has adopted the policy on preservation of documents in accordance with Regulation 9 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015. The Documents Preservation Policy is available on the website of the Company at <https://www.heritagefoods.in/policy>

o) Policy on Determination of Materiality of events and information for Disclosures: Regulation 30 of SEBI Listing Regulations:

The Company has adopted a Policy on Determination of Materiality for Disclosures. The URL of policy is <https://www.heritagefoods.in/policy>

p) Policy on Archival and Preservation of Documents: Regulation 9 of SEBI Listing Regulations

The Company has adopted a Policy on Archival and Preservation of Documents. The URL of the policy is at <https://www.heritagefoods.in/policy>

q) Code of Conduct: Regulation 17 of the SEBI Listing Regulations

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

r) During FY 2021-22, information as mentioned in Part A of Schedule II of SEBI Listing Regulations, has been placed before the Board for its consideration. The Board periodically reviews the compliance reports of all laws applicable to the Company.

11. The Company has complied with all the requirements of Schedule V of Corporate Governance Report as stated under sub-para (2) to (10) of section (C) of Schedule V of the Securities Exchange Board of India (Listing obligation and Disclosure Requirements) Regulations, 2015.

12. During FY 2022, information as mentioned in Part E of Schedule II of the SEBI Listing Regulations, has been placed before the Board for its consideration.

13. The Disclosure of the compliance with corporate governance requirements specified in regulation 17 to 27 and clauses (b) to (i) of sub-regulation (2) of Regulation 46 of Listing Regulations are as follows:

Sr. No.	Particulars	Regulation	Compliance Status Yes/No/NA
1.	Board of Directors	17	Yes
2.	Audit Committee	18	Yes
3.	Nomination and Remuneration Committee	19	Yes
4.	Stakeholders Relationship Committee	20	Yes
5.	Risk Management Committee	21	Yes
6.	Vigil Mechanism	22	Yes
7.	Related Party Transaction	23	Yes
8.	Subsidiaries of the Company	24	Yes
9.	Obligations with respect to Independent Directors	25	Yes
10.	Obligations with respect to employees including Senior Management, Key Managerial Personnel, Directors and Promoters	26	Yes
11.	Other Corporate Governance requirements	27	Yes
12.	Website	46(2)	Yes

14. CEO and CFO Certification

The Vice Chairperson & Managing Director, Chief Executive Officer and the Chief Financial Officer of the Company have given annual certification on financial reporting and internal controls to the Board in terms of Regulation 17(8) of the SEBI (Listing Obligation & Disclosure Requirements) Regulation, 2015. Vice Chairperson & Managing Director, Chief Executive Officer and the Chief Financial Officer also provide quarterly certification on financial results while placing the financial results before the Board in terms of Regulation 33(2)(a) of the SEBI (Listing Obligation & Disclosure Requirements) Regulation, 2015. The annual certificate given by the Vice Chairperson & Managing Director, Chief Executive Officer and the Chief Financial Officer is part of the Annual Report.

15. Compliance Certificate from the Auditors

Certificate from Statutory Auditors of the Company M/s. Walker Chandio & Co. LLP, Chartered Accountants (FRN:001076N/N500013), Hyderabad, Telangana confirming Compliance with the conditions of Corporate Governance as stipulated under SEBI (Listing Obligation & Disclosure Requirements) Regulations, 2015 is forming part of the Annual Report.

16. Transfer of unpaid/unclaimed amounts to Investor Education and Protection Fund

During the year under review, the Company has transferred ₹ 22,30,704/- (Twenty Two Lakhs Thirty Thousand Seven Hundred and Four Only) towards the unclaimed/ unpaid dividend amount for the financial year 2013-14 to the Investor Education and Protection Fund (IEPF) pursuant to Section 124(5) of the Companies Act, 2013 [Section 205C (2) of the Companies Act, 1956] read with the Investor Education and Protection Fund

(awareness and protection of Investors) Rules, 2001 as amended from time to time.

In compliance with the provisions of Section 124 of the Companies Act, 2013, the Company has transferred the 24,234 equity shares belongs to 42 members of the company to the Investor Education and Protection fund Authority (IEPF) on November 29, 2021 of those members who have not claimed the dividends for a continuous period of 7 years.

Pursuant to Section 124(5) of the Companies Act, 2013 [Section 205C (2) of the Companies Act, 1956] read with the Investor Education and Protection Fund (awareness and protection of Investors) Rules, 2001 as amended from time to time the unclaimed/unpaid dividend and the shares thereof pertaining to the financial year 2014-15 shall be transferred to the Investor Education and Protection Fund during the financial year 2022-23.

17. Secretarial Audit

A qualified practicing Company Secretary has carried out Secretarial Audit every quarter to reconcile the total admitted capital with National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) and physical share with the total issued and listed capital. The audit confirms that the total issued/ paid up capital is in agreement with the aggregate total number of shares in physical form and the total number of dematerialised shares held with NSDL and CDSL.

In terms of the amended SEBI (Listing Obligation and Disclosure Requirements) Regulation, 2015 the Company has obtained the Secretarial Compliance certificate (UDIN: F003738D000299022) dated May 10, 2022 from Mrs. Savita Jyoti, Partner, M/s. Savita Jyoti Associates, Practicing Company Secretary (M.No:3738, CP No:1796), Hyderabad - 500094, Telangana, which forms part of

the Annual Report and the same was also intimated to the Stock Exchanges where the shares of the Company are listed.

As per Section 204 of the Companies Act, 2013 and the Rules made thereof, the Board of Directors of the Company appointed Mrs. Savita Jyoti, Partner, M/s. Savita Jyoti Associates, Practicing Company Secretary (M.No:3738, CP No:1796), Hyderabad - 500094, Telangana, to conduct Secretarial Audit. The Secretarial Audit Report (UDIN:F003738D000298934) dated May 10, 2022 for the financial year ended March 31, 2022, is forming part of the Annual Report.

18. No Disqualification Certificate From Practicing Company Secretary:

Certificate from Ms. Savita Jyoti, Partner, M/s. Savita Jyoti Associates, Practicing Company Secretary (M.No:3738, CP No:1796), Hyderabad - 500094, Telangana, confirming that none of the Directors on the Board of the Company have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs, or any such other Statutory Authority, as stipulated under Regulation 34 of the Listing Regulations, is attached to this Report.

19. Management Discussion and Analysis (MDA) :

MDA forms part of the Directors' Report and is presented in the Annual Report under a separate heading.

20. Any query on the Annual Report

Mr. Umakanta Barik

Company Secretary & Compliance Officer
Heritage Foods Limited,
#6-3-541/C, Punjagutta, Hyderabad-500 082,
Telangana, India. Tel: +91-40-23391221
E-mail: hfl@heritagefoods.in

21. Code of Conduct

In compliance with SEBI (Listing Obligation & Disclosure Requirements) Regulation, 2015 and the Companies Act, 2013, the Company has framed and adopted a Code of Conduct and Ethics ('the Code'). The Code is applicable to the members of the Board, the executive officers and all employees of the Company and its subsidiaries. The Code is available on the Company website i.e. www.heritagefoods.in.

22. Compliance with the corporate governance codes

We have always believed in maximum fiscal transparency, and benchmarked our disclosures against a host of national and international guidelines and regulations. Some of the notable ones among them are as follows:

The SEBI (LO&DR) Regulations, 2015: The SEBI (LO&DR) Regulations, 2015 prescribe various corporate governance recommendations in line with the corporate governance committee constituted by SEBI. We comply with the corporate governance requirements under the SEBI (LO&DR) Regulations, 2015 and specifically to the requirements under Regulation 17 to 27 and clauses (b) to (i) of sub-regulation (2) of Regulation 46.

Compliance with discretionary requirements

The Company has also ensured the implementation of non-mandatory items such as :

- Unmodified audit opinions / reporting
- The internal auditor reporting directly to the audit committee.

23. Disclosure of Accounting Treatment in preparation of Financial Statements

The Company adopted Indian Accounting Standards ("Ind AS"), accordingly, the financial statements (Standalone & Consolidated) have been prepared in accordance with Ind AS as per the Companies (Indian Accounting Standards) Rules, 2015, as amended, and notified under Section 133 of the Act and other relevant provisions of the Act

24. Certificate on Compliance with Code of Conduct

In terms of Regulation 26 read with Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015,

I N Bhuvaneshwari, Vice Chairperson & Managing Director hereby confirm that all the Members of the Board and Senior Management Personnel of the Company have affirmed the compliance of the Company's Code of Conduct for the Board of Directors and Senior Management for the financial year 2021-22.

For and on behalf of
HERITAGE FOODS LIMITED

N. BHUVANESWARI

Vice Chairperson & Managing Director
(DIN: 00003741)

N. BRAHMANI

Executive Director
(DIN : 02338940)

Place : Hyderabad
Date : May 27, 2022

CEO & CFO Certification

(As per Regulation 17(8) of SEBI (LO&DR) Regulation, 2015)

To
The Board of Directors,
Heritage Foods Limited
CIN:L15209TG1992PLC014332
6-3-541/C, Panjagutta,
Hyderabad-500082, Telangana

We, N Bhuvaneshwari, Vice-Chairperson and Managing Director, Srideep Madhavan Nair Kesavan, Chief Executive Officer and A. Prabhakara Naidu, Chief Financial Officer of Heritage Foods Limited ("the Company") to the best of our knowledge and belief certify that

- a. We have reviewed the Financial Statements and the Cash Flow Statements for the financial year ended March 31, 2022 and based on our knowledge and belief, we state that:
 - i. These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading.
 - ii. These statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- b. We further state that to the best of our knowledge and belief, there are no transactions entered into by the Company during the year, which are fraudulent, illegal or violates the Company's code of conduct.
- c. We are responsible for establishing and maintaining internal controls and for evaluating the effectiveness of the same over the financial reporting of the Company and have disclosed to the Auditors and the Audit Committee, deficiencies in the design or operation of internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
- d. We have indicated, based on our most recent evaluation, wherever applicable, to the auditors and the Audit Committee
 - i. Significant changes, if any, in the internal controls over financial reporting during the year;
 - ii. Significant changes, if any, in the accounting policies made during the year and that the same has been disclosed in the notes to the financial statements; and
 - iii. Instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having significant role in the Company's internal control system over financial reporting.

For and on behalf of
HERITAGE FOODS LIMITED

Date : May 27, 2022
Place: Hyderabad

N. Bhuvaneshwari
Vice Chairperson &
Managing Director

Srideep Madhavan Nair Kesavan
Chief Executive Officer

A. Prabhakara Naidu
Chief Financial Officer

Independent Auditor's Certificate on Corporate Governance

To
The Members of **Heritage Foods Limited**

- This certificate is issued in accordance with the terms of our engagement letter dated 16 May 2022.
- We have examined the compliance of conditions of corporate governance by Heritage Foods Limited ('the Company') for the year ended on 31 March 2022, as stipulated in Regulations 17 to 27, clauses (b) to (i) of Regulation 46(2), and paragraphs C, D and E of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations').

Management's Responsibility

- The compliance of conditions of corporate governance is the responsibility of the management. This responsibility includes the designing, implementing and maintaining operating effectiveness of internal control to ensure compliance with the conditions of corporate governance as stipulated in the Listing Regulations.

Auditor's Responsibility

- Pursuant to the requirements of the Listing Regulations, our responsibility is to express a reasonable assurance in the form of an opinion as to whether the Company has complied with the conditions of corporate governance as stated in paragraph 2 above. Our responsibility is limited to examining the procedures and implementation thereof, adopted by the Company for ensuring the compliance with the conditions of corporate governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.
- We have examined the relevant records of the Company in accordance with the applicable Generally Accepted Auditing Standards in India, the Guidance Note on Certification of Corporate Governance issued by the Institute of Chartered Accountants of India ('ICAI'), and Guidance Note on Reports or Certificates for Special Purposes issued by the ICAI which requires that we comply with the ethical requirements of the Code of Ethics issued by the ICAI.
- We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements.

Opinion

- Based on the procedures performed by us and to the best of our information and according to the explanations provided to us, in our opinion, the Company has complied, in all material respects, with the conditions of corporate governance as stipulated in the Listing Regulations during the year ended 31 March 2022.

We state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

Restriction on use

- This certificate is issued solely for the purpose of complying with the aforesaid regulations and may not be suitable for any other purpose.

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

Sanjay Kumar Jain
Partner
Membership No.: 207660
UDIN: 22207660AJRYPL8850

Place: Hyderabad
Date : May 27, 2022

Independent Auditor's Report

To
The Members of **Heritage Foods Limited**
Report on the Audit of the Standalone Financial Statements

Opinion

- We have audited the accompanying standalone financial statements of Heritage Foods Limited ('the Company'), which comprise the Balance Sheet as at 31 March 2022, the Statement of Profit and Loss (including Other Comprehensive Income), the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and a summary of the significant accounting policies and other explanatory information.
- In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ('Act') in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India including Indian Accounting Standards ('Ind AS') specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015 and other accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2022, and its profit (including other comprehensive income), its cash flows and the changes in equity for the year ended on that date.

Basis for Opinion

- 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 Standalone 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 standalone 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.

Key Audit Matter

- Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements of the current period. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.
- We have determined the matter described below to be the key audit matter to be communicated in our report.

Key audit matter	How our audit addressed the key audit matter
Revenue recognition Revenue from sale of goods is recognised when control of the products being sold is transferred to the customer and when there are no longer any unfulfilled obligations. The performance obligations in the contracts are fulfilled at the time of dispatch, delivery or upon formal customer acceptance depending on terms. Majority of the Company's sales arrangements are on a point of sale basis and requires little judgement to be exercised. Discounts are material and there are arrangements with varying terms based on schemes implemented throughout the year. There is a risk of revenue being overstated, resulting from pressure the management may feel to achieve performance targets at the reporting period end.	Our audit included, but was not limited to, the following procedures: <ul style="list-style-type: none"> Assessed the appropriateness of the revenue recognition accounting policies, including those relating to discounts in accordance with Ind AS 115 – Revenue from contracts with customers ('Ind AS 115'). Evaluated the integrity of the general information and technology control environment and tested the operating effectiveness of key IT application controls. Evaluated the design and implementation of Company's controls in respect of revenue recognition, including discounts. Performed substantive testing by selecting samples of revenue transactions recorded during the year by verifying the underlying documents, which included trip sheets, invoices, shipping documents and evidence of collection of receipts, as appropriate. Performed substantive testing by selecting samples of discount transactions recorded during the year and comparing the parameters used in the calculation of the discounts with the relevant source documents

Key audit matter	How our audit addressed the key audit matter
<p>Due to the materiality of amounts involved and above said considerations, revenue recognition from sale of goods is determined to be a key audit matter for the current year audit.</p> <p>Refer Note 3(d) to the Standalone Financial Statements – Summary of the significant accounting policies and Note 25 for the revenue recognized during the year.</p>	<p>(including invoices and schemes) to assess whether the methodology adopted in the calculation of the discounts was in accordance with the terms and conditions defined in the schemes.</p> <ul style="list-style-type: none"> Assessed manual journal entries posted to revenue to identify unusual items and tested such entries on a sample basis. Evaluated appropriateness of disclosures made in the standalone financial statements in accordance with the requirements of Ind AS 115 and other applicable regulations.

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

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

Our opinion on the standalone 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 standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone 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 Standalone Financial Statements

7. The accompanying standalone financial statements have been approved by the Company's Board of Directors. The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation and presentation of these standalone financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Ind AS specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring

the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

8. In preparing the standalone financial statements, the Board of Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intend to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

9. Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Standalone Financial Statements

10. Our objectives are to obtain reasonable assurance about whether the standalone 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.

11. 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 standalone 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 standalone 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 standalone 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 standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

12. 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.

13. We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

14. From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

15. As required by section 197(16) of the Act, based on our audit, we report that the Company has paid remuneration to its directors

during the year in accordance with the provisions of and limits laid down under section 197 read with Schedule V to the Act.

16. 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.

17. 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 standalone financial statements;

b) in our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;

c) the standalone financial statements dealt with by this report are in agreement with the books of account;

d) in our opinion, the aforesaid standalone financial statements comply with Ind AS specified under section 133 of the Act;

e) on the basis of the written representations received from the directors and taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2022 from being appointed as a director in terms of section 164(2) of the Act;

f) with respect to the adequacy of the internal financial controls with reference to financial statements of the Company as on 31 March 2022 and the operating effectiveness of such controls, refer to our separate Report in Annexure B wherein we have expressed unmodified opinion; and

g) with respect to the other matters to be included in the Auditor's Report in accordance with rule 11 of the Companies (Audit and Auditors) Rules, 2014 (as amended), in our opinion and to the best of our information and according to the explanations given to us:

i. the Company, as detailed in note 44(b) to the standalone financial statements, has disclosed the impact of pending litigations on its financial position as at 31 March 2022;

ii. the Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses as at 31 March 2022;

iii. there has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company during the year ended 31 March 2022;

iv. a) The management has represented that, to the best of its knowledge and belief, as disclosed in note 36(i) to the standalone financial statements, no funds have been

- advanced or loaned or invested (either from borrowed funds or securities premium or any other sources or kind of funds) by the Company to or in any persons or entities, including foreign entities ('the intermediaries'), with the understanding, whether recorded in writing or otherwise, that the intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ('the Ultimate Beneficiaries') or provide any guarantee, security or the like on behalf the Ultimate Beneficiaries;
- b) The management has represented that, to the best of its knowledge and belief, as disclosed in note 36(ii) to the standalone financial statements, no funds have been received by the Company from any persons or entities, including foreign entities ('the Funding Parties'), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ('Ultimate Beneficiaries') or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and
- c) Based on such audit procedures performed as considered reasonable and appropriate in the circumstances, nothing has come to our attention that causes us to believe that the management representations under sub-clauses (a) and (b) above contain any material misstatement.

- v. As stated in note 35 to the accompanying standalone financial statements, the final dividend paid by the Company during the year ended 31 March 2022 in respect of such dividend declared for the previous year is in accordance with section 123 of the Act to the extent it applies to payment of dividend. The interim dividend declared and paid by the Company during the year ended 31 March 2022 and until the date of this audit report is in compliance with section 123 of the Act. The Board of Directors of the Company have proposed final dividend for the year ended 31 March 2022 which is subject to the approval of the members at the ensuing Annual General Meeting. The dividend declared is in accordance with section 123 of the Act to the extent it applies to declaration of dividend

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

Sanjay Kumar Jain
Partner
Membership No.: 207660
UDIN: 22207660AJRYHR7151

Place: Hyderabad
Date: 27 May 2022

Annexure A referred to in Paragraph 16 of the Independent Auditor's Report of even date to the members of Heritage Foods Limited on the standalone financial statements for the year ended 31 March 2022

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

- (i) (a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of property, plant and equipment, right of use assets and investment property.
- (B) The Company has maintained proper records showing full particulars of intangible assets.
- (b) The property, plant and equipment, right of use assets and investment property have been physically verified by the management during the year and no material discrepancies were noticed on such verification. In our opinion, the frequency of physical verification program adopted by the Company, is reasonable having regard to the size of the Company and the nature of its assets.
- (c) The title deeds of all the immovable properties including investment 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.
- (d) The Company has not revalued its Property, Plant and Equipment and 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 Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder. Accordingly, reporting under-clause 3(i)(e) of the Order is not applicable to the Company.
- (ii) (a) The management has conducted physical verification of inventory at reasonable intervals during the year, except for inventory lying with third parties and 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. In respect of inventory lying with third parties, these have substantially been confirmed by the third parties.
- (b) The Company has a working capital limit in excess of ₹ 5 crore sanctioned 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.
- (iii) (a) The Company has not provided any loans or advances in the nature of loans, or security to any other entity. However, the Company has provided guarantee to two companies. The details of the same are given below:

Particulars	Guarantees (₹ in millions)
Aggregate amount during the year	
- Subsidiary	80.00
- Joint Venture	50.00
Balance outstanding as at balance sheet date	
- Subsidiary	207.50
- Joint Venture	220.00

- (b) In our opinion, and according to the information and explanations given to us, the investments made, guarantees provided, are *prima facie*, not prejudicial to the interest of the Company. The Company has not provided any security or granted any loans or advances in the nature of loans during the year.
- (c) The Company does not have any outstanding loans and advances in the nature of loans at the beginning of the current year nor has granted any loans or advances in the nature of loans during the year. Accordingly, reporting under clauses 3(iii)(c), 3(iii)(d), 3(iii)(e) and 3(iii)(f) of the Order is not applicable to the Company.
- (iv) In our opinion, and according to the information and explanations given to us, the Company has complied with the provisions of section 186 of the Act in respect of investments and guarantees as applicable. Further, the Company has not entered into any transaction covered under section 185 and section 186 of the Act in respect of loans and security.
- (v) In our opinion, and according to the information and explanations given to us, the Company has not accepted any deposits or there is no amount which has been considered as deemed deposit within the meaning of sections 73 to 76 of the Act and the Companies (Acceptance of Deposits) Rules, 2014 (as amended). Accordingly, reporting under clause 3(v) of the Order is not applicable to the Company.
- (vi) The Central Government has specified maintenance of cost records under sub-section (1) of section 148 of the Act only in respect of specified products of the Company. For such products, we have broadly reviewed the books of account maintained by the Company pursuant to the Rules made by the Central Government for the maintenance of cost records under the aforesaid section, and are of the opinion that, *prima facie*, the prescribed accounts and records have been made and maintained. However, we have not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.

- (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 in sub-clause (a) which have not been deposited with the appropriate authorities on account of any dispute except for the following:

Name of the statute	Nature of dues	Gross Amount (₹ in millions)	Amount paid under Protest (₹ in millions)	Period to which the amount relates	Forum where dispute is pending			
Andhra Pradesh General Sales Tax Act, 1957	Purchase Tax	9.51	1.14	2001-02	The High Court of Judicature at Hyderabad for the State of Telangana			
	Sales Tax/ VAT	4.69	-	2008-09				
The Central Sales Tax Act, 1956	Sales Tax/ VAT	1.59	1.59	2010-11	Joint Commissioner of commercial taxes (Appeals), Bangalore			
		2.15	1.58	2011-12				
		0.73	0.73	2012-13				
Telangana Tax on Entry of Goods into Local Areas Act, 2001	Entry tax	0.41	0.10	2011-12	The High Court of Judicature at Hyderabad for the State of Telangana			
		2.72	0.68	2012-13				
		3.82	0.95	2013-14				
		0.29	0.07	2014-15				
		0.41	0.10	2015-16				
		2.70	0.68	2016-17				
Haryana Murrah Buffalo and other Milch Animal Breed Act, 2001	Milk cess	10.31	3.48	December 2014 to September 2019	The Supreme Court of India			
		Andhra Pradesh Tax on Entry of Goods into Local Areas Act, 2001	Entry tax	0.86		0.02	2014-15	The High Court of Judicature at Amaravathi for the State of Andhra Pradesh
				1.55		0.04	2015-16	
				1.36		0.03	2016-17	
				0.00		0.00	2017-18	
Central GST Act, 2017	Short payment of GST on Flavored Milk	88.83	35.18	July 2017 to March 2020	The High Court of Judicature at Amaravathi for the State of Andhra Pradesh			
Central GST Act, 2017	Short payment of GST on Flavored Milk	7.53	5.03	July 2017 to March 2021	Director General of GST Intelligence, Bengaluru Zonal Unit			
Income Tax Act, 1961	Disallowance of expenses	5.21	0.48	Assessment year 2017-18 and 2018-19	Commissioner of Income Tax (Appeals)			

- (viii) According to the information and explanations given to us, no transactions were surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (43 of 1961) which have not been recorded in the books of accounts.
- (ix) (a) According to the information and explanations given to us, the Company has not defaulted in repayment of its loans or borrowings or in the payment of interest thereon to any lender.
- (b) According to the information and explanations given to us including representation received from the management of the Company, and on the basis of our audit procedures, we report that the Company has not been declared a willful defaulter by any bank or financial institution or other lender.
- (c) In our opinion and according to the information and explanations given to us, the Company has not raised any money by way of term loans during the year and there has been no utilisation during the current year of the term loans obtained by the Company during any previous years. Accordingly, reporting under clause 3(ix)(c) of the Order is not applicable to the Company.
- (d) In our opinion and according to the information and explanations given to us, and on an overall examination of the financial statements of the Company, funds raised by the Company on short term basis have not been utilised for long term purposes.

- (e) According to the information and explanations given to us and on an overall examination of the financial statements of the Company, the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries, associate or joint venture.
- (f) According to the information and explanations given to us, the Company has not raised any loans during the year on the pledge of securities held in its subsidiaries, joint venture or associate company.
- (x) (a) The Company has not raised any money by way of initial public offer or further public offer (including debt instruments), during the year. Accordingly, reporting under clause 3(x)(a) of the Order is not applicable to the Company.
- (b) According to the information and explanations given to us, the Company has not made any preferential allotment or private placement of shares or (fully, partially or optionally) convertible debentures during the year. Accordingly, reporting under clause 3(x)(b) of the Order is not applicable to the Company.
- (xi) (a) To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company or on the Company has been noticed or reported during the period covered by our audit.
- (b) No report under section 143(12) of the Act has been filed with the Central Government for the period covered by our audit.
- (c) According to the information and explanations given to us including the representation made to us by the management of the Company, there are no whistle-blower complaints received by the Company during the year.
- (xii) The Company is not a Nidhi Company and the Nidhi Rules, 2014 are not applicable to it. Accordingly, reporting under clause 3(xii) of the Order is not applicable to the Company.
- (xiii) In our opinion and according to the information and explanations given to us, all transactions entered into by the Company with the related parties are in compliance with sections 177 and 188 of the Act, where applicable. Further, the details of such related party transactions have been disclosed in the standalone 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) In our opinion and according to the information and explanations given to us, the Company has an internal audit system as required under section 138 of the Act which is commensurate with the size and nature of its business.
- (b) We have considered the reports issued by the Internal Auditors of the Company till date for the period under audit.
- (xv) According to the information and explanation given to us, the Company has not entered into any non-cash transactions with its directors or persons connected with them and accordingly, provisions of section 192 of the Act are not applicable to the Company.

- (xvi) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, reporting under clause 3(xvi) of the Order is not applicable to the Company.
- (xvii) The Company has not incurred any cash loss in the current as well as the immediately preceding financial year.
- (xviii) There has been no resignation of the statutory auditors during the year. Accordingly, reporting under clause 3(xviii) of the Order is not applicable to the Company.
- (xix) According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the standalone financial statements, our knowledge of the plans of the Board of Directors and management, we are of the opinion that no material uncertainty exists as on the date of the audit report that Company is capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the company as and when they fall due.
- (xx) (a) According to the information and explanations given to us, there is no unspent amount pertaining to other than ongoing projects as at end of the current financial year. Accordingly, reporting under clause 3(xx)(a) of the Order is not applicable to the Company.
- (b) The Company has transferred the remaining unspent amount under sub-section (5) of section 135 of the Act, in respect of ongoing project, within a period of 30 days from the end of financial year to a special account in compliance with the provision of sub-section (6) of section 135 of the Act.
- (xxi) The reporting under clause 3(xxii) 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 Chandiook & Co LLP
Chartered Accountants
Firm's Registration No.: 001076N/N500013

Sanjay Kumar Jain
Partner
Membership No.: 207660
UDIN: 22207660AJRYHR7151

Place: Hyderabad
Date: 27 May 2022

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

Independent Auditor's Report on the internal financial controls with reference to the standalone 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 standalone financial statements of Heritage Foods Limited ('the Company') as at and for the year ended 31 March 2022, we have audited the internal financial controls with reference to standalone financial statements of the Company as at that date.

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

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

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

3. Our responsibility is to express an opinion on the Company's internal financial controls with reference to standalone 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 standalone 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 standalone 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 standalone financial statements and their operating effectiveness. Our audit of internal financial controls with reference to standalone 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 standalone 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 standalone financial statements.

Meaning of Internal Financial Controls with Reference to Standalone Financial Statements

6. A company's internal financial controls with reference to standalone financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of standalone financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial controls with reference to standalone 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 standalone 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 standalone financial statements.

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

7. Because of the inherent limitations of internal financial controls with reference to standalone 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 standalone financial statements to future periods are subject to the risk that the internal financial controls with reference to standalone 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 standalone financial statements and such controls were operating effectively as at 31 March 2022, 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 Chandio & Co LLP**
Chartered Accountants
Firm's Registration No.: 001076N/N500013

Sanjay Kumar Jain
Partner
Membership No.: 207660
UDIN: 22207660AJRYHR7151

Place: Hyderabad
Date: 27 May 2022

Standalone Balance Sheet

as at 31 March 2022

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

Particulars	Notes	As at	
		31 March 2022	31 March 2021
ASSETS			
Non-current assets			
(a) Property, plant and equipment	6	5,298.31	5,300.50
(b) Capital work-in-progress	6(a)	73.73	154.47
(c) Investment property	8	44.20	45.28
(d) Other intangible assets	7	44.17	38.67
(e) Intangible assets under development	7(a)	1.09	24.13
(f) Financial assets			
(i) Investment in subsidiary, joint venture and associate	9	594.37	488.22
(ii) Other investments	10	2.93	2.85
(iii) Other financial assets	11	60.46	51.65
(g) Other non-current assets	12	3.84	20.97
Total non-current assets		6,123.10	6,126.74
Current assets			
(a) Inventories	13	1,957.41	1,885.01
(b) Financial assets			
(i) Investments	10	0.03	0.04
(ii) Trade receivables	14	179.76	145.33
(iii) Cash and cash equivalents	15(a)	324.76	196.64
(iv) Bank balances other than (iii) above	15(b)	24.99	17.29
(v) Loans	16	0.91	8.90
(vi) Other financial assets	11	36.48	31.37
(c) Current tax assets (net)		31.13	22.99
(d) Other current assets	12	225.00	140.34
(e) Disposal group - Assets held for sale		4.42	5.63
Total current assets		2,784.89	2,453.54
Total assets		8,907.99	8,580.28
EQUITY AND LIABILITIES			
Equity			
(a) Equity share capital	17	231.99	231.99
(b) Other equity	18	6,372.87	5,705.65
Total equity		6,604.86	5,937.64
Liabilities			
Non-current liabilities			
(a) Financial liabilities			
(i) Borrowings	19	21.10	260.71
(ia) Lease liabilities	45	47.13	22.36
(ii) Other financial liabilities	20	8.83	11.57
(b) Provisions	21	163.75	100.52
(c) Government grant		86.28	26.89
(d) Deferred tax liabilities (net)	22	231.87	237.69
Total non-current liabilities		558.96	659.74
Current liabilities			
(a) Financial liabilities			
(i) Borrowings	19	16.37	263.01
(ia) Lease liabilities	45	28.23	22.51
(ii) Trade payables	24		
- total outstanding dues of micro and small enterprises;		77.02	34.89
- total outstanding dues of creditors other than micro and small enterprises		405.02	292.88
(iii) Other financial liabilities	20	1,017.85	1,170.76
(b) Other current liabilities	23	113.03	73.85
(c) Government grant		6.74	0.23
(d) Provisions	21	79.91	124.77
Total current liabilities		1,744.17	1,982.90
Total equity and liabilities		8,907.99	8,580.28

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

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

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

N Bhuvanewari
Vice Chairperson and
Managing Director
DIN: 00003741

N Brahmani
Executive Director
DIN: 02338940

M Sambasiva Rao
President

Sanjay Kumar Jain
Partner
Membership No: 207660

Srideep Madhavan Nair Kesavan
Chief Executive Officer

A Prabhakara Naidu
Chief Financial Officer
M.No.FCA 200974

Umakanta Barik
Company Secretary &
Compliance Officer
M.No. FCS 6317

Place : Hyderabad
Date : 27 May 2022

Place : Hyderabad
Date : 27 May 2022

Standalone Statement of Profit and Loss

for the year ended 31 March 2022

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

Particulars	Notes	For the year ended	
		31 March 2022	31 March 2021
Revenue from operations	25	26,429.21	24,070.29
Other income	26	103.14	84.07
Total income		26,532.35	24,154.36
Expenses			
Cost of materials consumed	27	20,047.04	17,795.41
Purchase of stock-in-trade		579.88	557.07
Changes in inventories of finished goods, semi finished goods, stock-in-trade and work-in-progress	28	53.56	(314.29)
Employee benefit expenses	29	1,768.13	1,703.88
Finance costs	30	32.01	178.48
Depreciation and amortisation expense	6, 7 & 8	499.64	440.54
Impairment losses	6, 7 & 9	4.24	42.67
Other expenses	31	2,103.85	1,740.62
Fair value loss on FVTPL securities		-	48.12
Total expenses		25,088.35	22,192.50
Profit before exceptional items and tax		1,444.00	1,961.86
Exceptional Items	34	(91.40)	-
Profit before tax		1,352.60	1,961.86
Tax expense	32		
Current tax expense		343.01	500.37
Deferred tax expense/(benefit)		(5.75)	9.85
Profit for the year		1,015.34	1,451.64
Other comprehensive income ("OCI")			
Items that will not be reclassified to profit or loss			
(i) Re-measurement loss on defined benefit plan, net of tax		(0.20)	(4.08)
(ii) Net gain/(loss) on FVTOCI equity securities		0.07	(17.23)
Total other comprehensive loss for the year		(0.13)	(21.31)
Total comprehensive income for the year		1,015.21	1,430.33
Earnings per equity share [EPES] (in absolute ₹ terms)			
Par value per equity share	33	5.00	5.00
Basic and Diluted EPES		21.88	31.29

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

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

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

N Bhuvanewari
Vice Chairperson and
Managing Director
DIN: 00003741

N Brahmani
Executive Director
DIN: 02338940

M Sambasiva Rao
President

Sanjay Kumar Jain
Partner
Membership No: 207660

Srideep Madhavan Nair Kesavan
Chief Executive Officer

A Prabhakara Naidu
Chief Financial Officer
M.No.FCA 200974

Umakanta Barik
Company Secretary &
Compliance Officer
M.No. FCS 6317

Place : Hyderabad
Date : 27 May 2022

Place : Hyderabad
Date : 27 May 2022

Standalone Cash Flow Statement

for the year ended 31 March 2022

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

Particulars	For the year ended	
	31 March 2022	31 March 2021
Cash flow from operating activities		
Profit before tax	1,352.60	1,961.86
Adjustments:		
Fair value loss on FVTPL securities	-	51.62
Depreciation and amortization expense	499.64	440.54
Impairment losses	4.24	42.67
Provision for doubtful advances	-	0.31
Provision for doubtful debts and bad debts written off	61.27	3.75
Advances written off	1.32	0.66
Profit on sale of Property, plant and equipment ("PPE")	(31.21)	(17.96)
Gain on investments	(11.44)	(3.50)
Provisions no longer required/ credit balances written back	(8.35)	(16.41)
Interest income	(2.57)	(1.76)
Interest expenses	27.21	171.33
Guarantee income	(4.25)	(3.61)
Property, plant and equipment written off	14.35	6.18
Amortisation of government grants	(7.36)	(0.30)
Lease rental income	(20.40)	(13.55)
Operating profits before working capital changes	1,875.05	2,621.83
Movements in working capital:		
Changes in inventories	(72.40)	(521.33)
Changes in trade receivables	(95.70)	61.87
Changes in loans	7.99	(10.49)
Changes in other assets	(85.64)	(1.37)
Changes in other financial assets	(9.43)	1.15
Changes in trade payables	154.27	(240.75)
Changes in provisions	18.10	30.20
Changes in other financial liabilities	(49.39)	214.70
Changes in other liabilities	46.46	(0.64)
Cash generated from operating activities	1,789.31	2,155.17
Income tax paid, net	(351.15)	(513.90)
Net cash generated from operating activities (A)	1,438.16	1,641.27

Standalone Cash Flow Statement

for the year ended 31 March 2022

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

Particulars	For the year ended	
	31 March 2022	31 March 2021
Cash flow from investing activities		
Purchase of PPE and other intangible assets, including CWIP and intangible assets under development	(444.68)	(911.15)
Proceeds from sale of PPE	44.66	262.99
Investment in a joint venture	(104.65)	(66.31)
Receipts of government grants	73.26	26.65
Purchase of investments	(2,800.00)	(670.00)
Proceeds from sale of investments	2,811.44	2,033.71
Interest received	2.31	3.17
Movement in other bank balances, net	(12.42)	2.70
Rent received	20.89	13.19
Net cash generated from/(used in) investing activities (B)	(409.19)	694.95
Cash flow from financing activities		
Proceeds from long term borrowings	-	282.52
Repayments of long term borrowings	(484.71)	(1,797.03)
Interest paid	(20.66)	(172.89)
Lease rentals paid	(41.68)	(43.49)
Dividend paid	(347.99)	(116.00)
Net cash used in financing activities (C)	(895.04)	(1,846.89)
Net increase in cash and cash equivalents during the year (A + B + C)	133.93	489.33
Cash and cash equivalents at the beginning of the year	190.83	(298.50)
Cash and cash equivalents at the end of the year (Note 1)	324.76	190.83
Note 1:		
Cash and cash equivalents include:		
Cash on hand	25.79	33.03
Balances with banks in current accounts	298.97	162.49
Loans repayable on demand from banks	-	(4.69)
	324.76	190.83

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

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

Sanjay Kumar Jain
Partner
Membership No: 207660

Place : Hyderabad
Date : 27 May 2022

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

N Bhuvanawari
Vice Chairperson and
Managing Director
DIN: 00003741

Srideep Madhavan Nair Kesavan
Chief Executive Officer

Place : Hyderabad
Date : 27 May 2022

N Brahmani
Executive Director
DIN: 02338940

A Prabhakara Naidu
Chief Financial Officer
M.No.FCA 200974

M Sambasiva Rao
President

Umakanta Barik
Company Secretary &
Compliance Officer
M.No. FCS 6317

Standalone Statement of Change in Equity

for the year ended 31 March 2022

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

A. Equity Share Capital

	Notes	Number of shares	Amount
As at 1 April 2020		4,63,98,000	231.99
Changes in equity share capital	17	-	-
As at 31 March 2021		4,63,98,000	231.99
Changes in equity share capital	17	-	-
As at 31 March 2022		4,63,98,000	231.99

B. Other equity (refer note 18)

	Reserves and Surplus			OCI		Total
	Capital reserve	Capital redemption reserve	Securities premium	Warrants money appropriated	General re-serve	
Balance as at 1 April 2020	12.11	8.10	378.41	31.87	842.74	3,118.63
Profit for the year	-	-	-	-	-	1,451.64
Payment of dividend (₹ 2.5 per equity share) (refer note 35)	-	-	-	-	-	(116.00)
Transfer on disposal of equity instruments classified as FVTOCI	-	-	-	-	-	17.15
Other comprehensive loss, net of taxes	-	-	-	-	-	(17.23)
Balance as at 31 March 2021	12.11	8.10	378.41	31.87	842.74	4,433.04
Profit for the year	-	-	-	-	-	1,015.34
Payment of dividend (₹ 7.5 per equity share) (refer note 35)	-	-	-	-	-	(347.99)
Other comprehensive loss, net of taxes	-	-	-	-	-	(0.20)
Balance as at 31 March 2022	12.11	8.10	378.41	31.87	842.74	5,100.19
						0.07
						(0.55)
						6,372.87

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

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

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

N Bhuvaneshwari
Vice Chairperson and
Managing Director
DIN: 00003741

N Brahmani
Executive Director
DIN: 02338940

M Sambasiva Rao
President

Sanjay Kumar Jain
Partner
Membership No: 207660

Place : Hyderabad
Date : 27 May 2022

Srideep Madhavan Nair Kesavan
Chief Executive Officer

Place : Hyderabad
Date : 27 May 2022

A Prabhakara Naidu
Chief Financial Officer
M.No.FCA 200974

Umakanta Barik
Company Secretary &
Compliance Officer
M.No. FCS 6317

Summary of the Significant Accounting Policies And other Explanatory Information

1. Corporate information

Heritage Foods Limited ("Heritage" or "the Company") is one of the leading Indian dairy Company, headquartered and having its registered office at #6-3-541/C, Punjagutta, Hyderabad – 500082 Telangana, India. The Company operates through its two business divisions Dairy and Renewable Energy. The Company's equity shares are listed and traded on the Indian Stock Exchanges viz., BSE Limited and the National Stock Exchange of India.

2. Basis of preparation of the standalone financial statements

The standalone 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 ("the Act"), 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 and guidelines issued by the Securities Exchange Board of India ("SEBI").

These standalone financial statements have been prepared by the Company as a going concern on the basis of relevant Ind-AS that are effective or elected for early adoption at the Company's annual reporting date, 31 March 2022. These standalone financial statements were authorised for issuance by the Company's Board of Directors on 27 May 2022.

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

- Derivative financial instruments are measured at fair value.
- Financial assets are measured at either at fair value or at amortised cost depending upon the classification.
- 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.
- Long-term borrowings are measured at amortised cost using the effective interest rate method; a(e) and
- 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 standalone financial statements are presented in Indian Rupees (₹) and all values are rounded to the nearest millions, except when otherwise indicated.

3. Summary of significant accounting policies

a. Current versus non-current classification

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

An asset is treated as current when it is:

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

All other assets are classified as non-current.

A liability is current when:

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

All other liabilities are classified as non-current.

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

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

b. Foreign currencies

The Company's standalone financial statements are presented in Indian Rupees (₹), which is also its functional currency.

Transactions in foreign currency are initially recorded at exchange rates prevailing on the date of transactions.

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

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

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

Any gains or losses arising due to differences in exchange rates at the time of translation or settlement are accounted

for in the standalone statement of profit and loss either under the head foreign exchange fluctuation or interest cost, as the case may be, except those relating to long-term foreign currency monetary items.

c. Fair value measurement

The Company measures financial instruments at fair value at each standalone 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 standalone 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 standalone 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, such as derivative instruments and unquoted financial assets measured at fair value, and for non-recurring measurement, such as assets held for distribution in discontinued operations.

External valuers are involved for valuation of significant assets, such as unquoted financial assets, and significant

liabilities, such as contingent consideration. Involvement of external valuers is decided upon annually by the management. Selection criteria include market knowledge, reputation, independence and whether professional standards are maintained.

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

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

d. Revenue recognition

The Company derives revenues primarily from sale of milk and dairy products. It is also engaged in generation of power and trading of dairy and food commodities.

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

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

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

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

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

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

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

Interest Income

For all debt instruments measured either at amortised cost or at fair value through other comprehensive income,

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

Dividend Income

Dividend income is recognized when the Company's right to receive dividend is established.

e. Government grants

Government grants are recognised where there is reasonable assurance that the grant will be received and all attached conditions will be complied with. When the grant relates to an expense item, it is recognised as income on a systematic basis over the periods that the related costs, for which it is intended to compensate, are expensed. When the grant relates to an asset, it is recognised as income in equal amounts over the expected useful life of the related asset.

On receipt of grants of non-monetary assets, the asset and the grant are recorded at fair value amounts and released to the standalone statement of profit and loss over the expected useful life in a pattern of consumption of the benefit of the underlying asset i.e. by equal annual instalments. When loans or similar assistance are provided by governments or related institutions, with an interest rate below the current applicable market rate, the effect of this favourable interest is regarded as a government grant. The loan or assistance is initially recognised and measured at fair value and the government grant is measured as the difference between the initial carrying value of the loan and the proceeds received. The loan is subsequently measured as per the accounting policy applicable to financial liabilities.

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

Deferred tax

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

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

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

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

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

Deferred tax is recognised in the standalone 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.

g. Property, plant and equipment

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 standalone 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 /or internal evaluation. 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.

The useful life provided for different asset classes under schedule II of the Act and considered by the management are as follows:

Asset class	Useful life considered by management	Useful life prescribed under the Act
	(in years)	(in years)
Buildings	5 – 30	30
Plant and machinery	1 – 20	15
Furniture and Fixtures	1 – 15	10
Vehicles	2 – 10	8
Office Equipment	1 – 20	5

i) Depreciation on Improvements to leasehold property is provided over the period of lease.

ii) Depreciation in respect of its Renewable Energy business is provided on straight line method and at rates/ methodology prescribed under the relevant Central Electricity Regulatory Commission (CERC) regulations.

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 are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the standalone 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.

h. Investment property

Investment properties are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are stated at cost less accumulated depreciation and accumulated impairment loss, if any.

The cost includes the cost of replacing parts and borrowing costs for long-term construction projects if the recognition criteria are met. When significant parts of the investment property are required to be replaced at intervals, the Company depreciates them separately based on their specific useful lives. All other repair and maintenance costs are recognised in the standalone statement of profit and loss as incurred.

The Company depreciates building component of investment property over the useful life prescribed in Schedule II to the Act.

Though the Company measures investment property using cost based measurement, the fair value of the investment

property is disclosed in the note 8 to the standalone financial statements.

Investment properties are derecognised either when they have been disposed of or when they are permanently withdrawn from use and no future economic benefit is expected from their disposal. The difference between the net disposal proceeds and the carrying amount of the asset is recognised in the standalone statement of profit and loss in the period of de-recognition.

i. Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is their fair value at the date of acquisition. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses. Internally generated intangibles, excluding capitalised development costs, are not capitalised and the related expenditure is reflected in the standalone statement of profit and loss in the period in which the expenditure is incurred.

The useful lives of intangible assets are assessed as either finite or indefinite. Intangible assets with finite lives are amortised on straight line basis over the estimated useful economic life. The amortisation expense on intangible assets with finite life is recognised in the standalone statement of profit and loss.

The estimated useful life of intangible assets is mentioned below:

Asset	Useful life (years)
Brand	5
Non-compete	3
Procurement	5
Computer software	5
Distribution network	5

Intangible assets with finite lives are assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortisation period or method, as appropriate, and are treated as changes in accounting estimates. The amortisation expense on intangible assets with finite lives

is recognised in the standalone statement of profit and loss unless such expenditure forms part of carrying value of another asset.

Intangible assets with indefinite useful lives are not amortised, but are tested for impairment annually, either individually or at the cash-generating unit level. The assessment of indefinite life is reviewed annually to determine whether the indefinite life continues to be supportable. If not, the change in useful life from indefinite to finite is made on a prospective basis.

Gains or losses arising from de-recognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the standalone statement of profit and loss when the asset is derecognised.

j. Borrowing cost

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

k. Leases

The Company as a lessee

The Company's lease asset classes primarily consist of leases for land and 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.

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.

The Company as a lessor

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

l. Assets held for sale

Non-current assets and disposal group are classified as "Held for Sale" if their carrying amount is intended to be recovered principally through sale rather than through continuing use. The condition for classification of "Held for Sale" is met when the non-current asset or the disposal group is available for immediate sale and the same is highly probable of being completed within one year from the date of classification as "Held for Sale".

Non-current assets and disposal group held for sale are measured at the lower of carrying amount and fair value less cost to sell. Non-current assets and disposal group that ceases to be classified as "Held for Sale" shall be measured at the lower of carrying amount before the non-current asset and disposal group was classified as "Held for

Sale" adjusted for any depreciation/ amortization and its recoverable amount at the date when the disposal group no longer meets the "Held for sale" criteria.

m. Inventories

All inventories except stores, spares, consumables, semi-finished goods and packaging material, are valued at lower of cost and net realisable value. Stores, spares and consumables, semi-finished goods 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 of the following:

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

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

n. Impairment of non-financial assets

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

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

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

For assets excluding goodwill, an assessment is made at each reporting date to determine whether there is an indication that previously recognised impairment losses no longer exist or have decreased. If such indication exists, the Company estimates the asset's or CGU's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed

its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years.

o. 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 standalone 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.

p. 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 standalone 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 standalone 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 standalone 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 in India, 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 standalone 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 standalone statement of profit and loss in subsequent periods.

Leave Encashment: The Company operates a long-term leave encashment plan in India. 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".

q. Financial instruments

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

Financial assets

Initial recognition and measurement

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

Subsequent measurement

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

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

Debt instruments at amortised cost

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

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

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

Debt instrument at FVTOCI

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

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

Debt instruments included within the FVTOCI category are measured initially as well as at each reporting date at fair value. Fair value movements are recognized in the other comprehensive income (OCI). On de-recognition of the asset, cumulative gain or loss previously recognised in OCI is reclassified from the equity to standalone statement of profit and loss. Interest earned whilst holding FVTOCI debt instrument is reported as interest income using the EIR method.

Debt instrument at FVTPL

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

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

Equity instruments

All equity investments in scope of IndAS 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 standalone 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., loans, debt securities, deposits, trade receivables and bank balances
- Financial guarantee contracts which are not measured as at FVTPL
- Lease receivables under Ind AS 116

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 standalone statement of profit and loss. This amount is reflected under the head 'other expenses' in the standalone statement of profit and loss. The standalone balance sheet presentation for various financial instruments is described below:

- Financial assets measured at amortised cost: ECL is presented as an allowance, i.e., as an integral part of the measurement of those assets in the standalone 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 standalone 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, loans and borrowings including financial guarantee contracts and derivative financial instruments.

Subsequent measurement

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

Financial liabilities at fair value through profit or loss

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

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

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

Loans and borrowings

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in the standalone 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 standalone statement of profit and loss.

This category generally applies to borrowings from banks.

Financial guarantee contracts

Financial guarantee contracts issued by the Company are those contracts that require a payment to be made to reimburse the holder for a loss it incurs because the specified debtor fails to make a payment when due in accordance with the terms of a debt instrument. Financial guarantee contracts are recognised initially as a liability at fair value, adjusted for transaction costs that are directly attributable to the issuance of the guarantee.

Subsequently, the liability is measured at the higher of the amount of loss allowance determined as per impairment requirements of Ind AS 109 and the amount recognised less cumulative amortisation.

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 standalone statement of profit and loss.

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the standalone 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.

Derivative financial instrument - Initial recognition and subsequent measurement

Derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently re-measured at fair value. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

Any gains or losses arising from changes in the fair value of derivatives are taken directly to the standalone statement of profit and loss.

r. Earnings per share

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders (after deducting preference dividends, if any, and attributable taxes) 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.

s. Cash flow statement

The standalone cash flow statement is prepared in accordance with the Indirect method. Standalone 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.

t. Cash and cash equivalents

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

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

u. Cash dividends to equity holders

Annual dividend distribution to the shareholders is recognised as a liability in the period in which the dividend is approved by the shareholders. Any interim dividend paid is recognised on approval by Board of Directors. Dividend payable and corresponding tax on dividend distribution is recognised directly in equity.

v. Investments in subsidiary, joint venture and associate

The Company has elected to recognise its investments in equity instruments in subsidiary, joint venture and associate at cost in accordance with the option available in Ind AS 27, 'Separate Financial Statements'.

w. Research and Development

Expenditure on research activities is recognised in the Statement of Profit and Loss as incurred.

Development expenditure is capitalised as part of the cost of the resulting intangible asset only if the expenditure can be measured reliably, the product or process is technically and commercially feasible, future economic benefits are probable, and the Company intends to and has sufficient resources to complete the development and to use or sell the asset. Otherwise, it is recognised in the Statement of Profit and Loss as incurred.

Subsequent to the initial recognition, the asset is measured at cost less accumulated amortisation and accumulated impairment losses, if any.

4. Key accounting estimates, judgements and assumptions

The preparation of the Company's standalone 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 and amortisable assets

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

c. Fair value measurement of financial instruments

When the fair values of financial assets and financial liabilities recorded in the standalone balance sheet cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques including the DCF model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values.

d. 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

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

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

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

Summary of the significant accounting policies and other explanatory information

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

6. Property, plant and equipment

Particulars	Land	Buildings	Leasehold improvements	Plant and Equipment	Furniture and fixtures	Office equipment	Vehicles	Right-of-use assets	Total
Gross Block									
Balance as at 1 April 2020	434.63	1,142.22	3.13	3,415.17	23.13	76.90	51.42	102.33	5,248.93
Additions during the year	-	480.07	-	976.24	5.01	19.24	3.31	17.01	1,500.88
Disposals/transfers during the year	1.66	(9.04)	-	105.11	0.55	3.67	0.34	-	102.29
Balance as at 31 March 2021	432.97	1,631.33	3.13	4,286.30	27.59	92.47	54.39	119.34	6,647.52
Additions during the year	43.52	116.52	-	236.10	3.11	15.89	32.93	65.40	513.47
Disposals/transfers during the year	-	2.00	-	109.43	0.27	5.18	21.71	61.87	200.46
Balance as at 31 March 2022	476.49	1,745.85	3.13	4,412.97	30.43	103.18	65.61	122.87	6,960.53
Accumulated depreciation									
Up to 1 April 2020	-	140.09	0.45	749.60	8.55	19.93	23.86	41.39	983.87
Depreciation charge for the year	-	49.25	0.15	309.40	3.05	14.53	6.83	38.18	421.39
Adjustment for disposals/transfers	-	2.20	-	71.24	0.38	2.33	0.28	-	76.43
Impairment loss	-	-	-	16.98	0.06	1.15	-	-	18.19
Up to 31 March 2021	-	187.14	0.60	1,004.74	11.28	33.28	30.41	79.57	1,347.02
Depreciation charge for the year	-	67.38	0.15	349.65	3.70	15.08	9.21	32.38	477.55
Adjustment for disposals/transfers	-	0.72	-	85.34	0.16	4.21	19.27	56.89	166.59
Impairment loss	-	-	-	4.24	-	-	-	-	4.24
Up to 31 March 2022	-	253.80	0.75	1,273.29	14.82	44.15	20.35	55.06	1,662.22
Net carrying value									
As at 31 March 2021	432.97	1,444.19	2.53	3,281.56	16.31	59.19	23.98	39.77	5,300.50
As at 31 March 2022	476.49	1,492.05	2.38	3,139.68	15.61	59.03	45.26	67.81	5,298.31

Notes:

- (a) For details of assets pledged as security, refer note 19(a) to 19(b).
- (b) Borrowing cost capitalised during the year ended 31 March 2022 is ₹ Nil (31 March 2021: ₹ 12.58)
- (c) 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.

Summary of the significant accounting policies and other explanatory information

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

6(a) Capital Work-in-Progress:

Particulars	As at	
	31 March 2022	31 March 2021
(i) Ageing schedule of capital work-in-progress (CWIP)		
Projects in progress		
< 1 Year	69.82	140.03
1-2 Years	0.88	13.06
2-3 Years	2.51	1.38
> 3 Years	0.52	-
Projects in progress (total)	73.73	154.47
Projects temporarily suspended	-	-

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

7. Other intangible assets

	Computer Software	Brand	Non-compete	Procurement network	Distribution Network	Total
Gross Block						
As at 1 April 2020	49.70	74.55	32.18	43.20	50.25	249.88
Additions during the year	14.35	-	-	-	-	14.35
As at 31 March 2021	64.05	74.55	32.18	43.20	50.25	264.23
Additions during the year	26.51	-	-	-	-	26.51
As at 31 March 2022	90.56	74.55	32.18	43.20	50.25	290.74
Accumulated amortization						
Up to 1 April 2020	26.83	74.55	31.86	25.66	29.85	188.75
Amortization charge for the year	8.14	-	0.32	4.15	5.17	17.78
Impairment charge for the year	-	-	-	9.12	9.91	19.03
Up to 31 March 2021	34.97	74.55	32.18	38.93	44.93	225.56
Amortization charge for the year	11.69	-	-	4.15	5.17	21.01
Impairment charge for the year	-	-	-	-	-	-
Up to 31 March 2022	46.66	74.55	32.18	43.08	50.10	246.57
Net carrying amount						
As at 31 March 2021	29.08	-	-	4.27	5.32	38.67
As at 31 March 2022	43.90	-	-	0.12	0.15	44.17

7(a) Intangible assets under development:

Particulars	As at	
	31 March 2022	31 March 2021
(i) Ageing schedule of Intangible assets under development (IAUD)		
Projects in progress		
< 1 Year	0.49	15.75
1-2 Years	0.60	7.67
2-3 Years	-	0.71
> 3 Years	-	-
Projects in progress (total)	1.09	24.13
Projects temporarily suspended	-	-

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

Summary of the significant accounting policies and other explanatory information

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

8. Investment property

Particulars	Land	Building	Total
Gross Block			
As at 1 April 2020	23.30	41.05	64.35
Transfers during the year	-	(14.38)	(14.38)
As at 31 March 2021	23.30	26.67	49.97
Transfers during the year	-	-	-
As at 31 March 2022	23.30	26.67	49.97
Accumulated depreciation			
Up to 1 April 2020	-	5.84	5.84
Depreciation charge for the year	-	1.37	1.37
Transfers during the year	-	(2.52)	(2.52)
Up to 31 March 2021	-	4.69	4.69
Depreciation charge for the year	-	1.08	1.08
Transfers during the year	-	-	-
Up to 31 March 2022	-	5.77	5.77
Net carrying amount			
As at 31 March 2021	23.30	21.98	45.28
As at 31 March 2022	23.30	20.90	44.20

(a) Information of net income derived from Investment property

	For the year ended	
	31 March 2022	31 March 2021
Lease rental income	18.08	11.85
Less: Depreciation	(1.08)	(1.37)
Net income derived from Investment property	17.00	10.48

(b) Description of valuation technique and key assumptions used

	As at	
	31 March 2022	31 March 2021
Valuation technique: Discounted Cash Flow ("DCF") method		
Estimated rental value per square feet per month (in absolute ₹ terms)	18	18
Rental growth per annum	5%	5%
Discount rate	9.50%	9.50%

(c) Changes in fair value of Investment property is shown below:

	Amount
Fair value as on 31 March 2020	345.48
Transferred to Property, plant and equipment during the year	(34.50)
Increase in fair value of an existing Investment property	36.70
Fair value as on 31 March 2021	347.68
Transferred to Property, plant and equipment during the year	-
Increase in fair value of an existing Investment property	-
Fair value as on 31 March 2022	347.68

The disclosed fair value of investment property is derived based on the management's internal workings using DCF method.

Summary of the significant accounting policies and other explanatory information

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

9. Investment in subsidiary, joint venture and associate

Particulars	As at	
	31 March 2022	31 March 2021
Unquoted		
Investment in a subsidiary		
3,709,464 (31 March 2021: 3,709,464) equity shares of ₹ 10 each fully paid held in Heritage Nutrivet Limited	324.52	323.52
	324.52	323.52
Investment in an associate*		
650,000 (31 March 2021: 650,000) equity shares of ₹ 10 each fully paid held in SKIL Raigam Power (India) Limited	6.50	6.50
Less: Impairment of investment	6.50	6.50
	-	-
* SKIL Raigam Power (India) Limited has been declared as Dormant Company as per Section 455(2) of the Act vide SRN No T42936765 dated 22 September 2021		
Investment in a joint venture		
4,939,727 (31 March 2021: 3,485,579) equity shares of ₹ 10 each fully paid held in Heritage Novandie Foods Private Limited	269.85	164.70
	269.85	164.70
	594.37	488.22
Aggregate market value of quoted investments	-	-
Aggregate amount of unquoted investments	594.37	488.22
Aggregate amount of impairment in value of investments	6.50	6.50

10. Investments

Particulars	As at	
	31 March 2022	31 March 2021
Non current		
Investments at fair value through other comprehensive income ("FVTOCI")		
Investments in equity instruments		
117 (31 March 2021: 117) quoted equity shares of ₹ 10 each fully paid held in Union Bank of India Limited (refer note (a) below)	0.00	0.00
1,740 (31 March 2021: 1,740) quoted equity shares of ₹ 2 each fully paid held in Bank of Baroda Limited	0.20	0.13
200,000 (31 March 2021: 200,000) unquoted equity shares of ₹ 10 each fully paid held in Heritage Finlease Limited	2.60	2.60
	2.80	2.73
Investments at amortized cost		
Investments in government securities	0.13	0.12
	0.13	0.12
	2.93	2.85
Aggregate market value of quoted investments	0.20	0.13
Aggregate value of unquoted investments	2.73	2.72
Aggregate amount of impairment in value of investments	-	-
Current		
Investments at amortized cost		
Investments in government securities	0.03	0.04
	0.03	0.04
Aggregate market value of quoted investments	-	-
Aggregate value of unquoted investments	0.03	0.04
Aggregate amount of impairment in value of investments	-	-

Note: (a) The Company was allotted 117 fully paid equity shares in Union Bank of India Limited pursuant to its holding of 363 equity shares held in Andhra Bank Limited. Andhra Bank Limited was merged with the Union Bank of India Limited with effect from 1 April 2020.

Summary of the significant 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 2022	31 March 2021
Non-current		
Unsecured, Considered good		
Interest accrued but not due on bank deposits	0.21	-
Margin money deposits with banks	4.72	-
Security deposits	55.53	51.65
	60.46	51.65
Current		
Unsecured, Considered good		
Interest accrued but not due on bank deposits	0.67	0.62
Rent receivable	2.49	2.98
Security deposits	22.65	17.10
Others	10.67	10.67
	36.48	31.37

12. Other assets

	As at	
	31 March 2022	31 March 2021
Non-current		
Unsecured, Considered good		
Capital advances	3.36	20.15
Prepaid expenses	0.48	0.82
	3.84	20.97
Unsecured, Considered doubtful		
Capital advances	2.52	2.52
Less: Allowance for doubtful capital advances	2.52	2.52
	-	-
	3.84	20.97
Current		
Unsecured, Considered good		
Balance with Statutory authorities	24.25	19.49
Prepaid expenses	59.85	54.15
Advances to suppliers and others	140.90	66.70
	225.00	140.34
Unsecured, Considered doubtful		
Other advances	6.97	6.97
Less: Provision for doubtful advances	6.97	6.97
	-	-
	225.00	140.34

Note: No loans/advances has been granted to Promoter, Director, KMPs or their related parties either jointly or severally that are repayable on demand or without specifying any terms of period of repayment.

Summary of the significant accounting policies and other explanatory information

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

13. Inventories

	As at	
	31 March 2022	31 March 2021
(at lower of cost or net realisable value)		
Raw materials (including goods in transit of ₹ 7.92 (31 March 2021: ₹ 2.08))	783.25	697.22
Work-in-progress	14.45	5.41
Semi finished goods	348.32	398.41
Finished goods	625.79	648.64
Stock-in-trade	38.70	28.36
Packing materials	100.81	73.22
Stores, spares and consumables	46.09	33.75
	1,957.41	1,885.01

Note: The write down of inventories to net realisable value during the year ended 31 March 2022 aggregated to ₹ 9.55 (March 31, 2021: ₹ 10.32). This write down is included in the changes in inventories of finished goods, semi finished goods stock-in-trade and work-in-progress in the statement of profit and loss.

14. Trade receivables

	As at	
	31 March 2022	31 March 2021
Unsecured, considered good	179.85	145.36
Unsecured, significant increase in credit risk	70.85	11.41
	250.70	156.77
Less: Allowance for trade receivables with significant increase in credit risk	70.85	11.41
Less: Expected credit loss	0.09	0.03
	179.76	145.33

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

	For the year ended	
	31 March 2022	31 March 2021
Opening balance at beginning of the year	11.44	9.81
Provision made during the year	61.27	3.75
Bad debts written off during the year	1.77	2.12
Closing balance at end of the year	70.94	11.44

Trade Receivables ageing schedule as on 31 March 2022

Particulars	Outstanding for following periods from due date of payment					Total
	Less than 6 months	6 months - 1year	1-2 years	2-3 years	More than 3 years	
Undisputed						
Considered good	179.76	-	-	-	-	179.76
Significant increase in credit risk	66.15	-	-	-	-	66.15
Credit impaired	0.09	-	-	-	-	0.09
Disputed						
Considered good	-	-	-	-	-	-
Significant increase in credit risk	-	-	-	-	4.70	4.70
Credit impaired	-	-	-	-	-	-

Summary of the significant accounting policies and other explanatory information

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

Trade Receivables ageing schedule as on 31 March 2021

Particulars	Outstanding for following periods from due date of payment					Total
	Less than 6 months	6 months - 1year	1-2 years	2-3 years	More than 3 years	
Undisputed						
Considered good	145.33	-	-	-	-	145.33
Significant increase in credit risk	6.71	-	-	-	-	6.71
Credit impaired	0.03	-	-	-	-	0.03
Disputed						
Considered good	-	-	-	-	-	-
Significant increase in credit risk	-	-	-	-	4.70	4.70
Credit impaired	-	-	-	-	-	-

Trade receivables include dues aggregating to ₹ 0.30 (31 March 2021: ₹ Nil) receivable from Heritage Novandie Foods Private Limited, in which Director of the Company is a Director.

15. Cash and Bank Balances

	As at	
	31 March 2022	31 March 2021
(a) Cash and cash equivalents		
Balances with banks in current accounts	298.97	162.49
Cash on hand	25.79	33.03
Restricted Cash	-	1.12
	324.76	196.64
(b) Other bank balances		
Earmarked balances with banks		
Unpaid dividend	15.45	14.17
CSR unspent money (Refer note 31(iii))	7.06	-
Margin money deposits with banks	2.48	3.12
	24.99	17.29

16. Loans

	As at	
	31 March 2022	31 March 2021
Current		
Unsecured, considered good		
Loans to employees	0.44	0.81
Loans to others	0.47	8.09
	0.91	8.90
Unsecured, considered doubtful		
Loans to others	0.10	0.58
Less: Allowance for doubtful loans	0.10	0.58
	0.91	8.90

17. Equity share capital

i. Authorised share capital

	31 March 2022		31 March 2021	
	Number	Amount	Number	Amount
Equity shares of ₹ 5 each	9,60,00,000	480.00	9,60,00,000	480.00
Preference shares of ₹ 10 each	20,00,000	20.00	20,00,000	20.00
		500.00		500.00

Summary of the significant accounting policies and other explanatory information

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

ii. Issued, subscribed and fully paid up

	31 March 2022		31 March 2021	
	Number	Amount	Number	Amount
Equity shares of ₹ 5 each	4,63,98,000	231.99	4,63,98,000	231.99
	4,63,98,000	231.99	4,63,98,000	231.99

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

	31 March 2022		31 March 2021	
	Number	Amount	Number	Amount
Equity shares				
At the beginning of the year	4,63,98,000	231.99	4,63,98,000	231.99
Changes during the year	-	-	-	-
At the end of the year	4,63,98,000	231.99	4,63,98,000	231.99

iv. Rights, preferences and restrictions attached to equity shares

The Company has only one class of issued, subscribed and paid up equity shares having a par value of ₹ 5 each per share. Each holder of equity shares is entitled to one vote per share. 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.

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

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

	31 March 2022		31 March 2021	
	Number	% holding	Number	% holding
Name of the equity shareholders				
N Bhuvanewari	1,06,61,652	22.98%	1,06,61,652	22.98%
Nirvana Holdings Private Limited	51,45,684	11.09%	51,45,684	11.09%
Nara Lokesh	47,32,800	10.20%	47,32,800	10.20%
Megabid Finance & Investment Private Limited	24,47,600	5.28%	24,47,600	5.28%

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.

vii. Shareholding of Promoters as at 31 March 2022

Name of the promoter *	As at 31 March 2022		As at 31 March 2021		% Change during the year
	No. of Shares	% of total shares	No. of Shares	% of total shares	
N Bhuvanewari	1,06,61,652	22.98%	1,06,61,652	22.98%	0.00%
Nara Lokesh	47,32,800	10.20%	47,32,800	10.20%	0.00%
Megabid Finance & Investment Private Limited	24,47,600	5.28%	24,47,600	5.28%	0.00%
N Brahmani	2,03,200	0.44%	2,03,200	0.44%	0.00%
V Naga Raja Naidu	1,00,000	0.22%	1,00,000	0.22%	0.00%
Devaansh Nara	26,440	0.06%	26,440	0.06%	0.00%
Ramakrishna Nandamuri	400	0.00%	400	0.00%	0.00%
N P Ramakrishna	56,971	0.12%	200,000	0.43%	(0.31)%
Durga Ramakrishna N P	33,756	0.07%	40,000	0.09%	(0.01)%
Neelima N P	30,625	0.07%	40,000	0.09%	(0.02)%
Kathya N P	-	-	60,000	0.13%	(0.13)%

* Details of promoters are identified based on information submitted with the stock exchanges as per SEBI (LODR) Regulations, 2015 (as amended) and the Annual Returns filed in accordance with the provisions of Section 92 of the Act.

Summary of the significant accounting policies and other explanatory information

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

18. Other equity

	As at	
	31 March 2022	31 March 2021
Reserves and Surplus		
Capital reserve	12.11	12.11
Capital redemption reserve	8.10	8.10
Securities premium	378.41	378.41
Warrants money appropriated	31.87	31.87
General reserve	842.74	842.74
Retained earnings	5,100.19	4,433.04
	6,373.42	5,706.27
Item of OCI		
Changes in fair value of equity instruments	(0.55)	(0.62)
	(0.55)	(0.62)
	6,372.87	5,705.65

Nature and purpose of reserves

Securities premium

The amount received in excess of face value of the equity shares is recognised in the securities premium. This reserve will be utilised in accordance with the provisions of Section 52 of the Companies Act, 2013 ("the Act").

Capital reserve

The excess of net assets taken, over the consideration paid, as part of the business combinations have been recorded under the capital reserve during the earlier years.

Capital redemption reserve

Capital redemption reserve was created on buy back of equity shares in the earlier years. The Company uses capital redemption reserve in accordance with the provisions of the Act.

Warrants money appropriated

Warrants money appropriated represents forfeiture of share application money made during the earlier years.

General reserve

The reserve has arisen on transfer of a portion of the net profit pursuant to the provisions of the erstwhile Companies Act, 1956. Mandatory transfer to general reserve is not required under the Act.

Changes in fair value of equity instruments

This represents the cumulative gains and losses arising on the fair valuation of equity instruments measured at FVTOCI, under an irrevocable option, net of amounts reclassified to retained earnings when such assets are disposed off.

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 the shareholders.

Summary of the significant accounting policies and other explanatory information

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

19. Borrowings

	As at	
	31 March 2022	31 March 2021
Non-current		
Secured		
Term loans from banks [refer note 19(a)]	-	223.23
Deferred payment liabilities	21.10	37.48
	21.10	260.71
Current		
Secured		
Current maturities of Long term borrowings [refer note 19(a)]	-	242.33
Deferred payment liabilities	16.37	15.99
Loans repayable on demand from banks [refer note 19(b)]	-	4.69
	16.37	263.01

(i) Reconciliation of liabilities arising from financial activities*

	For the year ended	
	31 March 2022	31 March 2021
Balance at beginning of the year	465.56	1,954.97
Proceeds from long term borrowings	-	282.52
Repayments of long term borrowings	(465.56)	(1,771.93)
Balance at end of the year	-	465.56

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

(ii) Reconciliation of interest accrued but not due on term loans from banks

	For the year ended	
	31 March 2022	31 March 2021
Balance at beginning of the year	3.37	13.32
Interest expense for the year	18.18	143.40
Interest paid during the year	21.55	153.35
Balance at end of the year	-	3.37

19(a) Terms and conditions of term loans from banks

S. No	Name	Outstanding balance as on*		Interest rate (%)	Repayment terms	Type of security
		31 March 2022	31 March 2021			
1	HDFC Bank	-	77.35	One year MCLR +0.50% per annum	Repayable in 24 quarterly installments commenced from March 2020 and ending in December 2025. The Company has pre-paid the entire outstanding borrowing during the year ended 31 March 2022.	Subservient charge on movable fixed assets of the Company.
2	HDFC Bank	-	107.94	One year MCLR +0.50% per annum	Repayable in 24 quarterly installments commenced from December 2020 and ending in September 2026. The Company has pre-paid the entire outstanding borrowing during the year ended 31 March 2022.	- First pari passu charge on entire fixed assets of the Company. - Second pari passu charge on current assets of the Company.
3	Kotak Mahindra Bank	-	50.89	One year MCLR + spread per annum	Repayable in 16 quarterly installments commenced from September 2020 and ending in June 2024. The Company has pre-paid the entire outstanding borrowing during the year ended 31 March 2022.	- Exclusive charge on assets financed by the loan taken.
4	Kotak Mahindra Bank	-	229.38	One year MCLR + spread per annum	Repayable in 24 quarterly installments commenced from November 2020 and ending in August 2026. The Company has pre-paid the entire outstanding borrowing during the year ended 31 March 2022.	- Exclusive charge on assets financed by the loan taken.
		-	465.56			

* Including current maturities of term loans from banks.

Summary of the significant accounting policies and other explanatory information

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

19(b) Terms and conditions of loans repayable on demand from banks

S. No	Name	Outstanding balance as on		Interest rate (%)	Repayment terms	Type of security
		31 March 2022	31 March 2021			
1	ICICI Bank	-	4.69	Six months IMCLR + spread per annum	Repayable on demand	First pari passu charge on current assets and second pari passu charge on fixed assets of the Company, excluding project specific assets.
2	Bank of Baroda	-	-	One year MCLR + 0.4% per annum	Repayable on demand	First pari passu charge on current assets and second pari passu charge on fixed assets of the Company, excluding project specific assets.
3	Union Bank of India	-	-	One year MCLR + 0.85% per annum	Repayable on demand	First pari passu charge on current assets and second pari passu charge on fixed assets of the Company, excluding project specific assets.
		-	4.69			

20. Other financial liabilities

	As at	
	31 March 2022	31 March 2021
Non-current		
Financial guarantee	8.83	11.57
	8.83	11.57
Current		
Current maturities of financial guarantee	3.62	3.62
Interest accrued but not due on borrowings	-	3.37
Freight payable	129.21	116.72
Capital creditors	93.18	183.85
Employee related payables	220.16	335.82
Security deposits	328.89	309.88
Unpaid dividend	15.45	14.17
Other payables	227.34	203.33
	1,017.85	1,170.76

21. Provisions

	As at	
	31 March 2022	31 March 2021
Non-current		
Compensated absences	163.75	100.52
	163.75	100.52
Current		
Gratuity	-	2.06
Compensated absences	79.91	122.71
	79.91	124.77

(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 the Payment of Gratuity Act, 1972.

Summary of the significant accounting policies and other explanatory information

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

(i) Change in projected benefit obligation

	As at	
	31 March 2022	31 March 2021
Projected benefit obligation at the beginning of the year	136.58	113.68
Service cost	16.52	14.61
Interest cost	7.73	6.71
Actuarial loss	0.38	5.40
Benefits paid	(10.98)	(3.82)
Projected benefit obligation at the end of the year	150.23	136.58

(ii) Change in fair value of plan assets

	As at	
	31 March 2022	31 March 2021
Fair value of plan assets at the beginning of the year	134.52	108.35
Interest income	8.31	7.09
Contribution made	23.80	22.95
Actuarial gain/(loss)	0.10	(0.05)
Benefits paid	(10.98)	(3.82)
Fair value of plan assets at the end of the year	155.76	134.52

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

	As at	
	31 March 2022	31 March 2021
Present value of projected benefit obligation	150.23	136.58
Funded status of plan assets	155.76	134.52
Net (asset)/liability recognised in the balance sheet	(5.53)	2.06

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

	For the year ended	
	31 March 2022	31 March 2021
Interest cost	7.73	6.71
Service cost	16.52	14.61
Interest income	(8.31)	(7.09)
	15.94	14.23

(v) Expense recognized in OCI

	For the year ended	
	31 March 2022	31 March 2021
Actuarial loss, net	0.28	5.45
	0.28	5.45

(vi) Key actuarial assumptions

	As at	
	31 March 2022	31 March 2021
Discount rate	6.30%	5.90%
Salary escalation rate	8.00%	8.00%
Attrition rate	15.00%	15.00%

Summary of the significant accounting policies and other explanatory information

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

(vii) Sensitivity analysis

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

	As at 31 March 2022	
	Increase	Decrease
Discount rate (1% movement)	7.00	7.75
Salary escalation rate (1% movement)	7.21	6.69
Attrition rate (1% movement)	0.86	0.92

(viii) The Company expects to contribute ₹ Nil as its contribution to gratuity within one year from the year ended 31 March 2022.

(ix) Maturity analysis of Gratuity as on 31 March 2022 is as follows:

	Amount
Within one year	30.28
2 to 5 years	93.90
More than 5 years	124.94
	249.12

22. Deferred tax liabilities (net)

	As at	
	31 March 2022	31 March 2021
Deferred tax liabilities arising on account of:		
Borrowings measured at amortised cost	-	0.81
Right-of-use assets	(1.37)	0.23
Property, Plant and Equipment ("PPE")	350.16	303.05
	348.79	304.09
Deferred tax assets arising on account of:		
Provision for trade receivables and advances	(20.27)	(5.41)
Provision for employee benefits	(64.41)	(60.37)
Receipt of government grant	(22.93)	-
Interest on GST liability	(8.69)	-
Revaluation of investments at FVTOCI to fair value	(0.62)	(0.62)
	(116.92)	(66.40)
	231.87	237.69

Movement in deferred tax liabilities, net

	Borrowings	Property, plant and equipment	Provision for employee benefits	Receipt of government grant	Interest on GST liability	Others	Total
As at 1 April 2020	1.63	285.34	(51.39)	-	-	(6.36)	229.22
Charged							
- to Statement of Profit and Loss	(0.82)	17.71	(7.60)	-	-	0.56	9.85
- to OCI	-	-	(1.38)	-	-	-	(1.38)
As at 31 March 2021	0.81	303.05	(60.37)	-	-	(5.80)	237.69
Charged							
- to Statement of Profit and Loss	(0.81)	47.11	(3.97)	(22.93)	(8.69)	(16.46)	(5.75)
- to OCI	-	-	(0.07)	-	-	-	(0.07)
As at 31 March 2022	-	350.16	(64.41)	(22.93)	(8.69)	(22.26)	231.87

Summary of the significant accounting policies and other explanatory information

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

23. Other liabilities

	As at	
	31 March 2022	31 March 2021
Current		
Advances from customers	29.33	27.89
Capital advances	6.25	9.10
Statutory dues payable	77.45	36.86
	113.03	73.85

24. Trade payables

	As at	
	31 March 2022	31 March 2021
Total outstanding dues of micro and small enterprises (refer note 49)	77.02	34.89
Total outstanding dues of creditors other than micro and small enterprises	405.02	292.88
	482.04	327.77

Trade payables ageing schedule as on 31 March 2022

Particulars	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) MSME	77.02	-	-	-	77.02
(ii) Others	404.63	0.24	0.07	0.08	405.02
(iii) Disputed dues - MSME	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-
	481.65	0.24	0.07	0.08	482.04

Trade payables ageing schedule as on 31 March 2021

Particulars	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) MSME	34.89	-	-	-	34.89
(ii) Others	290.93	0.46	-	1.49	292.88
(iii) Disputed dues - MSME	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-
	325.82	0.46	-	1.49	327.77

25. Revenue from operations

	For the year ended	
	31 March 2022	31 March 2021
Sale of products	26,382.59	24,049.41
Sale of services	22.32	18.46
Other operating income		
- Sale of renewable energy certificates	11.73	0.52
- Scrap sales and others	12.57	1.90
	26,429.21	24,070.29

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

	For the year ended	
	31 March 2022	31 March 2021
Revenue as per contracted price	27,486.24	25,059.63
Adjusted for:		
Discounts	(1,089.69)	(1,000.64)
Sales returns	(13.96)	(9.58)
Total revenue from contracts with customers	26,382.59	24,049.41

Summary of the significant accounting policies and other explanatory information

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

(ii) Revenue disaggregation geography wise is as follows:

	For the year ended	
	31 March 2022	31 March 2021
India	26,429.21	24,070.29
Other than India	-	-
	26,429.21	24,070.29

Notes:

The Company has no single customer from whom the revenue is more than 10% of the revenue from operations for the year ended 31 March 2022 and 31 March 2021.

26. Other income

	For the year ended	
	31 March 2022	31 March 2021
Interest income		
- Bank and other deposits	2.57	1.68
- Others	-	0.08
- Guarantee income	4.25	3.61
Subsidy transferred from deferred government grant (under capital subsidy scheme)	7.36	0.49
Lease rental income	20.40	13.55
Provisions no longer required/ credit balances written back	8.35	16.41
Gain on foreign exchange fluctuations, net	0.03	0.63
Gain on sale of Property, plant and equipment (net)	31.21	17.96
Gain on investments (net)	11.44	-
Other non operating income	17.53	29.66
	103.14	84.07

27. Cost of materials consumed

	For the year ended	
	31 March 2022	31 March 2021
Raw Material*		
Opening stock	697.22	498.43
Add: Purchases during the year	19,187.12	17,318.09
Less: Closing stock	783.25	697.22
	19,101.09	17,119.30
Packing Material*		
Opening stock	73.22	68.48
Add: Purchases during the year	973.54	680.85
Less: Closing stock	100.81	73.22
	945.95	676.11
	20,047.04	17,795.41

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

28. Changes in inventories of finished goods, semi finished goods, stock-in-trade and work-in-progress

	For the year ended	
	31 March 2022	31 March 2021
Opening balance		
- Finished goods	648.64	649.30
- Semi finished goods	398.41	95.56
- Work-in-progress	5.41	5.08
- Stock-in-trade	28.36	16.59
	1,080.82	766.53

Summary of the significant accounting policies and other explanatory information

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

	For the year ended	
	31 March 2022	31 March 2021
Closing balance		
- Finished goods	625.79	648.64
- Semi finished goods	348.32	398.41
- Work-in-progress	14.45	5.41
- Stock-in-trade	38.70	28.36
	1,027.26	1,080.82
	53.56	(314.29)

29. Employee benefit expenses

	For the year ended	
	31 March 2022	31 March 2021
Salaries and wages	1,554.89	1,509.32
Contribution to provident and other funds	83.12	68.10
Gratuity expense (refer note 21(a)(iv))	15.94	14.23
Compensated absences expense	66.86	71.27
Staff welfare expenses	47.32	40.96
	1,768.13	1,703.88

(a) The amount recognized as an expense towards contribution to provident fund and employee state insurance schemes for the year ended 31 March 2022 amounts to ₹ 83.12 (31 March 2021: ₹ 68.10).

30 Finance costs

	For the year ended	
	31 March 2022	31 March 2021
Interest on borrowings calculated using effective interest method	20.44	162.60
Interest on income tax	-	2.87
Interest on lease liabilities	6.77	5.86
Other borrowing costs	4.80	7.15
	32.01	178.48

31 Other expenses

	For the year ended	
	31 March 2022	31 March 2021
Consumption of stores, spares and consumables	226.31	199.87
Power and fuel	348.77	331.97
Rent	37.14	19.98
Repairs and maintenance		
- Buildings	8.04	6.01
- Plant and equipment	19.35	25.92
- Others	69.73	55.77
Insurance	27.78	20.59
Electricity charges	9.39	9.18
Rates and taxes, excluding taxes on income	48.15	22.63
Freight outwards	721.83	632.86
Communication	19.16	18.45
Office maintenance	6.84	5.97
Travelling and conveyance	30.91	23.49
Legal and professional fees	142.31	126.96
Property, plant and equipment written off	14.35	6.18

Summary of the significant accounting policies and other explanatory information

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

	For the year ended	
	31 March 2022	31 March 2021
Payment to auditors	8.44	8.09
Corporate social responsibility (CSR) expenditure	29.35	20.64
Selling and distribution expenses	139.26	91.96
Provision for doubtful advances	-	0.31
Advances written off	1.32	0.66
Provision towards doubtful debts and bad debts written off	61.27	3.75
Bank charges	16.16	14.25
Advertisement expenses	2.56	8.23
Security charges	60.95	50.46
Printing and stationery	8.12	8.15
Miscellaneous expenses	46.36	28.29
	2,103.85	1,740.62

(i) Details of payments to auditors :

	For the year ended	
	31 March 2022	31 March 2021
As auditor:		
- Statutory audit fee	5.07	4.76
- Tax audit fee	0.82	0.82
- Limited review fee	1.73	2.04
In other capacities:		
- Taxation matters	0.19	0.17
- Certification fees	0.48	0.29
- Reimbursement of expenses	0.15	0.01
	8.44	8.09

(ii) Details of CSR expenditure :

	For the year ended	
	31 March 2022	31 March 2021
a) Gross amount required to be spent during the year	29.35	20.64
b) Amount spent during the year		
(i) Construction/ acquisition of asset	15.40	9.98
(ii) On purposes other than (i) above (Refer Note: 1)	6.89	10.66
c) Shortfall at the end of the year	7.06	-
d) Total of previous years shortfall	-	-
e) Reason for shortfall	Note: 2	Not applicable
f) Nature of CSR activities	Health and Education support	Health and Education support
g) Details of related party transactions	Refer note 43	Refer note 43
h) Provision made during the year (Refer Note: 2)	7.06	-

Notes:

- Company has transferred ₹ 6.87 to Asian Healthcare Foundation (AHF) being the implementing partner of the Company as an ongoing/multi-year CSR project, out of which an unspent amount of ₹ 4.52 is available with AHF as on 31 March 2022 and the same will be spent in accordance with the CSR Amendment Rules, 2021.
- As the selected projects for CSR spent are ongoing/multi-year in nature, the unspent amount of ₹ 7.06 available with the Company will be spent in accordance with the CSR Amendment Rules, 2021. In accordance with the provisions of Section 135(6) of the Act, the Company has transferred the unspent amount to a separate bank account and the unspent amount has been provided in the accompanying financial statements.

Summary of the significant accounting policies and other explanatory information

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

32. Income tax expense

	For the year ended	
	31 March 2022	31 March 2021
(a) Income tax expense reported in the Statement of Profit and Loss		
Tax expense comprises of:		
Current tax expense	343.01	500.37
Deferred tax expense/(benefit)	(5.75)	9.85
	337.26	510.22

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 25.168% (31 March 2021: 25.168%) and the reported tax expense in the Standalone 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 2022	31 March 2021
Profit before tax	1,352.60	1,961.86
Expected tax expense at the Indian tax rate 25.168% (31 March 2021: 25.168%)	340.42	493.76
Tax effect of amounts which are not deductible/taxable in calculating taxable income:		
Effect of deductions allowed under Chapter VI-A of the Income Tax Act, 1961 ("IT Act, 1961")	(4.86)	(4.86)
Effect of expenses not deductible under the IT Act, 1961	8.45	18.03
Effect of income not subject to tax under the IT Act, 1961	(1.07)	(0.91)
Others	(5.68)	4.20
Income tax expense	337.26	510.22

33. Earnings per equity share

	For the year ended	
	31 March 2022	31 March 2021
Profit for the year	1,015.34	1,451.64
Weighted average number of equity shares outstanding during the year	46,398,000	46,398,000
Earnings per equity share (EPES) (in absolute ₹ terms)		
Nominal value per share equity share	5.00	5.00
Basic and Diluted EPES	21.88	31.29

The Company did not have any potential dilutive equity shares as on 31 March 2022 and 31 March 2021.

34. Exceptional item represents provision of ₹ 91.40 million created, on account of disputed liability mainly due to GST classification of flavored milk, being faced by the dairy sector.

35. Dividend

The dividend amount per equity share proposed or declared in accordance with the provisions of Section 123 of the Act is as follows:

	For the year ended	
	31 March 2022	31 March 2021
Proposed final dividend on equity shares of ₹ 5 each *		
Per equity share (in absolute ₹ terms)	2.50	5.00
Amount	116.00	231.99
Interim dividend declared on equity shares of ₹ 5 each		
Per equity share (in absolute ₹ terms)	2.50	-
Amount	116.00	-

* The proposed final dividend, is subject to the approval of shareholders in the ensuing Annual General Meeting of the Company and accordingly not recognized as a liability in accordance with the applicable accounting principles.

Summary of the significant accounting policies and other explanatory information

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

36. 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.

37. The Company has not extended any loans or advances in the nature of loans to its promoters, directors, key managerial personnel and its related parties, as defined under the Act, during the years ended 31 March 2022 and 31 March 2021.

38. Fair value hierarchy

(i) Financial assets and financial liabilities at fair value on a recurring basis as of the reporting dates are as follows:

Particulars	As at	As at
	31 March 2022	31 March 2021
Financial assets		
Fair value hierarchy (Level 1)		
Quoted equity shares	0.20	0.13
Fair value hierarchy (Level 3)		
Unquoted equity shares	2.60	2.60

There are no transfers between levels during the current and previous year ended 31 March 2022 and 31 March 2021 respectively. The Company's policy is to recognise transfers into and transfers out of fair value hierarchy levels at the end of the reporting period.

(ii) Valuation technique and inputs used for level 3 instruments:

The fair value of the level 3 instruments has been estimated using the discounted cash flow model. The valuation requires management to make certain assumptions about the model inputs, including forecasting of cash flows, discount rate, credit risk and volatility. The probabilities of the various estimates within the range can be reasonably assessed and are used in the management's estimate of the fair value for these level 3 instruments.

The significant unobservable inputs used in the fair value measurement categorised within Level 3 of the fair value hierarchy as at 31 March 2022 and 31 March 2021 are as shown below. The impact on account of change in these assumptions are not considered as significant.

Significant unobservable inputs*	Assumption made
Future growth rate	3%
Discount rate	20%
Discount for lack of marketability (DFLM)	15%

(iii) Reconciliation of level 3 fair value measurement:

	Amount
As at 1 April 2020	2.60
Changes during the year	-
As at 31 March 2021	2.60
Changes during the year	-
As at 31 March 2022	2.60

39. 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, except for deferred payment liabilities whose fair value amounts to ₹ 33.82 and ₹ 46.36 as on 31 March 2022 and 31 March 2021 respectively.

Summary of the significant accounting policies and other explanatory information

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

Categories of financial instruments

Particulars	As at 31 March 2022			As at 31 March 2021		
	FVTPL	FVTOCI	Amortised cost	FVTPL	FVTOCI	Amortised cost
Financial assets						
Quoted equity shares	-	0.20	-	-	0.13	-
Unquoted equity shares	-	2.60	-	-	2.60	-
Investment in government securities	-	-	0.16	-	-	0.16
Trade receivables	-	-	179.76	-	-	145.33
Cash and cash equivalents	-	-	324.76	-	-	196.64
Other bank balances	-	-	24.99	-	-	17.29
Loans	-	-	0.91	-	-	8.90
Other financial assets	-	-	96.94	-	-	83.02
	-	2.80	627.52	-	2.73	451.34

Particulars	As at 31 March 2022			As at 31 March 2021		
	FVTPL	FVTOCI	Amortised cost	FVTPL	FVTOCI	Amortised cost
Financial liabilities						
Deferred payment liabilities	-	-	37.47	-	-	53.47
Borrowings	-	-	-	-	-	470.25
Lease liabilities	-	-	75.36	-	-	44.87
Trade payables	-	-	482.04	-	-	327.77
Other financial liabilities	-	-	1,026.68	-	-	1,182.33
	-	-	1,621.55	-	-	2,078.69

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.

40. Financial risk management objectives and policies

Financial Risk Management Framework

The Company's Board of Directors has an overall responsibility for the establishment and oversight of the Company's risk management framework. The Board of Directors has established Risk Management Committee, which is responsible for developing and monitoring the Company's risk management policies. The Committee reports regularly to the Board of Directors on its activities.

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

The Company is exposed primarily to Credit risk, Liquidity risk and Market risk (fluctuations in interest rates, foreign currency rates, and prices of equity instruments), 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 the counterparty shall 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 the creditworthiness as well as concentration of risks. Credit risk arises primarily from financial assets such as trade receivables, investment in equity shares, balances with banks, loans and other receivables.

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

Summary of the significant accounting policies and other explanatory information

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

Exposure to credit risk

The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk was ₹ 630.32 and ₹ 454.07 as of 31 March 2022 and 31 March 2021 respectively, representing carrying amount of all financial assets with the Company.

Financial assets that are neither past due nor impaired

None of the Company's cash equivalents, including fixed deposits, were either past due or impaired as at 31 March 2022 and 31 March 2021.

Financial assets that are past due but not impaired

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

	As at 31 March 2022	As at 31 March 2021
0-30 days	163.20	143.41
31-60 days	16.56	1.92
61-90 days	-	-
Greater than 90 days	-	-
	179.76	145.33

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 12 months expected credit losses or at an amount equal to the life time expected credit losses if the credit risk on the financial assets have increased significantly since the 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 as and when they become due. The objective of liquidity risk management is to maintain sufficient liquidity and to ensure that funds are available for meeting due obligations of the Company. The Company manages liquidity risk by maintaining adequate reserves, banking facilities, continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of the financial assets and financial liabilities.

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

Particulars	As at 31 March 2022				As at 31 March 2021			
	On demand	Up to 1 year	More than 1 year	Total	On demand	Up to 1 year	More than 1 year	Total
Financial guarantees #	199.95	-	-	199.95	265.15	-	-	265.15
Borrowings	-	-	-	-	4.69	242.33	223.23	470.25
Deferred payment liabilities	-	16.37	21.10	37.47	-	15.99	37.48	53.47
Lease liabilities	-	33.65	53.17	86.82	-	26.33	27.03	53.36
Trade payables	-	482.04	-	482.04	-	327.77	-	327.77
Other financial liabilities	-	1,014.23	-	1,014.23	-	1,167.14	-	1,167.14
	199.95	1,546.29	74.27	1,820.51	269.84	1,779.56	287.74	2,337.14

Represents loan amount outstanding to the bankers by the entities, against which financial guarantees were extended by the Company as at 31 March 2022 and 31 March 2021.

40. Financial risk management objectives and policies (continued)

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 the market rates and prices. Market risk is attributable to all market risk-sensitive financial instruments, all foreign currency receivables and

Summary of the significant accounting policies and other explanatory information

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

payables and all short-term and long-term borrowings. Market risk comprises three types of risk: interest rate risk, currency risk and other price risks such as equity price risk.

i. Interest risk:

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument shall fluctuate because of changes in the 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. Foreign currency risk:

Foreign currency risk is the risk that the fair value or future cash flows of an exposure shall fluctuate because of changes in foreign exchange rates. The Company's exposure to the risk of changes in foreign exchange rates relates primarily to the Company's operating and investing activities (when revenue or expense including capital expenditure is denominated in a foreign currency). The exposure of foreign currency risk to the entity is low as it enters very limited transactions in foreign currencies and accordingly any impact on account of change in the exchange rate is not considered as significant.

The carrying amounts of the Company's unhedged foreign currency denominated monetary items in ₹ terms as at 31 March 2022 and 31 March 2021 are as follows:

Financial assets - Trade receivables

	31 March 2022	31 March 2021
- USD	-	-
Financial liabilities- capital creditors		
	31 March 2022	31 March 2021
- EURO	2.65	2.70

iii. Equity price risk:

The Company's listed and non-listed equity securities are susceptible to market price risk arising from uncertainties about future values of the investment securities. The Company manages the equity price risk through diversification and by placing limits on individual and total equity instruments. Reports on the equity portfolio are submitted to the Company's senior management on a regular basis. The Company's Board of Directors reviews and approves all equity investment decisions.

At the reporting date, the exposure to unlisted equity securities at fair value was ₹ 2.60 (31 March 2021: ₹ 2.60). Sensitivity analyses of these investments have been provided in Note 38.

41. Capital risk management

For the purpose of the Company's capital management, capital includes issued equity capital, share premium and all other reserves attributable to the equity holders. The primary objective of the Company's capital management is to maximise the shareholder 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 up to 35%. The Company includes within net debt, borrowings from banks less cash and cash equivalents. Borrowings from banks comprise of term loans and loans repayable on demand.

	31 March 2022	31 March 2021
Borrowings from banks	-	470.25
Less: Cash and cash equivalents	(324.76)	(195.52)
Net debt (A)	-	274.73
Total equity (B)	6,604.86	5,937.64
Net debt and total equity (A) + (B)	6,604.86	6,212.37
Gearing ratio (%)	0.00%	4.42%

Summary of the significant accounting policies and other explanatory information

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

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

No changes were made in the objectives, policies or processes for managing capital during the years ended 31 March 2022 and 31 March 2021.

42. Disclosure of Interest in subsidiary, joint venture and associate:

	Nature of relationship	Country of Incorporation	Ownership interest (%)	
			31 March 2022	31 March 2021
Heritage Nutrivet Limited	Subsidiary	India	100.00%	100.00%
SKIL Raigam Power (India) Limited	Associate	India	43.33%	44.22%
Heritage Farmers Welfare Trust	Controlled trust	India	0.00%	0.00%
Heritage Employees Welfare Trust	Controlled trust	India	0.00%	0.00%
Heritage Novandie Foods Private Limited	Joint venture	India	50.00%	50.00%

43. Related party disclosures

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

Names of related parties	Nature of relationship
Heritage Nutrivet Limited ("HNL")	Subsidiary Company
Heritage Novandie Foods Private Limited ("HNFPL")	Joint Venture
SKIL Raigam Power (India) Limited	Associate
Heritage Farmers Welfare Trust ("HFWT")	Controlled Trust
Heritage Employees Welfare Trust	
Heritage Finlease Limited	
Nirvana Holdings Private Limited	Enterprise over which Vice -Chairperson & Managing Director and Executive Director of the Company exercise significant influence
NTR Memorial Trust	
Basavatarakam Indo-American Cancer Hospital	Executive Director of the Company is one of the trustee
N Bhuvanawari (Vice Chairperson and Managing Director)	
N Brahmani (Executive Director)	
M Sambasiva Rao (President)	
Srideep Madhavan Nair Kesavan (Chief Executive Officer) (effective from 28 July 2021)	Key Managerial Personnel (KMP)
A Prabhakara Naidu (Chief Financial Officer)	
Umakanta Barik (Company Secretary & Compliance Officer)	
Srivishnu Raju Nandyala	
Rajesh Thakur Ahuja	
Aparna Surabhi	Non-Executive Independent Directors
D. Seetharamaiah (till 1 July 2020)	
Muthu Raju Paravasa Raju Vijay Kumar (effective from 1 November 2021)	
Dr. Nagaraja Naidu Vadlamudi	Non-Executive Director

Summary of the significant accounting policies and other explanatory information

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

(b) Transactions with related parties

	For the year ended	
	31 March 2022	31 March 2021
Heritage Nutrivet Limited		
Investment made (including financial guarantee)	1.00	1.00
Sale of products	4.81	5.15
Financial guarantee income	2.05	2.38
Purchases	557.73	549.24
Lease rental income	0.54	0.54
Purchase/(sale) of Property, plant and equipment	3.35	(0.14)
Expenditure incurred on behalf of HNL	0.75	0.75
Brand income	0.94	3.46
Heritage Novandie Foods Private Limited		
Investment made (including financial guarantee)	105.15	74.64
Sale of products	4.27	0.10
Purchase of products	0.01	-
Financial guarantee income	2.20	1.23
Lease rental income	1.09	0.95
Expenditure incurred on behalf of HNFPL	4.67	1.86
Heritage Farmers Welfare Trust		
Lease rental income	-	0.13
Purchase of Property, plant and equipment	-	1.45
Heritage Finlease Limited		
Remittance of loan proceeds collected on behalf of Heritage Finlease Limited	1,372.71	1,012.12
Disbursement of loans to employees of the Company	-	17.92
Cattle loan facilitation charges	2.58	2.03
Reimbursement of insurance proceeds received on behalf of Heritage Finlease Limited	0.03	-
Deposit paid	1.51	-
Lease rentals paid	1.81	-
NTR Memorial Trust		
CSR expenditure	15.40	9.98
Others	-	0.13
Basavataarakam Indo-American Cancer Hospital		
Others (Staff welfare expenses)	0.93	-
N Bhuvaneswari		
Short-term employee benefits	76.93	110.80
Post-employment benefits	0.97	0.93
Other long-term benefits	0.87	0.87
N Brahmani		
Short-term employee benefits	61.54	88.64
Post-employment benefits	0.49	0.47
M Sambasiva Rao		
Short-term employee benefits	27.65	34.96
Post-employment benefits	0.76	0.69
Other long-term benefits	1.39	1.24
Srideep Madhavan Nair Kesavan		
Short-term employee benefits	10.19	-
Post-employment benefits	0.55	-

Summary of the significant accounting policies and other explanatory information

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

	For the year ended	
	31 March 2022	31 March 2021
A Prabhakara Naidu		
Short-term employee benefits	7.96	6.24
Post-employment benefits	0.40	0.32
Other long-term benefits	0.22	0.43
Umakanta Barik		
Short-term employee benefits	3.81	3.10
Post-employment benefits	0.19	0.16
Other long-term benefits	0.64	-
Sitting fees		
Srivishnu Raju Nandyala	0.53	0.68
Rajesh Thakur Ahuja	0.56	0.59
Aparna Surabhi	0.56	0.60
D. Seetharamaiah	-	0.26
Muthu Raju Paravasa Raju Vijay Kumar	0.15	-
Dr. Nagaraja Naidu Vadlamudi	0.39	0.51

(c) Balances receivable/(payable)

	As at	
	31 March 2022	31 March 2021
Heritage Nutrivet Limited	(9.60)	(9.94)
Heritage Finlease Limited	(9.51)	(7.91)
Heritage Novandie Foods Private Limited	0.39	(0.09)
Heritage Farmers Welfare Trust	-	0.01
N Bhuvaneswari	(57.43)	(92.80)
N Brahmani	(52.54)	(78.89)
M Sambasiva Rao	(13.62)	(21.73)
Srideep Madhavan Nair Kesavan	(0.01)	-

(d) Guarantees outstanding

	As at	
	31 March 2022	31 March 2021
Value of guarantees extended during the year		
Heritage Nutrivet Limited	80.00	80.00
Heritage Novandie Foods Private Limited	50.00	50.00
Guarantees outstanding as at balance sheet date		
Heritage Nutrivet Limited	207.50	207.50
Heritage Novandie Foods Private Limited	220.00	220.00
Borrowings outstanding as at balance sheet date, against which guarantee is extended		
Heritage Nutrivet Limited	79.69	115.61
Heritage Novandie Foods Private Limited	120.26	149.54

Notes:

- The sales to and purchases from related parties are made on terms equivalent to those that prevail in arm's length transactions. Outstanding balances at the year-end are unsecured and interest free and settlement occurs in cash. There have been no guarantees provided or received for any related party receivables or payables. For the year ended 31 March 2022, the Company has not recorded any impairment of receivables relating to amounts owed by related parties (31 March 2021: Nil). This assessment is undertaken each financial year through examining the financial position of the related parties and the market in which such parties operates.
- Post-employment and other long-term benefits, disclosed above, does not include those benefits which are computed for the Company as a whole.

Summary of the significant accounting policies and other explanatory information

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

44. Contingent liabilities and commitments

	As at	
	31 March 2022	31 March 2021
(a) Commitments		
(i) Estimated amount of contracts remaining to be executed on capital account and not provided for	60.45	52.06
(b) Contingent liabilities, not provided for		
In respect of income tax matters [refer (i) below]	5.21	-
In respect of sales tax / value added tax matters [refer (ii) below]	18.67	18.67
In respect of other matters [refer (iii) below]	59.73	20.65
(i) The Company had received demand order from the income tax authorities for the assessment years 2017-18 and 2018-19 in relation to the inadmissibility of expenditure claimed under Section 80G of the Income Tax Act, 1961. The management, on the basis of its internal assessment of the facts of the case, the underlying nature of transactions, is of the view that the probability of the case being settled against the Company is remote and accordingly do not foresee any adjustment to these standalone financial statements in this regard. The litigation is currently pending with the Commissioner of Income Tax (Appeals) ("CIT(A)").		
(ii) - Disputed purchase tax levied under Andhra Pradesh Value Added Tax Act, 2005 on purchase of milk @	9.51	9.51
- Disputed Input tax credit disallowed under Andhra Pradesh Value Added Tax Act, 2005 @	4.69	4.69
- Disputed Input tax credit disallowed under The Central Sales Tax, 1956 # @ litigation pending with Hon'ble High Court of Telangana; # litigation pending with Joint Commissioner of commercial Taxes (Appeals), Bangalore.	4.47	4.47
(iii) - Disputed entry tax levied under Andhra Pradesh Tax on Entry of Goods into Local Areas Act, 2001 on interstate purchases &	3.77	-
- Disputed entry tax levied under Telangana Tax on Entry of Goods into Local Areas Act, 2001 on interstate purchases @	10.37	10.34
- Disputed amount levied under Central GST Act, 2017 on classification of flavored milk product &	35.28	-
- Disputed milk cess levied on installed capacity under the Haryana Murrah Buffalo and other Milch Animal Breed Act, 2001 ^ & litigation pending with Hon'ble High Court of Andhra Pradesh; ^ litigation pending with Supreme Court of India	10.31	10.31
Based on the internal assessment and / or legal opinion, the Management is confident that, for the aforesaid mentioned contingent liabilities under paragraph (ii) and (iii) above, no further provision is required to be made as at 31 March 2022.		
(c) Guarantees excluding financial guarantees	2.38	2.91

45. Leases

The movement in lease liabilities is as follows:

Particulars	For the year ended	
	31 March 2022	31 March 2021
Balance at the beginning of the year	44.87	65.49
Additions during the year	65.40	17.01
Finance cost accrued during the year	6.77	5.86
Payment of lease liabilities	(41.68)	(43.49)
Lease liabilities at the end of the year	75.36	44.87
Current lease liabilities	28.23	22.51
Non-current lease liabilities	47.13	22.36

Summary of the significant accounting policies and other explanatory information

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

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

Particulars	As at	
	31 March 2022	31 March 2021
Less than one year	33.65	26.33
One to five years	52.22	24.32
More than five years	0.95	2.71
Total	86.82	53.36

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

Rental expense recorded for short-term leases for the year ended 31 March 2022 was ₹ 37.14 (31 March 2021: ₹ 19.98). Leases not yet commenced to which the Company is committed aggregated to ₹ Nil as on 31 March 2022.

46. Segment reporting

In accordance with Ind AS 108 - 'Operating segments', segment information has been given in the consolidated financial statements of the Company and therefore no separate disclosure on segment information is given in these standalone financial statements.

47. Key Ratios

	Note	31 March 2022	31 March 2021	Change
Current ratio = Current assets / current liabilities	(i)	1.60	1.24	29.04%
Debt equity ratio = (Long-term borrowings / Equity)	(ii)	-	0.08	-100.00%
Debt Service coverage ratio (Net profit + depreciation + finance cost + gain on sale of PPE) / (finance cost + lease payments + principal repayments)	(iii)	2.74	1.02	169.34%
Return on equity ratio / return on investment ratio = net profit after tax divided by average equity	(iv)	16.19	27.49	-41.11%
Inventory turnover ratio = cost of goods sold divided by average inventory @		10.76	11.10	-3.07%
Trade receivables turnover ratio = revenue from operations divided by average trade receivables		162.60	135.12	20.33%
Trade payables turnover ratio = cost of goods sold divided by average trade payables	(vi)	51.63	40.25	28.28%
Net capital turnover ratio = Revenue from operations divided by (current assets less current liabilities)	(v)	25.40	51.14	-50.35%
Net Profit Margin (%) (PAT / Revenue from operations)	(iv)	3.84%	6.03%	-36.30%
Return on capital employed = (earnings before finance cost, other income, taxes and exceptional items) divided by average capital employed #	(iv)	19.78	31.70	-37.60%

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

capital employed = total assets - current liabilities

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

- Principal reason for change in the current ratio is attributed to the increase in current assets balances as at 31 March 2022.
- Principal reason for change in the debt equity ratio is attributed to the decrease in borrowings on account of prepayment of long-term borrowings during the year ended 31 March 2022.
- Principal reason for change in the debt service coverage ratio is attributed to the increase in prepayment of loan term borrowings during the year ended 31 March 2021 when compared to prepayments made during the year ended 31 March 2022.
- Principal reason for change in the return on equity ratio / return on investment ratio / net profit margin / return on capital employed is attributed to the increase in raw material prices resulting in decrease in profits reported during the year ended 31 March 2022 compared to the year ended 31 March 2021.
- Principal reason for change in net capital turnover ratio is attributed to the increase in current assets balances as at 31 March 2022.
- Principal reason for change in trade payables turnover ratio is attributed to the increase in cost of goods sold during the year ended 31 March 2022, on account of increase in revenue from operations.

Summary of the significant accounting policies and other explanatory information

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

48. Research and development expenses

	For the year ended	
	31 March 2022	31 March 2021
Capital expenditure	0.92	11.14
Revenue expenditure	8.07	1.87
Total	8.99	13.01

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

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

	As at	
	31 March 2022	31 March 2021
(i) The principal amount remaining unpaid as at the end of the year.	77.02	34.89
(ii) The amount of interest accrued and remaining unpaid on (i) above.	-	-
(iii) Amount of interest paid by the Company in terms of Section 16, of the MSMED Act, 2006 along with the amounts of payments made beyond the appointed date during the year.	-	-
(iv) The amount of interest due and payable for the period (where the principal has been paid but interest under the MSMED Act, 2006 not paid)	-	-
(v) The amount of further interest remaining due and payable in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprises for the purpose of disallowance as a deductible expenditure under Section 23 of the MSMED Act, 2006.	-	-

Notes:

Explanation - The terms 'appointed day', 'buyer', 'enterprise', 'micro enterprise', 'small enterprise' and 'supplier' shall have the same meaning as assigned to them under clauses (b), (d), (e), (h), (m) and (n) respectively of section 2 of the Micro, Small and Medium Enterprises Development Act, 2006.

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

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

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

Sanjay Kumar Jain
Partner
Membership No: 207660

Place : Hyderabad
Date : 27 May 2022

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

N Bhuvanewari
Vice Chairperson and
Managing Director
DIN: 00003741

Srideep Madhavan Nair Kesavan
Chief Executive Officer

Place : Hyderabad
Date : 27 May 2022

N Brahmani
Executive Director
DIN: 02338940

A Prabhakara Naidu
Chief Financial Officer
M.No.FCA 200974

M Sambasiva Rao
President

Umakanta Barik
Company Secretary &
Compliance Officer
M.No. FCS 6317

Independent Auditor's Report

To

The Members of **Heritage Foods Limited**

Report on the Audit of the Consolidated Financial Statements

Opinion

- We have audited the accompanying consolidated financial statements of Heritage Foods Limited ('the Holding Company') and its subsidiaries (the Holding Company and its subsidiaries together referred to as 'the Group'), its associate and joint venture, as listed in Annexure 1, which comprise the Consolidated Balance Sheet as at 31 March 2022, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Cash Flow Statement and the Consolidated Statement of Changes in Equity for the year then ended, and a summary of the significant accounting policies and other explanatory information.
- In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the reports of the other auditor on separate financial statements and on the other financial information of a subsidiary, the aforesaid consolidated 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 consolidated state of affairs of the Group, its associate and joint venture, as at 31 March 2022, and their consolidated profit (including other comprehensive income), consolidated cash flows and the consolidated changes in equity for the year ended on that date.

Basis for Opinion

- 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 Consolidated Financial Statements section of our report. We are independent of the Group, its associate and joint venture 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 consolidated 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 together with the audit evidence obtained by the other auditors in terms of their reports referred to in paragraph 15 of the Other Matters section below, is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matter

- Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.
- We have determined the matter described below to be the key audit matters to be communicated in our report.

Key audit matter	How our audit addressed the key audit matter
Revenue recognition Revenue from sale of goods is recognised when control of the products being sold is transferred to the customer and when there are no longer any unfulfilled obligations. The performance obligations in the contracts are fulfilled at the time of dispatch, delivery or upon formal customer acceptance depending on terms. Majority of the Holding Company's sales arrangements are on a point-of-sale basis and requires little judgement to be exercised. Discounts are material and there are arrangements with varying terms based on schemes implemented throughout the year. There is a risk of revenue being overstated, resulting from pressure the management may feel to achieve performance targets at the reporting period end.	Our audit included, but was not limited to, the following procedures: <ul style="list-style-type: none"> Assessed the appropriateness of the revenue recognition accounting policies, including those relating to discounts in accordance with Ind AS 115 – Revenue from contracts with customers ('Ind AS 115'). Evaluated the integrity of the general information and technology control environment and tested the operating effectiveness of key IT application controls. Evaluated the design and implementation of Holding Company's controls in respect of revenue recognition, including discounts. Performed substantive testing by selecting samples of revenue transactions recorded during the year by verifying the underlying documents, which included trip sheets, invoices, shipping documents and evidence of collection of receipts, as appropriate. Performed substantive testing by selecting samples of discount transactions recorded during the year and comparing the parameters used in the calculation of the discounts with the relevant source documents (including invoices and schemes) to assess whether the methodology

Key audit matter	How our audit addressed the key audit matter
<p>Due to the materiality of amounts involved and above said considerations, revenue recognition from sale of goods is determined to be a key audit matter for the current year audit.</p> <p>Refer Note 3(e) to the Consolidated Financial Statements – Summary of the significant accounting policies and Note 25 for the revenue recognized during the year.</p>	<p>adopted in the calculation of the discounts was in accordance with the terms and conditions defined in the schemes.</p> <ul style="list-style-type: none"> Assessed manual journal entries posted to revenue to identify unusual items and tested such entries on a sample basis. Evaluated appropriateness of disclosures made in the consolidated financial statements in accordance with the requirements of Ind AS 115 and other applicable regulations.

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

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

Our opinion on the consolidated 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 consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated 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 Consolidated Financial Statements

7. The accompanying consolidated financial statements have been approved by the Holding Company's Board of Directors. The Holding 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 consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive income, consolidated changes in equity and consolidated cash flows of the Group including its associate and joint venture in accordance with the 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. The Holding Company's Board of Directors are also responsible for ensuring accuracy of records including financial information considered necessary for the preparation of consolidated Ind AS financial statements. Further, in terms of the provisions of the Act the respective Board of Directors of the companies included in the Group, and its associate and joint venture company covered under the Act are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group 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. These financial statements have been used for the purpose of preparation of the consolidated financial statements by the Board of Directors of the Holding Company, as aforesaid.
8. In preparing the consolidated financial statements, the respective Board of Directors of the companies included in the Group and of its associate and joint venture are responsible for assessing the ability of the Group and of its associates and joint ventures to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intend to liquidate the Group or to cease operations, or has no realistic alternative but to do so.
9. Those respective Board of Directors are also responsible for overseeing the financial reporting process of the companies included in the Group and of its associate and joint venture.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

10. Our objectives are to obtain reasonable assurance about whether the consolidated 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 consolidated financial statements.
11. 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 consolidated 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 Holding Company has adequate internal financial controls system with reference to financial statements in place and the operating effectiveness of such controls;
 - Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management;
 - Conclude on the appropriateness of Board of Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group and its associates and joint ventures 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 Group and its associates and joint ventures 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.
 - Obtain sufficient appropriate audit evidence regarding the financial information/ financial statements of the entities or business activities within the Group, and its associate and joint venture, to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of financial statements of such entities included in the financial statements, of which we are the independent auditors. For the other entities included in the financial statements, which have been audited by the other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.
12. 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.
13. We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.
14. From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other Matters

15. We did not audit the financial statements of a subsidiary, whose financial statements reflect total assets of ₹ Nil and net assets of ₹ Nil as at 31 March 2022, total revenues of ₹ 0.01 million and net cash outflows amounting to ₹ 1.35 million for the year ended on that date, as considered in the consolidated financial statements. This financial statement has been audited by other auditor whose report has been furnished to us by the management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of this subsidiary, and our report in terms of sub-section (3) of section 143 of the Act in so far as it relates to the aforesaid subsidiary, is based solely on the reports of the other auditors.

Our opinion above on the consolidated financial statements, and our report on other legal and regulatory requirements below, are not modified in respect of the above matters with respect to our reliance on the work done by and the reports of the other auditors.

16. We did not audit the financial information of a subsidiary, whose financial information reflect total assets of ₹ 0.04 million and net assets of ₹ 0.04 million as at 31 March 2022, total revenues of ₹ 0.97 million and net cash outflows amounting to ₹ 5.16 million for the year ended on that date, as considered in the consolidated financial statements. This financial information is unaudited and have been furnished to us by the management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of the aforesaid subsidiary and our report in terms of sub-section (3) of section 143 of the Act in so far as it relates to the aforesaid subsidiary is based solely on such unaudited financial information. In our opinion and according to the information and explanations given to us by the management, this financial information is not material to the Group.

Our opinion above on the consolidated financial statements, and our report on other legal and regulatory requirements below, are not modified in respect of the above matter with respect to our reliance on the financial information certified by the management.

Report on Other Legal and Regulatory Requirements

17. As required by section 197(16) of the Act, based on our audit, we report that the Holding Company covered under the Act paid remuneration to their respective directors during the year in accordance with the provisions of and limits laid down under section 197 read with Schedule V to the Act. Further, we report that a subsidiary company and an associate covered under the Act have not paid or provided for any managerial remuneration during the year. Accordingly, reporting under section 197(16) of the Act is not applicable in respect of such subsidiary / associate company. Further, we report that the provisions of section 197 read with Schedule V to the Act is not applicable to the joint venture company covered under the Act, since it is not a public company as defined under section 2(71) of the Act.
18. As required by clause (xxi) of paragraph 3 of Companies (Auditor's Report) Order, 2020 ('the Order') issued by the Central Government of India in terms of section 143(11) of the Act based on the consideration of the Order reports issued till date by us, of companies included in the consolidated financial statements for the year ended 31 March 2022 and covered under the Act we report that following are the qualifications/adverse remarks reported by us in the Order reports of the companies included in the consolidated financial statements for the year ended 31 March 2022 for which such Order reports have been issued till date:

S No	Name	CIN	Holding Company / subsidiary / Associate / Joint Venture	Clause number of the CARO report which is qualified or adverse
1	Heritage Nutrivet Limited	U15400TG2008PLC062054	Subsidiary	i(c)
2	Heritage Novandie Foods Private Limited	U74999TG2017PTC120860	Joint Venture	vii(a)

19. As required by section 143(3) of the Act, based on our audit and on the consideration of the report of the other auditor on separate financial statements and other financial information of a subsidiary, we report, to the extent applicable, that:
- 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 aforesaid consolidated financial statements;
 - In our opinion, for all the companies covered under the Act, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books;
 - The consolidated financial statements dealt with by this report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements;
 - In our opinion, the aforesaid consolidated financial statements comply with Ind AS specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015;
 - On the basis of the written representations received from the directors of the Holding Company, its subsidiary company, associate and its joint venture and taken on record by the Board of Directors of the Holding Company, its subsidiary company, associate and joint venture company, respectively, covered under the Act, none of the directors of the Group companies, its associate and joint venture companies covered under the Act, are disqualified as on 31 March 2022 from being appointed as a director in terms of section 164(2) of the Act.
 - With respect to the adequacy of the internal financial controls with reference to financial statements of the Holding Company, and its subsidiary company, associate company covered under the Act, and the operating effectiveness of such controls, refer to our separate report in 'Annexure A' wherein we have expressed an unmodified opinion; and
 - 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 and based on the consideration of the report of the other auditors on separate financial statements as also the other financial information of the subsidiaries, associate and joint venture:
 - The consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group, its associate and joint venture as detailed in Note 44(b) to the consolidated financial statements;
 - The Holding Company, its subsidiary companies, associate company and joint venture company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses as at 31 March 2022;
 - There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding Company during the year ended 31 March 2022. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the subsidiary company, associate company and joint venture company covered under the Act, during the year ended 31 March 2022; and
 - The respective managements of the Holding Company and its subsidiary companies, associate and joint venture company incorporated in India whose financial statements have been audited under the Act have represented to us, to the best of their knowledge and belief, as disclosed in note 36(i) to the consolidated 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 Holding Company or its subsidiary companies, its associate or its joint venture 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 Holding Company, or any such subsidiary companies, its associate or its joint venture ('the Ultimate Beneficiaries') or provide any guarantee, security or the like on behalf the Ultimate Beneficiaries;

- The respective managements of the Holding Company and its subsidiary companies, associate and joint venture company incorporated in India whose financial statements have been audited under the Act have represented to us, to the best of their knowledge and belief, as disclosed in the note 36(ii) to the accompanying consolidated financial statements, no funds have been received by the Holding Company or its subsidiary companies, or its associate or its joint venture 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 Holding Company, or any such subsidiary companies, its associate or its joint venture 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
 - Based on such audit procedures performed, as considered reasonable and appropriate in the circumstances, nothing has come to our attention that causes us to believe that the management representations under sub-clauses (a) and (b) above contain any material misstatement.
- v. As stated in note 35 to the accompanying consolidated financial statements, the final dividend paid by the Holding Company during the year ended 31 March 2022 in respect of such dividend declared for the previous year is in accordance with section 123 of the Act to the extent it applies to payment of dividend. The interim dividend declared and paid by the Holding Company during the year ended 31 March 2022 and until the date of this audit report is in compliance with section 123 of the Act. The Board of Directors of the Holding Company have proposed final dividend for the year ended 31 March 2022 which is subject to the approval of the members at the ensuing Annual General Meeting. The dividend declared is in accordance with section 123 of the Act to the extent it applies to declaration of dividend.

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

Sanjay Kumar Jain
Partner
Membership No.: 207660
UDIN: 22207660AJRYLT1186

Place: Hyderabad
Date: 27 May 2022

Annexure 1

List of entities included in the Consolidated Financial Statements

Subsidiaries:

- Heritage Nutrivet Limited
- Heritage Farmers Welfare Trust
- Heritage Employees Welfare Trust

Associate:

- SKIL Raigam Power (India) Limited

Joint Venture:

- Heritage Novandie Foods Private Limited

Annexure A

INDEPENDENT AUDITOR'S REPORT ON THE INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO CONSOLIDATED 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 consolidated financial statements of Heritage Foods Limited ('the Holding Company') and its subsidiaries (the Holding Company and its subsidiaries together referred to as 'the Group'), its associate and joint venture as at and for the year ended 31 March 2022, we have audited the internal financial controls with reference to financial statements of the Holding Company, its subsidiary company, its associate company, which are companies covered under the Act, as at that date.

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

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

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

3. Our responsibility is to express an opinion on the internal financial controls with reference to financial statements of the Holding Company, its subsidiary company, its associate company, as aforesaid, 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 internal financial controls with reference to financial statements of the Holding Company, its subsidiary company, its associate company as aforesaid.

Meaning of Internal Financial Controls with Reference to Consolidated 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 Consolidated 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 Holding Company, its subsidiary company, its associate company, which are companies covered under the Act, have in all material respects, adequate internal financial controls with reference to financial statements and such controls were operating effectively as at 31 March 2022, 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 Chandiook & Co LLP**

Chartered Accountants

Firm's Registration No.: 001076N/N500013

Sanjay Kumar Jain

Partner

Membership No.: 207660

UDIN: 22207660AJRYLT1186

Place: Hyderabad

Date : 27 May 2022

Consolidated Balance Sheet

as at 31 March 2022

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

Particulars	Notes	As at	
		31 March 2022	31 March 2021
ASSETS			
Non-current assets			
(a) Property, plant and equipment	6	5,704.52	5,714.08
(b) Capital work-in-progress	6(a)	73.99	157.41
(c) Investment property	8	44.20	45.28
(d) Other intangible assets	7	44.39	38.95
(e) Intangible assets under development	7(a)	6.40	25.77
(f) Financial assets			
(i) Investment in associate and joint venture	9	173.87	129.06
(ii) Other investments	10	2.93	2.85
(iii) Other financial assets	11	64.10	55.26
(g) Other non-current assets	12	3.84	21.88
Total non-current assets		6,118.24	6,190.54
Current assets			
(a) Inventories	13	2,058.39	1,982.70
(b) Financial assets			
(i) Investments	10	0.03	0.04
(ii) Trade receivables	14	184.80	152.20
(iii) Cash and cash equivalents	15	331.11	218.26
(iv) Bank balances other than (iii) above	15	25.01	17.30
(v) Loans	16	0.91	8.90
(vi) Other financial assets	11	36.56	31.59
(c) Current tax assets (net)		36.05	25.78
(d) Other current assets	12	230.24	145.99
(e) Disposal group - Assets held for sale		4.46	11.81
Total current assets		2,907.56	2,594.57
Total assets		9,025.80	8,785.11
EQUITY AND LIABILITIES			
Equity			
(a) Equity share capital	17	231.99	231.99
(b) Other equity	18	6,343.51	5,726.26
Equity attributable to the owners of the Company		6,575.50	5,958.25
(c) Non-controlling interest		0.04	4.88
Total equity		6,575.54	5,963.13
Liabilities			
Non-current liabilities			
(a) Financial liabilities			
(i) Borrowings	19	79.54	340.40
(ia) Lease liabilities	45	47.13	22.36
(ii) Other financial liabilities	20	7.07	8.77
(b) Government grant		86.28	26.90
(c) Provisions	21	165.45	103.73
(d) Deferred tax liabilities (net)	22	239.02	240.57
Total non-current liabilities		624.49	742.73
Current liabilities			
(a) Financial liabilities			
(i) Borrowings	19	37.62	298.93
(ia) Lease liabilities	45	28.23	22.51
(ii) Trade payables	24	-	-
- total outstanding dues of micro and small enterprises;		77.02	35.14
- total outstanding dues of creditors other than micro and small enterprises		441.66	319.45
(iii) Other financial liabilities	20	1,035.08	1,194.34
(b) Other current liabilities	23	116.66	79.15
(c) Government grant		6.73	0.22
(d) Provisions	21	82.77	127.72
(e) Disposal group - liabilities related to assets held for sale		-	1.79
Total current liabilities		1,825.77	2,079.25
Total equity and liabilities		9,025.80	8,785.11

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

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

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

N Bhuvanewari
Vice Chairperson and
Managing Director
DIN: 00003741

N Brahmani
Executive Director
DIN: 02338940

M Sambasiva Rao
President

Sanjay Kumar Jain
Partner
Membership No: 207660

Srideep Madhavan Nair Kesavan
Chief Executive Officer

A Prabhakara Naidu
Chief Financial Officer
M.No.FCA 200974

Umakanta Barik
Company Secretary &
Compliance Officer
M.No. FCS 6317

Place : Hyderabad
Date : 27 May 2022

Place : Hyderabad
Date : 27 May 2022

Consolidated Statement of Profit and Loss

for the year ended 31 March 2022

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

Particulars	Notes	For the year ended	
		31 March 2022	31 March 2021
Revenue from operations	25	26,812.79	24,731.13
Other income	26	112.72	80.33
Total income		26,925.51	24,811.46
Expenses			
Cost of materials consumed	27	20,605.18	18,419.76
Purchase of stock-in-trade		169.37	266.85
Changes in inventories of finished goods, semi finished goods, stock-in-trade and work-in-progress	28	60.14	(312.95)
Employee benefits expenses	29	1,842.88	1,778.87
Finance costs	30	40.07	191.80
Depreciation and amortisation expense	6, 7 & 8	521.82	462.26
Impairment losses	6, 7 & 9	4.24	42.44
Other expenses	31	2,222.65	1,866.97
Fair value loss on FVTPL securities		-	48.12
Total expenses		25,466.35	22,764.12
Profit before share of loss of an associate and a joint venture from continuing operations		1,459.16	2,047.34
Share of loss of an associate and a joint venture		(60.34)	(22.16)
Profit before exceptional items and tax from continuing operations		1,398.82	2,025.18
Exceptional items	34	(91.40)	-
Profit before tax from continuing operations		1,307.42	2,025.18
Tax expense			
Current tax expense	32	343.59	516.40
Deferred tax expense/(benefit)		(1.38)	18.28
Profit for the year from continuing operations		965.21	1,490.50
Discontinued operations			
Loss before tax	47	(4.35)	(7.49)
Tax expense		-	-
Loss for the year from discontinued operations		(4.35)	(7.49)
Profit for the year		960.86	1,483.01
Other comprehensive income			
Items that will not be reclassified to profit or loss			
(i) Re-measurement loss on defined benefit plan, net of taxes		(0.53)	(3.84)
(ii) Net gain/(loss) on FVTOCI equity securities		0.07	(17.23)
Total other comprehensive loss for the year		(0.46)	(21.07)
Total comprehensive income for the year		960.40	1,461.94
Profit/(loss) for the year, attributed to Owners of the Company:			
- Profit from continuing operations		965.69	1,499.48
- Profit/(loss) from discontinuing operations		-	-
- Total profit		965.69	1,499.48
- Other comprehensive loss		(0.46)	(21.07)
- Total comprehensive income		965.23	1,478.41
Loss for the year, attributed to Non-controlling interest of the Company:			
- Loss from continuing operations		(0.48)	(8.98)
- Loss from discontinuing operations		(4.35)	(7.49)
- Total loss		(4.83)	(16.47)
- Other comprehensive income/(loss)		-	-
- Total comprehensive loss		(4.83)	(16.47)
Earnings per equity share [EPES] (in absolute ₹ terms)	33		
Nominal value per equity share		5.00	5.00
Basic and Diluted EPES			
- Continuing operations		20.81	32.32
- Discontinuing operations		-	-
- Continuing and discontinued operations		20.81	32.32

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

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

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

N Bhuvanewari
Vice Chairperson and
Managing Director
DIN: 00003741

N Brahmani
Executive Director
DIN: 02338940

M Sambasiva Rao
President

Sanjay Kumar Jain
Partner
Membership No: 207660

Srideep Madhavan Nair Kesavan
Chief Executive Officer

A Prabhakara Naidu
Chief Financial Officer
M.No.FCA 200974

Umakanta Barik
Company Secretary &
Compliance Officer
M.No. FCS 6317

Place : Hyderabad
Date : 27 May 2022

Place : Hyderabad
Date : 27 May 2022

Consolidated Cash Flow Statement

for the year ended 31 March 2022

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

Particulars	For the year ended	
	31 March 2022	31 March 2021
Cash flow from operating activities		
Profit before tax from continuing operations	1,307.42	2,025.18
Adjustments:		
Fair value loss on FVTPL equity securities	-	51.62
Depreciation and amortization expense	521.82	462.26
Impairment losses	4.24	42.44
Provision for doubtful advances	-	11.82
Share of loss of an associate and a joint venture	60.34	22.16
Provision for doubtful debts and bad debts written off	61.27	3.05
Guarantee income	(2.20)	(1.23)
Amortisation of government grants	(7.36)	(0.31)
Property, plant and equipment written off	14.36	6.18
Gain on sale of Property, plant and equipment ("PPE")	(31.24)	(17.77)
Provisions no longer required/credit balances written back	(19.45)	(18.27)
Gain on investments	(12.07)	(3.50)
Interest income	(4.50)	(2.82)
Interest expenses	35.02	185.61
Advances written off	1.32	0.66
Lease rental income	(19.27)	(12.31)
Operating profits before working capital changes	1,909.70	2,754.77
Changes in inventories	(75.69)	(535.95)
Changes in trade receivables	(93.87)	63.67
Changes in loans	7.99	(10.49)
Changes in other assets	(89.10)	8.60
Changes in other financial assets	(5.46)	1.07
Changes in trade payables	164.09	(244.89)
Changes in provisions	16.05	31.84
Changes in other financial liabilities	(35.88)	221.18
Changes in other liabilities	40.37	(10.30)
Cash generated from operating activities	1,838.20	2,279.50
Income tax paid, net	(353.86)	(530.84)
Net cash generated from operating activities of continuing operations	1,484.34	1,748.66
Net cash used in operating activities of discontinued operations	(5.16)	(9.42)
Net cash generated from operating activities (A)	1,479.18	1,739.24
Cash flows from investing activities		
Purchase of PPE and other intangible assets including CWIP and intangible assets under development	(464.73)	(926.25)
Proceeds from sale of PPE	48.01	264.43
Investment in a joint venture	(104.65)	(66.30)
Receipts of government grants	73.26	26.66
Purchase of investments	(2,851.00)	(670.00)
Proceeds from sale of investments	2,863.07	2,033.70
Interest received	4.17	4.32
Movement in other bank balances, net	(12.42)	9.73
Rent received	19.84	11.99
Net cash generated from/ (used in) investing activities of continuing operations	(424.45)	688.28

Consolidated Cash Flow Statement

for the year ended 31 March 2022

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

Particulars	For the year ended	
	31 March 2022	31 March 2021
Net cash generated from investing activities of discontinued operations	-	-
Net cash generated from/ (used in) investing activities (B)	(424.45)	688.28
Cash flows from financing activities		
Proceeds from long term borrowings	-	282.52
Repayment of long term borrowings	(505.96)	(1,848.27)
Interest paid	(30.92)	(187.68)
Lease rentals paid	(41.68)	(43.49)
Movement in minority interest, net	-	(0.17)
Dividend paid	(347.99)	(116.00)
Net cash used in financing activities of continuing operations	(926.55)	(1,913.09)
Net cash generated from financing activities of discontinued operations	-	-
Net cash used in financing activities (C)	(926.55)	(1,913.09)
Net increase/ (decrease) in cash and cash equivalents during the year (A + B + C)	128.18	514.43
Cash and cash equivalents at the beginning of the year	202.93	(311.50)
Cash and cash equivalents at the end of the year	331.11	202.93
Note 1:		
Cash and cash equivalents include:		
- Included in cash and cash equivalents and current borrowings		
Cash on hand	25.81	33.05
Balances with banks in current accounts	305.30	169.64
Deposits with original maturity up to 3 months	-	14.45
Loans repayable on demand from banks	-	(19.36)
	331.11	197.78
- Included in the assets of the disposal group (refer note 47)	-	5.15
	331.11	202.93

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

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

Sanjay Kumar Jain
Partner
Membership No: 207660

Place : Hyderabad
Date : 27 May 2022

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

N Bhuvanawari
Vice Chairperson and
Managing Director
DIN: 00003741

Srideep Madhavan Nair Kesavan
Chief Executive Officer

Place : Hyderabad
Date : 27 May 2022

N Brahmani
Executive Director
DIN: 02338940

A Prabhakara Naidu
Chief Financial Officer
M.No.FCA 200974

M Sambasiva Rao
President

Umakanta Barik
Company Secretary &
Compliance Officer
M.No. FCS 6317

Consolidated Statement of Change in Equity

for the year ended 31 March 2022

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

A Equity Share Capital

	Notes	Number of shares	Amount
As at 1 April 2020		4,63,98,000	231.99
Changes in equity share capital	17	-	-
As at 31 March 2021		4,63,98,000	231.99
Changes in equity share capital	17	-	-
As at 31 March 2022		4,63,98,000	231.99

B Other equity (refer note 18)

	Reserves and Surplus				OCI		Non-controlling interest	Total
	Capital reserve	Capital redemption reserve	Securities premium	Warrants money appropriated	General reserve	Retained earnings		
Balance as at 1 April 2020	(14.97)	8.10	378.41	31.87	842.74	3,118.24	(0.54)	4,385.37
Profit for the year	-	-	-	-	-	1,499.48	-	1,483.01
Repayment of contribution to corpus fund	-	-	-	-	-	-	-	(0.17)
Payment of dividend (₹2.50 per equity share)	-	-	-	-	(116.00)	-	-	(116.00)
Transfer on disposal of equity instruments classified as FVTOCI	-	-	-	-	-	(17.15)	17.15	-
Other comprehensive loss, net of taxes	-	-	-	-	-	(3.84)	(17.23)	(21.07)
Balance as at 31 March 2021	(14.97)	8.10	378.41	31.87	842.74	4,480.73	(0.62)	5,731.14
Profit for the year	-	-	-	-	-	965.69	-	960.86
Payment of dividend (₹7.50 per equity share)	-	-	-	-	-	(347.99)	-	(347.99)
Other comprehensive loss, net of taxes	-	-	-	-	-	(0.53)	0.07	(0.46)
Balance as at 31 March 2022	(14.97)	8.10	378.41	31.87	842.74	5,097.90	(0.55)	6,343.55

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

For **Walker Chandiook & Co LLP**
Chartered Accountants
Firm's Registration No: 0011076N/IN500013

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

N Bhuvanewari
Vice Chairperson and
Managing Director
DIN: 00003741

N Brahmani
Executive Director
DIN: 02338940

M Sambasiva Rao
President

Sanjay Kumar Jain
Partner
Membership No: 207660
Place : Hyderabad
Date : 27 May 2022

Srideep Madhavan Nair Kesavan
Chief Executive Officer

A Prabhakara Naidu
Chief Financial Officer
M.No.FCA 200974

Umakanta Barik
Company Secretary &
Compliance Officer
M.No. FCS 6517

Summary of the Significant Accounting Policies And other Explanatory Information

1. Corporate information

Heritage Foods Limited ("the Company" or "Parent Company" or "Holding Company") together with its subsidiaries, a joint venture and an associate (collectively referred as "the Group"), is a leading India based Dairy Company, headquartered, and having its registered office at #6-3-541/C, Punjagutta, Hyderabad – 500 082 Telangana, India. The Group operates through its three business divisions (a) Dairy, (b) Renewable Energy and (c) Animal Feed Products. The Parent Company's shares are listed and traded on the Indian Stock Exchanges viz., BSE Limited and the National Stock Exchange of India.

2. Basis of preparation of the consolidated financial statements

The consolidated 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 and guidelines issued by the Securities Exchange Board of India ("SEBI").

These consolidated 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 Parent Company's annual reporting date, 31 March 2022. These consolidated financial statements were authorised for issuance by the Company's Board of Directors on 27 May 2022.

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

- Derivative financial instruments are measured at fair value.
- Financial assets are measured at either at fair value or at amortised cost depending upon the classification.
- 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.
- Long-term borrowings are measured at amortised cost using the effective interest rate method; and
- 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 Group has uniformly applied the accounting policies during the periods presented. The consolidated financial statements are presented in Indian Rupees (₹) and all values are rounded to the nearest millions, except when otherwise indicated.

3. Summary of significant accounting policies

a. Basis of consolidation

Subsidiaries

Subsidiaries are all entities (including special purpose entities) that are controlled by the Parent Company. Control exists when the Parent Company is exposed to or has rights to variable returns from its involvement with the entity and has the ability to affect those returns through power over the entity. In assessing control, potential voting rights are considered only if the rights are substantive. The financial statements of subsidiaries are included in these consolidated financial statements from the date that control commences until the date that control ceases. Non-controlling interests in the results and equity of subsidiaries are shown separately in the consolidated statement of profit and loss, consolidated statement of changes in equity and consolidated balance sheet, respectively. For the purpose of preparing these consolidated financial statements, the accounting policies of subsidiaries have been changed where necessary to align them with the policies adopted by the Parent Company.

Consolidation procedure:

- Combine like items of assets, liabilities, equity, income, expenses and cash flows of the Parent Company with those of its subsidiaries.
- Offset (eliminate) the carrying amount of the Parent Company's investment in each subsidiary and the Parent Company's portion of equity of each subsidiary.
- Eliminate in full intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between entities of the Group (profits or losses resulting from intragroup transactions that are recognised in assets, such as inventory and Property, plant and equipment are eliminated in full). Intragroup losses may indicate an impairment that requires recognition in the consolidated financial statements. Ind AS12 Income Taxes applies to temporary differences that arise from the elimination of profits and losses resulting from intragroup transactions.

Profit or loss and each component of other comprehensive income (OCI) are attributed to the equity holders of the Parent Company and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance.

Joint arrangements (equity accounted investees)

Joint arrangements are those arrangements over which the Company has joint control, established by contractual agreement and requiring unanimous consent for strategic financial and operating decisions. A joint arrangement is either a joint operation or a joint venture.

A joint operation is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the assets, and obligations for the liabilities, relating to the arrangement. A joint venture is a joint arrangement whereby the parties that have

joint control of the arrangement have rights to the net assets of the arrangement.

With respect to joint operations, the Company recognises its direct right to the assets, liabilities, revenues and expenses of joint operations and its share of any jointly held or incurred assets, liabilities, revenues and expenses.

Investments in joint ventures are accounted for using the equity method and are initially recognised at cost. The carrying value of the Company's investment includes goodwill identified on acquisition, net of any accumulated impairment losses. The Company does not consolidate entities where the non-controlling interest ("NCI") holders have certain significant participating rights that provide for effective involvement in significant decisions in the ordinary course of business of such entities. Investments in such entities are accounted for the equity method of accounting. When the Company's share of losses exceeds its interest in an equity accounted investee, the carrying amount of that interest (including any long-term investments) is reduced to zero and the recognition of further losses is discontinued except to the extent that the Company has an obligation or has made payments on behalf of the investee.

For the purpose of preparing these consolidated financial statements, the accounting policies of joint venture has been changed where necessary to align them with the policies adopted by the Parent Company. Furthermore, the financial statements of the joint ventures are prepared for the same reporting period as of the Parent Company.

Unrealised gains or losses arising from transactions with equity accounted investees are eliminated against the investment to the extent of the Parent Company's interest in the investee.

List of entities included in the consolidated financial statements is as under:

Name of the entity	Relationship	Country of incorporation	Proportion of ownership interest as at	
			31 March 2022	31 March 2021
Heritage Nutrivet Limited ("HNL")	Subsidiary	India	100%	100%
Heritage Novandie Foods Private Limited	Joint venture	India	50%	50%
SKIL Raigam Power (India) Limited*	Associate	India	43.33%	44.22%
Heritage Farmers Welfare Trust	Subsidiary	India	#	#
Heritage Employees Welfare Trust**	Subsidiary	India	#	#

*Declared as Dormant Company as per Section 455(2) of Companies Act, 2013 vide SRN No T42936765 dated 22 September 2021.

**The Board of Directors of the Company passed a resolution on 24 March 2017 to discontinue all the activities of the trust with effect from 1 April 2017, except for loan recoveries from employees.

#Considered as subsidiaries by virtue of control being exercised by the Parent Company.

b. Current versus non-current classification

The Group presents assets and liabilities in the consolidated 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

Associate

An associate is an entity over which the Parent Company has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee, but is not control or joint control over those policies. Investment in an associate is accounted for using the equity method and the investment is initially recognised at cost.

Changes in ownership interests

Acquisition of some or all of the NCI is accounted for as a transaction with equity holders in their capacity as equity holders. Consequently, the difference arising between the fair value of the purchase consideration paid and the carrying value of the NCI is recorded as an adjustment to retained earnings that is attributable to the Parent company. The associated cash flows are classified as financing activities. No goodwill is recognised as a result of such transactions.

Loss of Control

Upon loss of control, the Parent Company derecognises the assets and liabilities of the subsidiary, any NCIs and the other components of equity related to the subsidiary. Any surplus or deficit arising on the loss of control is recognised in the consolidated statement of profit and loss. If the Company retains any interest in the previous subsidiary, then such interest is measured at fair value at the date that control is lost. Subsequently, depending on the level of influence retained, it is accounted for as an equity-accounted investee or as an investment measured at fair value through other comprehensive income ("FVTOCI") or fair value through profit or loss ("FVTPL") under Ind AS 109, "Financial Instruments".

All other assets are classified as non-current.

A liability is current when:

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

All other liabilities are classified as non-current.

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

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

c. Foreign currencies

The functional currency of the Parent Company and its subsidiaries is Indian rupee (₹). These consolidated financial statements are presented in Indian rupees, which is Parent Company's functional currency.

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

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

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

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

d. Fair value measurement

The Group measures financial instruments at fair value at each consolidated 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 Group.

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 Group 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 consolidated 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 consolidated financial statements on a recurring basis, the Group 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 Group's management determines the policies and procedures for both recurring fair value measurement, such as derivative instruments and unquoted financial assets measured at fair value, and for non-recurring measurement, such as assets held for distribution in discontinued operations.

External valuers are involved for valuation of significant assets, such as unquoted financial assets, and significant liabilities, such as contingent consideration. Involvement of external valuers is decided upon annually by the management. Selection criteria include market knowledge, reputation, independence and whether professional standards are maintained.

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 Group'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 Group 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.

e. Revenue recognition

The Group derives revenues primarily from sale of milk, dairy products and feed products. It is also engaged in generation of power and trading of dairy and food commodities.

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 Group expects to receive in exchange for those products or services.

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

The Group 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 Group 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 and services is recognised at the time when performance obligation is satisfied.

Interest Income

For all debt instruments measured either at amortised cost or at fair value through other comprehensive income,

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

f. Government grants

Government grants are recognised where there is reasonable assurance that the grant will be received and all attached conditions will be complied with. When the grant relates to an expense item, it is recognised as income on a systematic basis over the periods that the related costs, for which it is intended to compensate, are expensed. When the grant relates to an asset, it is recognised as income in equal amounts over the expected useful life of the related asset.

On receipt of grants of non-monetary assets, the asset and the grant are recorded at fair value amounts and released to the consolidated statement of profit and loss over the expected useful life in a pattern of consumption of the benefit of the underlying asset i.e. by equal annual instalments. When loans or similar assistance are provided by governments or related institutions, with an interest rate below the current applicable market rate, the effect of this favourable interest is regarded as a government grant. The loan or assistance is initially recognised and measured at fair value and the government grant is measured as the difference between the initial carrying value of the loan and the proceeds received. The loan is subsequently measured as per the accounting policy applicable to financial liabilities.

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

Deferred tax

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

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

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

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

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

Deferred tax is recognised in the consolidated 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.

h. Non-current assets held for sale and discontinued operations

The Group classifies non-current assets and disposal groups as held for sale if their carrying amounts will be recovered principally through a sale rather than through continuing use. Actions required to complete the sale should indicate that it is unlikely that significant changes to the sale will be made or that the decision to sell will be withdrawn. Management must be committed to the sale expected within one year from the date of classification.

For these purposes, sale transactions include exchanges of non-current assets for other non-current assets when the exchange has commercial substance. The criteria for held for sale classification is regarded met only when the assets or disposal group is available for immediate sale in

its present condition, subject only to terms that are usual and customary for sales of such assets (or disposal groups), its sale is highly probable; and it will genuinely be sold, not abandoned. The Group treats sale of the asset or disposal group to be highly probable when:

- The appropriate level of management is committed to a plan to sell the asset (or disposal group),
- An active programme to locate a buyer and complete the plan has been initiated (if applicable),
- The asset (or disposal group) is being actively marketed for sale at a price that is reasonable in relation to its current fair value,
- The sale is expected to qualify for recognition as a completed sale within one year from the date of classification, and
- Actions required to complete the plan indicate that it is unlikely that significant changes to the plan will be made or that the plan will be withdrawn.

Non-current assets held for sale and disposal groups are measured at the lower of their carrying amount and the fair value less costs to sell. Assets and liabilities classified as held for sale are presented separately in the consolidated balance sheet.

Property, plant and equipment and intangible assets once classified as held for sale are not depreciated or amortised.

A disposal group qualifies as discontinued operation if it is a component of an entity that either has been disposed of, or is classified as held for sale, and:

- Represents a separate major line of business or geographical area of operations,
- Is part of a single co-ordinated plan to dispose of a separate major line of business or geographical area of operations or
- Is a subsidiary acquired exclusively with a view to resale.

Discontinued operations are excluded from the results of continuing operations and are presented as a single amount as profit or loss after tax from discontinued operations in the consolidated statement of profit and loss.

Additional disclosures are provided in Note 47. All notes to the consolidated financial statements mainly include amounts for continuing operations, unless otherwise mentioned.

i. Property, plant and equipment

Property, plant and equipment are stated at cost net of accumulated depreciation and accumulated impairment losses. 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 Group 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 consolidated 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 Group 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 /or internal evaluation. 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.

The useful life provided for different asset classes under schedule II of the Act and considered by the management are as follows:

Asset class	Useful life considered by management (in years)	Useful life prescribed under the Act (in years)
Buildings	5 – 30	30
Plant and machinery	1 – 20	15
Furniture and Fixtures	1 – 15	10
Vehicles	2 – 10	8
Office Equipment	1 – 20	5

- i) Depreciation on Improvements to leasehold property is provided over the period of lease.
- ii) Depreciation in respect of its Renewable Energy business is provided on straight line method and at rates/ methodology prescribed under the relevant Central Electricity Regulatory Commission (CERC) regulations.

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 are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the consolidated 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.

j. Investment property

Investment properties are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are stated at cost less accumulated depreciation and accumulated impairment loss, if any.

The cost includes the cost of replacing parts and borrowing costs for long-term construction projects if the recognition criteria are met. When significant parts of the investment property are required to be replaced at intervals, the Group depreciates them separately based on their specific useful lives. All other repair and maintenance costs are recognised in the consolidated statement of profit and loss as incurred.

The Group depreciates building component of investment property over the useful life prescribed in Schedule II to the Companies Act, 2013.

Though the Group measures investment property using cost based measurement, the fair value of investment property is disclosed in the note 8 to the consolidated financial statements.

Investment properties are derecognised either when they have been disposed of or when they are permanently withdrawn from use and no future economic benefit is expected from their disposal. The difference between the net disposal proceeds and the carrying amount of the asset is recognised in the consolidated statement of profit and loss in the period of de-recognition.

k. Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is their fair value at the date of acquisition. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses. Internally generated intangibles, excluding capitalised development costs, are not capitalised and the related expenditure is reflected in the consolidated statement of profit and loss in the period in which the expenditure is incurred.

The useful lives of intangible assets are assessed as either finite or indefinite.

Intangible assets with finite lives are amortised on straight line basis over the estimated useful economic life. The amortisation expense on intangible assets with finite life is recognised in the consolidated statement of profit and loss. The estimated useful life of intangible assets is mentioned below:

Asset	Useful life (years)
Brand	5
Non-compete	3
Procurement	5
Computer Software	5
Distribution network	5

Intangible assets with finite lives are assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortisation period or method, as appropriate, and are treated as changes in accounting estimates. The amortisation expense on intangible assets with finite lives is recognised in the consolidated statement of profit and loss unless such expenditure forms part of carrying value of another asset.

Intangible assets with indefinite useful lives are not amortised, but are tested for impairment annually, either individually or at the cash-generating unit level. The assessment of indefinite life is reviewed annually to determine whether the indefinite life continues to be supportable. If not, the change in useful life from indefinite to finite is made on a prospective basis.

Gains or losses arising from de-recognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the consolidated statement of profit and loss when the asset is derecognised.

l. Borrowing cost

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

m. Leases

The Group as a lessee

The Group's lease asset classes primarily consist of leases for land and buildings. The Group 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 Group assesses whether: (i) the contract involves the use of an identified asset (ii) the Group has substantially all of the economic benefits from use of the asset through the period of the lease and (iii) the Group has the right to direct the use of the asset.

At the date of commencement of the lease, the Group 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 Group recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease.

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

The Group 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 Group uses incremental borrowing rate. For leases with reasonably similar characteristics, the Group, 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 Group 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 Group recognises the amount of the re-measurement of lease liability due to modification as an adjustment to the Right-of-use asset and Consolidated 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 Group recognises any remaining amount of the re-measurement in the Consolidated Statement of Profit and Loss.

The Group as a lessor

Leases for which the Group is a lessor is classified as a finance or operating lease. Whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee, the contract is classified as a finance lease. All other leases are classified as operating leases. For

operating leases, rental income is recognized on a straight-line basis over the term of the relevant lease.

n. Inventories

All inventories except stores, spares, consumables, semi-finished goods and packaging material, are valued at lower of cost and net realisable value. Stores, spares and consumables, semi-finished goods 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 of the following:

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

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

o. Impairment of non-financial assets

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

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

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

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

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

p. Provision and contingencies

Provisions

Provisions are recognised when the Group 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 Group 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 consolidated 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 is 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.

q. 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 consolidated statement of profit and loss for the year in which the contributions are due. The Group has no obligation, other than the contribution payable to the provident fund. If the contribution payable to the scheme for service received before the consolidated 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 consolidated 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 Group operates a defined benefit gratuity plan in India, 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 consolidated 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 consolidated statement of profit and loss in subsequent periods.

Leave Encashment: The Group operates a long-term leave encashment plan in India. 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".

r. Financial instruments

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

Financial assets

Initial recognition and measurement

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

Subsequent measurement

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

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

Debt instruments at amortised cost

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

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

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

Debt instrument at FVTOCI

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

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

Debt instruments included within the FVTOCI category are measured initially as well as at each reporting date at fair value. Fair value movements are recognized in the other comprehensive income (OCI). On de-recognition of the asset, cumulative gain or loss previously recognised in OCI is reclassified from the equity to the consolidated statement of profit and loss. Interest earned whilst holding FVTOCI debt instrument is reported as interest income using the EIR method.

Debt instrument at FVTPL

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

Debt instruments included within the FVTPL category are measured at fair value with all changes recognized in the consolidated 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 Group decides to classify the same either as at FVTOCI or FVTPL. The Group makes such election on an instrument-by-instrument basis. The classification is made on initial recognition and is irrevocable.

If the Group 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 the consolidated statement of profit and loss, even on sale of investment. However, the Group may transfer 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 Group 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 Group has transferred substantially all the risks and rewards of the asset, or (b) the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Group 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 Group continues to recognise the transferred asset to the extent of the Group's continuing involvement. In that case, the Group 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 Group 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 Group could be required to repay.

Impairment of financial assets

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

- Financial assets that are debt instruments, and are measured at amortised cost e.g., loans, debt securities, deposits, trade receivables and bank balances
- Financial guarantee contracts which are not measured as at FVTPL
- Lease receivables under Ind AS 116

The Group 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 Group 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 Group 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 Group 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 consolidated statement of profit and loss. This amount is reflected under the head 'other expenses' in the consolidated statement of profit and loss.

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

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 Group's financial liabilities include trade and other payables, loans and borrowings including derivative financial instruments.

Subsequent measurement

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

Financial liabilities at fair value through profit or loss

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

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

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

Loans and borrowings

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in the consolidated 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 consolidated statement of profit and loss.

This category generally applies to borrowings from banks.

Financial guarantee contracts

Financial guarantee contracts issued by the Company are those contracts that require a payment to be made to reimburse the holder for a loss it incurs because the specified debtor fails to make a payment when due in accordance with the terms of a debt instrument. Financial guarantee contracts are recognised initially as a liability at fair value, adjusted for transaction costs that are directly attributable to the issuance of the guarantee.

Subsequently, the liability is measured at the higher of the amount of loss allowance determined as per impairment requirements of Ind AS 109 and the amount recognised less cumulative amortisation.

Trade and other payables

These amounts represent liabilities for goods and services provided to the Group 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 consolidated statement of profit and loss.

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the consolidated 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.

Derivative financial instrument - Initial recognition and subsequent measurement

Derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently re-measured at fair value. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

Any gains or losses arising from changes in the fair value of derivatives are taken directly to the consolidated statement of profit and loss.

s. Earnings per share

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders (after deducting preference dividends and attributable taxes) 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.

t. Cash flow statement

The consolidated cash flow statement is prepared in accordance with the Indirect method. Consolidated Cash Flow Statement presents the cash flows by operating, financing and investing activities of the Group. 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 Consolidated Cash flow statement, cash and cash equivalents consist of cash on hand and balances with banks in current accounts and short-term deposits with an original maturity of three months or less, and

excludes balances maintained in cash credit accounts, as they are not considered to be an integral part of the Group's cash management.

u. Cash and cash equivalents

Cash and cash equivalent in the consolidated 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.

v. Cash dividends to equity holders

Annual dividend distribution to the shareholders is recognised as a liability in the period in which the dividend is approved by the shareholders. Any interim dividend paid is recognised on approval by Board of Directors. Dividend payable and corresponding tax on dividend distribution is recognised directly in equity.

w. Operating segments

Operating segments are reported in a manner consistent with the internal reporting provided to Chief Operating Decision Maker.

Vice Chairperson and Managing Director, Executive Director, President and Chief Financial Officer have been identified as Chief Operating Decision Maker. Refer note 50 for segment information.

c. Fair value measurement of financial instruments

When the fair values of financial assets and financial liabilities recorded in the consolidated balance sheet cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques including the DCF model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values.

d. 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 Group 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 Group 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 Group'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

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

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

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

4. Key accounting estimates, judgements and assumptions

The preparation of the consolidated 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 and amortisable assets

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

Summary of the significant accounting policies and other explanatory information

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

6. Property, Plant and Equipment

	Freehold land	Buildings	Leasehold improvements	Plant and Equipment	Furniture and fixtures	Office equipment	Vehicles	Right-of-use assets	Total
Gross Block									
Balance as at 1 April 2020	485.39	1,368.36	3.13	3,600.64	25.67	84.13	56.39	102.33	5,726.04
Additions during the year	-	486.01	-	978.88	5.54	20.76	4.13	17.01	1,512.33
Disposals/ transfers during the year	1.66	(9.04)	-	105.66	0.56	5.18	5.24	-	109.26
Balance as at 31 March 2021	483.73	1,863.41	3.13	4,473.86	30.65	99.71	55.28	119.34	7,129.11
Additions during the year	43.52	129.38	-	240.95	3.11	16.24	32.93	65.40	531.53
Disposals/ transfers during the year	-	2.00	-	113.82	0.28	5.19	21.71	61.87	204.87
Balance as at 31 March 2022	527.25	1,990.79	3.13	4,600.99	33.48	110.76	66.50	122.87	7,455.77
Accumulated depreciation									
Up to 31 March 2020	-	160.59	0.45	773.66	9.20	22.72	26.77	41.40	1,034.79
Depreciation charge for the year	-	57.41	0.15	320.92	3.57	15.75	7.11	38.18	443.09
Adjustment for disposals/transfers	-	2.20	-	71.60	0.39	3.50	3.35	-	81.04
Impairment loss	-	-	-	16.98	0.06	1.15	-	-	18.19
Up to 31 March 2021	-	215.80	0.60	1,039.96	12.44	36.12	30.53	79.58	1,415.03
Depreciation charge for the year	-	76.00	0.15	361.37	4.23	16.25	9.29	32.38	499.67
Adjustment for disposals/ transfers	-	0.72	-	86.41	0.16	4.23	19.28	56.89	167.69
Impairment loss	-	-	-	4.24	-	-	-	-	4.24
Up to 31 March 2022	-	291.08	0.75	1,319.16	16.51	48.14	20.54	55.07	1,751.25
Net carrying value									
As at 31 March 2021	483.73	1,647.61	2.53	3,433.90	18.21	63.59	24.75	39.76	5,714.08
As at 31 March 2022	527.25	1,699.71	2.38	3,281.83	16.97	62.62	45.96	67.80	5,704.52

Notes:

- (a) For details of assets pledged as security, refer note 19(a) to 19(b).
- (b) Borrowing cost capitalised during the year ended 31 March 2022 is ₹ Nil (31 March 2021: ₹12.58).
- (c) Freehold land includes land valued at ₹17.21 (31 March 2021: ₹ 17.21) and currently held in the name of erstwhile owner of the land (Andhra Pradesh Industrial Infrastructure Corporation Limited). The subsidiary management is in the process of getting the sale deed executed and registering the land in its name.

Summary of the significant accounting policies and other explanatory information

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

6(a) Capital Work-in-Progress (CWIP)

Particulars	As at	
	31 March 2022	31 March 2021
(i) Capital Work-in-Progress:		
Ageing schedule of capital work-in-progress (CWIP)		
Projects in progress		
< 1 Year	70.08	142.97
1-2 Years	0.88	13.06
2-3 Years	2.51	1.38
> 3 Years	0.52	-
Projects in progress (total)	73.99	157.41
Projects temporarily suspended	-	-
(ii) The Group does not have any material CWIP which is overdue or has exceeded its cost compared to its original plan and hence the disclosure of CWIP completion schedule is not applicable.		

7. Other intangible assets

	Computer software	Brand	Non-competes	Procurement network	Distribution network	Total
Gross Block						
Balance as at 1 April 2020	50.92	74.55	32.18	43.20	50.25	251.10
Additions during the year	14.65	-	-	-	-	14.65
Balance as at 31 March 2021	65.57	74.55	32.18	43.20	50.25	265.75
Additions during the year	26.51	-	-	-	-	26.51
Balance as at 31 March 2022	92.08	74.55	32.18	43.20	50.25	292.26
Accumulated amortization						
Up to 1 April 2020	28.05	74.55	31.86	25.66	29.85	189.97
Amortization charge for the year	8.16	-	0.32	4.15	5.17	17.80
Impairment charge for the year	-	-	-	9.12	9.91	19.03
Up to 31 March 2021	36.21	74.55	32.18	38.93	44.93	226.80
Amortization charge for the year	11.75	-	-	4.15	5.17	21.07
Impairment charge for the year	-	-	-	-	-	-
Up to 31 March 2022	47.96	74.55	32.18	43.08	50.10	247.87
Net carrying amount						
As at 31 March 2021	29.36	-	-	4.27	5.32	38.95
As at 31 March 2022	44.12	-	-	0.12	0.15	44.39

7(a) Intangible assets under development (IAUD)

Particulars	As at	
	31 March 2022	31 March 2021
(i) Intangible assets under development:		
Ageing schedule of Intangible assets under development (IAUD)		
Projects in progress		
< 1 Year	4.15	17.39
1-2 Years	2.25	7.67
2-3 Years	-	0.71
> 3 Years	-	-
Projects in progress (total)	6.40	25.77
Projects temporarily suspended	-	-

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

Summary of the significant accounting policies and other explanatory information

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

8. Investment property

	Land	Building	Total
Gross Block			
Balance as at 1 April 2020	23.30	41.05	64.35
Transfers during the year	-	(14.38)	(14.38)
Balance as at 31 March 2021	23.30	26.67	49.97
Transfers during the year	-	-	-
Balance as at 31 March 2022	23.30	26.67	49.97
Accumulated depreciation			
Up to 31 March 2020	-	5.84	5.84
Depreciation charge for the year	-	1.37	1.37
Transfers during the year	-	(2.52)	(2.52)
Up to 31 March 2021	-	4.69	4.69
Depreciation charge for the year	-	1.08	1.08
Up to 31 March 2022	-	5.77	5.77
Net carrying amount			
As at 31 March 2021	23.30	21.98	45.28
As at 31 March 2022	23.30	20.90	44.20

(a) Information of net income derived from Investment property

Particulars	For the year ended	
	31 March 2022	31 March 2021
Lease rental income	18.08	11.85
Less: Depreciation	(1.08)	(1.37)
Net income from Investment property	17.00	10.48

(b) Description of valuation technique and key assumptions used

	As at	
	31 March 2022	31 March 2021
Valuation technique: Discounted Cash Flow ("DCF") method		
Estimated rental value per square feet per month (in absolute ₹ terms)	18	18
Rental growth per annum	5%	5%
Discount rate	9.50%	9.50%

(c) Changes in fair value of Investment property is shown below:

	Amount
Fair value as on 31 March 2020	345.48
Transferred to Property, plant and equipment during the year	(34.50)
Increase in fair value of an existing Investment property	36.70
Fair value as on 31 March 2021	347.68
Transferred to Property, plant and equipment during the year	-
Increase in fair value of an existing Investment property	-
Fair value as on 31 March 2022	347.68

Notes: The disclosed fair value of investment property is derived based on the management's internal workings using DCF method.

Summary of the significant accounting policies and other explanatory information

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

9. Investment in associate and joint venture

	As at	
	31 March 2022	31 March 2021
Unquoted		
Investment in an associate *		
650,000 (31 March 2021: 650,000) equity shares of ₹ 10 each fully paid held in SKIL Raigam Power (India) Limited	6.50	6.50
Less: Share of accumulated and impairment losses	(6.50)	(6.50)
	-	-
Investment in a joint venture		
4,939,727 (31 March 2021: 3,485,579) equity shares of ₹ 10 each fully paid held in Heritage Novandie Foods Private Limited	269.85	164.70
Less: Share of accumulated losses	(95.98)	(35.64)
	173.87	129.06
Aggregate amount of unquoted investments	173.87	129.06
Aggregate amount of impairment in value of investments	6.27	6.27

* SKIL Raigam Power (India) Limited has been declared as Dormant Company as per Section 455(2) of the Act, vide SRN No T42936765 dated 22.September, .2021

10. Investments

	As at	
	31 March 2022	31 March 2021
Non-current		
Investments at fair value through other comprehensive income ("FVTOCI")		
Investments in equity instruments		
117 (31 March 2021: 117) quoted equity shares of ₹ 10 each fully paid held in Union Bank of India Limited (refer note (a) below)	-	-
1,740 (31 March 2021: 1,740) quoted equity shares of ₹ 2 each fully paid held in Bank of Baroda	0.20	0.13
200,000 (31 March 2021: 200,000) unquoted equity shares of ₹ 10 each fully paid held in Heritage Finlease Limited	2.60	2.60
	2.80	2.73
Investments at amortized cost		
Investments in government securities	0.13	0.12
	0.13	0.12
	2.93	2.85
Aggregate market value of quoted investments	0.20	0.13
Aggregate value of unquoted investments	2.73	2.72
Aggregate amount of impairment in value of investments	-	-

Note (a)

The Holding Company was allotted 117 fully paid equity shares in Union Bank of India Limited pursuant to its holding of 363 equity shares held in Andhra Bank Limited. Andhra Bank Limited was merged with the Union Bank of India Limited with effect from 1 April 2020.

Summary of the significant accounting policies and other explanatory information

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

	As at	
	31 March 2022	31 March 2021
Current		
Investments at amortized cost		
Investments in government securities	0.03	0.04
	0.03	0.04
Aggregate market value of quoted investments	-	-
Aggregate value of unquoted investments	0.03	0.04
Aggregate amount of impairment in value of investments	-	-

11. Other financial assets

	As at	
	31 March 2022	31 March 2021
Non-current		
Unsecured, Considered good		
Interest accrued but not due on bank deposits	0.32	0.07
Security deposits	58.58	54.71
Margin money deposits with banks	5.20	0.48
	64.10	55.26
Current		
Unsecured, Considered good		
Interest accrued but not due on bank deposits	0.67	0.59
Rent receivable	2.50	3.07
Security deposits	22.72	17.23
Others	10.67	10.70
	36.56	31.59

12. Other assets

	As at	
	31 March 2022	31 March 2021
Non-current		
Unsecured, Considered good		
Capital advances	3.36	21.06
Prepaid expenses	0.48	0.82
	3.84	21.88
Unsecured, Considered doubtful		
Capital advances	2.52	2.52
Less: Allowance for doubtful capital advances	2.52	2.52
	-	-
	3.84	21.88
Current		
Unsecured, Considered good		
Balance with statutory authorities	24.25	19.49
Prepaid expenses	62.57	56.44
Advances to suppliers and others	143.42	70.06
	230.24	145.99
Unsecured, Considered doubtful		
Other advances	17.98	18.48
Less: Provision for doubtful advances	17.98	18.48
	-	-
	230.24	145.99

Summary of the significant accounting policies and other explanatory information

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

13. Inventories

	As at	
	31 March 2022	31 March 2021
(at lower of cost or net realisable value)		
Raw materials (including goods in transit of ₹ 7.92 (31 March 2021: ₹ 2.08))	859.68	767.12
Work-in-progress	14.45	5.41
Semi finished goods	348.32	398.41
Finished goods (including goods in transit of ₹ 0.31 (31 March 2021: ₹ 1.57))	637.32	666.03
Stock-in-trade (including goods in transit of ₹ 0.04 (31 March 2021: ₹ 0.09))	37.04	27.42
Packing materials	108.22	77.35
Stores, spares and consumables	53.36	40.96
	2,058.39	1,982.70

Note:

The write down of inventories to net realisable value during the year ended 31 March 2022 aggregated to ₹ 9.55 (March 31, 2021 : ₹ 10.32). This write down is included in the changes in inventories of finished goods, semi finished goods stock-in-trade and work-in-progress in the statement of profit and loss.

14. Trade receivables

	As at	
	31 March 2022	31 March 2021
Unsecured, considered good	184.89	152.23
Unsecured, significant increase in credit risk	93.89	45.56
	278.78	197.79
Less: Allowance for trade receivables with significant increase in credit risk	93.89	45.56
Less: Expected credit loss	0.09	0.03
	184.80	152.20

(a) The movement in the allowance for trade receivables with significant increase in the credit risk and expected credit loss for the year ended 31 March 2022 and 31 March 2021 is as follows:

	For the year ended	
	31 March 2022	31 March 2021
Opening balance at beginning of the year	45.59	57.16
Provision made during the year	61.27	3.05
Amount recovered during the year	(9.80)	-
Bad debts written off during the year	(3.08)	(14.62)
Closing balance at end of the year	93.98	45.59

(b) Trade receivables ageing schedule

Particulars	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	
As at 31 March 2022						
Undisputed						
Considered good	184.80	-	-	-	-	184.80
Significant increase in credit risk	66.15	-	-	-	-	66.15
Credit impaired	0.09	-	-	-	-	0.09
Disputed						
Considered good	-	-	-	-	-	-
Significant increase in credit risk	-	-	-	0.39	27.35	27.74
Credit impaired	-	-	-	-	-	-

Summary of the significant accounting policies and other explanatory information

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

Particulars	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	
As at 31 March 2021						
Undisputed						
Considered good	152.20	-	-	-	-	152.20
Significant increase in credit risk	6.71	-	-	-	-	6.71
Credit impaired	0.03	-	-	-	-	0.03
Disputed						
Considered good	-	-	-	-	-	-
Significant increase in credit risk	-	-	0.50	4.32	34.03	38.85
Credit impaired	-	-	-	-	-	-

Trade receivables include dues aggregating to ₹ 0.30 (31 March 2021: ₹ Nil) receivable from Heritage Novandie Foods Private Limited, in which Director of the Holding Company is a Director.

15. Cash and Bank Balances

	As at	
	31 March 2022	31 March 2021
(i) Cash and cash equivalents		
Balances with banks in current accounts	305.30	169.64
Deposits with original maturity up to 3 months	-	14.45
Cash on hand	25.81	33.05
Restricted cash	-	1.12
	331.11	218.26
(ii) Other bank balances		
Earmarked balances with banks		
Unpaid dividend	15.45	14.17
CSR unspent money	7.06	-
Margin money deposits with banks	2.50	3.13
	25.01	17.30

16. Loans

	As at	
	31 March 2022	31 March 2021
Unsecured, considered good		
Loans to employees	0.44	0.81
Loans to others	0.47	8.09
	0.91	8.90
Unsecured, considered doubtful		
Loans to others	0.10	0.58
Less: Allowance for doubtful loans	0.10	0.58
	-	-
	0.91	8.90

Summary of the significant accounting policies and other explanatory information

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

17. Equity share capital

i. Authorised share capital

	31 March 2022		31 March 2021	
	Number	Amount	Number	Amount
Equity shares of ₹ 5 each	9,60,00,000	480.00	9,60,00,000	480.00
Preference shares of ₹ 10 each	20,00,000	20.00	20,00,000	20.00
		500.00		500.00

ii. Issued, subscribed and fully paid up

	31 March 2022		31 March 2021	
	Number	Amount	Number	Amount
Equity shares of ₹ 5 each	4,63,98,000	231.99	4,63,98,000	231.99
	4,63,98,000	231.99	4,63,98,000	231.99

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

	31 March 2022		31 March 2021	
	Number	Amount	Number	Amount
Equity shares				
At the beginning of the year	4,63,98,000	231.99	4,63,98,000	231.99
Changes during the year	-	-	-	-
At the end of the year	4,63,98,000	231.99	4,63,98,000	231.99

iv. Rights, preferences and restrictions attached to equity shares

The Company has only one class of issued, subscribed and paid up equity shares having a par value of ₹ 5 each per share. Each holder of equity shares is entitled to one vote per share. 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.

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

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

	31 March 2022		31 March 2021	
	Number	% holding	Number	% holding
N Bhuvanewari	1,06,61,652	22.98%	1,06,61,652	22.98%
Nirvana Holdings Private Limited	51,45,684	11.09%	51,45,684	11.09%
Nara Lokesh	47,32,800	10.20%	47,32,800	10.20%
Megabid Finance & Investment Private Limited	24,47,600	5.28%	24,47,600	5.28%

Summary of the significant accounting policies and other explanatory information

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

vi. Shareholding of Promoters as at 31 March 2022

Name of the promoter *	As at 31 March 2022		As at 31 March 2021		% Change during the year
	No. of Shares	% of total shares	No. of Shares	% of total shares	
Bhuvanewari Nara	1,06,61,652	22.98%	1,06,61,652	22.98%	0.00%
Nara Lokesh	47,32,800	10.20%	47,32,800	10.20%	0.00%
N Brahmani	2,03,200	0.44%	2,03,200	0.44%	0.00%
V Naga Raja Naidu	1,00,000	0.22%	1,00,000	0.22%	0.00%
Devaansh Nara	26,440	0.06%	26,440	0.06%	0.00%
Ramakrishna Nandamuri	400	0.00%	400	0.00%	0.00%
N P Ramakrishna	56,971	0.12%	200,000	0.43%	-0.31%
Durga Ramakrishna N P	33,756	0.07%	40,000	0.09%	-0.01%
Neelima N P	30,625	0.07%	40,000	0.09%	-0.02%
Kathya N P	-	0.00%	60,000	0.13%	-0.13%
Megabid Finance & Investment Private Limited	24,47,600	5.28%	24,47,600	5.28%	0.00%

* Details of promoters are identified based on information submitted with the stock exchanges as per SEBI (LODR) Regulations, 2015 (as amended) and the Annual Returns filed in accordance with the provisions of Section 92 of the Act.

vii. 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.

18. Other equity

	As at	
	31 March 2022	31 March 2021
Reserves and Surplus		
Capital reserve	(14.96)	(14.97)
Capital redemption reserve	8.10	8.10
Securities premium	378.41	378.41
Warrants money appropriated	31.87	31.87
General reserve	842.74	842.74
Retained earnings	5,097.90	4,480.73
	6,344.06	5,726.88
Item of OCI		
Changes in fair value of equity instruments	(0.55)	(0.62)
	(0.55)	(0.62)
	6,343.51	5,726.26

Nature and purpose of reserves

Securities premium

The amount received in excess of face value of the equity shares is recognised in the securities premium. This reserve will be utilised in accordance with the provisions of Section 52 of the Companies Act, 2013 ("the Act").

Capital reserve

The excess of net assets taken, over the consideration paid, as part of the business combinations have been recorded under the capital reserve during the earlier years.

Capital redemption reserve

Capital redemption reserve was created on buy back of equity shares in the earlier years. The Company uses capital redemption reserve in accordance with the provisions of the Act.

Summary of the significant accounting policies and other explanatory information

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

Warrants money appropriated

Warrants money appropriated represents forfeiture of share application money made during the earlier years.

General reserve

The reserve has arisen on transfer of a portion of the net profit pursuant to the provisions of the erstwhile Companies Act, 1956. Mandatory transfer to general reserve is not required under the Act.

Changes in fair value of equity instruments

This represents the cumulative gains and losses arising on the fair valuation of equity instruments measured at FVTOCI, under an irrevocable option, net of amounts reclassified to retained earnings when such assets are disposed off.

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 the shareholders.

19. Borrowings

	As at	
	31 March 2022	31 March 2021
Non-current		
Secured		
Term loans from banks [refer note 19(a)]	58.44	302.92
Deferred payment liabilities	21.10	37.48
	79.54	340.40
Current		
Secured		
Current maturities of term loans from banks [refer note 19(a)]	21.25	263.58
Current maturities of deferred payment liabilities	16.37	15.99
Loans repayable on demand from banks [refer note 19(b)]	-	19.36
	37.62	298.93

(i) Reconciliation of liabilities arising from financial activities*

	For the year ended	
	31 March 2022	31 March 2021
Balance at beginning of the year	566.50	2,107.15
Proceeds from long term borrowings	-	282.52
Repayments of long term borrowings	(486.81)	(1,823.17)
Balance at end of the year	79.69	566.50

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

(ii) Reconciliation of interest accrued but not due on term loans from banks

	For the year ended	
	31 March 2022	31 March 2021
Balance at beginning of the year	4.07	14.53
Interest expense for the year	25.60	154.92
Interest paid during the year	29.11	165.38
Balance at end of the year	0.56	4.07

Summary of the significant accounting policies and other explanatory information

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

19(a) Terms and conditions of term loans from banks

S. No	Name	Outstanding balance as on*		Interest rate (%)	Repayment terms	Type of security
		31 March 2022	31 March 2021			
1	HDFC Bank	-	77.35	One year MCLR +0.50% per annum	Repayable in 24 quarterly installments commenced from March 2020 and ending in December 2025. The Group has pre-paid the entire outstanding borrowing during the year ended 31 March 2022.	Subservient charge on movable fixed assets of the Holding Company.
2	HDFC Bank	-	107.94	One year MCLR +0.50% per annum	Repayable in 24 quarterly installments commenced from December 2020 and ending in September 2026. The Group has pre-paid the entire outstanding borrowing during the year ended 31 March 2022.	- First pari passu charge on entire fixed assets and second pari passu charge on current assets of the Holding Company.
3	Kotak Mahindra Bank	-	50.89	One year MCLR + spread per annum	Repayable in 16 quarterly installments commenced from September 2020 and ending in June 2024. The Group has pre-paid the entire outstanding borrowing during the year ended 31 March 2022.	- Exclusive charge on assets financed by the loan taken.
4	Kotak Mahindra Bank	-	229.38	One year MCLR + spread per annum	Repayable in 24 quarterly installments commenced from November 2020 and ending in August 2026. The Group has pre-paid the entire outstanding borrowing during the year ended 31 March 2022.	- Exclusive charge on assets financed by the loan taken.
5	Kotak Mahindra Bank	79.69	100.94	Three months MCLR+ spread per annum	Repayable in 24 quarterly installments commenced from March 2020 and ending in December 2025.	- Equitable mortgage on land and building located at Mallavalli village, Krishna District. - Exclusive charge on movable fixed assets located at Mallavalli plant and by second charge on all current assets of the feed division.
		79.69	566.50			

*Including current maturities of term loans from banks.

19(b) Terms and conditions of loans repayable on demand from banks

S. No	Name	Outstanding balance as on		Interest rate (%)	Repayment terms	Type of security
		31 March 2022	31 March 2021			
1	ICICI Bank	-	4.69	Six months IMCLR + spread per annum	Repayable on demand	First pari passu charge on current assets and second pari passu charge on fixed assets of the Holding Company, excluding project specific assets.
2	Bank of Baroda	-	-	One year MCLR + 0.4% per annum	Repayable on demand	First pari passu charge on current assets and second pari passu charge on fixed assets of the Company, excluding project specific assets.
3	Union Bank of India	-	-	One year MCLR + 0.85% per annum	Repayable on demand	First pari passu charge on current assets and second pari passu charge on fixed assets of the Company, excluding project specific assets.
4	Kotak Mahindra Bank	-	14.67	One year MCLR+ spread per annum	Repayable on demand	First charge on present and future currents assets of the feed division of the Group.
		-	19.36			

Summary of the significant accounting policies and other explanatory information

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

20. Other financial liabilities

	As at	
	31 March 2022	31 March 2021
Non-current		
Financial guarantee	7.07	8.77
	7.07	8.77
Current		
Current maturities of financial guarantee	2.16	2.16
Interest accrued but not due on borrowings	0.56	4.07
Freight payable	135.80	122.33
Capital creditors	93.67	186.26
Employee related payables	224.64	343.86
Security deposits	328.89	310.69
Unpaid dividend	15.45	14.17
Other payables	233.91	210.80
	1,035.08	1,194.34

21. Provisions

	As at	
	31 March 2022	31 March 2021
Non-current		
Compensated absences	165.45	103.73
	165.45	103.73
Current		
Gratuity (refer note a below)	-	2.06
Compensated absences	82.77	125.66
	82.77	127.72

(a) Gratuity

The Group 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 the Payment of Gratuity Act, 1972.

(i) Change in projected benefit obligation

	As at	
	31 March 2022	31 March 2021
Projected benefit obligation at the beginning of the year	139.30	116.32
Service cost	16.90	14.97
Interest cost	7.81	6.84
Actuarial loss	0.74	5.09
Benefits paid	(13.17)	(3.92)
Projected benefit obligation at the end of the year	151.58	139.30

(ii) Change in fair value of plan assets

	As at	
	31 March 2022	31 March 2021
Fair value of plan assets at the beginning of the year	140.14	113.57
Interest income	8.53	7.36
Contribution made	23.80	23.17
Actuarial gain/(loss)	0.02	(0.04)
Benefits paid	(13.17)	(3.92)
Fair value of plan assets at the end of the year	159.32	140.14

Summary of the significant accounting policies and other explanatory information

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

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

	As at	
	31 March 2022	31 March 2021
Present value of projected benefit obligation	151.58	139.30
Funded status of plan assets	159.32	140.14
Liability recognised in the Consolidated Balance Sheet	-	2.06
Asset recognised in the Consolidated Balance Sheet	7.74	2.90

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

	For the year ended	
	31 March 2022	31 March 2021
Interest cost	7.81	6.84
Service cost	16.90	14.97
Interest income	(8.53)	(7.36)
	16.18	14.45

(v) Expense recognized in OCI

	For the year ended	
	31 March 2022	31 March 2021
Actuarial loss, net	0.72	5.13
	0.72	5.13

(vi) Key actuarial assumptions

	As at	
	31 March 2022	31 March 2021
Discount rate	5.60% - 6.30%	4.90% - 5.90%
Salary escalation rate	8.00%	8.00%
Attrition rate	15% - 30%	15% - 30%

(vii) Sensitivity analysis

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

	As at 31 March 2022	
	Increase	Decrease
Discount rate (1% movement)	6.95	7.81
Salary escalation rate (1% movement)	7.26	6.64
Attrition rate (1% movement)	0.83	0.95

(viii) The Group expects to contribute ₹ Nil as its contribution to gratuity within one year from the year ended 31 March 2022.

(ix) Maturity analysis of Gratuity as on 31 March 2022 is as follows:

	As at	
	31 March 2022	31 March 2021
Within one year	30.45	26.95
Within two to five years	95.66	87.03
More than five years	127.86	113.61
	253.97	227.59

Summary of the significant accounting policies and other explanatory information

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

22. Deferred tax liabilities (net)

	As at	
	31 March 2022	31 March 2021
Deferred tax liabilities arising on account of:		
Borrowings measured at amortised cost	-	0.81
Right-of-use assets	(1.37)	0.23
Property, Plant and Equipment ("PPE")	382.12	332.30
	380.75	333.34
Deferred tax assets arising on account of:		
Provision for trade receivables & advances and unrealised gain on inventories	(31.95)	(20.21)
Provision for employee benefits	(65.68)	(62.08)
Minimum alternate tax ("MAT") credit entitlement	(10.84)	(9.86)
Government grant	(22.93)	-
Interest on GST liability	(8.69)	-
Revaluation of investments at FVTOCI to fair value	(0.62)	(0.62)
Unabsorbed tax depreciation	(1.02)	-
	(141.73)	(92.77)
	239.02	240.57

Movement in deferred tax liabilities, net

	PPE	Provision for employee benefits	MAT credit entitlement	Others	Total
As at 1 April 2020	309.19	(52.66)	(4.53)	(28.42)	223.58
Charged/ recognised					
- to Statement of Profit and Loss	23.11	(8.13)	(5.33)	8.63	18.28
- to OCI	-	(1.29)	-	-	(1.29)
As at 31 March 2021	332.30	(62.08)	(9.86)	(19.79)	240.57
Charged/ recognised					
- to Statement of Profit and Loss	49.82	(3.43)	(0.98)	(46.79)	(1.38)
- to OCI	-	(0.17)	-	-	(0.17)
As at 31 March 2022	382.12	(65.68)	(10.84)	(66.58)	239.02

23. Other current liabilities

	As at	
	31 March 2022	31 March 2021
Advances from customers	30.01	31.37
Capital advances	6.25	9.10
Statutory dues payable	80.40	38.68
	116.66	79.15

24. Trade payables

	As at	
	31 March 2022	31 March 2021
Total outstanding dues of micro and small enterprises	77.02	35.14
Total outstanding dues of creditors other than micro and small enterprises	441.66	319.45
	518.68	354.59

Summary of the significant accounting policies and other explanatory information

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

Trade payables ageing schedule as on 31 March 2022

	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) MSME	77.02	-	-	-	77.02
(ii) Others	441.16	0.31	0.10	0.09	441.66
(iii) Disputed dues - MSME	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-
	518.18	0.31	0.10	0.09	518.68

Trade payables ageing schedule as on 31 March 2021

	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) MSME	35.14	-	-	-	35.14
(ii) Others	317.16	0.79	0.01	1.49	319.45
(iii) Disputed dues - MSME	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-
	352.30	0.79	0.01	1.49	354.59

25. Revenue from operations

	For the year ended	
	31 March 2022	31 March 2021
Sale of products	26,763.75	24,708.39
Sale of services	22.32	18.46
Other operating income		
- Sale of renewable energy certificates	11.73	0.52
- Scrap sales and others	14.99	3.76
	26,812.79	24,731.13

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

	For the year ended	
	31 March 2022	31 March 2021
Revenue as per contracted price	27,877.65	25,728.84
Adjusted for:		
Discounts	(1,096.79)	(1,002.86)
Sales returns	(17.11)	(17.59)
Total revenue from contracts with customers	26,763.75	24,708.39

(ii) Revenue disaggregation geography wise is as follows:

	For the year ended	
	31 March 2022	31 March 2021
India	26,812.79	24,731.13
Other than India	-	-
	26,812.79	24,731.13

Notes:

The Group has no single customer from whom the revenue is more than 10% of the revenue from operations for the year ended 31 March 2022 and 31 March 2021.

Summary of the significant accounting policies and other explanatory information

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

26. Other income

	For the year ended	
	31 March 2022	31 March 2021
Interest income		
- Bank and other deposits	2.82	2.57
- Guarantee income	2.20	1.23
- Others	1.68	0.25
Subsidy transferred from deferred government grant (under capital subsidy scheme)	7.36	0.49
Lease rental income	19.27	12.31
Provisions no longer required/ credit balances written back	19.45	18.27
Gain on sale of Property, plant and equipment (net)	31.24	17.77
Gain on redemption of investments (net)	12.07	-
Gain on foreign exchange fluctuations, net	0.03	0.63
Other non operating income	16.60	26.81
	112.72	80.33

27. Cost of materials consumed

	For the year ended	
	31 March 2022	31 March 2021
Raw Material*		
Opening stock	767.12	551.57
Add: Purchases during the year	19,729.02	17,937.63
Less: Closing stock	859.68	767.12
	19,636.46	17,722.08
Packing Material*		
Opening stock	77.35	73.69
Add: Purchases during the year	999.59	701.34
Less: Closing stock	108.22	77.35
	968.72	697.68
	20,605.18	18,419.76

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

28. Changes in inventories of finished goods, semi finished goods, stock-in- trade and work-in-progress

	For the year ended	
	31 March 2022	31 March 2021
Opening balance		
- Finished goods	666.03	666.91
- Semi finished goods	398.41	95.56
- Work-in-progress	5.41	5.08
- Stock-in-trade	27.42	16.77
	1,097.27	784.32
Closing balance		
- Finished goods	637.32	666.03
- Semi finished goods	348.32	398.41
- Work-in-progress	14.45	5.41
- Stock-in-trade	37.04	27.42
	1,037.13	1,097.27
	60.14	(312.95)

Summary of the significant accounting policies and other explanatory information

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

29. Employee benefits expense

	For the year ended	
	31 March 2022	31 March 2021
Salaries and wages	1,618.17	1,572.26
Contribution to provident and other funds (refer note a below)	87.66	72.00
Gratuity expense	16.18	14.45
Compensated absences expense	70.32	74.85
Staff welfare expenses	50.55	45.31
	1,842.88	1,778.87

(a) The amount recognized as an expense towards contribution to provident fund and employee state insurance schemes for the year ended 31 March 2022 amounts to ₹ 87.66 (31 March 2021: ₹ 72.00).

30. Finance costs

	For the year ended	
	31 March 2022	31 March 2021
Interest on borrowings calculated using effective interest method	28.25	176.88
Interest on income tax	-	2.87
Interest on lease liabilities	6.77	5.86
Other borrowing costs	5.05	6.19
	40.07	191.80

31. Other expenses

	For the year ended	
	31 March 2022	31 March 2021
Consumption of stores and spares and consumables	233.03	210.31
Power and fuel	358.44	346.36
Rent	37.72	20.77
Repairs and maintenance		
- Buildings	8.91	6.02
- Plant and equipment	19.90	26.15
- Others	71.38	57.38
Insurance	28.67	21.42
Electricity charges	9.39	9.18
Rates and taxes, excluding taxes on income	49.39	23.83
Freight outwards	788.54	699.50
Communication	20.39	19.32
Office maintenance	7.16	6.18
Travelling and conveyance	33.81	26.07
Legal and professional fees	145.76	129.65
Property, plant and equipment written off	14.36	6.18
Payment to auditors	9.52	9.13
Corporate social responsibility (CSR) expenditure	30.27	20.64
Selling and distribution expenses	145.92	95.40
Provision for doubtful advances	-	11.82
Provision towards doubtful debts and bad debts written off	61.27	3.05
Bank charges	16.28	14.36
Advertisement expenses	2.56	8.23
Security charges	62.46	51.81
Miscellaneous expenses	67.52	44.21
	2,222.65	1,866.97

Summary of the significant accounting policies and other explanatory information

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

32. Income tax expense

	For the year ended	
	31 March 2022	31 March 2021
(a) Tax expense comprises of:		
Current income tax	343.59	516.40
Deferred tax expense/(benefit)	(1.38)	18.28
Income tax expense reported in the Consolidated Statement of Profit and loss	342.21	534.68

	For the year ended	
	31 March 2022	31 March 2021
Income tax expense attributable to:		
Continuing operations	342.21	534.68
Discontinued operations	-	-
	342.21	534.68

The major components of income tax expense and the reconciliation of expected tax expense based on the domestic effective tax rate of the Holding Company at 25.168% (31 March 2021: 25.168%) and the reported tax expense in the Consolidated Statement of Profit and Loss is as follows:

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

	For the year ended	
	31 March 2022	31 March 2021
Profit before tax from continuing operations	1,398.82	2,025.18
Loss before tax from discontinued operations	(4.35)	(7.49)
Expected income tax expense at the Indian tax rate 25.168% (31 March 2021: 25.168%)	350.96	507.81
Tax effect of amounts which are not deductible/ (taxable) in calculating taxable income:		
Effect of deductions allowed under Chapter VI-A of the Income Tax Act, 1961 ("IT Act, 1961)	(4.86)	(4.86)
Effect of expenses not deductible under the IT Act, 1961	8.45	18.03
Effect of income not subject to tax under the IT Act, 1961	(1.07)	(0.91)
Others	(11.27)	14.61
Income tax expense	342.21	534.68

33. Earnings per equity share (EPES)

	For the year ended	
	31 March 2022	31 March 2021
Attributable to Owners of the Company		
Profit from continuing operations	965.69	1,499.48
Profit from discontinued operations	-	-
Profit for the year	965.69	1,499.48
Weighted average number of equity shares outstanding during the year	46,398,000	46,398,000
Earnings per equity share (in absolute ₹ terms)		
Nominal value per equity share	5.00	5.00
Basic and Diluted EPES from continuing operations	20.81	32.32
Basic and Diluted EPES from discontinued operations	-	-
Basic and Diluted EPES from continuing and discontinued operations	20.81	32.32

The Company does not have any potential dilutive equity shares as on 31 March 2022 and 31 March 2021.

34. Exceptional item represents provision of ₹ 91.40 created, on account of disputed liability mainly due to GST classification of flavored milk, being faced by the dairy sector.

Summary of the significant accounting policies and other explanatory information

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

35. Dividend

The dividend amount per equity share proposed or declared in accordance with the provisions of Section 123 of the Act is as follows:

	For the year ended	
	31 March 2022	31 March 2021
Proposed final dividend on equity shares of ₹ 5 each *		
Per equity share (in absolute ₹ terms)	2.50	5.00
Amount	116.00	231.99
Interim dividend declared on equity shares of ₹ 5 each		
Per equity share (in absolute ₹ terms)	2.50	-
Amount	116.00	-

* The proposed final dividend, is subject to the approval of shareholders in the ensuing Annual General Meeting of the Company and accordingly not recognized as a liability in accordance with the applicable accounting principles.

36. 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 Group 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 Group (Ultimate Beneficiaries).
- The Group has not received any fund from any party(s) (Funding Party) with the understanding that the Group shall whether, directly or indirectly lend or invest in other persons or entities identified by or on behalf of the Group ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

37. Fair value hierarchy

- Financial assets and financial liabilities at fair value on a recurring basis as of the reporting dates are as follows:

	As at 31 March 2022	As at 31 March 2021
Financial assets		
Fair value hierarchy (Level 1)		
Quoted equity shares	0.20	0.13
Fair value hierarchy (Level 3)		
Unquoted equity shares	2.60	2.60

There are no transfers between levels during the current year and previous year ended 31 March 2022 and 31 March 2021 respectively. The Group's policy is to recognise transfers into and transfers out of fair value hierarchy levels at the end of the reporting period.

- Valuation technique and inputs used for level 3 instruments:

The fair value of the level 3 instruments has been estimated using the discounted cash flow model. The valuation requires management to make certain assumptions about the model inputs, including forecasting of cash flows, discount rate, credit risk and volatility. The probabilities of the various estimates within the range can be reasonably assessed and are used in the management's estimate of the fair value for these level 3 instruments.

The significant unobservable inputs used in the fair value measurement categorised within Level 3 of the fair value hierarchy as at 31 March 2022 and 31 March 2021 are as shown below. The impact on account of change in these assumptions are not considered as significant.

Significant unobservable inputs	Assumption made
Future growth rate	3%
Discount rate	20%
Discount for lack of marketability (DFLM)	15%

Summary of the significant accounting policies and other explanatory information

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

(iii) Reconciliation of level 3 fair value measurement:

	Amount
As at 1 April 2020	2.60
Changes during the year	-
As at 31 March 2021	2.60
Changes during the year	-
As at 31 March 2022	2.60

38. 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, except for deferred payment liabilities whose fair value amounts to ₹ 33.82 and ₹ 46.36 as on 31 March 2022 and 31 March 2021 respectively.

Categories of financial instruments

Particulars	As at 31 March 2022			As at 31 March 2021		
	FVTPL	FVTOCI	Amortised cost	FVTPL	FVTOCI	Amortised cost
Financial assets						
Quoted equity shares	-	0.20	-	-	0.13	-
Unquoted equity shares	-	2.60	-	-	2.60	-
Investment in government securities	-	-	0.16	-	-	0.16
Trade receivables	-	-	184.80	-	-	152.20
Cash and cash equivalents	-	-	331.11	-	-	218.26
Other bank balances	-	-	25.01	-	-	17.30
Loans	-	-	0.91	-	-	8.90
Other financial assets	-	-	100.66	-	-	86.85
	-	2.80	642.65	-	2.73	483.67

Particulars	As at 31 March 2022			As at 31 March 2021		
	FVTPL	FVTOCI	Amortised cost	FVTPL	FVTOCI	Amortised cost
Financial liabilities						
Borrowings	-	-	79.69	-	-	585.86
Lease liabilities	-	-	75.36	-	-	44.87
Deferred payment liabilities	-	-	37.47	-	-	53.47
Trade payables	-	-	518.68	-	-	354.59
Other financial liabilities	-	-	1,042.15	-	-	1,203.11
	-	-	1,753.35	-	-	2,241.90

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.

39. Financial risk management objectives and policies

Financial Risk Management Framework

The Group's Board of Directors has an overall responsibility for the establishment and oversight of the Group's risk management framework. The Holding Company's Board of Directors has established Risk Management Committee, which is responsible for developing and monitoring the risk management policies. The Committee reports regularly to the Holding Company's Board of Directors on its activities.

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

Summary of the significant accounting policies and other explanatory information

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

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

A. Credit risk

Credit risk is the risk that the counterparty shall 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 the creditworthiness as well as concentration of risks. Credit risk arises primarily from financial assets such as trade receivables, investment in equity shares, balances with banks, loans and other receivables.

Credit risk is controlled by analyzing credit limits and creditworthiness of the customers on a continuous basis to whom credits have been granted after obtaining necessary approvals. Financial instruments that are subject to concentration of credit risk principally consist of trade receivables, investments, cash and cash equivalents, bank deposits and other financial assets. None of the financial instruments of the Group 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 ₹ 645.45 and ₹ 486.40 as of 31 March 2022 and 31 March 2021 respectively, representing carrying amount of all financial assets with the Group.

Financial assets that are neither past due nor impaired

None of the Group's cash equivalents, including fixed deposits, were either past due or impaired as at 31 March 2022 and 31 March 2021.

Financial assets that are past due but not impaired

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

	As at 31 March 2022	As at 31 March 2021
0-30 days	168.24	149.38
31-60 days	16.56	2.82
61-90 days	-	-
Greater than 90 days	-	-
	184.80	152.20

Ind AS requires expected credit losses to be measured through a loss allowance. The Group 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 12 months expected credit losses or at an amount equal to the life time expected credit losses if the credit risk on the financial assets have increased significantly since the initial recognition. The Group 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 Group cannot meet its financial obligations as and when they become due. The objective of liquidity risk management is to maintain sufficient liquidity and to ensure that funds are available for meeting due obligations of the Group. The Group manages liquidity risk by maintaining adequate reserves, banking facilities, continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of the financial assets and financial liabilities.

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

Particulars	As at 31 March 2022				As at 31 March 2021			
	On demand	Up to 1 year	More than 1 year	Total	On demand	Up to 1 year	More than 1 year	Total
Financial guarantees #	120.26	-	-	120.26	149.54	-	-	149.54
Borrowings	-	21.25	58.44	79.69	19.36	263.58	302.92	585.86
Deferred payment liabilities	-	16.37	21.10	37.47	-	15.99	37.48	53.47
Lease liabilities	-	33.65	53.17	86.82	-	26.33	27.03	53.36
Trade payables	-	518.68	-	518.68	-	354.59	-	354.59
Other financial liabilities	-	1,032.92	-	1,032.92	-	1,192.18	-	1,192.18
	120.26	1,622.87	132.71	1,875.84	168.90	1,852.67	367.43	2,389.00

Represents loan amount outstanding to the bankers by the joint venture, against which financial guarantees were extended by the Holding Company as at 31 March 2022 and 31 March 2021.

Summary of the significant accounting policies and other explanatory information

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

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 the market rates and prices. Market risk is attributable to all market risk-sensitive financial instruments, all foreign currency receivables and payables and all short-term and long-term borrowings. Market risk comprises three types of risk: interest rate risk, currency risk and other price risks such as equity price risk.

i. Interest risk:

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument shall fluctuate because of changes in the market interest rates. The Group's exposure to the risk of changes in market interest rates relates primarily to the Group'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. Foreign currency risk:

Foreign currency risk is the risk that the fair value or future cash flows of an exposure shall fluctuate because of changes in foreign exchange rates. The Group's exposure to the risk of changes in foreign exchange rates relates primarily to the Group's operating and investing activities (when revenue or expense including capital expenditure is denominated in a foreign currency). The exposure of foreign currency risk to the Group is low as it enters very limited transactions in foreign currencies and accordingly any impact on account of change in the exchange rate is not considered as significant.

The carrying amounts of the Group's unhedged foreign currency denominated monetary items in ₹ terms as at 31 March 2022 and 31 March 2021 are as follows:

Financial liabilities- Capital creditors

	As at 31 March 2022	As at 31 March 2021
- EURO	2.65	2.70

iii. Equity price risk:

The Group's listed and non-listed equity securities are susceptible to market price risk arising from uncertainties about future values of the investment securities. The Group manages the equity price risk through diversification and by placing limits on individual and total equity instruments. Reports on the equity portfolio are submitted to the Group's senior management on a regular basis. The Group's Board of Directors reviews and approves all equity investment decisions. At the reporting date, the exposure to unlisted equity securities at fair value was ₹ 2.60 (31 March 2021: ₹ 2.60). Sensitivity analyses of these investments have been provided in Note 37.

40. Capital risk management

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

The Group 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 Group may adjust the dividend payments to shareholders, return capital to shareholders or issue new shares. The Group monitors capital using a gearing ratio, which is net debt divided by total equity plus net debt. The Group's policy is to keep the gearing ratio up to 35%. The Group includes within net debt, borrowings from banks less cash and cash equivalents. Borrowings from banks comprise of term loans and loans repayable on demand.

	As at 31 March 2022	As at 31 March 2021
Borrowings from banks	79.69	585.86
Less: Cash and cash equivalents	(331.11)	(218.26)
Net debt (A)	-	367.60
Total equity (B)	6,575.54	5,963.13
Net debt and total equity (A) + (B)	6,575.54	6,330.73
Gearing ratio (%)	0.00%	5.81%

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

No changes were made in the objectives, policies or processes for managing capital during the years ended 31 March 2022 and 31 March 2021.

Summary of the significant accounting policies and other explanatory information

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

41. Disclosure of Interest in Joint venture and associate:

	Nature of relationship	Country of Incorporation	Ownership interest (%)	
			31 March 2022	31 March 2021
SKIL Raigam Power (India) Limited	Associate	India	43.33%	44.22%
Heritage Novandie Foods Private Limited	Joint venture	India	50.00%	50.00%

42. The Group has not extended any loans or advances in the nature of loans to its promoters, directors, key managerial personnel and its related parties, as defined under the Act, during the years ended 31 March 2022 and 31 March 2021.

43. Related party disclosures

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

Names of related parties	Nature of relationship
Heritage Novandie Foods Private Limited ("HNFPL")	Joint Venture
SKIL Raigam Power (India) Limited	Associate
Heritage Finlease Limited	
NTR Memorial Trust	Enterprise over which Vice -Chairperson and Managing Director, and Executive Director of the Company exercise significant influence
Megabid Finance & Investment Private Limited	
Nirvana Holdings Private Limited	
Basavataarakam Indo-American Cancer Hospital	Executive Director of the Company is one of the trustee
N Bhuvanewari (Vice Chairperson and Managing Director)	
N Brahmani (Executive Director)	
M Sambasiva Rao (President)	
Srideep Madhavan Nair Kesavan (Chief Executive Officer) (effective from 28 July 2021)	Key Managerial Personnel (KMP)
A Prabhakara Naidu (Chief Financial Officer)	
Umakanta Barik (Company Secretary & Compliance Officer)	
Srivishnu Raju Nandyala	
Rajesh Thakur Ahuja	
Aparna Surabhi	Non-Executive Independent Directors
D. Seetharamaiah (till 1 July 2020)	
Muthu Raju Paravasa Raju Vijay Kumar (effective from 1 November 2021)	
Dr. Nagaraja Naidu Vadlamudi	Non-Executive Director

(b) Transactions with related parties

	For the year ended	
	31 March 2022	31 March 2021
Heritage Novandie Foods Private Limited		
Investment made (including financial guarantee)	105.15	74.64
Sale of products	4.27	0.10
Purchase of products	0.01	-
Financial guarantee income	2.20	1.23
Lease rental income	1.09	0.95
Expenditure incurred on behalf of HNFPL	4.67	1.86
Heritage Finlease Limited		
Remittance of loan proceeds collected on behalf of Heritage Finlease Limited	1,372.71	1,012.12
Disbursement of loans to employees of the Company	-	17.92
Cattle loan facilitation charges	2.58	2.03
Reimbursement of insurance proceeds received on behalf of Heritage Finlease Limited	0.03	-
Deposit paid	1.51	-

Summary of the significant accounting policies and other explanatory information

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

	For the year ended	
	31 March 2022	31 March 2021
Lease rental paid	1.81	-
Lease rental income	0.05	0.05
Nirvana Holdings Private Limited		
Lease rental income	0.05	0.05
NTR Memorial Trust		
CSR expenditure	15.40	9.98
Others	-	0.13
Megabid Finance & Investment Private Limited		
Lease rental income	0.05	0.02
Basavatarakam Indo-American Cancer Hospital		
Others (Staff welfare expenses)	0.93	-
N Bhuvanewari		
Short-term employee benefits	77.01	110.87
Post-employment benefits	0.97	0.93
Other long-term benefits	0.87	0.87
N Brahmani		
Short-term employee benefits	61.55	88.69
Post-employment benefits	0.49	0.47
M Sambasiva Rao		
Short-term employee benefits	27.71	35.03
Post-employment benefits	0.76	0.69
Other long-term benefits	1.39	1.24
Srideep Madhavan Nair Kesavan		
Short-term employee benefits	10.19	-
Post-employment benefits	0.55	-
A Prabhakara Naidu		
Short-term employee benefits	7.96	6.24
Post-employment benefits	0.40	0.32
Other long-term benefits	0.22	0.43
Umakanta Barik		
Short-term employee benefits	3.81	3.10
Post-employment benefits	0.19	0.16
Sitting fees		
Srivishnu Raju Nandyala	0.53	0.68
Rajesh Thakur Ahuja	0.64	0.65
Aparna Surabhi	0.64	0.68
D. Seetharamaiah	-	0.26
Muthu Raju Paravasa Raju Vijay Kumar	0.15	-
Nagaraja Naidu Vadlamudi	0.39	0.51

(c) Balances receivable/(payable)

	As at	
	31 March 2022	31 March 2021
Heritage Finlease Limited	(9.50)	(7.90)
Heritage Novandie Foods Private Limited	0.39	(0.09)
Nirvana Holdings Private Limited	-	0.05
Megabid Finance & Investment Private Limited	-	0.02
N Bhuvanewari	(57.43)	(92.80)
N Brahmani	(52.54)	(78.89)
M Sambasiva Rao	(13.62)	(21.73)
Srideep Madhavan Nair Kesavan	(0.01)	-

Summary of the significant accounting policies and other explanatory information

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

Notes:

- The sales to and purchases from related parties are made on terms equivalent to those that prevail in arm's length transactions. Outstanding balances at the year-end are unsecured and interest free and settlement occurs in cash. There have been no guarantees provided or received for any related party receivables or payables. For the year ended 31 March 2022, the Group has not recorded any impairment of receivables relating to amounts owed by related parties (31 March 2021: ₹ Nil). This assessment is undertaken each financial year through examining the financial position of the related parties and the market in which such parties operates.
- As at 31 March 2022, the Group has an outstanding guarantee given to a banker towards term loan and working capital facility availed by its joint venture i.e. Heritage Novandie Foods Private Limited. Amount outstanding to the banker by Heritage Novandie Foods Private Limited as at 31 March 2022 aggregates to ₹ 120.26 (31 March 2021: ₹ 149.54).
- Post-employment and other long-term benefits, disclosed above, does not include those benefits which are computed for the Group as a whole.

44. Contingent liabilities and commitments

	As at	
	31 March 2022	31 March 2021
(a) Commitments		
Estimated amount of contracts remaining to be executed on capital account and not provided for	60.45	57.47
Note: Refer note 48(d) for commitments in respect of a joint venture.		
(b) Contingent liabilities, not provided for		
In respect of income tax matters [refer (i) below]	5.21	-
In respect of sales tax / value added tax matters [refer (ii) below]	18.67	18.67
In respect of other matters [refer (iii) below]	59.73	20.65

- The Company had received demand order from the income tax authorities for the assessment years 2017-18 and 2018-19 in relation to the inadmissibility of expenditure claimed under Section 80G of the Income Tax Act, 1961. The management, on the basis of its internal assessment of the facts of the case, the underlying nature of transactions, is of the view that the probability of the case being settled against the Company is remote and accordingly do not foresee any adjustment to these standalone financial statements in this regard. The litigation is currently pending with the Commissioner of Income Tax (Appeals) ("CIT(A)").

	As at	
	31 March 2022	31 March 2021
(ii) - Disputed purchase tax levied under Andhra Pradesh Value Added Tax Act, 2005 on purchase of milk [®]	9.51	9.51
- Disputed Input tax credit disallowed under Andhra Pradesh Value Added Tax Act, 2005 [®]	4.69	4.69
- Disputed Input tax credit disallowed under The Central Sales Tax, 1956 [#]	4.47	4.47
[®] litigation pending with Hon'ble High Court of Telangana;		
[#] litigation pending with Joint Commissioner of commercial Taxes (Appeals), Bangalore.		
(iii) - Disputed entry tax levied under Andhra Pradesh Tax on Entry of Goods into Local Areas Act, 2001 on interstate purchases [®]	3.77	-
- Disputed entry tax levied under Telangana Tax on Entry of Goods into Local Areas Act, 2001 on interstate purchases [®]	10.37	10.34
- Disputed penalty levied under Central GST Act, 2017 on classification of flavored milk product [®]	35.28	-
- Disputed milk cess levied on installed capacity under the Haryana Murrah Buffalo and other Milch Animal Breed Act, 2001 [^]	10.31	10.31
[®] litigation pending with Hon'ble High Court of Andhra Pradesh;		
[^] litigation pending with Supreme Court of India		

Based on the internal assessment and / or legal opinion, the Management is confident that, for the aforesaid mentioned contingent liabilities under paragraph (ii) and (iii) above, no further provision is required to be made as at 31 March 2022.

(c) Guarantees excluding financial guarantees	2.96	3.49
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Summary of the significant accounting policies and other explanatory information

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

45. Leases

The movement in lease liabilities is as follows:

Particulars	For the year ended	
	31 March 2022	31 March 2021
Balance at the beginning of the year	44.87	65.49
Additions during the year	65.40	17.01
Finance cost accrued during the year	6.77	5.86
Payment of lease liabilities	(41.68)	(43.49)
Lease liabilities at the end of the year	75.36	44.87
Current lease liabilities	28.23	22.51
Non-current lease liabilities	47.13	22.36

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

Particulars	As at	
	31 March 2022	31 March 2021
Less than one year	33.65	26.33
One to five years	52.22	24.32
More than five years	0.95	2.71
Total	86.82	53.36

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

Rental expense recorded for short-term leases for the year ended 31 March 2022 was ₹ 37.72 (31 March 2021: ₹ 20.77). Leases not yet commenced to which the Group is committed aggregated to ₹ Nil as on 31 March 2022.

46. Research and development expenses

Particulars	For the year ended	
	31 March 2022	31 March 2021
Capital expenditure	0.92	11.14
Revenue expenditure	8.07	1.87
	8.99	13.01

47. Discontinued operations of Heritage Employees Welfare Trust

(i) The financial performance presented below is for the year ended 31 March 2022 and 31 March 2021:

	For the year ended	
	31 March 2022	31 March 2021
Revenue	0.97	2.52
Expenses	5.32	10.01
Loss before tax from discontinued operations	(4.35)	(7.49)
Tax expense	-	-
Loss for the year from discontinued operations	(4.35)	(7.49)

(ii) The cash flow information for the year ended 31 March 2022 and 31 March 2021 is as follows:

	For the year ended	
	31 March 2022	31 March 2021
Net cash used in operating activities	(5.16)	(9.42)
Net cash generated from investing activities	-	-
Net cash generated from financing activities	-	-
Net decrease in cash and cash equivalents	(5.16)	(9.42)

Summary of the significant accounting policies and other explanatory information

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

(iii) Details of carrying values of assets and liabilities classified as held for sale as at 31 March 2022 and 31 March 2021 are as follows:

	As at	
	31 March 2022	31 March 2021
Assets		
Cash and cash equivalents	-	5.15
Other assets	0.04	1.03
Total assets	0.04	6.18
Liabilities		
Trade payables	-	1.79
Total liabilities	-	1.79
Net assets	0.04	4.39

48. Interest in a material joint venture

- (a) The Group has interest in a single joint venture ("HNFPL"), which, in the opinion of the Holding Company's Board of Directors, is material to the Group. The principal activity of HNFPL is manufacturing and selling of fruit and flavoured yoghurts. The joint venture has share capital consisting solely of equity shares, which are held directly by the Holding Company. The country of incorporation is also its principal place of business, and the proportion of ownership interest is the same as the proportion of voting rights held. Refer note 40 for further details. Equity shares of the joint venture are unlisted, therefore no quoted price is available.
- (b) The tables below provide summarised financial information about the joint venture. The information disclosed reflects the amounts presented in the financial statements of the joint venture and not the Group's share of those amounts.

(i) Summarised Balance Sheet

	As at	
	31 March 2022	31 March 2021
Assets		
Non-current assets		
Property, Plant and Equipment	359.25	305.62
Capital work-in-progress	5.98	53.90
Other intangible assets	0.79	1.09
Other financial assets	0.45	0.96
Other non-current assets	7.22	13.06
Total non-current assets	373.69	374.63
Current assets		
Inventories	4.18	5.10
Other financial assets	98.31	40.43
Other current assets	14.16	7.41
Total current assets	116.65	52.94
Total assets	490.34	427.57
Liabilities		
Non-current liabilities		
Financial liabilities		
(i) Borrowings	91.89	120.22
(ii) Lease liabilities	12.67	12.26
Total non-current liabilities	104.56	132.48
Current liabilities		
Financial liabilities		
(i) Borrowings	28.37	29.32
(ia) Lease liabilities	0.99	0.99
(ii) Trade payables	6.91	2.68
(iii) Other financial liabilities	7.89	11.01
Other liabilities	0.63	0.49
Provisions	2.36	1.09
Total current liabilities	47.15	45.58
Net assets	338.63	249.51

Summary of the significant accounting policies and other explanatory information

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

(ii) Summarised Statement of Profit and Loss

	For the year ended	
	31 March 2022	31 March 2021
Total income	23.49	1.17
Expenses		
Cost of materials consumed	15.33	1.26
Changes in inventories of finished goods	(0.04)	(0.27)
Employee benefits expense	38.33	18.56
Other expenses	55.41	18.32
Others	35.14	7.46
Total expenses	144.17	45.33
Loss before tax	(120.68)	(44.16)
Tax expense	-	-
Loss for the year	(120.68)	(44.16)
Other comprehensive income for the year	-	-
Total comprehensive loss for the year	(120.68)	(44.16)

(c) Reconciliation of carrying amounts

	As at	
	31 March 2022	31 March 2021
Opening net assets	249.51	152.73
Equity shares issued during the year	209.30	132.60
Loss for the year	(120.68)	(44.16)
Other adjustments made directly to equity	0.50	8.34
Closing net assets	338.63	249.51
Group's share in %	50.00%	50.00%
Group's share in closing net assets	169.32	124.76
Other adjustments	4.55	4.30
Carrying amount (refer note 9)	173.87	129.06

(d) Commitments in respect of a joint venture

	As at	
	31 March 2022	31 March 2021
Commitment to provide Group's share of funding for joint venture's capital commitments, if called for	4.60	0.86

The joint venture had no contingent liabilities as on 31 March 2022 and 31 March 2021.

49. Interest in an immaterial associate

Group has interest in a single associate ("SKIL"), which, in the opinion of the Holding Company's Board of Directors, is immaterial to the Group. The Group's share in loss after tax and other comprehensive income for the year is ₹ Nil (31 March 2021: ₹ 0.08) and ₹ Nil (31 March 2021: ₹ Nil) respectively in respect of such associate.

50. Segment reporting

The Chief Operating Decision Maker ("CODM") evaluates the Group's performance and allocates the resources based on an analysis of various performance indicators by reportable segments.

The measurement of each segment's revenue, expenses, assets and liabilities is consistent with the accounting policies that are used in preparation of the Group's consolidated financial statements.

The Group has been organised into different verticals based on its products. Three verticals have been identified as reportable operating segments by the Group, which are as follows:

Summary of the significant accounting policies and other explanatory information

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

- (i) Dairy vertical: Under this vertical, the Group manufactures and market a complete range of milk and milk products.
- (ii) Renewable energy vertical: Under this vertical, the Group produces power for captive consumption through its solar and wind power plants.
- (iii) Feed vertical: Under this vertical, the Group manufactures wide varieties of cattle and fish feeds.

No operating segments have been aggregated to form the above reportable segments.

Segment performance is evaluated based on revenue and earnings before interest and tax and is measured consistently in line with the measurement principles used in the financial statements, except adjustments not made to operating segments on individual basis. The items which are not allocated to individual operating segments are gains or losses on financial instruments, taxes, impairment on financial instruments, finance costs, interest income among others. Refer reconciliation below for further details.

The table below presents segment wise information of revenue, results, assets and liabilities:

Particulars	For the year ended and as at 31 March 2022				For the year ended and as at 31 March 2021			
	Segment revenue	Segment results	Segment assets	Segment liabilities	Segment revenue	Segment results	Segment assets	Segment liabilities
Dairy	26,413.02	1,361.42	7,319.14	2,067.85	24,064.96	2,184.94	7,224.73	2,402.23
Renewable energy	90.03	37.30	554.42	3.42	68.83	28.75	577.38	2.73
Feed	946.12	24.13	546.56	152.80	1,215.26	112.34	554.38	188.03
Others	-	(0.79)	-	-	-	(9.10)	-	0.87
Intersegment revenue	(636.38)	-	-	-	(617.92)	-	-	-
Unallocated	-	-	605.68	226.19	-	-	428.62	228.12
Total	26,812.79	1,422.06	9,025.80	2,450.26	24,731.13	2,316.93	8,785.11	2,821.98

Reconciliation of segment results to profit before tax from continuing operations:

	For the year ended	
	31 March 2022	31 March 2021
Amount as per segment results	1,422.06	2,316.93
Less:		
Finance costs (refer note 30)	40.07	191.80
Fair value loss on FVTPL securities	-	48.12
Share of loss of an associate and a joint venture	60.34	22.16
Other unallocable expenses	33.00	33.72
	133.41	295.80
Add:		
Interest income	6.70	4.05
Other unallocable income	12.07	-
	18.77	4.05
Profit before tax from continuing operations	1,307.42	2,025.18

Geographical information

Revenue disaggregation geography wise information has been disclosed under note 25 to the consolidated financial statements. Further 100% of the Group's non-current and current assets as at 31 March 2022 and 31 March 2021 were located in India.

Major customers

The Group has no single customer who has contributed more than 10% of the Group's total revenue during the year ended 31 March 2022 and 31 March 2021.

Summary of the significant accounting policies and other explanatory information

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

51. Additional disclosure as required under paragraph 2 of 'General Instructions for the preparation of Consolidated Financial Statements' of the Schedule III to the Act

(i) As at and for the year ended 31 March 2022:

Name of the entity	Net assets		Share in profit or loss		Share of OCI		Share of total comprehensive income	
	As a % of consolidated net assets	Amount	As a % of consolidated profit or loss	Amount	As a % of consolidated net assets	Amount	As a % of consolidated profit or loss	Amount
Parent Company								
Heritage Foods Limited	100.45%	6,604.86	105.67%	1,015.34	28.26%	(0.13)	105.71%	1,015.21
Subsidiary								
Heritage Nutrivet Limited	6.02%	395.67	1.10%	10.59	71.74%	(0.33)	1.07%	10.26
Controlled trusts								
Heritage Farmers Welfare Trust	0.00%	-	(0.05%)	(0.48)	0.00%	-	(0.05%)	(0.48)
Heritage Employee Welfare Trust	0.00%	0.04	(0.45%)	(4.35)	0.00%	-	(0.45%)	(4.35)
Joint venture (Investment as per equity method)								
Heritage Novandie Foods Private Limited	2.64%	173.87	(6.28%)	(60.34)	0.00%	-	(6.28%)	(60.34)
Associate								
SKIL Raigam Power (India) Limited	-	-	-	-	-	-	-	-
Non-controlling interest	-	(0.04)	0.50%	4.83	-	-	0.50%	4.83
Total	109.11%	7,174.40	100.49%	965.59	100.00%	(0.46)	100.49%	965.13
Consolidation adjustments	(9.11%)	(598.86)	(0.49%)	(4.73)	-	-	(0.49%)	(4.73)
Net amount	100.00%	6,575.54	100.00%	960.86	100.00%	(0.46)	100.00%	960.40

(ii) As at and for the year ended 31 March 2021:

Name of the entity	Net assets		Share in profit or loss		Share of OCI		Share of total comprehensive income	
	As a % of consolidated net assets	Amount	As a % of consolidated profit or loss	Amount	As a % of consolidated net assets	Amount	As a % of consolidated profit or loss	Amount
Parent Company								
Heritage Foods Limited	99.57%	5,937.64	97.88%	1,451.64	101.14%	(21.31)	97.84%	1,430.33
Subsidiary								
Heritage Nutrivet Limited	6.45%	384.41	4.86%	72.12	(1.14%)	0.24	4.95%	72.36
Controlled trusts								
Heritage Farmers Welfare Trust	0.01%	0.49	(0.61%)	(8.98)	0.00%	-	(0.61%)	(8.98)
Heritage Employee Welfare Trust	0.07%	4.39	(0.51%)	(7.49)	0.00%	-	(0.51%)	(7.49)
Joint venture (Investment as per equity method)								
Heritage Novandie Foods Private Limited	2.16%	129.06	-1.49%	(22.08)	-	-	(1.51%)	(22.08)
Associate								
SKIL Raigam Power (India) Limited	-	-	(0.01%)	(0.08)	-	-	(0.01%)	(0.08)
Non-controlling interest	(0.08%)	(4.88)	1.11%	16.47	-	-	1.13%	16.47
Total	108.18%	6,451.11	101.25%	1,501.60	100.00%	(21.07)	101.27%	1,480.53
Consolidation adjustments	(8.18%)	(487.98)	(1.25%)	(18.59)	-	-	(1.27%)	(18.59)
Net amount	100.00%	5,963.13	100.00%	1,483.01	100.00%	(21.07)	100.00%	1,461.94

The disclosure as above represents separate information for each of the consolidated entities before elimination of inter-company transactions. The net impacts on elimination of inter-company transactions/profits or (losses)/consolidation adjustments have been disclosed separately. Based on the Group structure, the management is of the view that the above disclosure is appropriate under the requirements of the Act.

Summary of the significant accounting policies and other explanatory information

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

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

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

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

Sanjay Kumar Jain
Partner
Membership No: 207660

Place : Hyderabad
Date : 27 May 2022

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

N Bhuvanewari
Vice Chairperson and
Managing Director
DIN: 00003741

N Brahmani
Executive Director
DIN: 02338940

M Sambasiva Rao
President

Srideep Madhavan Nair Kesavan
Chief Executive Officer

A Prabhakara Naidu
Chief Financial Officer
M.No.FCA 200974

Umakanta Barik
Company Secretary &
Compliance Officer
M.No. FCS 6317

Place : Hyderabad
Date : 27 May 2022

Form AOC-1

(pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules 2014) statement containing salient feature of the financial statements of subsidiaries/associate companies/joint ventures

Part "A" Subsidiaries

S. No	Name of the Subsidiary	The Date since when subsidiary was acquired	Reporting period for the subsidiary concerned if different from the holding company's reporting period	As at				For the Year ended								
				Share Capital	Reserves & Surpluses	Total Assets	Total Liabilities	Investments	Turnover	Profit/ (Loss) before taxation	Provision for taxation (incl. Deferred Tax)	Profit / (Loss) after Taxation	Proposed Dividend	Exten of Share Holding		
1	Heritage Nutrivet Limited - Subsidiary	01.12.2008														
	As at/ Year Ended:															
	31.03.2022		Reporting period same	37.10	358.57	557.83	162.16	-	946.12	15.65	5.06	10.59	-	100		
	31.03.2021		Reporting period same	37.10	347.31	577.45	193.04	-	1,215.26	97.58	25.46	72.12	-	100		

Heritage Foods Limited has given corporate guarantee of ₹ 207.50 Million till 31st March 2022 for the credit facilities availed by its wholly owned subsidiary Company namely M/s. Heritage Nutrivet Limited and the outstanding amount of credit facilities of subsidiary Company as on March 31, 2022 was ₹79.69 Million

Part "B" Associates / Joint Venture

S. No	Name of the Associate/ Joint Venture	Last Audited Balance sheet Date	Date on which the Associate or Joint Venture was associated or acquired	Shares of Associate/ Joint ventures held by the Company on the Year End		Description of how there is significant influence	Reason why the associate/ Joint Venture is not consolidated	Net worth attributable to share holding as per latest audited Balance sheet	Profit / (Loss) for the Year	
				No of Shares	Amount of Investment				Exten of Holding (%)	Consid- ered in consoli- dation
1	Skill Raigam Power (India) Limited - (Associate)*	31.03.2022	2011-12	650000	6.50	43.33	N.A	-	-	(28.91)
		31.03.2021	2011-12	650000	6.50	44.22	N.A	5.23	(0.08)	(0.11)
2	Heritage Novandie Foods Private Limited - (Joint Venture) #	31.03.2022	2017-18	4939727	256.95	50.00	N.A	169.32	(60.34)	(60.34)
		31.03.2021	2017-18	3485579	152.30	50.00	N.A	124.76	(22.08)	(22.08)

* SKILL Raigam Power (India) Limited has been declared as Dormant Company as per Section 455(2) of Companies Act, 2013 vide SRN No T42936765 dated 22.09.2021. Networth attributable to shareholding as per balance sheet as on 31 March 2022 is ₹ (7.43) millions but disclosed as Nil, since the Company has already provided impairment loss to the extent of its equity shareholding of ₹ 6.50 millions.

Heritage Foods Limited has given corporate guarantee of ₹ 220 Million as at 31st March 2022 for the credit facilities availed by its Joint Venture Company namely M/s. Heritage Novandie Foods Private Limited, and the outstanding amount of credit facilities as on March 31, 2022 was ₹ 120.26 Million

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

N Bhuvanewari
Vice Chairperson and
Managing Director
DIN: 00003741

N Brahmani
Executive Director
DIN: 02338940

M Sambasiva Rao
President

Srideep Madhavan Nair Kesavan
Chief Executive Officer

A Prabhakara Naidu
Chief Financial Officer
M.No.FCA 200974

Umakanta Barik
Company Secretary &
Compliance Officer
M.No. FCS 6317

Place : Hyderabad
Date : 27 May 2022



HERITAGE FOODS LIMITED

CIN: L15209TG1992PLC014332

#6-3-541/C, Panjagutta, Hyderabad - 500 082, Telangana

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