Driving **Sustainable Growth**

Annual Report 2021-22

An ISO 9001:2015 Company

HERANBA®
INDUSTRIES LIMITED

Contents

STRATEGIC REVIEW

About Heranba Industries Limited 04
Product Offerings 06
Heranba's Business Verticals 08
Manufacturing Excellence 10
R & D Efforts 12
Presence across the world 14
Mega Trends 16
Business Model 18
Strategic Priorities 20
Key Performance Indicators 22
Chairman's Letter 24
MD's Letter 26
Board of Directors 28
Governance Framework 30
Risk Management 32
Management Discusison & Analysis 34

STATUTORY REPORTS

Notice 43
Board's Report 56
Report on Corporate Governance 79
Business Responsibility Report 94

FINANCIAL STATEMENTS

Independent Auditor's Report 101
Balance Sheet 109
Statement of Profit and Loss 110
Cash Flow Statement 111
Statement of Change in Equity 113
Notes to the Financial Statements 114

"In the upcoming years, patents on various technicals are expected to expire. This presents a huge opportunity to produce and distribute generic variants of the same drug in highly regulated markets such as the United States of America and Europe."

SADASHIV K SHETTY
Chairman & Executive Director

More on Page 24

"In the short time since the Company was first publicly traded, it has experienced a phenomenal expansion in both its financial standing and the level of trust it has garnered. Naturally, this fills us with hope for the future, but it also invigorates us to work toward our objectives while maximising value for our shareholders."

RAGHURAM K SHETTY
Managing Director

More on Page 26

₹14,503.73 **Million**
Revenue from Operations

₹2,791.07 **Million**
EBITDA

₹1,890.63 **Million**
PAT

This document contains statements about expected future events, financial and operating results of Heranba Industries Limited, which are forward-looking. By their nature, forward-looking statements require the Company to make assumptions and are subject to inherent risks and uncertainties. There is a significant risk that the assumptions, predictions, and other forward-looking statements will not prove to be accurate. Readers are cautioned not to place undue reliance on forward- looking statements as a number of factors could cause assumptions, actual future results, and events to differ materially from those expressed in the forward-looking statements. Accordingly, this document is subject to the disclaimer and qualified in its entirety by the assumptions, qualifications, and risk factors referred to in the management's discussion and analysis of Heranba Industries Limited's Annual Report, FY22.

Driving **Sustainable Growth**

For an agrochemical manufacturing company, like Heranba, what truly acts as a differentiator are finer things - importance of R&D, network and presence across geographies, manufacturing capabilities and the ability to grow sustainably. While a company's prowess is determined by its financials, its focus on sustainable growth reflects not just the intent of the Company, but also its potential to become a leader in the future. The farsightedness and the vision therefore become critical. At Heranba, the vision is crystal clear, and its mission enables it to inch closer to its goal. The Company is certain that the only possible growth is the one that is sustainable and inclusive – of people and the environment.

As the company slowly picks up on its pre- pandemic momentum, it is moving ahead with renewed fervor and motivation. ***Heranba is increasingly becoming steadfast about its way forward, and therefore is committed to developing agrochemical products that maximize its customers' output, while curtailing any negative impact on the lives of the consumers of these products. It is this laser sharp focus that is guiding it to innovate relentlessly.***

About Heranba Industries Limited

Heranba Industries Limited (HIL) is one of India's leading agrochemical players, with an objective of providing innovative chemistry to farmers.

The Company was acquired in 1994 by technocrats Mr. Sadashiv K. Shetty and Mr. Raghuram K. Shetty in Vapi, Gujarat. We began by manufacturing intermediates and gradually forward-integrated the Company and diversified our operations to produce technicals and formulations as well. Today we are one of the leading agrochemical player, with presence across the entire value chain.

Our pesticides range includes insecticides, herbicides, fungicides and public health products for pest control. With our in-depth knowledge and expertise in the field of agrochemicals, coupled with our strong manufacturing capabilities, sharp focus on R&D and extensive presence through dealers and distribution network, we are well positioned to become a global agrochemical force to reckon with in the future.

OUR MISSION

Our mission is to improve crop productivity and public health. We are committed to the wellness of world citizens and are passionate about providing innovative products to farmers that enhance farm efficiency.

4
Manufacturing and packaging facilities

700+
Team strength

350
Products commercialized till date

65+
Countries served

9,400+
Multi-purpose dealers across India

400+
Product registerations

15,224 MTPA
Manufacturing capacity

WHAT ARE PYRETHROIDS?

Pyrethroids are synthetic chemical compounds, used to control pests in farms, homes, communities, restaurants, hospitals, schools and other locations. It is an inorganic and cost-effective alternative to traditionally used insecticides.

DEMONSTRATING ROBUST STRENGTHS ACROSS OPERATIONS

PRESENCE IN A WIDE RANGE OF PRODUCTS ACROSS THE ENTIRE VALUE CHAIN OF SYNTHETIC PYRETHROIDS

As manufacturers of intermediates, technicals and formulations, Heranba has put itself across the entire value chain of synthetic pyrethroids and other active ingredients in the agrochemicals business, which gives it the flexibility to shuttle between products depending on the demand-supply and pricing dynamics of the domestic and international agrochemicals markets.

PRODUCT REGISTRATIONS IN THE DOMESTIC AND INTERNATIONAL MARKETS ENABLING GLOBAL OUTREACH

Heranba's International Distribution Partners, with the product and technical support from the Company, have obtained registrations for 400+ technicals and formulations in 49 countries across the globe, truly facilitating the Company to reach markets around the world.

STRONG PRODUCT PORTFOLIO AND WIDE DISTRIBUTION NETWORK

The Company supplies technicals to Indian agrochemical companies and formulations to farmers from across India. Till date, Heranba has over 9,400 dealers and distributors, who are supported by the Company's 21 stock depots spread across 16 states and 1 union territory in India.

DIVERSIFIED AND STABLE CUSTOMER BASE

Heranba supplies its products to various domestic and multinational agrochemical companies from around the world, such as, UPL, Rallis, Tagros, Gharda Chemicals, ADMA, Dhanuka, PI Industries, Meghmani, Sumitomo, Sulphur Mills, Biostadt India, Crystal Crop Protection among others.

EXPERIENCED PROMOTERS AND MANAGEMENT TEAM

Heranba believes that the right mix of youth and experience is the perfect formula for growth and evolution of the Company. While its Promoters have over 30 years of individual experience in the agrochemicals sector and are highly qualified to manage the operations of the Company, the second generation of Promoters have also taken active interest in the business activities and are geared to carry forward the baton.

Product Offerings

Heranba's high-quality products offer a wide range of differentiated options to the farmers, enhancing their crop yield and incomes. The Company's portfolio comprises intermediates, technicals and formulations, which also includes public health products that are supplied to pest control companies and various governmental health departments.

400
Product registrations in 49 countries

210
Registrations in pipeline in 49 countries

REGISTRATIONS FOR MANUFACTURE AND SALE IN INDIA

24
Technicals

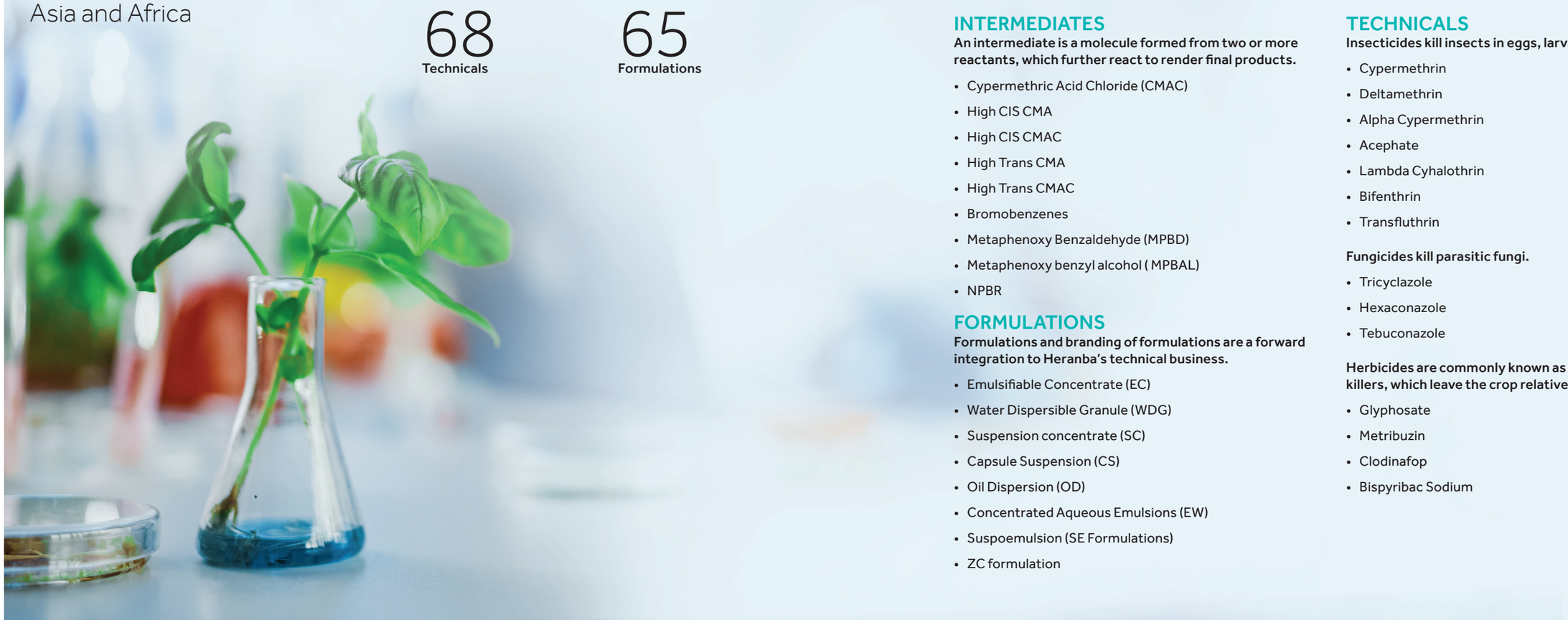
193
Formulations

Key markets include Middle East, CIS, Asia, North America, South East Asia and Africa

REGISTRATIONS FOR MANUFACTURE AND SALE IN EXPORT MARKETS

68
Technicals

65
Formulations



MARKING PRESENCE ACROSS THE ENTIRE VALUE CHAIN OF AGROCHEMICALS INDUSTRY

NEW PRODUCT ADDITIONS IN FY22

Anika, Astrole, Capzole, Heracap, Pride, Rolex, Herarich, Roxstar, Roxy, Roxyfin, Tolfin, Trozan

INTERMEDIATES

An intermediate is a molecule formed from two or more reactants, which further react to render final products.

- Cypermethric Acid Chloride (CMAC)
- High CIS CMA
- High CIS CMAC
- High Trans CMA
- High Trans CMAC
- Bromobenzenes
- Metaphenoxy Benzaldehyde (MPBD)
- Metaphenoxy benzyl alcohol (MPBAL)
- NPBR

FORMULATIONS

Formulations and branding of formulations are a forward integration to Heranba's technical business.

- Emulsifiable Concentrate (EC)
- Water Dispersible Granule (WDG)
- Suspension concentrate (SC)
- Capsule Suspension (CS)
- Oil Dispersion (OD)
- Concentrated Aqueous Emulsions (EW)
- Suspoemulsion (SE Formulations)
- ZC formulation

TECHNICALS

Insecticides kill insects in eggs, larva and adult stages.

- Cypermethrin
- Deltamethrin
- Alpha Cypermethrin
- Acephate
- Lambda Cyhalothrin
- Bifenthrin
- Transfluthrin

Fungicides kill parasitic fungi.

- Tricyclazole
- Hexaconazole
- Tebuconazole

Herbicides are commonly known as weed/ unwanted plant killers, which leave the crop relatively unharmed.

- Glyphosate
- Metribuzin
- Clodinafop
- Bispyribac Sodium

Heranba's Business Verticals

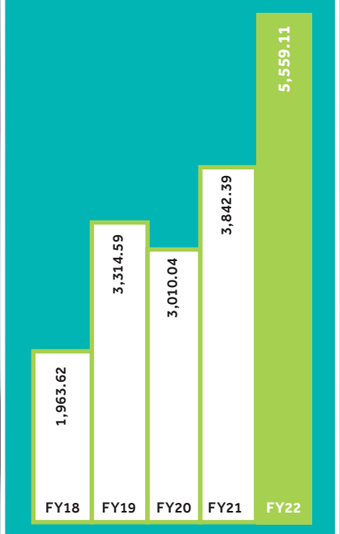
DOMESTIC SALE OF TECHNICALS

We are engaged in manufacturing and selling technicals in bulk to domestic and multinational agrochemical companies in India, who, in turn, use our products to produce formulations.

PERFORMANCE DURING FY22

₹ in Million

₹ 5,559.11



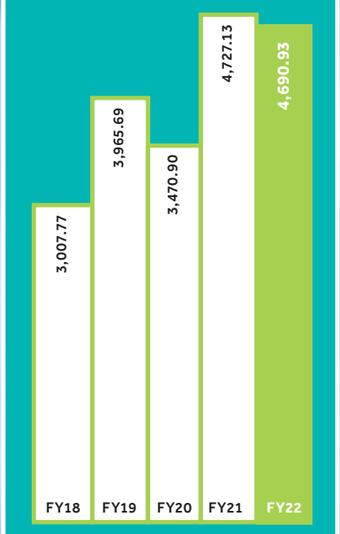
EXPORT SALE OF TECHNICALS

We manufacture technicals exclusively for export, which are sold to agrochemical companies across the globe. We have obtained the requisite approvals from the Central Insecticides Board and Registration Committee (CIB&RC) for these products. The registrations for more such technicals for the overseas market are in the pipeline.

PERFORMANCE DURING FY22

₹ in Million

₹ 4,690.93



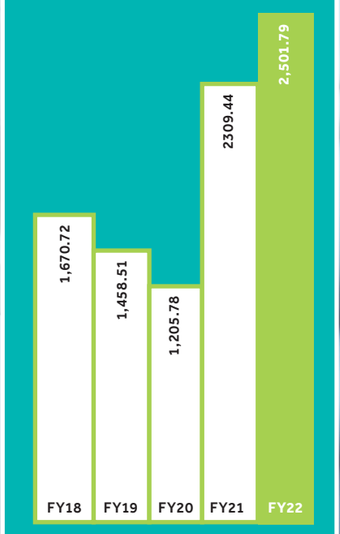
BRANDED FORMULATION SALES

In India, our branded insecticides, herbicides, fungicides and public health products are marketed through our distribution network. We have access to 21 depots in 16 states and 1 union territory across India through our network of 9,400+ dealers.

PERFORMANCE DURING FY22

₹ in Million

₹ 2,501.79



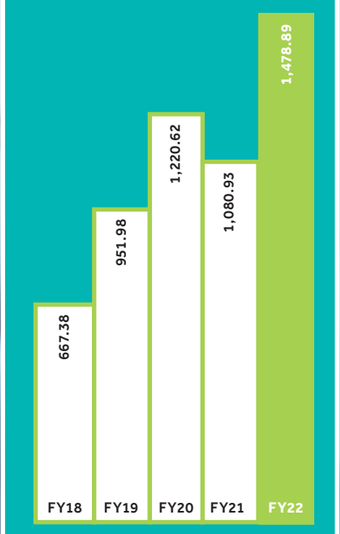
EXPORT SALES OF FORMULATIONS

We manufacture formulations exclusively for export, which are sold to agrochemical companies across the globe. We have obtained the requisite approvals from the Central Insecticides Board and Registration Committee (CIB&RC) for these products. The registrations for more such formulations for the overseas market are in the pipeline.

PERFORMANCE DURING FY22

₹ in Million

₹ 1,478.89



PUBLIC HEALTH

We manufacture and sell general insecticides under public health tenders issued by government bodies. Our products are also marketed to pest management companies. Typically, these products are sold under our own brands, viz. Alpha Shakti-5WP, Temper EC and Deltaflow, but we also market them in bulk, per our customers' requirements.

PERFORMANCE DURING FY22

₹ in Million

₹ 273.01

Manufacturing Excellence

To be able to deliver to such a vast pool of customers across the country and the world, the Company has created resilient infrastructure that is capable of handling volume as well as complexity. Its state-of-the-art integrated manufacturing units are equipped with the latest technology and highly qualified professionals.

Heranba has 4 integrated manufacturing units located in and around Vapi and Sarigam Gujarat, all of which are equipped with effluent treatment systems that minimise solid, liquid and gaseous effluents and emissions generated from its processes.

UNIT- I (GIDC VAPI)

This is an ISO 14001:2015 certified unit with a large-scale production house, equipped with state-of-the-art facilities for manufacturing a wide range of synthetic pyrethroids, organo phosphorus insecticides, and various pesticides intermediates. It is a Large scale manufacturing unit for insecticides, herbicides, fungicides & their intermediates.

UNIT- II (GIDC VAPI)

This unit manufactures high-quality Cypermethric Acid Chloride (CMAC) and all other Isomers/derivatives of CMAC as per customers' requirements. Apart from this, the unit also manufactures Cypermethrin, Alpha Cypermethrin and Permethrin technicals. The Company has acquired an industrial plot measuring 2702 sq. mt. adjacent to the existing Manufacturing Unit II of the Company. This acquisition has enabled the Company to enhance its production capacities and upgrade Unit II's environmental pollution control facilities. Common Boiler System is also being explored on this newly acquired plot to cater to steam requirements for all of the Company's running Units at Vapi.

UNIT- III (GIDC SARIGAM)

This unit is ISO 9001: 2015 certified and equipped with modern formulation and packing facilities capable of handling large capacities of Liquid, Powders and Granules. The formulation division was established to exclusively focus on manufacturing various branded formulations and trading activities. In addition, this unit is involved in the manufacturing and distribution of agrochemicals such as herbicides, fungicides and insecticide for plant and public health segment.

Recently, the Company has installed and initiated its new setup of spray drying facilities for WDG formulations for various formulations of sulphur such as WDG and specific combination formulations of sulphur such as Sulphur/Imidacloprid 70WG/ COC WG, Sulphur/ Tebuconazole, and other such spray-dried granulated products. This unit is also equipped with a rooftop solar plant that generates 185.0 KW per annum energy, utilized for captive consumption, in addition to its DGVCL power connection of 750.0 KVA.

The new technical plant at Sarigam is being developed to cope with the increasing demand for branded/B2B and exports. The Company received "Environmental Clearance" (EC) from the Ministry of Environment, Forest and Climate Change of the Government of India to expand pesticides intermediates, fungicides, herbicides and insecticides manufacturing at Sarigam Plant. As a result, the Company expects to commence its production of technical grade pesticides and their intermediates by end of next year.

UNIT- IV (GIDC VAPI)

The commercial production from new Unit-IV commenced during FY22. This development is in line with the Company's commitment and promises towards fostering sustainable growth while also creating job opportunities in the region. Heranba expects this new Unit IV to generate annual revenue of ₹ 1,000 Million.

This site has a large volume production facility to produce the highest purity products from by-products and Intermediates, which have agrochemical applications. This facility enables the Company to become self-dependent, mainly for Bromine recovery, without relying on external job workers.

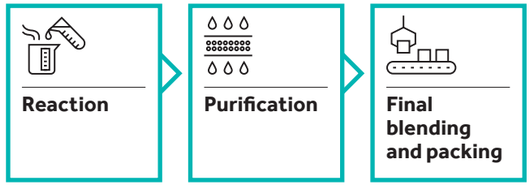
SAYKHA

Heranba has a parcel of land measuring around 34,600 sq. mt. at Saykha for further expansion. It has already received an EC from the Ministry of Environment, Forest & Climate Change, Government of India to set up its manufacturing unit with an annual capacity of 10,680 MTPA at the Saykha Plot for its products. It has also received a Consent to Establish ("CTE") from the Gujarat Pollution Control Board ("GPCB") for the manufacturing of pesticides, intermediates, fungicides, herbicides and insecticides.

In addition to the above, the Company has also acquired an industrial plot measuring 57,248.29 sq. mt. at Saykha Industrial Estate for further expansion of its manufacturing units.

MANUFACTURING PROCESS

Heranba manufactures a wide range of products, each of which has its own unique manufacturing process. Manufacturing of agrochemicals requires a high degree of knowledge about key chemical reactions that need to be executed on a commercial scale for mass production. It is through years of experience that the Company has enabled itself to become an expert in handling such reactions. The process of manufacturing Heranba's products can be broadly classified into three stages:



FORMULATION & PACKING CAPABILITIES

- Liquid
- Powder
- Granular
- Suspensions concentrate
- Capsulated suspension
- Spray Dried WDG set up under installation
- Flowable concentrate for seed treatments

15,224 MTPA
Aggregate capacity

5,850 KVA
Power Connection from DGVCL

216
Reactors

42,502 SQMT
Total area in use

124,595 SQMT
Additional area available for expansion

R & D Efforts

The Company is cognizant of the fact that continued innovation in products and processes is the key to unlocking the potential of the Company and to tap into the needs of the market. Towards its quest to achieve excellence, the Company has been leveraging its capabilities in science and technology. In order to offer superior crop-protection and public health solutions, the Company is reliant on its cutting-edge R&D facility and in-house quality control laboratories in three of its manufacturing units.

R&D CENTRES

The Company believes that its long-term sustainability and market dominance is premised on its ability to continuously innovate and offer products that would enable it to cater to a wider array of customer needs and maintain its growth trajectory. Accordingly, the Company has deployed significant resources at its advanced R&D facility for developing newer and more efficient processes for manufacturing the active ingredients and intermediates for its herbicide, insecticide and fungicide products, as well as developing new formulations for crop protection products.

A formulation development lab has also been set up as a pilot project, with state-of-the-art equipment such as a bead mill, air jet mill, extruders and fluidised bed dryer. The R&D facilities at Units I and II have also been recognised by the Department of Scientific and Industrial Research, Ministry of Science & Technology, GoI.

In October 2020, its new R&D facility at Unit III, equipped with the latest technologies and processes, became operational. This enabled the Company to conduct thorough research on active ingredients and formulations, especially for marketing them for export. Tests are being continued on two fungicide products, effective on rice, fruits and vegetables, and two herbicides and one insecticide product, which would be effective on soya bean, maise, rice, cotton, groundnut and sugarcane.

Our research and development efforts are supported by a team of highly-qualified experts and scientists, equipped with cutting-edge equipment and technology, who work in tandem to improve existing products and innovate newer ones.

In FY22, our R&D team worked on developing two fungicides, two herbicides and one insecticide. Two of these compounds are at an advanced R&D stage, and are being developed for sales in Europe and the USA.

KEY FOCUS AREAS OF R&D

01 New Product Development

02 Improving Process Efficiencies

03 Existing Product Enhancement

QUALITY CONTROL LABORATORY

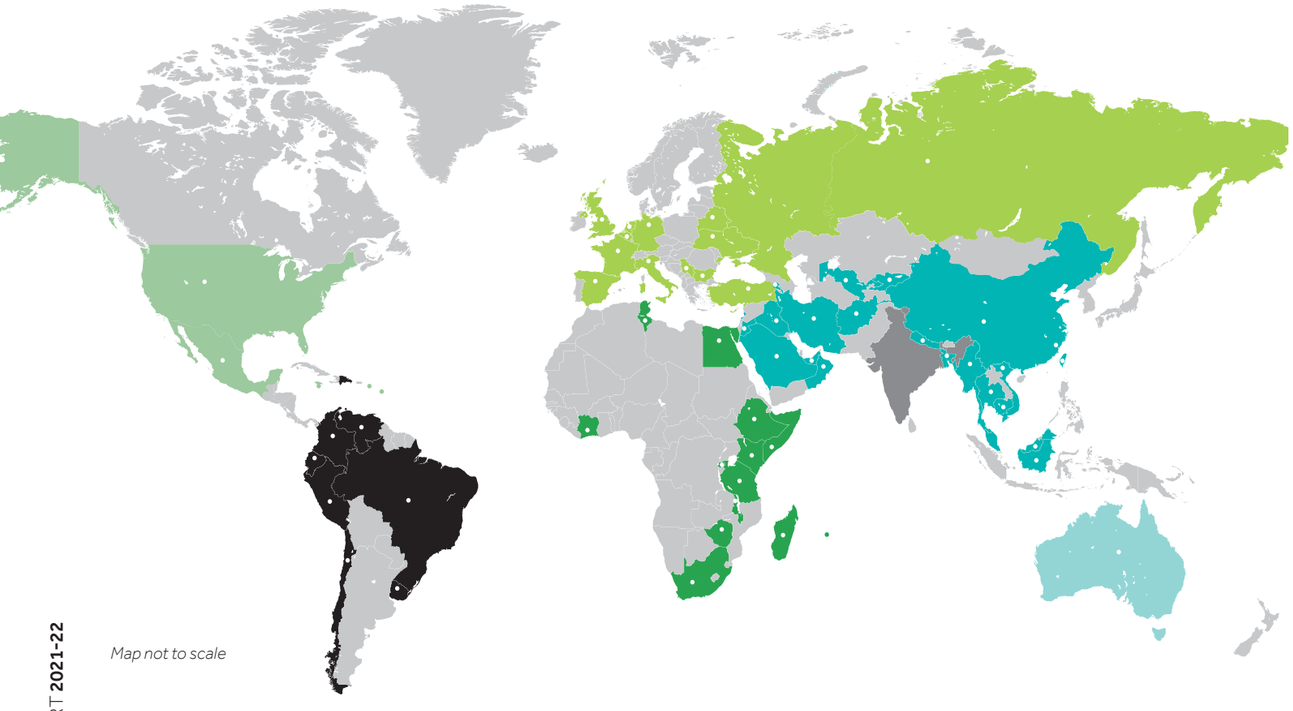
All three of our units have fully-equipped and independent quality control laboratories where the qualities and consistency of raw materials, in-process materials and finished goods are consistently monitored. Advanced equipment like High-performance Liquid Chromatography (HPLC), Gas chromatograph, UV spectro-photometer, Moisture analyser, Particle Size analyser and Electron Microscopes enable these labs to ensure the most precise standards of quality.

Both classical (like melting and boiling point tests) as well as chemical analysis of the materials are conducted. Specifically with a focus on the export markets, our labs also enable the identification and quantification of impurities, which is essential for that business vertical.

Presence across the world

Heranba boasts of a vast presence across India as well as all continents of the world. Over the years, the Company has slowly and steadily made itself available to a large geography, and has successfully added key markets - the USA and European nations to its long list of associations in FY22. With these additions, the Company believes that it is well-suited to capitalise on opportunities in these key markets, and is thus poised for growth.

EXPORT PRESENCE



Map not to scale

ASIA

Afghanistan
Armenia
Bangladesh
Cambodia
China
Hongkong
Indonesia
Iran
Iraq
Jordan
Korea
Kuwait
Kyrgyzstan
Lebanon
Malaysia
Myanmar
Nepal
Oman
Saudi Arabia
Singapore
Taiwan
Thailand
UAE
Uzbekistan
Vietnam

EUROPE

Belgium
Bulgaria
Cyprus
France
Germany
Italy
Liechtenstein
Netherlands
Republic Of Belarus
Russia
Serbia
Spain
Swaziland
Turkey
Ukraine
United Kingdom

AFRICA

Egypt
Ethiopia
Ivory Coast
Kenya
Madagascar
Malawi
Mauritius
Rwanda
Somalia
South Africa
Tanzania
Tunisia
Zimbabwe

AUSTRALIA

Australia

NORTH AMERICA

Dominicana
Jamaica
Mexico
Nevis
USA

SOUTH AMERICA

Brazil
Chile
Colombia
Ecuador
Peru
Uruguay
Venezuela

DOMESTIC PRESENCE THROUGH DEALER NETWORK

Presence

Map not to scale

Mega Trends

Sustaining and optimising agricultural yield, while ensuring the long-term health of natural resources, is a challenge that is faced not only by the farming communities, but one which touches the lives of everyone on our planet.

Heranba is not only mindful of these hurdles but is in a continuous quest of gearing itself to meet these challenges while adding the most value to its customers. The Company relies on a dynamic and proactive approach to pre- empt changes to its operating context, to effectively insulate its business as well as its stakeholders from potential shocks while also being on the lookout for avenues for growth.

THE FOLLOWING ARE SOME THE OF THE INDICATIVE TRENDS OF FOCUS FOR HERANBA:

SUSTAINABILITY IN AGRICULTURE

While commercial agriculture has attempted to meet the challenges of food security globally, it is estimated that, even now, seventeen people die of hunger every single minute. A third of the world's population remains malnourished, with almost 10% of people suffering from food insecurity. In this light, it has been an ongoing mandate for governments to increase agricultural yields, but aggressive efforts to bring more and more land under cultivation and to increase the productivity of crops has (counter-intuitively) had an adverse effect on the very quality of the produce itself. Land use changes and chemical contaminants affect the lives of many communities who either depend on the land for agriculture or rely on the agricultural products for their livelihoods. In this context, there is an ever-growing need for products which can maximise production without creating any negative impact on the lives of the consumers of these agricultural products.

There is an ever-growing need for products which can maximise production without creating any negative impact on the lives of the consumers of these agricultural products.

TECHNOLOGY

Modern agriculture depends heavily on technology and its efficient implementation. There is a continued need for the availability and implementation of affordable and sustainable technologies. On the other hand, India is one the destinations for advanced research and development in the field of agricultural technologies, supported by both public and private funding. However, often there is a major disconnect between those scientists who possess these solutions and those farmers who need it. In the agro-chemicals industry in India, there is not only burgeoning demand for easily implementable solutions but also a ready pool of innovations. This presents a unique opportunity to bridge this gap and to empower the agricultural communities to make the most of the resources available to them.

In the agro-chemicals industry in India, there is not only burgeoning demand for easily implementable solutions but also a ready pool of innovations.

CLIMATE CHANGE

Given that agriculture is a natural process, it is often thought that the same would not have a major impact on the environment. However, more than 40% of the earth's surface is used for agriculture and 70% of freshwater is used for irrigation. Thus, commercial agriculture remains one of the most resource- intensive industries in the world. Further, about a fourth of the global greenhouse emissions are from agriculture. However, sustainable agriculture has the potential to not only reduce the dependence on natural resources but also to negate the carbon footprint of the industry by transforming farmlands into carbon sinks. The implementation of technologies and processes in an economic and efficient way would be the key to ensuring the security and sustainability of global agricultural outputs.

Sustainable agriculture has the potential to not only reduce the dependence on natural resources but also to negate the carbon footprint of the industry by transforming farmlands into carbon sinks.

SHIFTING DEMAND

When agriculture was commercialised in the modern age, the cornerstone for the industry was its output. However recently, and most pronouncedly during the pandemic, the focus has shifted from only the quantity to also quality of the produce. While consumers have become more and more averse to artificial additives in the produce that they consume, with an ever-growing population, there has been unprecedented demand for both food crops and cash crops. This paradox has severely affected the ability of agricultural communities to balance these interests, since typically, more yield is linked to more use of fertilisers and pesticides. However, this also creates an opening for those players in the industry who can leverage their technical and technological knowhow to create products which mitigate adverse health effects while also boosting the outputs of land.

While consumers have become more and more averse to artificial additives in the produce that they consume, with an ever-growing population, there has been unprecedented demand for both food crops and cash crops.

Business Model

INPUTS

FINANCIAL CAPITAL

₹7,144.58 Million
Net worth

₹813.8 Million
Capital expenditure

₹523.29 Million
Gross Debt

Nil
Net Debt

TECHNOLOGICAL CAPITAL

4
Manufacturing Facilities

3
R&D centres in Vapi & Sarigam, Gujarat

HUMAN CAPITAL

700+
Employee strength

22
R&D Team members

COMMUNITY AND ENVIRONMENTAL CAPITAL

Invested towards sustainability initiatives

Committed towards CSR, and has deployed effective solutions towards that end

VALUE CREATION

MISSION

To improve crop productivity and public health. We are committed to the wellness of world citizens and are passionate about providing innovative products to farmers that enhance farm efficiency.

STRENGTHS

- **Presence in a wide range of products across the entire value chain of synthetic pyrethroids**
- **Product registrations in the domestic and international markets enabling global outreach**
- **Strong product portfolio and wide distribution network**
- **Diversified and stable customer base**
- **Experienced Promoters and Management Team**

More on Page 05

STRATEGIC PRIORITIES

- **Enhancing and streamlining production capacities and operations**
- **Expanding the reach of formulations and technicals in international markets**
- **Strengthening and expanding the branded formulations and public health products segment**
- **Developing new products**
- **Establishing presence in the Europe and the US markets**

More on Page 20

OUTPUTS

BUSINESSES

- Domestic institutional sale of technicals & formulations
- Export of technicals
- Branded formulations
- Export of formulations
- Public health

PRODUCTS

Technicals

Intermediates

Formulations

More on Page 06

OUTCOMES

ROBUST FINANCIAL HEALTH

₹14,503.57 Million
Net worth

₹2,791.07 Million
EBITDA

₹1890.63 Million
PAT

₹47.25
EPS

SUPERIOR MANUFACTURING CAPABILITIES

15,224 MTPA
Total Manufacturing Capacity

210+
Exports registration in pipeline

400+
Products registered

16
Products in the process of development

COMMITTED WORKFORCE

Upskilled, motivated and experienced workforce

COMMUNITY DEVELOPMENT AND ENVIRONMENTAL STEWARDSHIP

2,05,840 kWh/annum
Solar power for captive consumption generated

Reduced carbon footprint

Minimised environmental impact

Strategic Priorities

Heranba's foresight and preparedness has helped it achieve success in the past few years. As the Company now forays into a new league of operations, it is gearing for a long haul and has therefore charted out certain strategic priorities that will help it remain on track, while also catapulting it to a higher orbit.

ENHANCING AND STREAMLINING PRODUCTION CAPACITIES AND OPERATIONS

ACTION TAKEN

- Having received the environmental clearance for Sarigam expansion, the construction work is underway.
- Received environmental clearance for the Saykha site.

WAY FORWARD

- CAPEX of around ₹ 1800 Million has been earmarked for the Sarigam technical expansion. This phased expansion will increase capacity by 5,000-6,000 tonnes in phase I by the end of Q4FY23, and 10,000 tonnes by the end of FY24.
- CAPEX of around ₹ 500 Million has been earmarked for the Saykha site. However, it will be given further priority in the coming years, upon complete commercialisation of the Sarigam site.

STRENGTHEN AND GROW THE BRANDED FORMULATIONS AND PUBLIC HEALTH PRODUCTS SEGMENT

ACTION TAKEN

- The Company participated in various international and domestic agrochemical exhibitions and industry conferences to market its branded formulations.
- The Company also educated farmers regarding the benefits of using these products by conducting farmer training camps, participating in village level programmes and exhibitions to establish a direct relationship with farmer communities all across India.
- On the public health products front, the Company successfully bid for 13 government tenders issued by central and state governments agencies and municipal corporations.

WAY FORWARD

- Going forward, the Company will continue to leverage its sales and marketing teams to maintain and strengthen existing relationships with customers while exploring new relationships with potential customers.
- The Company will also continue to market its branded formulations through various events and by bringing the products closer to the farmers.
- Heranba will leverage its size and skill sets to bid for further government tenders to increase its sales.

ENTERING THE EUROPE AND US MARKETS

ACTION TAKEN

- In October 2021, the Company marked its entry into the regulated markets of the USA with its first ever consignment of insecticides.

WAY FORWARD

- 2 new compounds that are currently being evaluated by our R&D Team are in advanced stages, and are being prepared for sales in Europe and America.

EXPANDING THE REACH OF FORMULATIONS AND TECHNICALS IN INTERNATIONAL MARKETS

ACTION TAKEN

- Currently, the capacity of the Company's Technical segment is running at optimum capacity. With the addition of new capacity at Sarigam, the Company will be able to solidify its position in domestic and global markets. The expansion is expected to be completed by Q4FY23.

WAY FORWARD

- The Company intends to capitalise on opportunities generated by various technicals going off patent in the coming years. It aims to manufacture and supply these generic variants of technicals to the globe, putting greater emphasis on registering these molecules in the regulated markets.

DEVELOPING NEW PRODUCTS

ACTION TAKEN

- In FY22, 5 new compounds have been evaluated by our R&D Team - 2 fungicides, 2 herbicides and 1 insecticide. 2 of these compounds are in advanced stage and are geared towards sales in Europe and America.

WAY FORWARD

- Currently the Company has about 15- 20 products that are in R&D stage.
- In FY23 Heranba plans to launch three molecules.
- In FY24, subject to registrations, the Company plans to launch another 5 molecules.
- The Company already deals with 5 products out of the 10-14 product basket in pyrethroids. Going forward, it will strengthen its position in this segment. Moreover, pyrethroids being more eco-friendly than organosphorous products, lends itself to become the next biggest insecticide segment in the crop protection market.

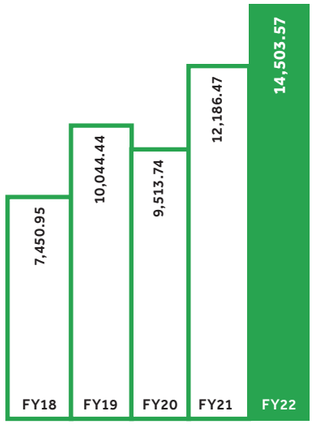
Key Performance Indicators

Heranba's robust financials are a testament to its resilience and hard work, which the Company has demonstrated in the past few years. The Company is currently on a growth trajectory, and is certain that given the right environment and macroeconomic conditions, it will be able to establish itself as one of the leading agrochemical companies in India as well as in the globe.

REVENUE FROM OPERATIONS

₹ in Million

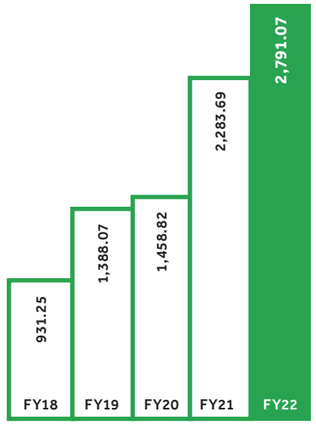
₹ 14,503.57 | 19.01% | 14.25%



EBITDA

₹ in Million

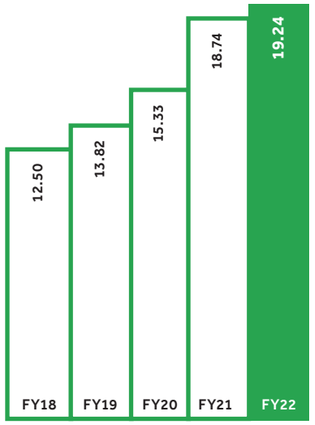
₹ 2,791.07 | 22.22% | 24.55%



EBITDA MARGIN

in %

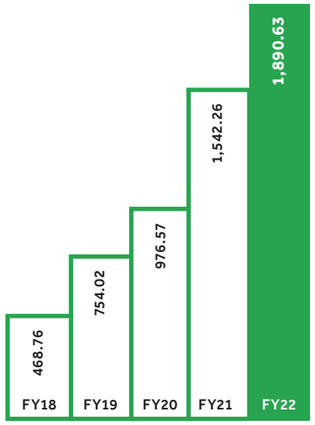
19.24%



PAT

₹ in Million

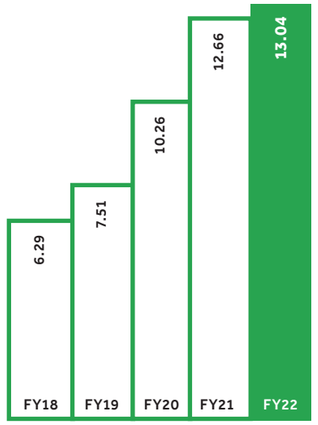
₹ 1,890.63 | 22.59% | 32.17%



PAT MARGIN

in %

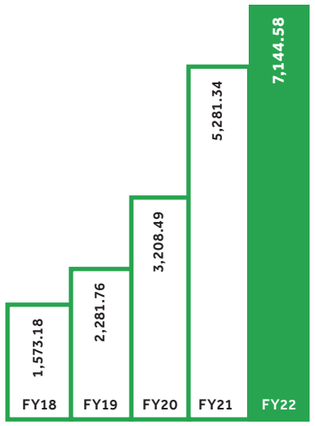
13.04%



NETWORTH

₹ in Million

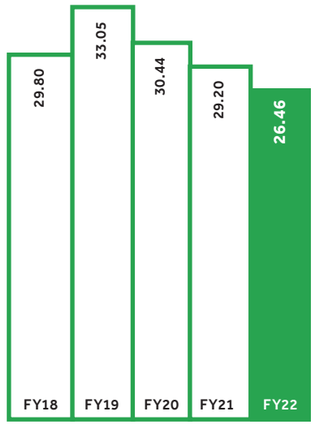
₹ 7,144.58 | 35.28% | 45.69%



ROE

in %

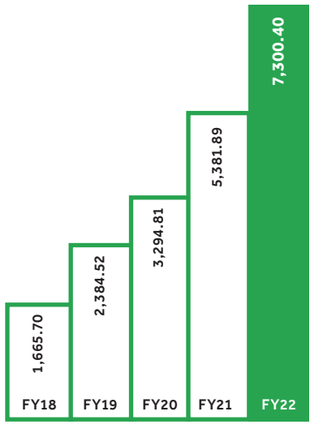
26.46%



CAPITAL EMPLOYED

₹ in Million

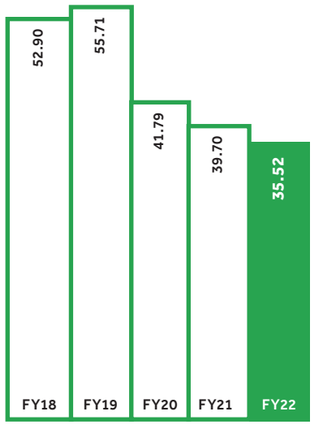
₹ 7,300.40 | 35.64% | 44.69%



ROCE

in %

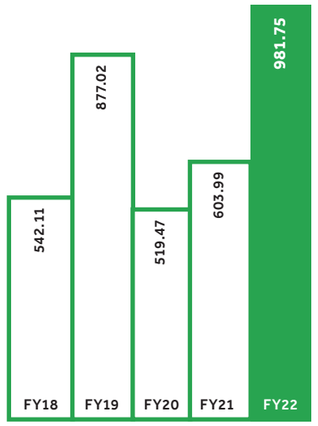
35.52%



CFO

₹ in Million

981.75

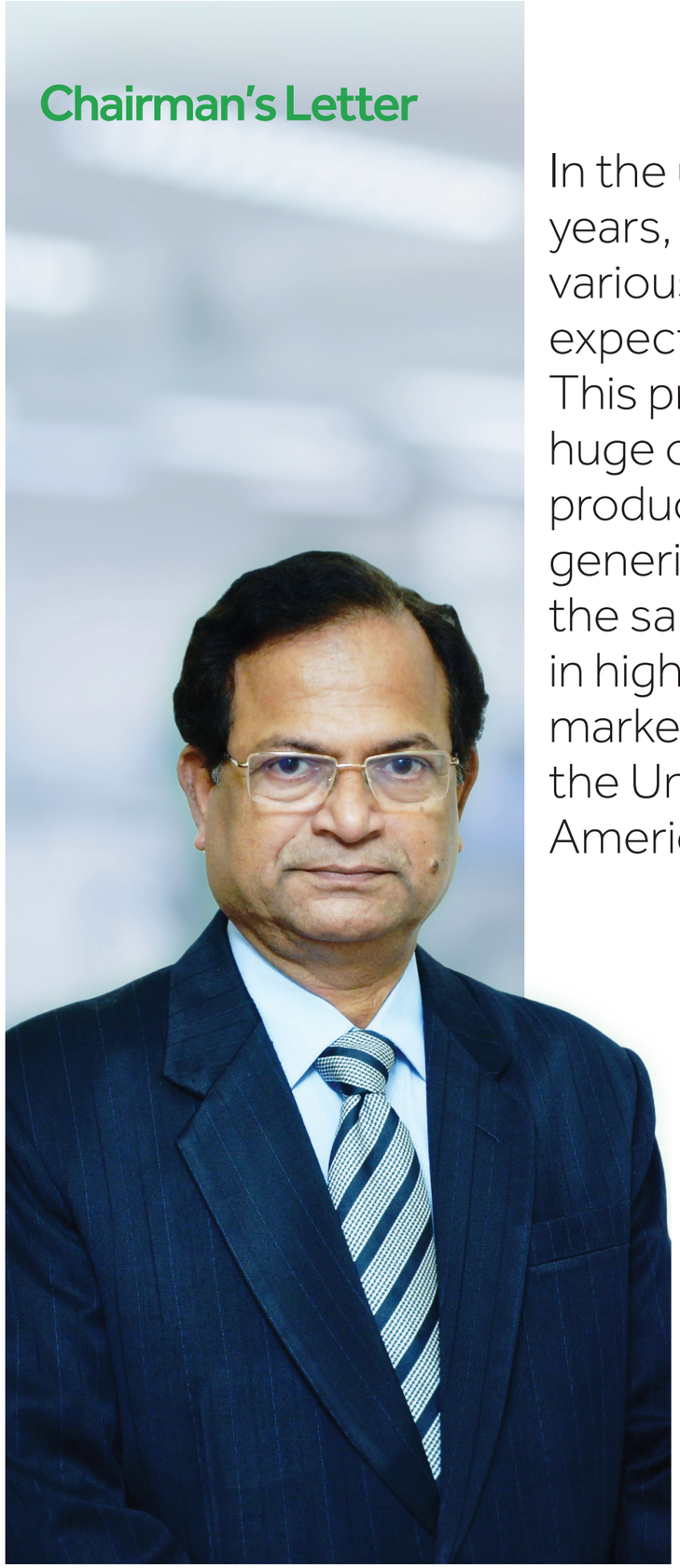


KEY

y-o-y growth

5 year CAGR

Chairman's Letter



In the upcoming years, patents on various technicals are expected to expire. This presents a huge opportunity to produce and distribute generic variants of the same molecules in highly regulated markets such as the United States of America and Europe.

Dear Shareholders,

I'd like to begin by expressing my sincere gratitude to all of you, for continuing to place your trust in Heranba, and enabling us in our pursuit of excellence. Your faith in us allowed us to finish another year on a high note, and we look forward to building on this foundation in the years ahead.

FY22 was another arduous one for all of us. We witnessed geopolitical unrest in several regions of the world, which disrupted global supply chains and led to unprecedented volatility in commodity prices and freight costs. In this uncertain operating environment, we prioritised the health and safety of our employees, the uninterrupted supply of our products, meeting the changing needs of our consumers, caring for our communities, and protecting our business model.

Extreme external challenges, such as those we are experiencing right now, are not an exception for us. Despite the same, these obstacles have strengthened our resolve and commitment, facilitating us to accomplish more. We have always remained relevant by adapting, amending, and changing, as per circumstances and situations. Albeit this challenging environment, our robust FY22 results highlight our strategic vision, the strength of our business, our execution capabilities, and our ability to adapt.

SUMMARISING OUR ANNUAL PERFORMANCE

Ever since Heranba's listing last year, our revenues have increased by 19%, from ₹ 12,186 Million in FY21 to ₹ 14,504 Million in FY22. EBITDA, inclusive of other income, increased by 22% from ₹ 2,284 Million in FY21 to ₹ 2,791 Million in FY22. At 19.24%, our EBITDA margins have been well within our guided range. Our profitability has also demonstrated significant and encouraging growth, rising from ₹ 1,542 Million in FY21 to ₹ 1,892 Million in FY22.

Individually, our revenues from the business verticals also exhibited encouraging development. This year, 36% of our overall sales were contributed by domestic sales of technicals. Our formulation business, which accounts for nearly one-third of our overall revenue, grew by 22%. The formulations sales in domestic markets, which accounted for 21% of our total revenue, increased by 17%. On the other hand, exports of formulations, representing 10% of our business, grew by almost 23%.

PREPARED FOR TOMORROW

While exports and domestic sales have increased this year, the domestic business-to-business growth has significantly contributed to our impressive numbers. We have provided our customers with a broader selection of products across chemistries. Our prominent Indian clients have been instrumental in driving volume for us during this time frame. In terms of exports, despite ongoing difficulties in marketing our products in the Asia-Pacific region due to pandemic induced restrictions aggravating naval and logistics issues, we have gained ground by entering the regulated American market. In October 2021, Heranba exported the first shipment of its newly-registered insecticide molecule to the United States, thereby establishing a foothold in a highly regulated market.

Oct 21

Heranba exported the first shipment of its newly- registered insecticide molecule to the United States, thereby establishing a foothold in a highly regulated market

In the upcoming years, patents on various technicals are expected to expire. This presents a huge opportunity to produce and distribute generic variants of the same molecules in regulated markets such as the United States and Europe. Furthermore, economic trends indicate that India possesses all the necessary components to excel as a destination for producing generic drugs. Heranba believes that tapping this business potential would benefit the Company in the short term and also serve as a long-term growth driver. Towards this, the Company has a robust product pipeline comprising five products – two fungicides, two herbicides, and one insecticide. In addition, 15 to 20 additional molecules are in various stages of research and development. The procedures necessary for registering these products in India and abroad are also underway, paving the way for their introduction to the market in the coming years. The Company is also highly enthused by how its business is gearing up in these new geographies and is keen to make the most of these opportunities.

In furtherance of its efforts to build capacity, the Company is also pursuing a focussed CAPEX outlay. In FY22, CAPEX of ₹ 800 Million was made, out of which roughly a third was towards the Sarigam site. Further, the Company took prudent steps of acquiring land at Saykha worth around ₹ 250 Million. This has resulted in the recent commencement of the fourth unit and in equipping the Sarigam facility with new systems like the WDG setup. To bring the Sarigam plant up to the optimal level, another ₹ 1,200 Million of CAPEX is exclusively planned for in the coming year, thus operationalising the three planned blocks there. The Company believes that these well-conceived and practically rooted strategies will enable it to propel itself to a higher orbit of growth.

Due to geopolitical tensions and commodity price inflation, the business environment will remain challenging in the near future. Nevertheless, we are confident that our robust business strategy to drive growth by expanding our capabilities, geographic footprint, and product offerings will serve us well.

I want to take this opportunity to thank all of our employees who have worked tirelessly to ensure that we remain our clients' partner of choice in an extremely difficult environment. I would also like to thank the Board of Directors, the Management Team, my colleagues and their families, and the larger stakeholder community for their continued guidance, support and trust throughout our growth journey.

MR. SADASHIV K SHETTY
Chairman & Executive Director

MD's Letter

We still have a ways to go, but we are looking forward to every step of the process. This is especially true given that we are confident that all of our efforts will result in incremental gains for the Company, both in terms of its overall financial health and the value that it creates for its shareholders.

Dear Shareholders,

It gives me great pleasure to report to you on the events of the past year. In the short time since the Company was first publicly traded, it has experienced a phenomenal expansion in both its financial standing and the level of trust it has garnered. Naturally, this fills us with hope for the future, but it also invigorates us to work toward our objectives while maximising value for our shareholders.

Before I delve into the financial performance of the year, I would like to take a moment to express my gratitude to all of Heranba's stakeholders, including the team, customers, business partners, and shareholders. Unfortunately, because of the second wave of COVID-19, this year did not get off to a particularly promising start. However, thanks to all of your contributions, the Company was able to withstand the blow and managed to emerge from it with a stronger position than before.

RESILIENT PERFORMANCE DURING CHALLENGING TIMES

The Company was able to achieve a revenue of ₹ 14,504 Million during FY22, representing an increase of 19% year-on-year compared to FY21's revenue of ₹ 12,186 Million. In addition, our operating income before interest, taxes, depreciation, and amortisation increased by 22% year-on-year, going from ₹ 2,283 Million in FY21 to ₹ 2,791 Million in FY22. These figures indeed indicate the effort and dedication that we have put into our Company. However, they also demonstrate our capacity to keep the promises we make, as well as our unwavering focus on research and development and our growing presence in international markets.

₹14,504 Million

Revenue achieved during FY22

We are pleased to announce that our export presence has expanded to include the United States of America as well as specific countries in Europe. We have entered the regulated markets with our high-quality products in these countries. This is unquestionably good news for the Company because these countries have a diverse range of applications for our products, and it is anticipated that they will contribute a significant amount to our margins in the years to come. In addition, we plan to serve these customers with our ongoing CAPEX endeavours, some of which are anticipated to bear fruit in FY23, such as our expansion of Sarigam's technical products. As a result of the increased capabilities, I do not doubt that we will emerge as a more robust and larger organisation in the coming years.

On the research and development front, we have added five new compounds to our portfolio of products this year. These include two new fungicides, two new herbicides, and one new insecticide. Two of these compounds have reached a more advanced stage of development and are getting ready for launch in the markets of both Europe and the United States. We also have a robust pipeline consisting of 15–20 products that are currently being tested out. We anticipate that the newly acquired assets will make a discernible contribution to our growth, resulting in improved performance in the years to come.

15-20

We also have a robust pipeline consisting of 15–20 products that are currently being tested out. We anticipate that the newly acquired assets will make a discernible contribution to our growth, resulting in improved performance in the years to come.

TOWARDS A SUSTAINABLE FUTURE

We spared no effort in prioritising the health and safety of our employees. Our employees took extensive safety precautions and adhered to all required measures. While caring for our people, we never lost sight of the greater objective and continued to improve lives by donating to numerous social organisations. At Heranba, we believe in inclusive growth to create a self-sufficient environment. To this purpose, we have made the necessary contributions to CSR projects by engaging with various institutions to assist those working toward the elevation of marginalised communities, helping the disabled, and promoting health care.

As an industry leader in agrochemicals, we are mindful of the environmental impact of our activities and are taking all necessary measures to reduce it. We are responsible for controlling and minimising our environmental imprint in the most prudent manner feasible. We have included sustainability into our strategy and are focusing on enhancing our ESG focus. Under the direction of our formidable leadership group, we are relentlessly pursuing the highest sustainability standards.

We still have a long way to go, but we are looking forward to every step of the process. This is especially true given that we are confident that all of our efforts will result in incremental gains for the Company, both in terms of its overall financial health and the value that it creates for its shareholders. Lastly, I'd like to thank every team member for their diligent work. I owe a debt of gratitude to the entire Heranba team for their tireless efforts and unwavering commitment. Customers, shareholders, board members, and vendors are all to be thanked for their steadfast confidence in our company. We are increasing our size and capabilities to reach the next level of growth, and I am confident that our revitalised capabilities will propel us to a new level of growth and value creation for our stakeholders.

MR. RAGHURAM K SHETTY
Managing Director

Board of Directors

MR. SADASHIV K SHETTY
C R

MR. MULKY V SHETTY
C N A

MR. RAGHURAM K SHETTY
S R

MR. ANIL KUMAR M MARLECHA
S N

MR. SHRIRAJ S SHETTY

MR. GANESH N VANMALI
S A

MR. RAUNAK R SHETTY
R

MR. NIMESH S SINGH
R

MR. KAUSHIK H GANDHI
N A C R

BOARD COMMITTEES

Stakeholders' Relationship **(S)** | Audit **(A)** | Nomination and Remuneration **(N)** | Corporate Social Responsibility **(C)** | Risk Management **(R)**

■ *Chairperson* □ *Member*

MR. SADASHIV K SHETTY
Chairman & Executive Director

Mr. Sadashiv K. Shetty is associated with the Company since 1994. He is a stalwart of the agrochemicals industry, with over thirty years of experience in the sector. He holds a Bachelors' degree in Physics and Chemistry as well as a Masters' degree in Chemistry from the University of Mysore. He is the person who has galvanized the development of new products and is boosting the capacities and capabilities of the Company. His skill, experience & expertise includes Business Leadership & Operations, Risk Management & Governance, Business Expertise, Strategic Planning, General Management, Functional & Managerial Experience Chemical Industry Expert, Manufacturing, Research & Development etc.

MR. RAGHURAM K SHETTY
Managing Director

Mr. Raghuram K. Shetty is associated with the Company since 1994. He is in charge of the overall management of the Company and all its daily affairs, while also giving shape to the future business strategies. He is the engine behind the Business Development, Business Operations, Risk Management & Governance, Finance & Accounting, Functional, Strategic Planning, Procurement, Sales & Marketing, Managerial Operations, International Trade, Export Business Management, Banking, Product Development, Plant Setup, Investor Relation, Supply Chain, Business Development and new Project, Human Resource, Administrative Reforms, Decision Making, Litigation Management, Supply Chain, Intellectual Property Rights etc. of the Company. He has over three decades of experience in the agrochemicals industry. He holds a Bachelors' degree in Economics from the University of Mysore, while also holding a Government Commercial Diploma from the Department of Education, Bureau of Government Examinations, Maharashtra. He has also successfully obtained a Diploma in Export and Import Management from the India International Trade Centre, Mumbai.

MRS. SUJATA S SHETTY
Whole-Time Director

Mrs. Sujata S. Shetty is associated with the Company since 2001 and looks after the administration of the Company. She has almost two decades of experience in the agrochemicals industry and holds a Bachelors' degree in Commerce from the University of Mumbai.

MRS. VANITA R SHETTY
Whole-Time Director

Mrs. Vanita R. Shetty is associated with the Company since 2001 and handles the human resource functions of the Company. She has nearly 20 years of experience in the agrochemicals sector and holds a Bachelors' degree in Science (Botany, Geology and Chemistry) from the University of Poona.

MR. RAUNAK R SHETTY
Whole-Time Director

Mr. Raunak R. Shetty is associated with the Company since 2016 and looks after Finance & Banking, Standardization of system and process, Procurement, & Marketing, Investor Relation, Business Development and new Project & New Products, New Technology & Innovation product development etc. functions of the Company. He is a Bachelor of Commerce from the University of Mumbai and an associate member of the Institute of Chartered Accountants of India.

MR. SHRIRAJ S SHETTY
Whole-Time Director

Mr. Shriraj S Shetty is associated with the Company since 2014 and looks after Business Operations, Risk Management & Governance, Technical process improvement, Process implementation, Technical innovation expertise, Team management, production improvements, Product Quality and Safety Function, Procurement, Sales & Marketing, Functional & Managerial Experience etc of the Company. He holds a Bachelors' degree in Chemical Engineering and an M. Tech. degree in Chemical Engineering.

MR. KAUSHIK H GANDHI
Independent Director

Mr. Kaushik H. Gandhi is a fellow-member of the Institute of Chartered Accountants of India and has been practising as a Chartered Accountant since 2008. He holds a Bachelors' degree in Commerce from the University of Mumbai and has more than 13 years of experience in the fields of audit, project finance, taxation, secretarial practice and accounting.

MR. MULKY V SHETTY
Independent Director

Mr. Mulky V. Shetty is a consultant in the chemicals industry and has over two decades of experience in various fields in the sector, including product development, plant setup and manufacturing operations. He holds a bachelor's degree in Science (Physics and Chemistry) from the University of Mysore.

MR. ANIL KUMAR M MARLECHA
Independent Director

Mr. Anil Kumar M. Marlecha is a practising advocate, holding a certificate of practice from the Bar Council of India and has more than six years of standing in the legal professions. He holds a Bachelors' degree in Commerce and Law from University of Mumbai.

MR. GANESH N VANMALI
Independent Director

Mr. Ganesh N. Vanmali is a Certified Associate of Indian Institute of Bankers from the Indian Institute of Banking and Finance. He has over four decades of experience in the banking industry and has been associated with the Bank of Maharashtra in the past. He has a Bachelors' degree in Commerce and General Laws from University of Mumbai and also serves as a consultant in the banking industry.

MR. NIMESH S SINGH
Independent Director

Mr. Nimesh S. Singh has more than a decade of experience in Finance & Financial advisory, Strategic Private Equity Investment, Capital Market Activity, Business Management etc . He is a Bachelor of Commerce from University of Mumbai.

MS. RESHMA D WADKAR
Independent Director

Ms. Reshma D Wadkar has more than 19 years of experience in finance & accounting, taxation Banking etc. She is a Bachelor of Commerce from University of Mumbai.

Governance Framework

Heranba is proud of its strong code of ethics and conduct, which adopts high standards of integrity, transparency and accountability. Moreover, its commitment to operating and growing its business sustainably and socially responsible manner ensures long-term value creation for all its stakeholders. The Company is driven to create a lasting impact and is guided by its strong principles of business integrity.

BOARD COMMITTEES

The Board has instituted five committees that aid it in decision making and play a vital role in risk management. Heranba's Company Secretary also doubles up as the secretary of all these five committees.

01 Audit

02 Stakeholders' Relationship

03 Nomination and Remuneration

04 Corporate Social Responsibility

05 Risk Management

AUDIT

Entrusted with regular review of financial statements, internal audit reports, audit plans, audit findings, adequacy of internal controls, compliance with accounting standards and more such crucial activities. The Committee is also responsible for evaluation of the internal financial controls and risk management systems.

STAKEHOLDERS' RELATIONSHIP

Engaged in periodic review of the functioning of the shareholder/investor grievance redressal system and overseeing incremental improvements in the same, besides reporting critical concerns, if any.

NOMINATION AND REMUNERATION

Entrusted with regular review of the remuneration of directors and persons who may be appointed as senior management and key managerial personnels. The Committee is also responsible for carrying out evaluation of the director's performances and recommending appointments and dismissals of the directors to the Board.

CORPORATE SOCIAL RESPONSIBILITY

Engaged in formulating and recommending an appropriate CSR Policy to the Board, and indicating activities that are to be undertaken by the Company, either directly or through an implementation agency. The Committee is also responsible for periodic review of the CSR programs, its implementation and its expenditure.

RISK MANAGEMENT

Engaged in formulating and recommending an appropriate Risk Management Policy to the Board. The Committee is also responsible for

(a) to ensure that appropriate methodology, processes and systems are in place to monitor and evaluate risks associated with the business of the Company

(b) to monitor and oversee implementation of the risk management policy, including evaluating the adequacy of risk management systems

(c) to periodically review the risk management policy

(d) to keep the board of directors informed about the nature and content of its discussions, recommendations and actions to be taken.

SKILLS AND EXPERTISE OF THE BOARD

The Board consists of a healthy mix of professionals with a diverse set of skill sets. They bring in the requisite expertise and know-how in the agrochemicals industry, while also having sound knowledge in financial and organisational management as well as familiarity with applicable laws and regulations. In terms of experience, the members are dynamic and they bring in new ideas as well as lived experience to the table.

HERANBA'S ETHICS AND PRINCIPLES OF GOOD GOVERNANCE

Although governance is largely a guided activity for most corporates, Heranba takes proactive steps to inculcate good practices that may or may not fall under the purview of its business responsibilities. Its attitude towards its governance has always been very ethic driven rather than being responsibility driven, and it is this very attitude that has helped Heranba create a reputation for itself that surpasses expectations. Listed below are a few policies that Heranba has created willingly to remain on its course of excellence.

CODE OF CONDUCT

Heranba's Board of Directors have approved a Code of Conduct, applicable to the Board members and all of the Company's employees, that lays down guidelines that need to be adhered to at all times. These guidelines highlight the Company's zero tolerance policy towards bribery, corruption, and unethical dealings or behaviours, and specifies directives to counter such acts. Necessary training has been imparted to acquaint Heranba's team with the Code of Conduct.

BOARD DIVERSITY POLICY

To promote inclusivity of different personnels, as well as to create a diverse set of members, the Company has codified a policy that lays down guidelines for including people from different spheres of work.

SUCCESSION POLICY

Heranba acknowledges the dynamic environment that it exists in, and as such, has formalised a succession policy that indicates how the business's future must be determined and under what circumstances would this policy be invoked. Policies like this help Heranba create a long-term vision and also gives it the wherewithal to achieve its goals, despite all odds.

DOCUMENT ARCHIVAL POLICY

For businesses like Heranba, transparency can only be achieved through meticulous planning and organisation. One such policy that enables this is the document archival policy, which ensures safekeeping of all documents that have been generated over the years. While this policy facilitates transparency, it also acts as a great organisation tool, and is a reflection of the Company's endeavours to keep good faith with all of its stakeholders. Click here to learn more.

HERANBA ALSO ADHERES TO OTHER MANDATORY CORPORATE GOVERNANCE POLICIES AND CODES, SUCH AS

- POLICY FOR DETERMINATION OF MATERIALITY
- MATERIALITY OF RELATED PARTY TRANSACTIONS
- FAIR DISCLOSURE CODE
- PREVENTION OF SEXUAL HARASSMENT OF WOMEN AT WORKPLACE
- CSR POLICY
- RISK MANAGEMENT POLICY
- WHISTLEBLOWER POLICY
- INSIDER TRADING POLICY
- FAMILIARISATION PROGRAM FOR INDEPENDENT DIRECTORS

Risk Management

Given that our business has various facets and traverses multiple continents, we are prone to a multitude of risks. In order to effectively identify, assess and manage these, we have put in place a robust and systematic risk management approach. We believe that these measures would enable us to effectively combat these and galvanise the same into opportunities.

OUR RISK MANAGEMENT FRAMEWORK COMPRISES OF

- Identifying a potential risk
- Assessing the risk on cogent parameters
- Implementing processes to mitigate the risk
- Evaluating and analysing the measure so implemented and its effect on the risk
- Continually monitoring the risk

RISK TYPE	MITIGATION MEASURE
BUSINESS OPERATIONS The Company is open to risks in terms of planning, monitoring and reporting requirements which take place in the day-to-day operations	We have a well-defined organisation structure, which ensures seamless flow of information between departments. We ensure sufficient raw material stock and have back-up power-generating capacity to ensure continued production and also undertake steps to reduce production cost. An effective HR team ensures that the right talent is hired and retained.
LIQUIDITY The Company may face risks related to financial solvency, borrowing limits and cash management.	To safeguard the business against these risks, we ensure proper financial planning through annual and quarterly budget, variance analyses and daily cash flow estimates. We avail cash management services from banks to avoid loss of interest on collections. Exposure to foreign exchange transactions are supported by bank guarantee and suitable hedging policy.
CREDIT The Company may face risk on account on uncertainties regarding recovery of dues	We have set up systems to assess and ensure the creditworthiness of our customers.
LOGISTICS The Company may face risk on account of availing services of third-party transporters	We source only committed and dedicated service providers. To optimise operations, we have explored a combination of transportation modes through road, rail, sea and air. We also have a comprehensive transit risk insurance coverage for all incoming and outgoing goods.
MARKET & INDUSTRY The Company is open to risks arising out of demand and supply, quality, quantity, lead time, suppliers, interest rate, raw material prices and interruption in raw material supplies	We procure our raw materials from different sources at competitive prices. While we have no control over the demand and supply, we plan our production and sales based on our experience. For uninterrupted raw material supply, we source them from multiple providers and have put in place proper inventory control systems.
HUMAN RESOURCE The Company is not immune to risks arising out of turnover of its workforce, their training and redundancy in skills	Our HR team ensures proper recruitment of new talent and performance-based appraisal of existing talent to keep them motivated. We upskill our people through regular training and undertake employee engagement and welfare activities.
DISASTER The Company's infrastructure and operations may be hit by ***force majeure*** events like fires, floods, seismic activity etc.	While we cannot control natural disasters, we ensure our preparedness for them. Our property is insured against natural risks. Fire hydrants have been installed at all manufacturing locations and regular fire safety drills are carried out. First-aid training is given to watch and ward staff and safety personnel. Our workmen are covered under Employee State Insurance (ESI), Employee Provident Fund (EPF), etc.
SYSTEM The Company's IT infrastructure may be open to data security, as well as interoperability risks	Our systems administrator monitors and upgrades systems regularly. Our data is secured by passwords and we use only licensed software in our systems. We have also enabled access control to ensure data security.

Management Discussion and Analysis

GLOBAL ECONOMY

After rebounding to an estimated 5.5% in 2021, global growth is expected to decelerate markedly to 4.1% in 2022, due to continued COVID-19 flare- ups, diminished fiscal support, and lingering supply bottlenecks.

As the world entered the year 2022, it faced further challenges from new COVID-19 variants that spawned across the globe, causing some countries to go through lockdowns all over again. Moreover, the European crisis in Ukraine added further fuel to the otherwise unstable global growth rates. Through the entirety of 2021 and in first half of 2022, the world witnessed higher energy prices, supply chain disruptions and visibly high global inflation. While the impact of COVID-19 was smoothened out on account of rapid vaccination and effective policy changes, the crisis in Europe and its eventualities still remains to be a question that begs an answer. This humanitarian crisis contributed to a significant slowdown in global growth and added to inflation. Fuel and food prices have increased rapidly since February 2022, making life the most difficult for vulnerable populations in low-income countries. Currently, the global growth is projected to slow down from an estimated 6.1% in 2021 to 3.6% in 2022 and 2023, which is 0.8 and 0.2% points lower for 2022 and 2023 than projected in January.

(real GDP, Annual Percent Change)	2021	2022	2023
WORLD OUTPUT	**6.1**	**3.6**	**3.6**
ADVANCED ECONOMICS	**5.2**	**3.3**	**2.4**
United States	5.7	3.7	2.3
Euro Area	5.3	2.8	2.3
Germany	2.8	2.1	2.7
France	7.0	2.9	1.4
Italy	6.6	2.3	1.7
Spain	5.1	4.8	3.3
Japan	1.6	2.4	2.3
United Kingdom	7.4	3.7	1.2
Canada	4.6	3.9	2.8
Other Advanced Economics	5.0	3.1	3.0
EMERGING MARKET AND DEVELOPING ECONOMIES	**6.8**	**3.8**	**4.4**
Emerging and Developing Asia	7.3	5.4	5.6
China	8.1	4.4	5.1
India	8.9	8.2	6.9

Source: IMF, World Economic Outlook, April 2022
Note: For India, data and forecasts are presented on a fiscal year basis. with FY21-22 starting in April 2021.
For the April 2022 WEO, India's growth projections are 8.9% in 2022 and 5.2% in 2023 based on calendar year.

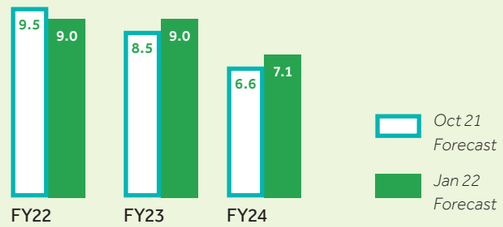
INDIAN ECONOMY

India's recovery gained momentum, post the disrupting second wave of COVID-19 and the GDP was expected to grow at 9.4% in FY21-22, before reverting to 8.1% in FY22- 23, and 5% in FY23-24. However, the IMF promptly slashed India's GDP prediction in January 2022 to 9% citing reasons of COVID-19 related virus spreads. Inflation in the country continues to remain high, like in many other nations, and is expected to ease down as supply chain disruptions get sorted out. However, the financial markets remained robust and capital inflows continued to support the build-up in reserves. India's last mile vaccination drives coupled with its stringent policies helped weather out the third wave of COVID-19 effectively in the first half of FY22.

As for the outlook, India is expected to be impacted by the downsides in the global economy, as the financial environment remains volatile on account of the humanitarian crisis in Europe. The Indian government's commitment towards investing in social and physical infrastructure, including reducing irrelevant regulations in product and labour markets, accelerating sale of public companies in non-strategic sectors and restructuring state-owned banks among other measures, is expected to boost investment and employment within the country. Moreover, the RBI is resolute on acting forcefully if increment in global commodity prices negatively influence wages and core prices in India.

Financial markets for India remained robust and capital inflows continued to support the build-up in reserves

IMF's India GDP Estimate: Oct 21 vs Jan 22



Source: IMF World Economic Outlook

FY23 Forecasts By Various Agencies

FY23 real GDP forecast (in %)

Source: Various Agencies

Management Discussion and Analysis (continued)

INDUSTRY OVERVIEW

CHEMICALS

The global chemicals market was valued at around USD 5,027 Billion with China accounting for major market share (39%) in the segment followed by European Union (15%) and United States (13%). India accounts for ~4% market share in the global chemicals market. The global chemicals market is expected to grow at 6.2% CAGR; reaching USD 6,780 Billion by 2025. Going forward the APAC is anticipated to grow at the fastest rate of 7-8% during the period between 2020-25F. The consumption of pesticides in APAC recorded the fastest growth rate on a global basis, reaching a projected volume of ~797.5 KT in 2020. In 2020, China, India and Japan represented the largest agrochemicals markets in the Asian continent.

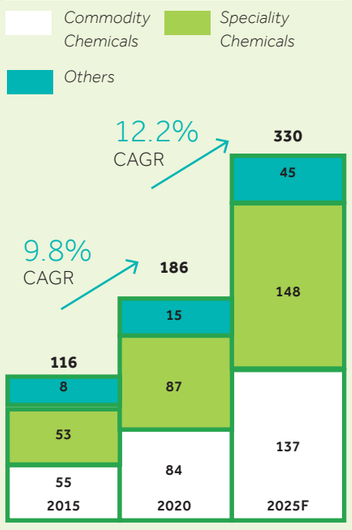
4%

The Indian chemicals market is valued at USD 186 Billion, with about ~4% share in the global chemical industry.

The Indian chemicals market is valued at USD 186 Billion, with about ~4% share in the global chemical industry. It is expected to reach ~USD 330 Billion in the next 5 years, with an anticipated growth of ~12.2% CAGR. Agrochemicals and Fertilisers account for 18-20% of the domestic chemicals market and around 38% of the speciality chemicals domain which constitute various differentiated chemicals used in the agro space including pesticides, herbicides etc.

Indian Chemicals Market, 2015, 2020 and 2025f

in USDBillions



CROP PROTECTION

The global crop protection chemicals market size was USD 57.13 Billion in 2020. The market is projected to grow from USD 59.41 Billion in 2021 to USD 81.74 Billion in 2028 at a CAGR of 4.66% between 2021-2028. The global impact of COVID-19 has been unprecedented and staggering, with these protection chemicals witnessing a positive impact on demand across all regions amid the pandemic. The rise in CAGR is attributable to this market's demand and growth rate returning to pre-pandemic levels.

Agriculture is the backbone of India's economy as it employs approximately half of India's workforce contribution, accounting for approximately 18.3% of India's GDP in 2020. Crop Protection chemicals play a vital role when judiciously applied, protecting the crop and produce from pests thereby increasing farm productivity. The Indian crop protection chemicals market is projected grow to a CAGR of 4.6% during the period of 2022-2027.

In India, synthetic pesticides have been extensively used for alleviating the estimated 45% gross loss of crops due to the infestation of pests and diseases. Major factors driving the Indian market include greater demand for food grains, limited availability of arable land, increasing exports, growth in horticulture and floriculture, and increasing public awareness regarding pesticides and biopesticides. Agricultural productivity is directly related to the input of crop protection. India uses just 307g/ha as compared to 13 kg/ha in the USA, China and other countries which is far too less. However, India is a net exporter of crop protection chemicals in lieu of the government's initiatives for Atmanirbhar Bharat, Make In India and Go Global programmes.

4.6%

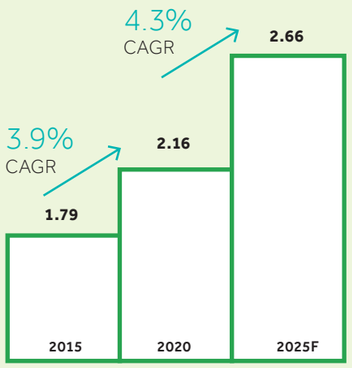
The Indian crop protection chemicals market is projected to record a CAGR of 4.6% during the period of 2022-2027.

AGROCHEMICALS

The global Agrochemicals & Fertiliser Market is expected to garner revenue of ~USD 250-260 Billion by 2025 with a CAGR of 5.5-6% during the period of 2020-25. The major chemicals used in agriculture to regulate plant growth are synthetic fertilisers, pesticides and hormones, among others. The growth of agriculture in the emerging markets such as South America, Africa, and the Middle East is paving the way for several profitable opportunities for the market players. Additionally, agrochemical manufacturers are focused on product innovation, which is expected to render a higher competitive advantage to them over their peers. The market of agrochemicals & fertilisers in China and India is expected to grow significantly owing to the increase in consumption and production of fertilisers, such as nitrogen based, potassium based fertilisers, in these countries. China and India are the major exporters of agrochemicals & fertilisers in Latin America, Asia Pacific and other regions. These factors are expected to create a robust platform for the growth of the China and India market.

Indian Crop Protection Chemicals Domestic Market

in USD Billions



Source: Frost & Sullivan Research & Analysis

India crop protection chemicals exports have grown at a CAGR of almost 7% during the year 2015- 20. In the year 2025, exports will grow to USD 3.4 Billion contributing 55% of total domestic production which is valued at USD 6.1 billion. India ranks 13th in the imports of pesticides globally with Brazil leading the imports of crop protection chemicals having 7% market share in the world imports. India was the world's 3rd largest pesticide exporter by volume in 2018. China leads the exports of pesticides with 27% market share in the world exports followed by Germany (8.3%), India (8%), US, Belgium, France, etc.

PYRETHROIDS

The global pyrethroids market reached a value of USD 3.3 Billion in 2020. The market is further expected to grow at a CAGR of 4.2% during the period of 2022-2027 to reach a value of approximately USD 4.3 Billion by 2026.

APAC is the largest user of pyrethroid insecticides, with a high level of insecticide sales due to its large population. Developing economies like China, India, Malaysia, Thailand and Indonesia, are significant consumers of pyrethroid insecticides for use in a variety of insecticide formulations. Heavily populated regions, like China and India, are growing rapidly and the wealth of the population is increasing. It, in effect, is likely to fuel the demand for hygienic products and pyrethroid insecticides. Significant market players have built their production facilities in this region due to the availability of cheap labour, as well as land and comparatively lenient chemical laws and regulations.

India has emerged as the biggest manufacturer of pyrethroids. More than half of the global demand for pyrethroids comes from China which used to manufacture pyrethroids after importing intermediates from India. However, China's pursuit of the 'Blue Sky' initiative to realise green GDP led to the closure of several chemical plants. This in turn resulted in higher volumes of pyrethroids being exported out of India. The pyrethroid market in India is expected to grow at a CAGR of 12%. The key driving factor will be the regulatory outlook, China factor, wide spectrum crop application and the substitution of organophosphorus compounds.

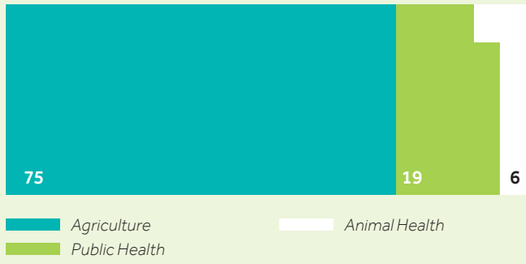
PYRETHROID INDUSTRY

Particulars	FY17	FY18	FY19	FY20	FY24E
Demand Backed by Agriculture Requirements, Public Health and Animal Health (USD Million)					
	2912	3123	3235	3329	3900

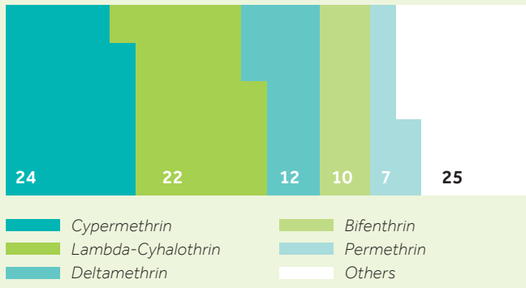
Pyrethroid output in India increased at a CAGR of 14.8% from 12.5 thousand tonnes in FY17 to 18 thousand tonnes in FY22E* (USD Million)

Particulars	FY17	FY18	FY19	FY20	FY24E
Production	268	282	313	337	454
Consumption	129	82	110	118	156
Export	139	200	203	218	287

Share of User Industry in Global Pyrethroids Market (FY20E %)



Global Pyrethroids Market by Product type (in%)



Management Discussion and Analysis (continued)

COMPANY AND ITS SEGMENTS' OVERVIEW

Heranba Industries Limited (HIL), one of the leading agrochemical companies in India, manufactures intermediates, formulations and technicals for farmers and pest control companies. The Company provides innovative crop care solutions to the farmers, and public health products like pesticides to pest control companies. The Company has 4 state-of-the-art manufacturing units, located in and around the industrial belt of Vapi and Sarigram , Gujarat. Heranba's in-house R&D team engaged in product development and improvisation is well supported by the Company's product registration team. With Heranba's diverse product portfolio, robust R&D capabilities and prudent growth strategies, the Company is well-suited to expand its operations globally to become a leading agrochemicals player in the industry.

Heranba develops, manufactures and sells crop protection solutions, including herbicides, insecticides and fungicides, to help farmers protect their crops against weeds, pests and diseases. The Company primarily operates in the off-patent market, providing customers long-standing foundational products and unique formulations. It is one of the leading domestic producers of synthetic pyrethroids like cypermethrin, alphacypermethrin, deltamethrin, permethrin, lambda cyhalothrin etc. The Company's pesticides range includes insecticides, herbicides, fungicides and public health products for pest control. Heranba has a strong presence across the globe, and is currently focussed on growing its footprint in the regions of Middle East, CIS, Asia, Southeast Asia and Africa.

Based on the "Management Approach" as defined in Ind AS 108 - Operating Segments, the chief operating decision maker regularly monitors and reviews the operating results of the whole company as one segment of "Agro-Chemicals". Thus, as defined in Ind AS 108, the Company's entire business falls under this one operational segment.

RISKS AND CONCERNS

Heranba Industries has recorded a strong growth in FY22, despite the multiple challenges posed by the repeated virus attacks of the COVID-19 pandemic. Even though the first quarter of the year witnessed some disruptions in supply chain and labour availability, the subsequent quarters picked up momentum and it helped the Company deliver growth. It is noteworthy to mention that supply chain disruptions continue to pose a problem as we enter FY23, on account of multiple outbreaks of the coronavirus and a war like situation in Europe. However, the Company is confident about its performance and is certain that it will be able to add value to its customers and shareholders in the years to come.

Being in the agricultural sector, the Company's operations are susceptible to weather conditions, particularly extremes such as drought and natural disasters. The supply of raw materials as well as the demand for goods may be hampered by prolonged periods of excessive rainfall or drought in some areas in India. The presence of any unfavourable weather patterns may have a detrimental effect on the Company's operations and financials.

Due to the sensitive nature of the products manufactured by the Company, issues such as contamination, adulteration, and product tampering pose a challenge, throughout the manufacturing, transportation, and storage phases. Product liability or recall claims are inherent company risks if goods fail to satisfy necessary quality standards or are claimed to cause damage to purchasers. These hazards may be mitigated, but not eliminated, by following good manufacturing practices and by conducting final product testing. While the Company has product liability insurance coverage for its operations in both domestic and foreign markets, it cannot guarantee that the coverage is sufficient or that any losses would be adequately compensated by the insurers in the case of a product liability claim.

FINANCIAL PERFORMANCE

FY22 has brought in fresh opportunities and challenges for the Company. Opportunities that have been welcoming are in the nature of product and customer base diversification, while challenges with respect to raw material price hikes and supply chain disruptions have been quite concerning. Despite the turbulent year, Heranba has been able to deliver well on its promises.

Particulars (in ₹ Million)	FY21	FY22
Revenue from Operations	12186.47	14503.57
Other Income	70.3	193.5
Total Income	12256.77	14697.23
EBITDA	2283.69	2791.07
Finance Costs	53.97	40.75
Depreciation and Amortisation Expenses	146.87	197.82
Profit for the year before extraordinary items and tax expenses	2082.85	2552.50
Extraordinary items	-	-
Profit for the year before tax expenses	2082.85	2552.50
Tax expenses	540.59	661.87
Profit after Tax	1542.26	1890.63

KEY FINANCIAL RATIOS

In FY22, the revenue under operations for the Company stood at ₹14,503.73 Million as compared to ₹12,186.47 Million in FY21, charting a growth by 19% Y-o-Y. As for the Company's PAT, in FY22 it stood at ₹1,890.63 Million as against ₹1,542.26 Millions in FY21, marking a growth by 23% Y-o-Y.

Particulars	Unit	FY21	FY22	% change
Debtors Turnover Ratio	Times (X)	4.08	3.55	-12.99
Inventory Turnover Ratio (on Cost of Goods sold)	Times (X)	7.87	6.41	-18.55
Interest Coverage Ratio	Times (X)	39.59	63.64	60.74
Current Ratio	Times (X)	2.48	2.15	-13.30
Debt Equity Ratio	Times (X)	(0.07)	(0.09)	22
Operation Profit (PBIT) Margin	%	17.43	17.64	1.20
Net Profit Margin	%	12.58	12.64	0.48
Return on Networth (RoNW)	%	29.20	26.46	-9.38

- ICR has improved at the due to improved overall profitability of the business

Key Financial Ratios as per SEBI ListinObligations and Disclosure Requirements (Amendment) Regulations, 2018.

The formulas used to compute the key financial ratios are as follows:

Debtors Turnover Ratio	Net sales (i.e. Revenue from Operations)/Average of opening and closing trade receivables
Inventory Turnover Ratio (on Cost of Goods Sold)	Net sales/Average of opening and closing inventories
Interest Coverage Ratio	Profit before interest and taxes/Finance costs
Current Ratio	Current assets /Current liabilities
Debt Equity Ratio	Debt (net of cash) / Total equity
Operation Profit (PBIT) Margin	Profit before interest and taxes /Net sales
Net Profit Margin	Profit after tax/Net sales
Return on Net Worth (RoNW)	Profit after tax/Average of total equity

Management Discussion and Analysis (continued)

HUMAN RESOURCES AND INDUSTRIAL RELATIONS

For Heranba, its people are the growth lever of its business, and are therefore regarded as the most valuable asset for the Company. It is not only committed to the professional growth of its people, but it also values the personal growth of its workforce too. The Company is committed to maximising the potential of its human resources, thus enhancing employee performance, to accomplish the organisational goals of the business. Heranba's upskilling and training initiatives are designed to match this requirement. The Company is geared to enable its workforce to grow and learn within the organisation. Further, the Company's employees are highly motivated by its performance-based compensation scheme.

Heranba's management staff comprise a mix of young and seasoned employees, to ensure flow of new ideas while also drawing from years of experience. The Company strives to strike a balance between employee needs and satisfaction on one hand, and profitability and capabilities of the company to achieve its goals on the other.

The Company wishes to extend its heartfelt appreciation and gratitude for the significant contribution and support of its employees to the Company's success and development.

INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

The Company's robust system internal controls safeguard and preserve its assets from loss, illegal use, or disposal. All of the Company's transactions are approved, documented, and reported to the Management in a time bound manner. The Company complies with all relevant accounting standards for the appropriate maintenance of books of accounts and the presentation of financial statements. The Board's Audit Committee establishes the scope, operation, frequency, and technique for internal auditing, and the internal auditors conduct audits, which includes monitoring and evaluation of the effectiveness and adequacy of the Company's internal control systems. It also ensures compliance with operating systems, accounting procedures, and policies across all of the Company's locations. Based on the learnings and findings a periodic internal audit report is submitted to the Audit Committee for review. Process owners take required action and deploy measures in their respective areas, based on the internal audit report and evaluation by the Audit committee. According to the Internal auditors, the Company's internal control system is strong, efficient and effective. Further, the Board has also established a legal compliance framework to guarantee compliance with all relevant laws, ensuring that such procedures are sufficient and effective.

CAUTIONARY STATEMENT

Some of the statements in this "Management Discussion and Analysis", describing the Company's objectives, projections, estimates, expectations, and predictions may be "forward-looking statements" within the meaning of applicable securities laws and regulations. Although the expectations are based on reasonable assumptions, the actual results could materially differ from those expressed or implied, since the Company's operations are influenced by many external and internal factors beyond the control of the Company. The Company assumes no responsibility to publicly amend, modify or revise any forward-looking statements, based on any subsequent developments, information or events.

Corporate Information

BOARD OF DIRECTORS

CHAIRMAN

Mr. Sadashiv K Shetty

MANAGING DIRECTOR

Mr. Raghuram K Shetty

EXECUTIVE DIRECTORS

Mrs. Sujata S Shetty

Mrs. Vanita R Shetty

Mr. Raunak R Shetty

Mr. Shriraj S Shetty

INDEPENDENT DIRECTORS

Mr. Kaushik H Gandhi

Mr. Mulky V Shetty

Mr. Anilkumar M Marlecha

Mr. Ganesh N Vanmali

Mr. Nimesh S Singh

Ms. Reshma D Wadkar

KMP OTHER THAN DIRECTORS

Mr. Rajkumar Bafna-Chief Financial Officer
Mr. Abdul Latif-Company Secretary

BANKERS

Bank of Baroda

REGISTRAR & SHARE TRANSFER AGENT

M/s. Bigshare Services Private Limited.,
Office No S6-2,
6th Floor, Pinnacle Business Park,
Next to Ahura Centre,
Mahakali Caves Road, Andheri (East)
Mumbai – 400093

STATUTORY AUDITOR

N S Shetty & Co.
Chartered Accountants

SECRETARIAL AUDITOR

M/s. K. C. Suthar & Co.,
Practicing Company Secretary

COST AUDITOR

Paresh Jaysih Sampat
Cost Accountants

CIN	L24231GJ1992PLC017315
REGISTERED OFFICE	Plot No. 1504/1505,1506/1, at III Phase GIDC, Vapi, Taluka – Pardi, District – Valsad, Gujarat. Telephone: +91-260-240 1646
CORPORATE OFFICE	2nd Floor, A Wing, Fortune Avirahi, Jain Derasar Lane, Boarivali (West), Mumbai-400092 Telephone: +91-22-2898 7912
PLANT	Location
Unit-I	Plot No. 1504/1505,1506/1, at III Phase GIDC, Vapi, Taluka – Pardi, District – Valsad, Gujarat.
Unit-II	Plot No. A-2/2214, A-2/2215, III Phase GIDC, Vapi, Taluka – Pardi, District – Valsad, Gujarat
Sarigam Plant (Unit-III)	Plot No.2817/1, GIDC Sarigam, Taluka – Umbergaon, District – Valsad, Gujarat
Unit-IV	Plot No.1409, GIDC, Phase- III, Vapi – 396 195
WEBSITE	www.heranba.co.in
E-MAIL	compliance@heranba.com
NAME OF THE STOCK EXCHANGES	**STOCK CODE NO.**
BSE Limited ("BSE")	543266
National Stock Exchange of India Limited ("NSE")	HERANBA
ISIN NO	INE694N01015

Notice

NOTICE is hereby given that the 30th (Thirtieth) Annual General Meeting of the members of M/s. Heranba Industries Limited ("**Company**") will be held on Wednesday, July 27, 2022 at 3.30 p.m. through Video Conferencing (VC) / Other Audio Visual Means (OAVM) facility to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Standalone financial statements, namely (i) the Audited Balance Sheet as at March 31, 2022, (ii) the Audited Profit and Loss Account for the financial year ended March 31, 2022, (iii) the Audited Cash Flow Statement for the financial year ended March 31, 2022, (iv) Statement of Changes in Equity as on March 31, 2022, (v) Notes annexed to, or forming part of, the documents referred to in (i) to (iv) above and the reports of the Board of Directors and the Auditors thereon.

2. To confirm and further declare a dividend @ ₹ 2/- per shares (i.e. 20 % of Face Value of ₹ 10) on Equity Shares of the Company for the financial year ended March 31, 2022.

3. To appoint a director in place of Mr. Sadashiv K Shetty, Chairman & Executive Director (DIN: 00038681), retired by rotation being eligible for the re-appointment, offers himself for re-appointment.

4. To appoint a director in place of Mrs. Sujata S Shetty, Executive Director (DIN: 00632563), retired by rotation being eligible for the re-appointment, offers herself for re-appointment.

5. **Appointment of the Statutory Auditors of the Company**

   To consider and, if thought fit, to pass the following resolution as an Ordinary Resolution:-

   "RESOLVED THAT in accordance with the provisions of Sections 139, 142 and other applicable provision, if any, of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014, as amended from time to time, Messrs. Natvarlal Vepari & Co., Chartered Accountants (Registration No. 106971W), be and are hereby appointed as the Auditors of the Company from the conclusion of this Meeting to hold such office for a period of five years till the conclusion of the 35th (Thirty Fifth) Annual General Meeting, at a remuneration as may be mutually decided and agreed between Board of Directors/ Audit Committee and Statutory Auditor, to conduct the audit of the Company, in place of Messrs. N S SHETTY & Co. (Registration No. 110101W), who will vacate their office at the conclusion of this AGM pursuant to provision of Section 139 of the Companies Act, 2013;

   RESOLVED FURTHER THAT the Board of Directors of the Company (including its Committee thereof) of the Company, be and are hereby authorised to do all such acts, deeds, matters and things as may be considered necessary, desirable or expedient to give effect to this resolution."

SPECIAL BUSINESS:

6. **Appointment of Mr. Shriraj S Shetty (DIN06609014) as a Whole Time Director designated as Executive Director of the Company**

   To consider and, if thought fit, to pass the following resolution with or without modifications, as a Special Resolution:

   "RESOLVED THAT pursuant to the recommendation of the Nomination and Remuneration Committee and approval of the Board of Directors of the Company and in accordance with sections 196, 197, 198, 203 and all other applicable provisions of the Companies Act 2013 ("the Act") and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification or re-enactment thereof for the time being in force) read with Schedule V to the Act, as amended from time to time, and pursuant to Regulation 17(6)(e) of SEBI (LODR) Regulations, 2015, approval of the members of the Company be and is hereby accorded to the appointment of **Mr. Shriraj S Shetty (DIN 06609014)** as a Director of the Company and as a Whole Time Director designated as Executive Director of the Company, whose office will be liable to determination by retirement by rotation, for a period of five (05) years with effect from November 11, 2021 on the terms and conditions including the remuneration as set out in the Explanatory Statement annexed to the Notice convening this Meeting;

   RESOLVED FURTHER THAT the Board of Directors of the Company (including its Committee thereof) of the Company, be and are hereby authorised to do all such acts, deeds, matters and things as may be considered necessary, desirable or expedient to give effect to this resolution."

7. **Appointment of Ms. Reshma D Wadkar (DIN: 09394615) as an Independent Woman Director of the company**

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

   "RESOLVED THAT pursuant to the provisions of Section 149, 152, 160, and other applicable provisions, if any, of the Companies Act, 2013, Companies (Appointment and Qualification of Directors) Rules, 2014, the Companies (Amendment) Act, 2017 (including any statutory modification(s) or re-enactment thereof for the time being in force), relevant applicable regulation(s) of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 and also provisions of Articles of Association of the Company, approval of the members of the Company be and is hereby

accorded to the appointment of **Ms. Reshma D Wadkar (DIN: 09394615)**, who was appointed by the Board as an Additional Director to hold the office of Non-Executive Independent Woman Director of the Company for a term of five years with effect from November 11, 2021, as a Non-Executive Independent Woman Director of the Company for a period of five years with effect from November 11, 2021 and whose office shall not be liable to retire by rotation;

RESOLVED FURTHER THAT the Board of Directors of the Company (including its Committee thereof) of the Company, be and are hereby authorised to do all such acts, deeds, matters and things as may be considered necessary, desirable or expedient to give effect to this resolution."

8. **Ratification of the remuneration payable to the Cost Auditors of the Company for the Financial Year ending March 31, 2023.**

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

"RESOLVED THAT pursuant to provisions of Section 148 and other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), and upon recommendation of the Audit Committee and as proposed by the Board of Directors, consent of the Company be and is hereby accorded to pay remuneration of ₹ 1,50,000/- (₹ One Lakh Fifty Thousand only) plus GST thereon and reimbursement of out of pocket expenses at actual to M/s Paresh Jaysih Sampat, Cost Accountant, Mumbai (Registration No. 102421) who has been appointed by the Board as Cost Auditors of the Company for FY23;

RESOLVED FURTHER THAT the Board of Directors of the Company (including its Committee thereof) of the Company, be and are hereby authorised to do all such acts, deeds, matters and things as may be considered necessary, desirable or expedient to give effect to this resolution."

9. **Place of keeping and inspection of the Registers and Annual Returns of the Company.**

To consider and, if thought fit, to pass, the following resolution as a Special Resolution:

"RESOLVED THAT in supersession of all Resolutions passed earlier in this regard and pursuant to the provisions of Section 94 and other applicable provisions, if any, of the Companies Act, 2013 ("the Act") and the rules made thereunder (including any statutory modification(s) or re-enactment(s) thereof for the time being in force), approval of the Members of the Company be and is hereby accorded to keep the Registers as prescribed under Section 88 of the Act and copies of Annual Returns under Section 92 of the Act, together with the copies of certificates and documents required to be annexed thereto or any other documents as may be required, at the Corporate Office of the Company situated at 2nd Floor, A Wing, Fortune Avirahi, Jain Derasar Lane, Borivali (W), Mumbai-400 092 and/or at the office of the Registrar and Transfer Agent of the Company, situated within Mumbai, from time to time."

"RESOLVED FURTHER THAT the Board of Directors or any Committee thereof of the Company be and are hereby authorized to do all such things and take all such actions as may be required from time to time for giving effect to the above resolution and matters related thereto."

By order of the Board
For **Heranba Industries Limited**

Mr. Abdul Latif
Company Secretary

Date : May 14, 2022
Place : Mumbai

REGISTERED OFFICE:
PLOT NO 1504/1505/1506/1,
GIDC, PHASE-III,
VAPI , VALSAD- 396195
GUJARAT

Notes:

1. The Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 ("the Act") read with SEBI (LODR) Regulations, 2015 and Secretarial Standard on General Meeting issued by Institute of Company Secretaries of India is annexed hereto.

2. Due to on-going threat of COVID -19 pandemic, the Ministry of Corporate Affairs ("MCA") and Securities and Exchange Board of India ("SEBI") have vide various circulars, allowed companies:

   (i) To send the annual reports to shareholders who have registered their email ID with the Company / Depositories only on email; and

   (ii) To hold Annual General Meeting ("AGM") through VC or OAVM without the physical presence of members at a common venue.

   Hence, in accordance with these Circulars, the 30th AGM of the Members of the Company is being held through VC / OAVM. The venue of the Meeting shall be deemed to be the registered office of the Company. The detailed procedure for participating in the meeting through VC / OAVM is given below herewith and available at the Company's website www.heranba.co.in .

3. **Since this AGM is being held through VC / OAVM, physical attendance of Members has been dispensed with. Accordingly, the facility for appointment of proxies by the Members will not be available for the AGM and hence the Proxy Form and Attendance Slip are not annexed to this Notice.**

   However, in pursuance of Section 112 and 113 of the Act, representatives of the members such as the President of India or the Governor of a State or body corporate can attend the AGM through VC / OAVM and cast their votes through e-voting.

4. In case of joint holders attending the Meeting, the member whose name appears as the first holder in the order of names as per Register of Members will be entitled to vote.

5. Institutional / Corporate Shareholders (i.e. other than individuals / HUF/ NRI, etc.) are required to send a scanned copy (PDF / JPG format) of its Board or governing body resolution / authorisation etc., authorising its representative to attend the AGM through VC / OAVM on its behalf and to vote through remote e-voting. The said resolution / authorisation shall be sent to the Scrutiniser by email through its registered email address to sutharkc@gmail.com at least 48 hours before the commencement of AGM.

6. The Register of Directors and Key Managerial Personnel and their shareholding, maintained under Section 170 of the Act and the Register of Contracts or Arrangements in which the directors are interested, maintained under Section 189 of the Act, will be available electronically for inspection by the members during the AGM. All documents referred to in the Notice will also be available for electronic inspection without any fee by the members from the date of circulation of this Notice up to the date of AGM, i.e. **July 27, 2022**. Members seeking to inspect such documents can send an email to compliance@heranba.com

7. Pursuant to Regulation 36 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") and Secretarial Standard on General Meetings issued by The Institute of Company Secretaries of India, details of Directors seeking re-appointment and proposal for continuation of directorship of Mr. Sadashiv K Shetty and Mrs. Sujata S Shetty forms part of this notice and is appended to the notice.

8. Members are requested to address all correspondence in connection with shares held by them, to the Company's Registrar & Transfer Agent ("RTA") at viz., Bigshare Services Private Limited, Office No S6-2, 6th Floor, Pinnacle Business Park, Next to Ahura Centre, Mahakali Caves Road, Andheri (East) Mumbai – 400093, Telephone No-022–62638200/222, Email id-investor@bigshareonline.com by quoting their Folio number or their DPID and Client ID number, as the case may be.

9. In accordance with the provisions of the Income Tax Act, 1961 as amended read with the provisions of the Finance Act, 2020, w.e.f. April 01, 2020, dividend declared and paid by the Company is taxable in the hands of its member and the company is required to deduct Tax at Source (TDS) from dividend paid to the members at the applicable rates. As such, whenever dividend is declared an email will be sent to the registered email ID of the members intimating about detailed process to be followed for submission of documents/ declarations. Sufficient time will be provided for submitting the documents /declarations by the members who would desire to claim beneficial tax treatment.

10. Members are requested to do following, if not done yet:

    (i) Provide / update details of their bank accounts indicating the name of the bank, branch, account number and the nine-digit MICR code and IFSC code (as appearing on the cheque) along with photocopy of the cheque / cancelled cheque, self- attested identity proof and address proof, for remittance of dividend through ECS / NEFT and prevent fraudulent encashment of dividend warrants.

    (ii) Dematerialise the shares held by them in physical form.

    (iii) Update Permanent Account Number (PAN) against folio / demat account as also for deletion of name of deceased holder, transmission / transposition of shares.

    (iv) Members holding shares in dematerialised form are requested to intimate / update all particulars of bank mandates, PAN, nominations, power of attorney, change of address, e-mail address, contact numbers etc. to their Depository Participants (DPs).

11. NRI Members are requested to inform the RTA immediately:

    (i) 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 and

    (ii) Change in their residential status and address in India on their return to India for permanent settlement.

12. In terms of Sections 124 of the Act, any dividend remaining unpaid for a period of seven years from the due date of payment and underlying shares thereon are required to be transferred to the Investor Education and Protection Fund (IEPF). However, the company does not have any unpaid dividend lying in dividend account. Shareholders can visit the Company's website www.heranba.co.in to get the details of unclaimed dividend under the Investors' section and claim the same timely to avoid transfer of the same and underlying shares thereon to IEPF account- if any.

13. Pursuant to provisions of section 124 of the Act read with the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016, all the underlying shares on which dividend has not been paid or claimed for seven consecutive years or more shall also be transferred to IEPF authority as notified by the Ministry of Corporate Affairs.

14. To support the green initiative and as per relaxation given by the Government, only electronic copy of the Annual report for the year ended March 31, 2022 and notice of the 30th AGM are being sent to the members whose mail IDs are available with your Company / DP(s). Physical copy of the report is not sent to anyone. Annual Report and the notice of the 30th Annual General Meeting are also posted on the website www.heranba.co.in for download. The Notice can also be accessed from the 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. The AGM Notice is also disseminated on the website of Central Depository Services (India) Limited ("CDSL") (agency for providing the remote e-voting facility and e-voting system during the AGM) i.e. www.evotingindia.com.

15. To disseminate all the communication promptly, members who have not registered their email IDs so far, are requested to register the same with DP / RTA for receiving all the communications including Annual Reports, Notices etc. electronically.

    (i) Registration of email ID for shareholders holding physical shares: Members holding Equity Shares of the Company in physical form and who have not registered their email addresses may get their email addresses registered with RTA, Bigshare Services Private Limited, by clicking the link: https://www.bigshareonline.com/InvestorRegistration.aspx on their website https://www.bigshareonline.com/Index.aspx at the Investor Services tab by choosing the email / bank registration heading and follow the registration process as guided therein. Members are requested to provide details such as Name, folio number, certificate number, PAN, mobile number and email ID and also upload the image of share certificate in PDF or JPEG format (upto 1 MB). On submission of the shareholders details a OTP will be received by the shareholder which needs to be entered in the link for verification.

    (ii) For temporary registration for Demat shareholders: Members of the Company holding Equity Shares of the Company in demat form and who have not registered their email addresses may temporarily get their email addresses registered with Bigshare Services Private Limited, by clicking the link: https://www.bigshareonline.com/InvestorRegistration.aspx on their website www.bigshareonline.com at the Investor Services tab by choosing the email registration heading and follow the registration process as guided therein. The members are requested to provide details such as Name, DPID / Client ID, PAN, mobile number and email ID. This email ID will be used for sending annual report, notices for general meetings and other corporate communications as permitted.

16. At the Twenty-fifth AGM held on September 15, 2017, the members had approved appointment of M/s. N S Shetty & Co., Chartered Accountants (Firm's Registration No. 110101W) as Statutory Auditors of your Company to hold office for a period of five years from the conclusion of that AGM till the conclusion of the Thirtieth AGM. The Board of Directors of the Company ('the Board'), on the recommendation of the Audit Committee ('the Committee'), recommended and sought the approval of the Members for the appointment of Messrs. Natvarlal Vepari & Co., Chartered Accountants (Registration No. 106971W), from the conclusion of this Meeting to hold such office for a period of five years till the conclusion of the 35th (Thirty Fifth) Annual General Meeting.

17. Since the AGM will be held through VC/OAVM in accordance with the Circulars, the route map is not attached to this Notice.

18. Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended) and Regulation 44 of SEBI Listing Regulation (as amended), and MCA Circulars dated April 08, 2020, April 13, 2020, May 05, 2020 and January 13, 2021 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 CDSL for facilitating voting through electronic means, as the authorised e-voting agency. The facility of casting votes by a member using remote e-voting as well as the e-voting system on the date of the AGM will be provided by CDSL.

19. The Members can join the AGM in the VC / OAVM mode 15 minutes before and after the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice. The facility of participation at the AGM through VC / OAVM will be made available to atleast 1000 members on first come first served basis. This will not include large Shareholders (Shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors etc. who are allowed to attend the AGM without restriction on account of first come first served basis.

20. The attendance of the Members attending the AGM through VC / OAVM will be counted for the purpose of ascertaining the quorum under Section 103 of the Companies Act, 2013.

21. The Company has fixed **Wednesday, July 20, 2022** as the Record Date for determining the eligibility and entitlement of the Members to the Final Dividend for the Financial Year ended March 31, 2022. Further the Registrar of Members and Share Transfer Books of the Company will remain closed from **Thursday, July 21, 2022 to Wednesday, July 27, 2022** (both days inclusive) for the purpose of 30th Annual General Meeting of the Company.

22. The Company has fixed **Wednesday, July 20, 2022** as the Cut-off date for the purpose of Remote E-voting for ascertaining the name of the Shareholders holding shares both in physical form or dematerialization form who will be entitled to cast their votes electronically in respect of the business to be transacted at the 30th AGM of the Company.

23. Instructions for Shareholders for Remote e-voting are as under:

(i) The remote e-voting period begins on **July 22, 2022** and ends on **July 26, 2022** During this period shareholders' of the Company, holding shares either in physical form or in dematerialised form, as on the cut-off date of **Wednesday July 20, 2022** may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter. The voting rights of Members shall be in proportion to their shares in the paid-up equity share capital of the Company as on the cut-off date. Any person holding shares in physical form and non-individual shareholders, who acquires shares of the Company and becomes a Member of the Company after sending of the Notice and holding shares as of the cut-off date, may obtain the login ID and password by sending a request at helpdesk.evoting@cdslindia.com. However, if he / she is already registered with CDSL for remote e-voting then he /she can use his / her existing User ID and password for casting the vote. In case of Individual Shareholders holding securities in demat mode and who acquires shares of the Company and becomes a Member of the Company after sending of the Notice and holding shares as on the cut-off date may follow steps mentioned under **"Login method for remote e-voting and joining virtual meeting for Individual shareholders holding securities in demat mode.**"

(ii) Members who have voted through remote e-voting will be eligible to attend the AGM. However, they will not be eligible to vote at the AGM.

(iii) Pursuant to Regulation 44 of the Listing Regulations and SEBI circular no. SEBI/HO/CFD/CMD/ CIR/P/2020/242 dated December 09, 2020 on "e-voting facility provided by Listed Companies", e-voting process has been enabled to all the individual demat account holders, by way of single login credential, through their demat accounts / websites of Depositories / DPs in order to increase the efficiency of the voting process. Individual demat account holders would be able to cast their vote without having to register again with the e-voting service provider (ESP) thereby not only facilitating seamless authentication but also ease and convenience of participating in e-voting process.

(iv) Shareholders are advised to update their mobile number and e-mail ID with their DPs in order to access e-voting facility.

(v) Pursuant to above said SEBI Circular, Login method for remote e-voting and joining virtual meetings for Individual shareholders holding securities in Demat mode is given below:

Type of shareholders	Login Method
Individual Shareholders holding securities in Demat mode with CDSL -	1. Existing users who have opted for CDSL's Easi / Easiest facility, can login through their existing user id and password. Option will be made available to reach e-voting page without any further authentication. The URLs for users to login to Easi / Easiest are https://web.cdslindia.com/myeasi/home/login or www.cdslindia.com and click on Login icon and select New System Myeasi. 2. After successful login of Easi / Easiest the user will be also able to see the e-voting Menu. The Menu will have link of ESP i.e. CDSL portal. Click on CDSL to cast your vote. 3. If the user is not registered for Easi / Easiest, option to register is available at https://web.cdslindia.com/myeasi/Registration/Easi Registration. 4. 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 & email as recorded in the Demat Account. After successful authentication, user will be provided links for the respective ESP i.e. CDSL where the e-voting is in progress.

Individual Shareholders holding securities in demat mode with NSDL	1) If you are already registered for NSDL IDeAS facility, please 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. Once the home page of e-Services is launched, click on the "Beneficial Owner" icon under "Login" which is available under 'IDeAS' section. A new screen will open. You will have to enter your User ID and Password. After successful authentication, you will be able to see e-voting services. Click on "Access to e-voting" under e-voting services and you will be able to see e-voting page. Click on company name or ESP i.e. CDSL and you will be re-directed to ESP website for casting your vote during the remote e-voting period or joining virtual meeting & e-voting during the meeting. 2) If the user is not registered for IDeAS e-Services, option to register is available at https://eservices.nsdl.com. Select "Register Online for IDeAS portal or click at https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp. Then please follow steps given in point no 1 above. 3) 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 (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 Depository site wherein you can see e-voting page. Click on company name or ESP name and you will be redirected to ESP website for casting your vote during the remote e-voting period or joining virtual meeting & voting during the meeting. Individual Shareholders (holding securities in demat mode) login through their Depository Participants You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL / CDSL for e-voting facility. After successful login, you will be able to see e-voting option. Once you 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 ESP - CDSL and you will be redirected to e-voting website of CDSL for casting your vote during the remote e-voting period or joining virtual meeting & e-voting during the meeting.
Individual Shareholders (holding securities in demat mode) login through their Depository Participants	You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL / CDSL for e-voting facility. After successful login, you will be able to see e-voting option. Once you 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 ESP - CDSL and you will be redirected to e-voting website of CDSL for casting your vote during the remote e-voting period or joining virtual meeting & e-voting during the meeting.

Important note:

Members who are unable to retrieve User ID / Password are advised to use Forgot User ID and Forgot Password option available at respective website.

Helpdesk for Individual Shareholders holding securities in demat mode for any technical issues related to login through Depository i.e. CDSL and NSDL

Login type	Helpdesk details
Individual Shareholders holding securities in Demat mode with NSDL	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.
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 or 1800 22 44 30

(vi) Login method for e-voting and joining virtual meeting for shareholders other than individual shareholders & physical shareholders.

1) The shareholders should log on to the e-voting website www.evotingindia.com.
2) Click on "Shareholders" module.
3) Now enter your User ID :
   a. For CDSL: 16 digits beneficiary ID;
   b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID;
   c. Shareholders holding shares in Physical Form should enter Folio Number registered with the Company.

4) Next enter the Image Verification as displayed and click on Login.

5) If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier e-voting of any company, then your existing password is to be used.

6). If you are a first-time user follow the steps given below:

	For Shareholders holding shares in Demat Form other than individual and Physical Form
PAN –	Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) Shareholders who have not updated their PAN with your Company / Depository Participant are requested to use the sequence number sent by Company / RTA or contact Company / RTA.
Dividend Bank Details OR Date of Birth (DOB)	Enter the Dividend Bank Details or Date of Birth (in dd / mm / yyyy format) as recorded in your demat account or in your Company records in order to login. If both the details are not recorded with the depository or company, please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (v).

(vii) After entering these details appropriately, click on "SUBMIT" tab.

(viii) Shareholders holding shares in physical form will then directly reach your Company selection screen. However, shareholders holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login Id and password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

(ix) For shareholders holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.

(x) Click on the EVSN of the Company on which you choose to vote

(xi) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the options "YES / NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.

(xii) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.

(xiii) After selecting the resolution, you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.

(xiv) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.

(xv) You can also take a print of the votes cast by clicking on "Click here to print" option on the Voting page.

(xvi) If a demat account holder has forgotten the login password then enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.

(xvii) Facility for Non–Individual Shareholders and Custodians – Remote Voting

- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodians are required to log on to www.evotingindia.com and register themselves in the "Corporates" module.

- A scanned copy of the Registration form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.

- After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.

- The list of accounts linked in the login should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.

- A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutiniser to verify the same.

- Alternatively Non 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 authorised signatory(ies) who are authorised to vote, to the Scrutiniser by e-mail to sutharkc@gmail.com

- Alternatively Non Individual shareholders are required to send the relevant Board Resolution / Authority letter etc. together with attested specimen signature of the duly authorised signatory who are authorised to vote, to the Scrutiniser at the email address viz; sutharkc@gmail.com and to your Company at the email address viz.; compliance@heranba.com , if they have voted from individual tab & not uploaded same in the CDSL e-voting system for the scrutiniser to verify the same.

24. **Instructions for Shareholders attending the AGM through VC/OAVM & e-voting during Meeting are as under:**

i. The procedure for attending meeting & e-voting on the day of the AGM is same as the instructions mentioned above for remote e-voting.

ii. The link for VC / OAVM to attend meeting will be available where the EVSN of Company will be displayed after successful login as per the instructions mentioned above for remote e-voting.

iii. Shareholders are encouraged to join the Meeting through Laptops / IPads for better experience.

iv. Further shareholders will be required to allow camera and use internet with a good speed to avoid any disturbance during the meeting.

v. Please note that participants connecting from mobile devices or tablets or through laptop connecting via mobile hotspot may experience audio/video loss due to fluctuation in their respective network. It is therefore recommended to use stable Wi-Fi or LAN connection to mitigate any kind of aforesaid glitches.

vi. Shareholders who would like to express their views/sk questions during the meeting may register themselves as a speaker by sending their request in advance on or before cut off Date i.e. **Wednesday, July 20, 2022** mentioning their name, demat account number / folio number, email id, mobile number, PAN at compliance@heranba.com. The shareholders who do not wish to speak during the AGM but have queries, may send their queries in advance 5 days prior to the meeting mentioning their name, demat account number / folio number, email id, mobile number, PAN at compliance@heranba.com These queries will be replied to by your Company suitably by email.

vii. Those shareholders who have registered themselves as a speaker will only be allowed to express their views / ask questions during the meeting. The Company reserves the right to restrict the number of speakers depending on the availability of time during the AGM.

viii. Only those shareholders, who are present in the AGM through VC / OAVM facility and have not casted their vote on the resolutions through remote e-voting and are otherwise not barred from doing so, shall be eligible to vote through e-voting system available during the AGM.

ix. If any votes are cast by the shareholders through the e-voting available during the AGM and if the same shareholders have not participated in the meeting through VC / OAVM facility, then the votes cast by such shareholders shall be considered invalid as the facility of e-voting during the meeting is available only to the shareholders attending the meeting.

Process for those Shareholders whose email addresses are not registered with the Company/RTA/Depositories for obtaining login credentials for e-voting for the resolutions proposed in this Notice - Please refer to serial no. 15 of the AGM Notice.

If you have any queries or issues regarding attending AGM & e-voting from the CDSL e-voting System, you can write an email to helpdesk.evoting@cdslindia.com.

All grievances connected with the facility for voting by electronic means may be addressed to Rakesh Dalvi, on +91 22 23058543, , +91 22 23058542, or members can send mail at rakeshd@cdslindia.com, helpdesk.evoting@cdslindia.com.

25. M/s. K C Suthar & Co., a Practicing Company Secretary, Mumbai (Membership No. 5191 & Certificate of Practice No. 4075) has been appointed as the Scrutiniser to scrutinise the voting and remote e-voting process in a fair and transparent manner.

26. The Scrutiniser will submit his report to the Chairman of the Company or to any other person authorised by the Chairman after the completion of the scrutiny of the e-voting (votes casted during the AGM and votes casted through remote e-voting), not later than 48 hours from the conclusion of the AGM. The result declared along with the Scrutiniser's report shall be communicated to the Stock Exchanges, CDSL and RTA and will also be displayed on your Company's website, https://www.heranba.co.in

By order of the Board
For **Heranba Industries Limited**

Mr. Abdul Latif
Company Secretary

Date : May 14, 2022
Place : Mumbai

REGISTERED OFFICE:
PLOT NO 1504/1505/1506/1,
GIDC, PHASE-III,
VAPI , VALSAD- 396195
GUJARAT

Explanatory Statement Pursuant to Section 102(1) of the Companies Act, 2013 read with SEBI (LODR) Regulations, 2015

Annexed to the Notice convening the 30th (Thirtieth) Annual General Meeting to be held on July 27, 2022.

ITEM NO. 5

Appointment of the Statutory Auditor of the Company

The Members of the Company at the 25th Annual General Meeting ('AGM') held on August 22, 2017 approved the appointment of Messrs. N S SHETTY & Co., Chartered Accountants (Registration No. 110101W), as the Statutory Auditors of the Company for a period of five years from the conclusion of the said AGM. Accordingly, Messrs. N S SHETTY & Co., will complete their present term on conclusion of this AGM in terms of the said approval and Section 139 of the Companies Act, 2013 ('the Act') read with the Companies (Audit and Auditors) Rules, 2014. The remuneration to be paid to Messrs. N S SHETTY & Co. Chartered Accountants for FY22 is ₹ 40 Lakhs.

The Board of Directors of the Company ('the Board'), on the recommendation of the Audit Committee ('the Committee'), recommended and sought the approval of the Members for the appointment of Messrs. Natvarlal Vepari& Co., Chartered Accountants (Registration No. 106971W), from the conclusion of this Meeting to hold such office for a period of five years till the conclusion of the 35th (Thirty Fifth) Annual General Meeting.

The remuneration to be paid to Messrs. Natvarlal Vepari & Co., Chartered Accountants shall be mutually decided between Board of Directors/ Audit Committee and Messrs. Natvarlal Vepari & Co., Chartered Accountants from time to time.

The Committee considered various parameters like capability to serve a diverse and complex business landscape as that of the Company, audit experience in the Company's operating segments, market standing of the firm, clientele served, technical knowledge etc., and found Messrs. Natvarlal Vepari & Co., to be best suited to handle the scale, diversity and complexity associated with the audit of the financial statements of the Company.

Natvarlal Vepari & Co. ('the firm') is registered with the Institute of Chartered Accountants of India ('ICAI') with Registration No. 106971W. The Office of the firm is at 903/904, Raheja Chambers, Free Press Journal Marg, Nariman Point, Mumbai 400 021. The firm has seven partners. The firm was formed in 1959 and has been engaged in statutory audits of financial statements of different industry for more than six decades. This Firm has successfully undergone five Peer Review cycle of the Peer Review Board of ICAI.

Messrs. Natvarlal Vepari & Co., have given their consent to act as the Auditors of the Company and have confirmed that the said appointment, if made, will be in accordance with the conditions prescribed under Sections 139 and 141 of the Act.

None of the Directors and Key Managerial Personnel of the Company, or their relatives are, in any way, concerned or interested, financially or otherwise, in the Resolution at Item No. 5 of the Notice.

The Board recommends this Resolution for your approval.

ITEM NO. 6

Appointment of Mr. Shriraj S Shetty (DIN 06609014) as a Whole Time Director designated as Executive Director of the Company

Mr. Shriraj S Shetty (DIN 06609014) was appointed by the Board, on the recommendation of the Nomination & Compensation Committee ('the Committee'), as an Additional Director with effect from November 11, 2021.

The Board has further appointed **Mr. Shriraj S Shetty (DIN 06609014)** as a Whole Time Director to be designated as the Executive Director for a period of five years from November 11, 2021 upon the terms & conditions hereinafter indicated.

The aforesaid appointment is subject to approval of the members of the Company at this AGM.

Mr. Shriraj S Shetty is associated with the Company since 2014 as a Technical Manager. The Nomination & Remuneration Committee and the Board of Directors are of the opinion that Mr. Shriraj K Shetty's vast knowledge and varied experience will be of great value to the Company and has recommended the Resolution at Item No. 6 of this Notice relating to his appointment as a Director and also as a Whole Time Director to be designated as Executive Director of the Company for a period of five years w.e.f. November 11, 2021 as a Special Resolution for your approval.

In terms of provisions contained under Section 160 of the Companies Act, 2013 and the rules made thereunder, the Company has received a notice from a member proposing candidature of **Mr. Shriraj S Shetty (DIN 06609014)** along with requisite deposit, for the office of Director in terms of Section 160 of the Companies Act, 2013.

Brief resume of Mr. Shriraj S Shetty, nature of his expertise in specific functional areas, names of companies in which he holds directorships and memberships / chairmanships of Board Committees and shareholding etc. as stipulated under the SEBI (LODR) Regulations, are provided herein below:

Name of Director	**Shriraj S Shetty**
Date of Birth	01/05/1989
DIN No.	06609014
Date of Appointment	11/11/2021
Qualifications:	M.Tech in Chemical Engineering Bachelors in Chemical Engineering
Experience in functional area	More than 9 (Nine) Years in the field of Agro Chemicals*
No. of equity shares held in your Company	842500
No. of Board meetings attended during FY22	2 (100%) Two Board Meeting held after his appointment was attended by him
Relationship with other Directors and Key Managerial Personnel :	Son of Mr. Sadashiv K Shetty and Mrs. Sujata S Shetty
Terms and conditions of appointment	5 (Five) Years w.e.f 11/11/2021 Liable to retire by rotation
Other Directorships in Companies :	1. Heranba Crop Care Limited 2. Chemino Pharma Limited
Details of remuneration paid during Financial Year	₹ 1.54 million as Technical Manager till Nov 21 ₹ 1.38 million as Executive Director w.e.f. Nov 21.

* For additional details on skills, expertise, knowledge and competencies of Directors, please refer to Corporate Governance Report forming part of the Annual Report.

The details of remuneration including salary, allowances, perquisites and bonus paid/payable to Mr. Shriraj S Shetty are as follows.

1. Basic salary will be ₹ 150, 000/- (₹ One Lakh Fifty Thousand Only). The following are the allowances payable to Shriraj K Shetty with effect from November 11, 2021:

Allowances	Amount (per month)	Amount (P.A.)
House Rent Allowance	62,500.00	
Conveyance	15,000.00	
Medical Allowance	10,000.00	
Education Allowance	10,000.00	
Misc Allowance	2,500.00	
Total Monthly	250,000.00	
+PF contribution from employer	1,800.00	
+Bonus	20,833.00	
Total CTC (Annual)	**2,72,633.00**	**32,71,600.00**

2. The Annual Salary shall stand increased by 10 to 15 % every financial year (effective from April 01 of each year) based on the annual performance and policy of the Company.

3. Mr. Shriraj S Shetty shall, along with the other employees of the Company, be entitled to the Bonus as per the Policy of the Company and will be in addition to the aforesaid Remuneration.

4. Increment in salary, perquisites and allowances and remuneration by way of incentive / bonus / performance linked incentive, payable to **Mr. Shriraj S Shetty** may be determined by the Board and / or the Nomination & Remuneration Committee of the Board.

5. Employees' stock options if granted to **Mr. Shriraj S Shetty** any time, shall be in addition to the aforesaid remuneration.

6. Expenses incurred for travelling, board and lodging including for spouse and attendant(s) during business trips and provision of car(s) for use on Company's business and communication expenses at residence shall be reimbursed at actuals and/or borne by the Company at actuals and will be in addition to the aforesaid Remuneration.

7. The overall remuneration payable every year to **Mr. Shriraj S Shetty** by way of salary, perquisites and allowances, incentive / bonus / performance linked incentive, remuneration based on net profits, etc., as the case may be, shall be in accordance with the provision of the Section 197 of the Companies Act read with Schedule V of the Act.

8. All payments to be made or to be credited to Mr. Shriraj S Shetty shall be subject to such deduction and withholdings of tax or otherwise as the Company may be mandated or required to do

so whether by any applicable laws, regulations or guidelines or pursuant to any contract to such effect.

9. The Executive Director shall be entitled to participate, along with the other employees of the Company, in any of the employee benefit and compensation plans, whether statutory or otherwise, as may be generally available to employees of the Company including car, leave travel allowance, gratuity, medical and health insurance plans etc.

10. All other terms and conditions are mentioned in the Agreement entered into with Mr. Shriraj S Shetty.

Minimum remuneration: In the event of loss or inadequacy of profits in any financial year during the currency of tenure of service of the Executive Director, the payment of salary, performance incentives, perquisites and other allowances shall be governed by the limits prescribed under Section II of Part II of Schedule V of the Companies Act, 2013 as may for the time being be in force.

Income-Tax in respect of the above remuneration will be deducted at source as per the applicable Income Tax Laws / Rules.

If at any time the Executive Director ceases to be a Director of the Company, for any reason whatsoever, he shall cease to be the Executive Director and his Agreement with the Company shall stand terminated forthwith.

The above may be treated as a written memorandum setting out the terms & conditions of appointment of Mr. Shriraj K Shetty under Section 190 of the Act.

In compliance with the provisions of Sections 196, 197, 203 and other applicable provisions of the Act, read with Schedule V to the Act and SEBI (LODR) Regulations, 2015, the terms of remuneration specified above are now being placed before the Members for their approval.

Relevant documents in respect of the said item are open for inspection on all working days up to the date of the Meeting.

Except, Mr. Shriraj S Shetty and Mr. Sadashiv K Shetty & Mrs. Sujata S Shetty, being parent of Mr. Shriraj S Shetty, none of the other Directors, Key Managerial Personnel or the relatives of Directors and Key Managerial Persons are, in any way, concerned or interested, financially or otherwise, in the Resolution at Item No. 6 of the Notice.

The Board of Directors recommends the resolution in relation to the appointment of Mr. Shriraj S Shetty as Executive Director of the Company as set out in Item No. 6 for approval of the Members by way of a Special Resolution.

ITEM NO. 7

Appointment of Ms. Reshma D Wadkar (DIN: 09394615) as an Independent Woman Director of the Company.

Ms. Reshma D Wadkar (DIN: 09394615), was appointed by the Board, on the recommendation of the Nomination & Compensation Committee ('the Committee'), as an Additional Director with effect from November 11, 2021 to hold the office of Non-Executive Independent Woman Director of the Company for a term of five years with effect from November 11, 2021.

The aforesaid appointment is subject to approval of the members of the Company at this AGM.

The Board of Directors of the Company ('the Board') and the Nomination & Compensation Committee ('the Committee'), recommended for the approval of the Members for the appointment of Ms. Reshma D Wadkar (DIN: 09394615) as Non Executive Independent Woman Director of the Company for a period of 5(Five) Years with effect from November 11, 2021, in terms of Section 149 read with Schedule IV of the Companies Act, 2013 ('the Act'), and Regulation 17 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations 2015'), as set out in the Resolutions relating to her appointment.

The Committee and the Board are of the view that, given the knowledge, experience and performance of Ms. Reshma D Wadkar (DIN: 09394615), and contribution to Board processes by her, her association would benefit the Company.

In terms of provisions contained under Section 160 of the Companies Act, 2013 and the rules made thereunder, the Company has received a notice from a member proposing candidature of Ms. Reshma D Wadkar (DIN: 09394615), for the office of Director in terms of Section 160 of the Companies Act, 2013. Ms. Reshma D Wadkar (DIN: 09394615) has also given a declaration to the company that he meets criteria of independence as prescribed under Section 149 (6) of the Companies Act, 2013 read with Rule 5 of Companies (Appointment & Qualification of Directors) Rules, 2014 and relevant regulation of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015. She does not hold any shares of the Company.

In the opinion of the Board, Ms. Reshma D Wadkar (DIN: 09394615) fulfil the conditions specified in the Act, the Rules thereunder and the SEBI (LODR) Regulations 2015 for appointment as Independent Directors and she is independent of the management of the Company.

Brief resume of Ms. Reshma D Wadkar, nature of her expertise in specific functional areas, names of companies in which she holds directorships and memberships / chairmanships of Board Committees and shareholding etc. as stipulated under the SEBI (LODR) Regulations, are provided herein below:

Name of Director	**Ms. Reshma D Wadkar**
Date of Birth	07/03/1981
DIN No.	09394615
Date of Appointment	November 11, 2021
Qualifications:	B.Com
Experience in functional area	More than 19 years in the field of Accounts, Finance and Taxation.

No. of equity shares held in your Company	NIL
No. of Board meetings attended during FY22	3 (100%) 3 (Three) Board Meeting including Separate Board Meeting of Independent Director was attended by her.
Relationship with other Directors and Key Managerial Personnel :	Ms. Reshma D Wadkar is not related to any Promoters and/or Directors and/or KMP of the Company.
Terms and conditions of appointment	5 Years w.e.f. November 11, 2021 Not liable to retire by rotation
Other Directorships in Companies :	Nil
Details of remuneration paid	No remuneration except sitting fees was paid to Ms. Reshma D Wadkar

* For additional details on skills, expertise, knowledge and competencies of Directors, please refer to Corporate Governance Report forming part of the Annual Report.

Relevant documents in respect of the said item are open for inspection by the members on all working days up to the date of the Meeting.

Except Reshma D Wadkar, None of the Directors, Key Managerial Personnel of the Company or their relatives are, in any way, concerned or interested in the resolution set out at item No. 7 of the Notice.

The Board recommends the Ordinary Resolution as set out at item No. 7 for approval by the Members.

ITEM NO. 8

Ratification of the remuneration payable to the Cost Auditors of the Company for the Financial Year ending March 31, 2023.

As per Section 148 of the Companies Act, 2013 read with Rule 14 of the Companies (Audit and Auditors) Rules, 2014, the Board shall, based on the recommendation of the Audit Committee appoint a cost accountant in practice, for auditing cost records of your Company and fix their remuneration.

The remuneration of Cost Auditors approved by the Board shall be subject to ratification by the shareholders.

In pursuance thereof, on the recommendation of Audit Committee, the Board has at its meeting held on **May 14, 2022** considered and approved appointment of M/s Paresh Jaysih Sampat., Cost Accountant, Mumbai (Registration No-102421), for cost audit of the cost records maintained by the Company for the financial year ending March 31, 2023, at a remuneration of ₹ 1.50 lakhs plus GST as applicable and reimbursement of actual travel and out-of-pocket expenses, subject to ratification by the members.

None of the Directors and / or Key Managerial Personnel of the Company and their relatives are concerned or interested, financially or otherwise, in the resolution set out at Item No. 8.

The Board recommends the Ordinary Resolution at Item No. 8 of the accompanying Notice for approval of the Members of the Company.

ITEM NO. 9

As per the provisions of Section 94 of the Act, approval of the Members by way of a special resolution is required to keep its Register and Index of Members, the Register and Index of Debenture holders, if any, copies of all Annual Returns prepared under Section 92 of the Act, together with the copies of the certificates and documents required to be annexed thereto, at any Place in India other than the Company's Registered Office.

As the entire Paid up capital of the Company are held in dematerialised form hence the Register of members and Index of Members are kept electronically at the office of Registrar and Share Transfer Agent.

Hence, approval of the Members is sought by way of a Special Resolution for keeping the aforesaid documents at the Office of the Company's Registrarand Share Transfer Agents and/or at the Corporate Office of the Company.

The Board recommends the resolution as set out at Item No. 9 of the accompanying Notice for the approval of the Members of the Company by way of a Special Resolution.

None of the Directors or Key Managerial Personnel of the Company or their relatives is, in any way,concerned or interested, in the Resolution set out at Item No. 9 of the Notice.

By order of the Board
For **Heranba Industries Limited**

Mr. Abdul Latif
Company Secretary

Date : May 14, 2022
Place : Mumbai

REGISTERED OFFICE:
PLOT NO 1504/1505/1506/1,
GIDC, PHASE-III,
VAPI , VALSAD- 396195
GUJARAT

Annexure to the Notice

DETAILS OF THE DIRECTOR SEEKING APPOINTMENT / RE-APPOINTMENT AT TWENTY NINTH ANNUAL GENERAL MEETING (PURSUANT TO REGULATION 36 OF THE LISTING REGULATIONS AND CLAUSE 1.2.5 OF SECRETARIAL STANDARD ON GENERAL MEETINGS)

Name of Director	Sadashiv K Shetty	Sujata S Shetty
Date of Birth	13.06.1954	08.05.1960
DIN No.	00038681	00632563
Date of Appointment	June 01, 2018 Change in designation to Chairman & Executive Director on November 01, 2018	June 01, 2018 Change in designation to Whole Time Director on April 01, 2019
Qualifications:	Bachelor's (physics and chemistry) and Master's (chemistry) degree in science from University of Mysore.	Bachelor's degree in commerce from Bombay University
Experience in years	More than three (3) decades in agrochemicals industry	More than nineteen (19) years in agrochemicals industry
No. of equity shares held in your Company	7201796	3230400
No. of Board meetings attended during FY22	5 (100%)	4 (80%)
Relationship with other Directors and Key Managerial Personnel :	1. Brother of Mr. Raghuram K Shetty (Managing Director) 2. Husband of Mrs. Sujata S Shetty (Whole time Director) 3. Father of Mr. Shriraj S Shetty (Whole time Director)	1. Wife of Mr. Sadashiv K Shetty (Chairman) 2. Mother of Mr. Shriraj S Shetty (Whole time Director)
Terms and conditions of appointment	5 Years w.e.f. 01.11.2018 Liable to retire by rotation	5 Years w.e.f. 01.04.2019 Liable to retire by rotation
Other Directorships in Companies :	1-Heranba Crop Care Limited 2-Chemino Pharma Limited 3-Mikusu India Pvt Ltd	1-Heranba Crop Care Limited
Details of remuneration paid	₹ 15.53 million	₹ 1.32 million

* For additional details on skills, expertise, knowledge and competencies of Directors, please refer to Corporate Governance Report forming part of the Annual Report.

Board's Report

To,
The Members,

Your Directors have pleasure in submitting their 30th Annual Report of the Company together with the Audited Statements of Accounts for the year ended March 31, 2022.

1. FINANCIAL RESULTS:

The summarized standalone results of your Company are given in the table below:

(₹ in million except per share)

Particulars	Financial Year Ended	
	31/03/2022	31/03/2021
Revenue from Business Operations	14,503.73	12,186.47
Other Income	193.50	70.30
Total Income	**14,697.23**	**12,256.77**
Total Expenses	12,144.73	10,173.92
Profit/(loss) before Tax	**2,552.50**	**2,082.85**
Less: Tax Expenses (including for earlier years)	661.87	540.59
Net Profit/(Loss) After Tax	**1890.63**	**1,542.26**
Paid Up Equity Share Capital (Face Value ₹ 10 each fully paid up)	400.13	400.13
Other Equity	6,774.45	4,881.21
Earning Per Share (Basic/Diluted)	47.25	39.41

2. DIVIDEND:

The Board of Directors has recommended the final dividend of ₹ 2 (₹ Two) per equity share of the face value of ₹ 10.00 (₹ Ten) each (i.e. 20% of the face value) for the financial year ended March 31, 2022, subject to approval of the shareholders at the ensuing 30th Annual General Meeting (AGM). Dividend, if approved by the Shareholders at the enusing Annual General Meeting will absorb **₹ 80.03 million**. The Final Dividend shall be paid within 30 days of its declaration at the 30th AGM. Your company is in the growth phase with steady profits and looks forward to more such dividends in near future.

3. FINANCIAL PERFORMANCE AND OPERATIONAL REVIEW:

Revenue from Operations stood at ₹ 14,504 million in FY22 as compared to ₹ 121,86 million in FY21 – growth of 19.02%. EBITDA (incl. other income) at ₹ 2,791 million in FY22 as compared to ₹ 2,284 million in FY21 – growth of 22.22%. EBITDA (incl. other income) Margins were at 19.24% in FY22, well within the guided range. Profit After Tax at ₹ 1,891 million in FY22 as compared to ₹ 1,542 million in FY21 – growth of 22.59%.

We are pleased to announce that we have reported a strong set of numbers for the fiscal year 2021-22, wherein we saw an increase of 19% in our revenues and of 23% in our PAT numbers on a year-on-year basis. This along with EBITDA margin being in the guided range of 18% to 20%, we are set to carry the momentum in FY23.

Leveraging our integrated manufacturing facilities and wide distribution network, we are in pursuit of expanding our already diverse customer case by accelerating our product registrations across the globe in order to continue Heranba's growth momentum.

FY22 was a very good year for the Company. Due to normal mansoon, there was good demand of the Company's products and therefore, the overall perfromance of the Company improved. Further, Good mansoon was forecasted for this year 2022-23. The Company believe to further improve its performance during FY23.

The Company has continued to manufacture, sell, distribute, operate and provide goods and services to its customers, which had been declared as an essential service, without any significant disruptions during ongoing COVID-19 crisis. However, disruptions to businesses worldwide and economic slowdown may have its eventual impact on the Company. The Company has evaluated its liquidity position and of recoverability and carrying values of its assets and accordingly, at present the management does not see any medium to long term risks in the Company's ability to continue as a going concern and meeting its liabilities as and when they fall due.

You company has a healthy Net worth of **₹ 7,144.58** million as at March 31, 2022.

The Company received Environmental Clearance from Ministry of Environment, Forest and Climate Change of Government of India, for expansion of Pesticides Intermediates, Fungicides, Herbicides, Insecticides Manufacturing at Plot No-2817/1, Chemical Zone, Near Sandhya Chemical, Notified Industrial Area, GIDC Sarigam, Taluka Umbergaon, District Valsad, Gujarat ("**Sarigam Plant**"). Heranba has an existing land parcel measuring 55,000 sqm at Sarigam and no additional land will be required for the proposed expansion. The Company has developed greenbelt in area of 5,500 sqm and is developing greenbelt in an area of 12,650 sqm covering 33% of the project area. This expansion plan will entail setting up an additional manufacturing capacity of 24,900 TPA for manufacturing of Insecticides, Fungicides, Herbicides and Pesticides

Intermediates. This Project create employment opportunities for 170 persons directly & 100 persons indirectly.

The Company has received a Consent to Establish ("CTE") from Gujarat Pollution Control Board ("GPCB") for manufacturing of pesticides, intermediates, fungicides, herbicides and insecticides ("Products") at its Plot situated at Plot No. C-195 and C-196 in the Saykha Industrial Estate, within the village limits of Saykha, Taluka-Vagra, Dist. Bharuch ("**Saykha Plot**"). Heranba has a parcel of land measuring around 34,600 sqm at Saykha, for further expansion. It had already received the Environmental Clearance from the Ministry of Environment, Forest & Climate Change, Government of India to setting up manufacturing unit of capacity 10680 TPA at Saykha Plot for its '**Products'**.

In addition to the above, The Company has acquired additional Industrial Plot No-T- 108 +109 admeasuring 57,248.29 sqm at Saykha Industrial Estate for further expansion of the Manufacturing Units,

The Company has acquired Industrial Plot No-A/2211 measuring 2702 sqm adjacent to Manufacturing Unit II of the Company located at Plot No. A-2/2214, A-2/2215, III Phase GIDC, Vapi, Taluka – Pardi, District – Valsad, Gujarat. This acquisition will enable the Company to enhance Production Capacity as well as upgrade the Environmental Pollution Control Facilities of Unit II. The Company will renovate and merge this Industrial Shed with Unit II.

The members are pleased to note the commencement of commercial production from new Unit-IV situated at Plot No.1409, GIDC, Vapi – 396 195 ("Unit-IV").This development is in line with company's commitment and promises towards fostering sustainable growth while also creating job opportunities in the region.Heranba expects this new Unit IV to generate annual revenue of ₹ 1000 million. The Production Capacity and Capacity Utilisation of this new Unit-IV will be1200 MTPA at maximum capacity. Further no more Capital Expenditure will be required in near future for this Unit-IV.

CRISIL Rating Limited (A Credit Rating Agency "**CRISIL**") has upgraded its ratings on the Total Bank Loan Facilities of Heranba Industries Limited to **CRISIL A/Stable/ CRISIL A1** as under:

Long -Term Rating	**CRISIL A /Stable** (Upgraded from CRISIL A-/Stable)
Short-Term Rating	**CRISIL A1** (Upgraded from CRISIL A2+)

The Corporate Office of the Company is shifted to well furnished office situated at 2nd Floor, A Wing, Fortune Avirahi, Jain Derasar Road, Borivali - West, Mumbai 400092.

Your Company has incorporated a Wholly-Owned Subsidiary Company namely "**Mikusu India Private Limited**" in India with Authorised Share Capital of ₹ 10.00 Lakh and issued and Paid Up Capital of ₹ 05.00 Lakh.

4. MANAGEMENT DISCUSSION AND ANALYSIS REPORT:

The Management Discussion and Analysis Report for the year under review, as stipulated under SEBI (LODR) Regulations is given separately and forms part of this 30th Annual Report of the Company.

5. TRANSFER TO RESERVES:

The Company has carried **₹ 60.00** million to the General Reserve of the Company.

6. TRANSFER OF UNCLAIMED DIVIDEND TO INVESTOR EDUCATION AND PROTECTION FUND:

The Company does not have any funds as contemplated under Section 125 of the Act lying unpaid or unclaimed for a period of seven years. Therefore there were no funds which were required to be transferred to Investor Education and Protection Fund (IEPF).

7. SHARE CAPITAL:

As on March 31, 2022, the Authorized share capital of the company stood at **₹ 45,00,00,000/- (₹ Forty Five Crore Only)** divided into 4,50,00,000 (Four core and fifty lakh) equity shares of ₹ 10/- (₹ Ten) Each.

As on March 31, 2022, the issued, subscribed and paid up Equity share capital of your Company stood at **₹ 40,01,34,670/- (₹ Forty Crore One Lakh Thrity Four Thousand Six Hundred Seventy Only)** divided into 4,00,13,467 (Four Crore Thirteen Four Hundread And Sixty Seven)Equity shares of ₹ 10/- (₹ Ten) each.

As on March 31, 2022, the entire share capital of the Company has been dematerialized.

8. FINANCE:

During the year under review, the Company availed the working capital credit facilities from the existing Bankers as per the business requirements. Your Company has been regular in paying interest and in repayment of the prinicipal amount of the aforesaid facilities.

9. DIVIDEND DISTRIBUTION POLICY:

Regulation 43A of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations') requires the top 1000 listed entities, based on market capitalization calculated as on March 31 of every Financial Year, to formulate a Dividend Distribution Policy and disclose the same in the Annual Report and on the website of the Company.

The Board of Directors of the Company has adopted a Dividend Distribution Policy, which aims to ensure fairness, sustainability and consistency in distributing profis to the Shareholders. The Policy is attached as "**Annexure I**" and is also available on the website of the Company i.e., www.heranba.co.in under the Investors Relations-section.

10. PARTICULARS OF CONTRACTS OR ARRANGEMENTS MADE WITH RELATED PARTIES:

All contracts / arrangements / transactions entered into with Related Parties during the Financial Year were in the ordinary course of business and on an arm's length basis. There were no Materially Related Party Transactions i.e. transactions exceeding 10% of the annual turnover as per the last audited financial statements. The Compnay has not entered into any transaction with its Promoters, Directors, Key Managerial Personnel or other designated person which may have potential conflict with the interest of the Company at large.

All Related Party Transaction are placed on a quarterly basis before the Audit Committee for approval/ratification/noting etc.

The Audit Committee has reviewed the related party transactions as mandatorily required under relevant provisions of the Listing Regulations.

The said transactions are in the ordinary course of business and at arm's length basis. The Company had taken omnibus approvals for indicative transactions proposed during the financial year ended March 31, 2022.

The policy on Related Party Transactions as approved by the Board is uploaded on the Company's website may be accessed on the Company's website.

All The particulars of contract or arrangements entered into by the Company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 are attached herewith in **Annexure –II in Form No. AOC -2**.

Further Suitable Disclosure as required by the Accounting Standards (AS18) has been made in the notes to the Financial Statements in the Annual Report.

11. INTERNAL FINANCIAL CONTROLS:

The internal financial controls with reference to the Financial Statements commensurate with the size and nature of business of the Company. Further Directors have personally overviewed the adequacy of internal controls and also appointed M/s KD Practice Consulting Pvt Ltd.as the Internal Auditor to manage the internal controls of the company.

In addition to Internal Audit, the Company has implemented well established internal financial practices, tool for mitigating risk in order to ensure adequate internal financial control commensurate with the size of the Company.

12. FINANCIAL LIQUIDITY:

Cash and Cash Equivalent as at March 31, 2022 was **₹ 949.96** million (Previous Year ₹ 847.80 million) The Company's working capital management is based on a well-organized process of continuous monitoring and control on Receivables, Inventories and other parameters.

13. INSURANCE:

All properties and insurable interests of the Company including buildings, plant and machinery and stocks have been fully insured. The Company has obtained the Director & Officer (D&O) policy for its Directors and Officers.

14. CREDIT RATING:

As on the date of this report, the Credit Rating as provided by CRISIL Rating Limited (A Credit Rating Agency "CRISIL") on the Total Bank Loan Facilities of Heranba Industries Limited are as under:

Long -Term Rating	**CRISIL A /Stable** (Upgraded from CRISIL A-/Stable)
Short-Term Rating	**CRISIL A1** (Upgraded from CRISIL A2+)

15. VIGIL MECHANISM/WHISTLE BLOWER POLICY:

The Company has a Vigil Mechanism/ Whistle Policy under which it established a Whistle Blower Policy/Vigil Mechanism.

This policy seeks the support of employees, channel partners and vendors to report Significant deviations from key management policies and report any non- compliance and wrong practices, e.g., unethical behavior, fraud, violation of law, inappropriate behavior / conduct etc.

The Vigil Mechanism / Whistle Blower policy cover serious concerns that could have grave impact on the operations and performance of the business of Heranba Industries Limited. A Vigil (Whistle Blower) mechanism provides a channel to the employees and directors to report to the management concerns ethical behavior, actual or suspected fraud or violation of the code of conduct mechanism provides for adequate safeguards against victimization of employees and Directors to avail of the mechanism and provide for direct access to the Chairman of the Audit Committee in exceptional cases.

The policy neither releases employees from their duty of confidentiality in the course of their work nor can it be used as a route for raising malicious or unfounded allegations against people in authority and / or colleagues in general.

The detailed Vigil Mechanism/ Whistle Blower Policy of the Company is uploaded on the Company's website may be accessed on the Company's website.

16. CODE OF CONDUCT:

The Board of Directors has approved a Code of Conduct which is applicable to the Members of the Board and all senior management personnel in the course of day to day business operations of the company. The Company believes in "Zero Tolerance" against bribery, corruption and unethical dealings / behaviours of any form and the Board has laid down the directives to counter such acts. The code laid down by the Board is known as "code of conduct for Board of Directors and Senior Management Personnel ". The Code has been posted on the Company's website www.heranba.com.

The Code lays down the standard procedure of business conduct which is expected to be followed by the Directors and the designated employees in their business dealings and in particular on matters relating to integrity in the work place, in business practices and in dealing with stakeholders. The Code gives guidance through examples on the expected behaviour from an employee in a given situation and the reporting structure.

All the Board Members and the Senior Management personnel have confirmed compliance with the Code. All Management Staff were given appropriate training in this regard. A Certificate from the Managing Director to this effect form part of this report and annexed as **Annexure-III**

17. PREVENTION OF INSIDER TRADING:

Pursuant to the SEBI (Prohibition of insider trading) Regulations, 2015, the Company has formulated and adopted a Code for Prevention of Insider Trading.

The Company has adopted a Code of Conduct for Prevention of Insider Trading with a view to regulate trading in securities by the Directors and designated employees of the Company. The Code requires pre-clearance for dealing in the Company's shares and prohibits the purchase or sale of Company shares by the Directors and the designated employees while in possession of unpublished price sensitive information in relation to the Company and during the period when the Trading Window is closed. The Board is responsible for implementation of the Code.

All Board Directors and the designated employees have confirmed compliance with the Code.

18. CORPORATE GOVERNANCE REPORT:

Your Company maintains the highest level of transparency, accountability and good management practices through the adoption and monitoring of corporate strategies, goals and procedures to comply with its legal and ethical responsibilities.

The Board has also evolved and adopted a Code of Conduct as per SEBI (Listing Obligations and Disclosure Requirements) (Amendment) Regulations, 2018 based on the principles of good Corporate Governance and Best Management Practices. The Code is available on the Company's website i.e. www.heranba.co.in under "Investors Relation- Corporate Governance" Section.

As required by SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, a separate Report on Corporate Governance along with the Practising Company Secretary's Certifcate confrming compliance with Corporate Governance norms is annexed to this Report.

19. CEO/CFO CERTIFICATION:

In terms of SEBI (LODR) Regulations, the Certificate signed by Mr. Raghuram K Shetty, Managing Director and Mr. Rajkumar Bafna, Chief Financial Officer of the Company was placed before the Board of Directors along with Annual Financial Statement for the financial year ended March 31, 2022 at its meeting.

20. STATEMENT CONCERNING DEVELOPMENT AND IMPLEMENTATION OF RISK MANAGEMENT POLICY OF THE COMPANY:

Heranba Industries Limited is exposed to risks such as Business dynamics Risks, Business Operations Risks, liquidity risk, Interest rate risk, Credit Risks, Logistic Risks, Market Risks / Industry Risks, Human Resource Risks Disaster Risks, System Risks and Legal Risks, Credit risk and Operational risk that are inherent in the agrochemical Industry.

The Company has adopted the systematic approach to mitigate the risk associatited with the objectives, operations, revenues and regulations.

By strictly following the regulatory norms and RBI financial Guidelines, the company effectively manages the risks and has a focused Risk Management monitoring in place.

The Company has a Risk Management Committee to monitor the risk associated with the Company. The said Committee from to time discussed risk and mitigation measure adopted to mitigate the risk. The Committee recommend from time to time Board the necessary measures to mitigate the risk.

A detailed Risk Management Policy is available Company's website www.heranba.co.in

21. INDUSTRIAL RELATIONS:

During the year under review, your Company enjoyed cordial relationship with workers and employees at all levels.

22. DETAILS OF POLICY DEVELOPED AND IMPLEMENTED BY THE COMPANY ON CORPORATE SOCIAL RESPONSIBILITY:

During the Year under review the Board has made the total expenditure under CSR of ₹ 3.06 crores for FY22 whereas the total Amount required to be spent was ₹ 3.06 crores for FY22. The detailed Report on CSR Activities as per **Annexure-IV**

23. SUBSIDIARIES, JOINT VENTURES AND ASSOCIATE COMPANIES:

Members are requested to note that till date the Company has not yet remitted the fund to subscribe to the subscribed capital of Wholly Owned Subsidiary Company which was incorporated in china under the name of Chang Zhou Heranba Crop Science and Technology Co., Ltd.

As on the date of the Report, Your company has incorporated a New Wholly Owned Subsidiary Company incorporated in India under the name of Mikusu India Private Limited. The said sbusdiary Company Mikusu India has not yet commenced its business. The Authorised Capital of Mikusu India is ₹ 10.00 Lakh and Subscribed Capital is ₹ 5.00 Lakh. The Promoter of your company are directors of Mikusu India

A Statement containing the basic financial details of the aforesaid subsidiary companies in Form AOC-I is annexed as **Annexure-V**.

24. DIRECTORS & KMP:

A. APPOINTMENT/RE-APPOINTMENT/ RESIGNATION OF DIRECTORS.

At the ensuing Annual General Meeting, Mr. Sadashiv K Shetty (DIN: 00038681) and Mrs. Sujata S Shetty (DIN: 00632563) would retire by rotation and being eligible for the re-appointment, offers themselves for re-appointment.

On the recommendation of the Nomination & Compensation Committee ('the Committee'), the following directors were appointed by the Board since the last AGM :

1. Ms. Reshma D Wadkar (DIN: 09394615) was appointed as an Additional Director to hold the office of Non-Executive Independent Woman Director of the Company for a term of five years with effect from November 11, 2021.

2. Mr. Shriraj S Shetty (DIN 06609014) was appointed by the Board as an Additional Director with effect from November 11, 2021. The Board has further appointed Mr. Shriraj S Shetty (DIN 06609014) as a Whole Time Director to be designated as the Executive Director for a period of five years from November 11, 2021.

The aforesaid appointments are subject to approval of the members of the Company at this AGM. Your Board recommend aforesaid appointment for your approval. A resolution relating to the aforesaid appointments is being placed at this 30th AGM before the Members for their approval.

During the year under review, the non-executive directors of the Company had no material pecuniary relationship or transactions with the Company, other than sitting fees and reimburse¬ment of expenses incurred by them for the purpose of attending meetings of the Board / Committee of the Company.

Details of the Directors seeking appointment / reappointment including a profile of these Directors, are given in the Notice convening the 30th Annual Gener¬al Meeting of the Company.

Based on the confirmations received, none of the Directors are disqualified for appointment under sec¬tion 164(2) of Companies Act, 2013.

B. KEY MANAGERIAL PERSONNEL (KMP):

Pursuant to Section 2(51) read with Section 203 of the Companies Act, 2013 read with Rules made thereunder, the following person has been designated as Key Managerial Personnel of the Company under the Companies Act, 2013

(a) Mr. Sadashiv K Shetty, Chairman & Executive Director
(b) Mr. Raghuram K Shetty, Managing Director
(c) Mr. Rajkumar Bafna, Chief Financial Officer
(d) Mr. Abdul Latif, Company Secretary

C. DECLARATION BY INDEPENDENT DIRECTORS:

The Company has received necessary declaration from each independent director under Section 149(7) of the Companies Act, 2013, that he/she meets the criteria of independence laid down in Section 149(6) of the Companies Act, 2013 read with rules framed thereunder and SEBI (LODR) Regulation.

In the opinion of the Board, the independent directors are, individually, person of integrity and possess relevant expertise and experience.

In terms of regulation 25(8) of the Listing Regulations, they have confirmed that they are not aware of any circumstances or situation which exist or may be reasonably anticipated that could impair or impact their ability to discharge their duties. Based on the declarations received from the independent directors, the Board has confirmed that they meet the criteria of independence as mentioned under regulation 16(1)(b) of the Listing Regulations and that they are independent of the management.

D. ANNUAL EVALUATION:

The Company has the Evaluation Policy, Remuneration Policy and The criteria for determining qualifications, positive attributes and independence of a director. Based on the above policies and criteria, the Nomination and Remuneration Committee evaluated the performance of Individual directors. The Independent Directors at their separate meeting, also reviewed the performance of the non independent directors and Board as a whole and also review the performance of the Chairman and further assessed the quality of flow of the information between the Board and Management. In addition to the above evaluation, the Board has carried out an annual performance evaluation of its own performance, the Directors individually as well as the evaluation of its Committees of the Board of Directors. The performance of Individual Director vis-à-vis Board and Committees found satisfactory.

E. REMUNERATION POLICY FOR THE DIRECTORS, KEY MANAGERIAL PERSONNEL AND OTHER EMPLOYEES:

In terms of the provisions of Section 178 (3) of the Act the Nomination & Remuneration Committee is responsible for formulating the criteria for determining qualification, positive attributes and independence of a Director. The Nomination & Remuneration Committee is also responsible for recommending to the Board a policy relating to the remuneration of the Directors, Key Managerial Personal and other employees. In line with this requirement, the Board has decided to form Remuneration Committee.

F. NON DISQUALIFICATIONS OF DIRECTORS:

None of the Directors on the Board of the Company for the Financial Year ending on March 31, 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. Practising Company Secretary's Certifcate confrming the above is annexed herewith as **Annexure-VI**

25. AUDITORS:

(A) STATUTORY AUDITOR:

The Members of the Company at the 25th Annual General Meeting ('AGM') held on August 22, 2017 approved the appointment of Messrs. N S SHETTY & Co., Chartered Accountants, as the Auditors of the Company for a period of five years from the conclusion of the said AGM. N S SHETTY & Co. will complete their present term on conclusion of this AGM in terms of the said approval and Section 139 of the Companies Act, 2013 ('the Act') read with the Companies (Audit and Auditors) Rules, 2014.

Based on the recommendation of the Audit Committee of the Company, the Board recommended the appointment of Messrs. Natvarlal Vepari & Co., Chartered Accountants (Registration No. 106971W), as the Statutory Auditor of the Company for a period of 5 (five) years from the conclusion of 30th Annual General Meeting ("AGM") scheduled to be held in the year 2022 till the conclusion of the 35th (Thirty Fifth) AGM to be held in the year 2027, subject to the approval of the shareholders of the Company; in place of Messrs. N S Shetty & Co. (Registration No. 110101W), who will vacate their office at the conclusion of the AGM to be held in the year 2022 pursuant to provision of Section 139 of the Companies Act, 2013.

A resolution relating to the appointment of the Statutory Auditors is being placed at this 30th AGM before the Members for their approval.

(B) COST RECORDS & COST AUDITORS:

Pursuant to the provision of Section 148 of the Companies Act, 2013 read with Rule 14 of the Companies (Audit and Auditors) Rules,2014 and the Companies (Cost Records & Audit) Rules, 2014, the Company maintains the cost records & accounts in respects of products manufactured by the company which needs to be audited by the Cost Auditor.

In compliance to the above, the Board of Directors has appointed Mr. Paresh Jaysih Sampat, Cost Accountants, as the Cost Auditors of the Company for the financial year ended March 31, 2023. As required by the Act, the remuneration of the Cost Auditor has to be ratified by the Members and accordingly the resolution relating to the Cost Auditors is being placed before the Members for their ratification.

(C) SECRETARIAL AUDITORS & SECRETARIAL AUDIT REPORT:

In compliance of the provisions of Section 204 of the Companies Act, 2013, your Directors have appointed M/s. K. C. Suthar& Co.,Practicing Company Secretary, as Secretarial Auditor of the Company for the financial year under review.

The Secretarial Audit Report issued in the Form MR-3 given by the company secretary in practice is annexed with the report as **Annexure-VII**.

The Secretarial Audit Report does not contain any qualification(s), reservation(s), adverse remark(s) or disclaimer(s).

The Company has complied with the applicable secretarial standards issued by the Institute of Company Secretaries of India.

26. EXPLANATION OR COMMENTS ON QUALIFICATIONS, RESERVATIONS OR ADVERSE REMARKS OR DISCLAIMERS MADE BY THE AUDITORS AND THE PRACTICING COMPANY SECRETARY IN THEIR REPORTS:

A. AUDITORS QUALIFICATION:

There were no qualifications, reservations or adverse remarks made by the Auditor in his report made for the financial year under review.

B. SECRETARIAL AUDIT REPORT BY PRACTICING COMPANY SECRETARY:

There were no qualifications, reservations or adverse remarks made by the Secretarial Auditor in his report made for the financial year under review.

C. DETAILS OF FRAUD REPORTED BY AUDITORS:

There were no frauds which are reported to have been committed by employees or officers of the Company. The statutory auditors of the Company have vide their report of even date confirmed that no fraud by the Company and no material fraud on the Company has been noticed or reported during the year.

27. OTHER DISCLOSURE:

A. MEETINGS:

The details of the various meetings of the Board and its committees are provided in the Corporate Governance Report.

B. COMMITTEES OF THE BOARD:

The details of the various committes constituted by the Board are provided in the Corporate Governance Report.

C. CHANGE IN THE NATURE OF BUSINESS:

There has been no change in the Nature of Business during the year under review. Further no material changes or commitments have occurred between the end of the financial year and the date of this report which affect the financial statements of the Company.

D. MATERIAL CHANGES AND COMMITMENT IF ANY AFFECTING THE FINANCIAL POSITION OF THE COMPANY:

No material changes and commitments affecting the financial position of the Company occurred between the end of the financial year to which this financial statements relate and the date of this report.

E. DEPOSITS:

The Company has neither accepted nor renewed any deposits from public during the year nor has any outstanding Deposits in terms of Section 73 of the Companies Act, 2013. Further there were no Deposits which are not in compliance of the requirements of Chapter V of the Act.

F. LOANS, GUARANTEES AND INVESTMENTS:

Details of Loans, Guarantees and Investments covered under the provision of Section 186 of the Companies Act, 2013 are given in the notes to the Financial Statements.

G. ANNUAL RETURN:

The extracts of Annual Return [MGT-9] pursuant to the provisions of Section 92 read with Rule 12 of the Companies (Management and administration) Rules, 2014 has been placed on the website of the company and can be accessed at www.heranba.co.in

H. PARTICULARS OF EMPLOYEES:

The Statement of Disclosure of Remuneration under Section 197 of the Companies Act, 2013 read Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is annexed as **Annexure VIII**

I. STATUS OF LISTING FEES:

The Shares of the Company are continued to be listed on the BSE Limited ("BSE") and National Stock Exchange of India Limited ("NSE").

Listing Fees for FY23 have been duly paid to BSE and NSE, where Company's shares are Listed.

J. DISCLOSURE PURSUANT TO SECTION 197(14) OF THE COMPANIES ACT, 2013 AND RULES MADE THEREUNDER.

The Managing Director and Whole Times Directors of the Company are not in receipt of any remuneration and/or commission from any subsidiary company, as the case may be.

K. REGISTRAR AND SHARE TRANSFER AGENT:

M/s Bigshare Services Private Limited, Office No S6-2, 6th Floor, Pinnacle Business Park, Next to Ahura Centre, Mahakali Caves Road, Andheri (East) Mumbai – 400093 Tel No-+91 22 6263 8200 is the Registrar and Share Transfer Agent of the Company for the physical and Demat shares. The members are requested to contact directly for any requirements.

L. COMPUNDING OF OFFENCE:

There have been certain non-compliances in respect of the company law related matter for which the Compounding application was filed by Company voluntarily with the Registrar of Companies.

Out of the aforesaid compounding applications, one application relating to the non appointment of Internal Auditor

in terms of Section 138 of the Companies Act, 2013 has been disposed off and the defaults has been compounded by paying the proper compounding fees. Further the aforesaid defaults has been made good by the Company by way of appointing the internal auditor.

M. COMPLAINTS RELATING TO CHILD LABOUR, FORCED LABOUR, INVOLUNTARY LABOUR, SEXUAL HARASSMENT:

The Company has adopted a policy on prevention, prohibition and Redressal of Sexual harassment at workplace and has duly constituted an Internal Complaints Committee in line with the provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and the Rules thereunder. No case of child labour, forced labour, involuntary labour, sexual harassment and discriminatory employment was reported during FY22. The Company has a policy on sexual harassment under which employees can register their complaints against sexual harassment. The policy ensures a free and fair enquiry with clear timelines

N. MATERIAL ORDERS PASSED BY REGULATORS, COURTS OR TRIBUNAL:

There were no signifcant or material orders passed by the Regulators, Courts or Tribunal which impact the going concern status of the Company and the Company's operations in future.

O. RESEARCH AND DEVELOPMENT AND QUALITY CONTROL:

The activities of R & D consist of improvement in the process of existing products, decrease of effluent load and to develop new products and by-products.

The management is committed to maintain the quality control and it is the strength of the Company. All raw materialand finished products and materials at various stagesof process pass through stringent quality check for the better result and product.

28. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO:

(A) CONSERVATION OF ENERGY AND TECHNOLOGY ABSORPTION:

Power and fuel Consumption-

The Companies (Disclosure of Particulars in Report of Board of Directors) Rules 1988 require the disclosure of particulars regarding Conservation of Energy in Form-A and Technology Absorption in Form-B as prescribed by the Rules.

The details are as follows:

Particulars	31/03/2022	31/03/2021
(1) Electricity		
Purchased units	30,211,756.00	2,80,21,026
Total Amount (₹ in million)	241.69	216.04
Rate per Unit (in ₹)	8.00	7.71
(2) Own Generator		
Fuel (Diesel) units	6,541,882.00	84,85,182
Total Amount (₹ in million)	417.11	266.60
Rate per Liter (in ₹)	63.76	31.42

(B) TECHNOLOGY ABSORPTION:

The technology required for the Company is available indigenously.

(C) FOREIGN EXCHANGE EARNINGS & OUTGO:

(₹ in million)

Particulars	31/03/2022	31/03/2021
Earnings	6,007.72	5,479.11
Outgo	1,956.24	1,369.73

29. DIRECTORS RESPONSIBILITY STATEMENT:

In accordance with the provisions of Section 134(5) of the Companies Act, 2013 the Board hereby submits its responsibility Statement:—

(a) In the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;

(b) The directors had 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 and of the profit and loss of the company for that period;

(c) The directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;

(d) The directors had prepared the annual accounts on a going concern basis; and

(e) The directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

30. ACKNOWLEDGEMENTS:

Your Directors place on record their sincere thanks to bankers, business associates, consultants, and various Government Authorities for their continued support extended to your Companies activities during the year under review. Your Directors deeply appreciate the committed efforts put in by employees at all levels, whose continued commitment and dedication contributed greatly to achieving the goals set by your Company. Your Directors also acknowledges gratefully the shareholders for their support and confidence reposed on your Company.

For **Heranba Industries Limited**

Sadashiv K. Shetty
Chairman
DIN: 00038681

Date: May 14, 2022
Place: Mumbai

Raghuram K. Shetty
Managing Director
DIN: 00038703

Date: May 14, 2022
Place: Mumbai

Annexure-I

DIVIDEND DISTRIBUTION POLICY

1. Objective

The objective of this Policy document is to articulate **HERANBA INDUSTRIES LIMITED'S** Dividend Distribution Policy (DDP). This Policy applies to all types of Dividend declared or recommended by the Board of Directors of the Company and seeks to conform to the requirements of Section 123 of the Companies Act, 2013, the notified rules thereof and other such provisions.

2. Philosophy

At **HERANBA INDUSTRIES LIMITED** we respect, and are committed to, our role towards shareholders and meeting our obligations to the communities in which we do business. We believe that sustainable growth can be achieved by creating wealth and jobs, developing useful skills, and investing time and money in people. **HERANBA INDUSTRIES LIMITED** aims to share its prosperity with the shareholders by way of declaring dividend subject to liquidity and growth requirement.

3. The Regulatory Framework

Pursuant to Regulation 43A of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, top 1000 Listed Companies in India as per Market Capitalization as on the preceding Financial Year shall formulate a dividend distribution policy. HERANBA INDUSTRIES LIMITED falls within the list of Top 1000 Listed Companies.

4. Definitions

Unless repugnant to the context:

4.1 "Act" shall mean the Companies Act, 2013 including the Rules made thereunder.

4.2 "Company or HERANBA INDUSTRIES" shall mean Heranba Industries Limited

4.3 "Chairman" shall mean the Chairman of the Board of Directors of the Company.

4.4 "Board" or "Board of Directors" shall mean Board of Directors of the Company.

4.5 "Dividend" shall mean Dividend as defined under Companies Act, 2013 or SEBI Regulations.

4.6 "SEBI Regulations" shall mean the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 together with the circulars issued there under, including any statutory modifications or re-enactments thereof for the time being in force.

5. Policy

5.1 Frequency of payment of dividend:

5.1.1 Heranba Industries Limited believes in rewarding its shareholders as and when the funds are available for distribution as dividend and generally strive to recommend Final Dividend to the Members at the Annual General Meeting of the Company.

5.2. Internal and external factors that would be considered for declaration of dividend:

5.2.1 Heranba Industries Limited considers several Internal and External Factors before deciding declaration or recommendation of dividend.

5.2.2 The Internal Factors are adequacy of profits for last three years and likely profits for next year, allocation of funds towards capital expenditure and working capital requirements.

5.2.3 The External Factors that would impact dividend payout are alternative investment opportunities, interest rate on surplus funds, taxation on distribution of dividend and dividend payout ratios of comparable companies.

5.3. The financial parameters that will be considered while declaring dividends:

5.3.1 In order to maximize corporate value over the long term, internal capital resources will be secured for measures that will increase corporate value. These measures include investments in R&D and Capital Investments, which are vital to future business expansion.

5.3.2 After taking into consideration the required investments for future growth and the level of free cash flow, surplus will be distributed to the shareholders to the maximum extent possible.

5.4. The circumstances under which the shareholders can or cannot expect dividend:

In an event where Company has undertaken a significant project requiring higher allocation of capital or in event where the company's profits are inadequate or company makes losses, the Company would like to use the Company's reserves judiciously and not declare dividend or declare dividend lower than its normal rate of dividend.

5.5. Policy as to how the retained earnings will be utilized:

5.5.1 The Company would like to retain the balances in Reserves and Surplus to give the required strength to the balance sheet for exploring leverage options for supporting growth.

5.5.2 The Company would be very cautious in declaring divided out of past profits and reserves.

5.6. Transfer of Profits to Reserves:

The Company will not transfer any amount to reserves unless there is statutory requirement.

5.7. Provisions regarding class of shares:

Currently, the Company has issued only Equity Shares and this Policy shall be applicable to Equity Shares. As and when the Company issues other kind of shares, the Board shall amend this

Policy along with Rationale at the time or before issue of other class of shares.

6. Procedure

6.1 The Board of Directors of the Company will analyze all the parameters and recommend appropriate dividend.

6.2 The Company Secretary & Compliance Officer of the Company shall ensure compliance of Insider Trading Rules of the Company and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

6.3 The Board of Directors shall approve the declaration or recommendation of Dividend after ensuring compliance of Act, SEBI Regulations and this Policy.

6.4 The Company shall ensure compliance of provisions of Act, SEBI Regulations and this Policy in relation to dividend.

7. Distribution of Dividend

A) Periodicity:

On Completion of Financial Year

The Board of Directors of the Company may recommend a Dividend for respective financial year and may be declared in the Annual General Meeting.

B) Dividend Entitlement

The members, whose name appear in the register of members as on the record date / Book Closure, shall be entitled for the dividend.

C) Mode of Payment

The payment of the dividend would be in cash:

i) Through electronic clearing services (local, regional or national), direct credit, real time gross settlement, national electronic funds transfer etc. for making payment of dividend. OR

ii) Through issuance of 'payable-at-par' warrants/ cheques / demand draft, in case where bank details are not available or the electronic payment instructions have failed or have been rejected by the bank,

Transfer to Unpaid Dividend Account:

(1) Where a dividend has been declared by a company but has not been paid or claimed within thirty days from the date of the declaration to any shareholder entitled to the payment of the dividend, the company shall, within seven days from the date of expiry of the said period of thirty days, transfer the total amount of dividend which remains unpaid or unclaimed to a special account to be opened by the company in that behalf in any scheduled bank to be called the Unpaid Dividend Account.

(2) The company shall, within a period of ninety days of making any transfer of an amount under sub-section (1) to the Unpaid Dividend Account, prepare a statement containing the names, their last known addresses and the unpaid dividend to be paid to each person and place it on the web-site of the company, if any, and also on any other web-site approved by the Central Government for this purpose, in such form, manner and other particulars as may be prescribed.

D) Transfer to IEPF

The dividend remained unpaid and unclaimed for a period of 7 years (as per the provisions of Sections 124(5) of the Companies Act, 2013) shall be transferred to Investors Education and Protection Fund set up by the Government in that regard.

8. General

8.1 This Policy would be subject to revision/ amendment in accordance with the guidelines as may be issued by Ministry of Corporate Affairs and/or Securities Exchange Board of India from time to time, on the subject matter.

8.2 The Company reserves its right to alter, modify, add, delete or amend any of the provisions of this Policy.

8.3 In case of any amendment(s), clarification(s), circular(s) etc. issued by the relevant authorities, not being consistent with the provisions laid down under this Policy, then such amendment(s), clarification(s), circular(s) etc. shall prevail upon the provisions hereunder and this Policy shall stand amended accordingly from the effective date as laid down under such amendment(s), clarification(s), circular(s) etc.

Annexure-II

FORM AOC-2

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

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

Details of material contracts or arrangement or transactions with related parties at arm's length basis during the Financial Year ended March 31, 2022**:**

RELATED PARTY(IES)

(a) Name(s) of the related party	Mrs. Shreya M. Shetty	Mr. Shriraj S Shetty Up to November 11, 2021	Mr. Roshan R Shetty w.e.f. July, 2021
(b) Nature of Relationship	Relative of Director	Relative of Director	Relative of Director
(c) Nature of contracts / arrangements / transactions	Professional Charges	Remuneration	Remuneration
(d) Duration of the contracts / arrangements/ transactions	On going	On going	On going
(e) Salient terms of the contracts or arrangements or transactions including the value, if any	₹ 1.50 Lakh per month	₹ 1.10 Lakh per month plus bonus	₹ 1.35 Lakh per month plus bonus
(f) Date(s) of approval by the Board	11.06.2021	11.06.2021	11.06.2021
(g) Date(s) of Approval by Shareholders(if any)	NA	NA	NA
(h) Amount paid as advances, if any:	NIL	NIL	NIL

For **Heranba Industries Limited**

Sadashiv K. Shetty
Chairman
DIN: 00038681

Date: May 14, 2022
Place: Mumbai

Raghuram K. Shetty
Managing Director
DIN: 00038703

Date: May 14, 2022
Place: Mumbai

Annexure-III

DECLARATION BY THE MANAGING DIRECTOR UNDER REGULATION 26 OF SEBI (LODR) REGULATIONS, 2015 REGARDING COMPLIANCE WITH CODE OF CONDUCT

In accordance with Regulation 26 of the SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015, I hereby confirm that all the Directors and Senior Management Personnel of the Company have affirmed compliance with the Code of Conduct, as applicable to them for the Financial year ended on March 31, 2022.

For **Heranba Industries Limited**

Raghuram K. Shetty
Managing Director
DIN: 00038703

Date: May 14, 2022
Place: Mumbai

Annexure-IV

ANNUAL REPORT ON CSR ACTIVITIES-

1. BRIEF OUTLINE OF THE COMPANY CSR POLICY AND PROJECTS OR PROGRAMS:

The Board of directors has formed the CSR Committee to look after CSR activities. The company has framed the policy which is made available at the website of company www.heranba.co.in. This CSR Policy outlines the Company's responsibility as a corporate citizen and lays down the guidelines and mechanism for undertaking activities for welfare & sustainable development of the community at large. It is Company's conscious strategy to design and implement CSR programs, that encompass the disadvantaged sections of society. This Policy shall apply to all CSR initiatives and activities taken up by the Company, for the benefit of different segments of the society, specifically the deprived, under privileged and differently abled persons. During the year under review, the Company carried out the various programs or projects which are given herein below.

2. COMPOSITION OF THE CSR COMMITTEE

Name of The Member	Designation/ Nature of Directorship	No Meetings of held	No Meetings of Attended
Mulky V Shetty	Chairman/ ID*	2	2
Kaushik H Gandhi	Member/ID*	2	2
Sadashiv K Shetty	Member/WTD***	2	2

* ID means Independent Director

** WTD means Whole Time Director

3. PROVIDE 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:

www.heranba.co.in

4. PROVIDE 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 for the financial year under review

5. DETAILS OF 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 crores)	Amount required to be set-off for the financial year, if any (₹ in crores)
		Not Applicable	

6. AVERAGE NET PROFIT OF THE COMPANY FOR LAST THREE FINANCIAL YEARS AS PER SECTION 135(5): ₹ 153.39 crores.

7. (a) Two percent of average net profit of the Company as per section 135(5): ₹ 3.06 crores.

(b) Surplus arising out of the CSR projects or programs or activities of the previous financial years: Nil

(c) Amount required to be set off for the financial year, if any: Nil

(d) Total CSR obligation for the financial year (7a+7b-7c): ₹ 3.06 crores.

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

Total Amoun Spent for the Financial Year (₹ in crores)	Amount Unspent (₹ in crores)				
	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
3.06	----	----	----	----	----

(b) Details of CSR amount spent against ongoing projects for the financial year: Not Applicable

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

Sl. No.	Name of Project	Item from the list of activities in schedule VII of the Act	Local Area	Location of Project		Amount spent for the Project (₹ in crores)	Mode of implementation – Direct (yes/no)	Mode of Implementation through implementing agency	
				State	District			Name	CSR Registration Number
1	Upliftment of weaker and handicapped and blind person	Cl.No- (i)	yes	Gujarat & Maharashtra	Vapi & Mumbai	1.75	No	Omkar Andh Apang Samajik Sanstha	CSR00003196
2	School & Education Development	Cl.No-(ii)	yes	Gujarat & Rajasthan		1.02	No	Jan Jagrati Sevarth Sanstha	CSR00006903
3	Promoting Health Care	Ch. No-(i)	yes	Gujarat	Valsad	0.12	No	Nadkarni Medical Foundation	CSR00002006
4	Covid Relief /Prevention Activities	Cl.No-(i)	yes	Maharashtra	Mumbai	0.05	Yes	NA	NA
5	Education Development	Cl.No (ii)-	yes	Karnataka	Udupi	0.05	No	Nandikur Eduction Trust	CSR00023492
6	Education Development	Cl.No (ii)	yes	Gujarat	Valsad, Surat	0.05	No	Gandhi Education Trust	CSR00024940
7	Basic necessity to widow/ children	C.No-(i)-	yes	Gujarat	Valsad, Surat	0.02	No	Vapi Industrial Association	CSR00020251
			Total			**₹ 3.06**			

(d) Amount spent in Administrative Overheads: Not Applicable

(e) Amount spent on Impact Assessment, if applicable: Not Applicable

(f) Total amount spent for the Financial Year (8b+8c+8d+8e): ₹ 3.06 crores

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

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

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 crores)	Amount spent in the reporting Financial Year (₹ in crores)	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 crores)
				Name of the Fund	Amount (₹ in crores)	Date of transfer	
Not Applicable							

(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 crores)	Amount spent on the project in the reporting Financial Year (₹ in crores)	Cumulative amount spent at the end of reporting Financial Year (₹ in crores)	Status of the project - Completed /Ongoing
Not Applicable								

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 (ASSET-WISE DETAILS):

Not Applicable

11. SPECIFY THE REASON(S), IF THE COMPANY HAS FAILED TO SPEND TWO PERCENT OF THE AVERAGE NET PROFIT AS PER SECTION 135(5):

Not Applicable

For **Heranba Industries Limited**

Sadashiv K. Shetty
Chairman
DIN: 00038681

Date: May 14, 2022
Place: Mumbai

Raghuram K. Shetty
Managing Director
DIN: 00038703

Date: May 14, 2022
Place: Mumbai

Annexure-V

FORM AOC-1

[AS ON MARCH 31, 2022]

(Pursuant to first provision to sub-section (3) of Section 129 read with rule 5 of Companies (Accounts) Rules, 2014)

Statement containing salient features of the financial statement of subsidiaries or associate or joint ventures companies

Part- A Subsidiaries

(Information in respect of each subsidiary to be presented with amounts in ₹)

Sr. No		
1.	Name of the subsidiary	CHANGZRHOU Heranba Crop Science and Technology Co Ltd
2.	The date since when subsidiary was acquired/incorporated:	July 18, 2019
3.	Reporting period for the subsidiary concerned, if different from the holding company's reporting period:	N.A.
4.	Reporting currency and Exchange rate as on the last date of the relevant financial year in the case of foreign subsidiaries:	USD
5.	Share capital:	USD 160,000
6.	Reserves and surplus	0.00
7.	Total assets	0.00
8.	Total Liabilities	0.00
9.	Investments	0.00
10.	Turnover	0.00
11.	Profit before taxation	0.00
12.	Provision for taxation	0.00
13.	Profit after taxation	0.00
14.	Proposed Dividend	0.00
15.	Extent of shareholding (in percentage)	100%

Notes: The following information shall be furnished at end of the statement:

1. The Company has not yet subscribed the capital of aforesaid subsidiary.
2. The aforesaid subsidiary has not yet commence operations.
3. There is no subsidiaries which have been liquidated or sold during the year.

For **Heranba Industries Limited**

Sadashiv K. Shetty
Chairman
DIN: 00038681

Date: May 14, 2022
Place: Mumbai

Raghuram K. Shetty
Managing Director
DIN: 00038703

Date: May 14, 2022
Place: Mumbai

Annexure-VI

CERTIFICATE ON NON DISQUALIFICATIONS 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
Heranba Industries Limited
Plot No 1504/1505/1506/1 GIDC,
Phase-III Vapi, Valsad,
Gujarat 396195, India

We have examined the relevant registers, records, forms, returns and disclosures received from the Directors of **HERANBA INDUSTRIES LIMITED** having CIN L24231GJ1992PLC017315 and having registered office at PLOT NO 1504/1505/1506/1 GIDC, PHASE-III VAPI, Valsad, GUJARAT 396195, INDIA, produced before me/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 March 31, 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	Designation	DIN	Date of Appointment in Company*
1	SADASHIV K SHETTY	Chairperson and Director	00038681	01/06/2018
2	RAGHURAM K SHETTY	Managing Director	00038703	01/06/2018
3	SUJATA S SHETTY	Wholetime Director	00632563	01/06/2018
4	VANITA R SHETTY	Wholetime Director	02493401	01/06/2018
5	RAUNAK R SHETTY	Wholetime Director	08006529	04/12/2017
6	SHRIRAJ S SHETTY	Wholetime Director	06609014	11/11/2021
7	KAUSHIK H GANDHI	Independent Director	01265059	09/07/2018
8	MULKY V SHETTY	Independent Director	08168960	09/07/2018
9	ANIL KUMAR M MARLECHA	Independent Director	08193193	31/08/2018
10	GANESH N VANMALI	Independent Director	07833853	31/08/2018
11	NIMESH S SINGH	Independent Director	00062998	31/08/2018
12	RESHMA DWADKAR	Independent Director	09394615	11/11/2021

*the date of appointment is as per the MCA Portal.

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 K.C. Suthar & Co.
Company Secretaries

K.C. Suthar
Proprietor
M. No: FCS-5191 /COP- 4075
Peer Review No: 1357/2021
UDIN: F005191D000322750

Date: May 14, 2022
Place: Mumbai

Annexure-VII

[FORM NO MR -3]

SECRETARIAL AUDIT REPORT

[For The Financial Year Ended March 31, 2022]

HERANBA INDUSTRIES LIMITED

(CIN: L24231GJ1992PLC017315)

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

The Members,
Heranba Industries Limited.
Vapi- Gujarat- 396195

We have conducted the secretarial audit compliance of applicable statutory provisions and the adherence to good corporate practices by M/s Heranba Industries Limited [CIN: L24231GJ1992PLC017315] (hereinafter called as "the company") having its registered office situated at Plot No. 1504/1505/1506/1 GIDC, Phase- III, Vapi, Valsad – 396195 , Gujarat. The 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 book, forms and returns filed and other records maintained by company and also the information provided by the company, its officers, agents 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 March 31, 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 March 31, 2022 according to the provisions of:

i. The Companies Act, 2013 (the Act) and the rules made there under;

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.

   a. The company was not require to complied with the provisions of the Companies Act, 2013 and Foreign Exchange Management Act and other applicable acts and rules and regulations made there under, as the company **has not invested in its Wholly Owned Subsidiary based in CHINA , named:Chang Zhou Heranba Crop Science and Technology Company Limited.**

v. As the Shares of M/s Heranba Industries Limited having CIN: L24231GJ1992PLC017315 are listed **on recognised stock exchange at BSE and NSE**, the following Regulations and Guidelines prescribed under Securities Exchange Board of India Act, 1992 ('SEBI Act') are applicable to the company.

   a. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011; **Not applicable as there was no reportable event during the financial year under review**

   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. **Not applicable as there was no reportable event during the financial year under review**

   d. The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations 2014; **Not applicable as there was no reportable event during the financial year under review;**

   e. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; **Not applicable as there was no reportable event during the financial year under review**

   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 as the company is not a RTA.**

   g. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; **Not applicable as there was no reportable event during the financial year under review**

   h. The Securities and Exchange Board of India (Buy Back of Securities) Regulations, 2018; **Not applicable as there was no reportable event during the financial year under review**

   i. The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

vi. **Management has identified and confirmed the following laws as being specifically applicable to the Company:**

1. **Financial and Other Laws applicable to the Company:**

   a) The Income Tax Act, 1961;
   b) The Goods and Service Tax Act ("GST")
   c) Trade Marks Act, 1999
   d) The Export (Quality Control And Inspection)Act, 1963
   e) Consumer Protection Act, 2019
   f) Bureau of Indian Standards Act, 2016
   g) The MSME Act
   h) Foreign Trade (Development and Regulation) act, 1992

2. **Industry Specific Laws and Regulations applicable to the company:**

   a) The Insecticides Act, 1968
   b) The Insecticides Rules, 1971
   c) The Draft Pesticides Management Bill, 2017
   d) The Legal Metrology Act, 2009;
   e) The Legal Metrology (Packaged Commodities) Rules, 2011;
   f) The Petroleum Act, 1934
   g) The Solvent, Raffinate and slop (Acquisition, Sale, Storage And Prevention Of Use In Automobile), Order, 2000;
   h) The Indian Explosives Act, 1884;
   i) The Poisons Act, 1919;
   j) The Indian Boilers Act, 1923;
   k) Shop And Establishment Act

3. **Environmental Laws and Regulations applicable to the Company:**

   a) Environment Protection Act, 1986
   b) Environment (Protection) Rules, 1986
   c) The Pollution Control Act, 1986
   d) Air (Prevention and control of Pollution) Act, 1981
   e) Water (Prevention and control of Pollution) Act, 1974
   f) Hazardous and other wastes (Management and Transboundary Movements) rules, 2016
   g) Water (Prevention & Control of Pollution) Cess Act, 1977
   h) Water (Control of Pollution) Cess Rules, 1978
   i) Manufacture, Storage and Import of Hazardous Chemical Rules, 1989
   j) The Chemical Accident (Emergency Planning, Preparedness And Response) rules, 1996
   k) Public liability insurance act, 1991

4. **Labour Law and Regulations applicable on the Company;**

   a) The Factories Act, 1948
   b) Contract Labour (Regulation & Abolition) Act, 1970
   c) Industrial Employment (standing orders) Act, 1946
   d) POSH Act- prevention of sexual harassment of women at work place (Prevention, Prohibition and Redressal) Act, 2013
   e) Industrial (Development and Regulation) Act, 1951
   f) Minimum wages Act,1948
   g) The payment of wages Act, 1936
   h) Employees' provident funds Act, 1952
   i) Employees state insurance Act, 1948
   j) Payment of Bonus Act, 1965
   k) Payment of Gratuity Act, 1976
   l) Equal Remuneration Act, 1976
   m) Professional tax Act
   n) Labour Welfare Fund
   o) National and festival holidays Act
   p) Maternity Benefit Act, 1961.
   q) The Child and Adolescent Labour (prohibition & regulation) Act, 1986
   r) The Employees' Compensation Act, 1923
   s) Inter State Migrant Workmen Act, 1979
   t) Labour Laws (simplification of procedure for furnishing returns & maintaining registers by certain establishments) Act, 1988
   u) Industrial Disputes Act, 1947

vii. The company has complied with the applicable rules, regulation and guidelines issued by the regulatory bodies from time to time with respect to **Import And Export of goods and materials.**

We have also examined the compliance with the applicable clauses of the following:

a. Secretarial Standards with respect to Meetings of Board of Directors (SS-1), General Meetings (SS-2), Dividend (SS-3) issued by The Institute of Company Secretaries of India (ICSI);

b. Listing Agreements entered into by the Company with BSE Limited and National Stock Exchange of India Limited.

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

During the period the Company has received penalty notice from the BSE Ltd and National Stock Exchange Limited regarding delayed in appointment of Independent Woman Director on the Board of the Company.

As informed by the company and appeared from the record, the company has duly complied in previous quarter for appointment of Independent Woman Director and also paid the penalty as imposed by both the Exchanges.

We further report that:

i. The Board of Directors of the Company is duly constituted with proper balance of Executive, Non-Executive and Independent Directors.

ii. Adequate notice is given to all Directors to schedule 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 agenda items before the meeting and for meaningful participation at the meeting;

iii. All the decisions of the Board and Committees thereof were carried through with requisite majority.

We further report that:

Based on the detailed record provided on compliance mechanism and pursuant to section 123 of the Companies Act 2013 the company has declared **Final Dividend** for FY21 at the 29th Annual General Meeting (AGM) held on September 14, 2021 and complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards as provided under the Act.

We further report that:

Based on review of compliance mechanism established by the Company and on the basis of the Compliance Certificate(s) issued by the Company Secretary and taken on record by the Board of Directors at their meeting(s), we are of the opinion that there are adequate systems and processes in place in the Company which is commensurate with its size and operations, to monitor and ensure compliance with applicable laws, rules, regulations and guidelines; and

a. As informed, the Company has responded appropriately to notices received from various statutory / regulatory authorities including initiating actions for corrective measures, wherever found necessary if any.

b. During the year the company has received compounding order from Regional Director – North West Region against the compounding application filed by the company under section 138 of the Companies Act-2013 and duly complied with the said order.

We further report that:

During the financial year under review, following events/ actions having a major bearing on the Company's affairs in pursuance of the above referred Laws, Rules, Regulations, Guidelines, Standards, etc., have occurred: NIL

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

For K.C. Suthar & Co.
Company Secretaries

K.C. Suthar
Proprietor
M. No: FCS-5191 /COP- 4075
Peer Review No: 1357/2021
UDIN: F005191D000375220

Date: May 14, 2022
Place: Mumbai

ANNEXURE-A

The Members,
Heranba Industries Limited.
Vapi- Gujarat- 396195

MANAGEMENT'S RESPONSIBILITY

1. It is the responsibility of management of the Company to maintain secretarial records, devise proper systems to ensure compliance with the provisions of all applicable laws and regulations and to ensure that the systems are adequate and operate effectively.

AUDITOR'S RESPONSIBILITY

1. Our responsibility is to express an opinion on these secretarial records, standards and procedures followed by the Company with respect to secretarial compliances.

2. We believe that audit evidence and information obtained from the Company's management is adequate and appropriate for us to provide a basis for our opinion.

3. Wherever required, we have obtained the management's representation about the compliance of laws, rules and regulations and happening of events etc.

DISCLAIMER

1. The Secretarial Audit Report is neither an assurance as to future viability of the Company nor of the efficacy or effectiveness with which the management has conducted affairs of the Company.

2. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.

For K.C. Suthar & Co.
Company Secretaries

K.C. Suthar
Proprietor
M. No: FCS-5191 /COP- 4075
Peer Review No: 1357/2021
UDIN: F005191D000375220

Date: May 14, 2022
Place: Mumbai

Annexure-VIII

DISCLOSURE REQUIRED UNDER SECTION 197(2) OF THE COMPANIES ACT, 2013 READ WITH RULE 5(1) OF THE COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014

I) THE RATIO OF THE REMUNERATION OF EACH DIRECTOR TO THE MEDIAN REMUNERATION OF THE EMPLOYEES OF THE COMPANY FOR THE FINANCIAL YEAR ENDED MARCH 31, 2022:

Name of Director	Nature of Directorship	Ratio to median* remuneration of employees
Sadashiv K Shetty	Chairman	37.9
Raghuram K Shetty**	Managing Director	219.99
Sujata S Shetty	Whole Time Director	3.2
Vanita R Shetty	Whole Time Director	3.2
Raunak R Shetty	Whole Time Director	5.9
Shriraj S Shetty	Whole Time Director	3.35
Kaushik H Gandhi	Non Executive Independent Director	0.5
Mulky V Shetty	Non Executive Independent Director	0.49
Anilkumar M Marlecha	Non Executive Independent Director	0.31
Ganesh N Vanmali	Non Executive Independent Director	0.39
Nimesh S Singh	Non Executive Independent Director	0.2
Reshma D Wadkar	Non Executive Independent Director	0.07

* Median salary of employees during

FY22: ₹ 4.06 Lacs p.a
FY21: ₹ 4.00 Lacs p.a..

All the Non-executive Independent Directors were paid only sitting fees for attending the Board and Committee meetings. The Sitting fees was paid in accordance with the Companies Act.

II) THE PERCENTAGE INCREASE IN REMUNERATION OF EACH DIRECTOR, CHIEF FINANCIAL OFFICER, CHIEF EXECUTIVE OFFICER, COMPANY SECRETARY OR MANAGER, IF ANY, IN FY22

Name of Director	Nature of Directorship	% Increase (decrease) in the remuneration
Sadashiv K Shetty	Chairman	Nil
Raghuram K Shetty**	Managing Director	Nil
Sujata S Shetty	Whole Time Director	Nil
Vanita R Shetty	Whole Time Director	Nil
Raunak R Shetty	Whole Time Director	106.90
Shriraj S Shetty	Whole Time Director	Nil
Kaushik H Gandhi	Non Executive Independent Director	Nil
Mulky V Shetty	Non Executive Independent Director	Nil
Anilkumar M Marlecha	Non Executive Independent Director	Nil
Ganesh N Vanmali	Non Executive Independent Director	Nil
Nimesh S Singh	Non Executive Independent Director	Nil
Reshma D Wadkar	Non Executive Independent Director	Nil
Rajkumar Bafna	Chief Financial Officer	Nil
Abdul Latif	Company Secretary	7.00

III) THE PERCENTAGE INCREASE IN THE MEDIAN REMUNERATION OF EMPLOYEES IN FY22: 1.5%

IV) THE NUMBER OF PERMANENT EMPLOYEES ON THE ROLLS OF COMPANY AS ON MARCH 31, 2022: 714

Average percentile increase already made in the salaries of employees other than the Managerial Personnel in the last Financial Year i.e. FY22 and its comparison with the percentile increase in the Managerial Remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the Managerial Remuneration:

Average percentile increase in salaries of employees other than Managerial Personnel is higher than average percentile increase in the managerial remuneration.

V) The Company affirms that the remuneration is as per the Remuneration Policy of the Company.

VI) AS PER RULE 5(3) OF THE COMPANIES (APPOINTMENT AND REMUNERATION) RULES, 2014, EMPLOYEES WHO DRAW SALARY EXCEEDING THE LIMIT OF ₹ 1.02 CRORES IS AS FOLLOWS:

There were no employees other than the followings who were in receipt of remuneration in excess of above specified limit during the year 2021-22.

Name & Age	Designation	Remuneration p.a. (₹ in million)	Qualification / Experience	Date of Joining	Previous Employment & Designation	Percentage of shares held	Relation to any Director or Manager
Sadashiv K. Shetty (68 Years)	Chairman	15.53	Bachelor's (physics and chemistry) and Master's (chemistry) degree Having experience of more than three (3) decades in agrochemicals industry	Since September, 1994	Previously associated with Sudarshan Chemical Limited, Gharda Chemical Limited, Hoechst Pharmaceuticals and Nirlon Limited.	18%	Brother-Raghuram K Shetty Wife:-Sujata K Shetty Son: Shriraj S Shetty
Raghuram K. Shetty (63 Years)	Managing Director	89.42**	Bachelor's degree in economics, Diploma in export and import management Having experience of more than three (3) decades in agrochemicals industry	Since September, 1994	Own Business	29.61%	Brother-SadashivK Shetty Wife:-Vanita R Shetty Son: Raunak R Shetty

**Remuneration of Raghuram K Shetty includes the commission. The Commission was paid in accordance with the Companies Act.

Report on Corporate Governance

CHAPTER-I

PHILOSOPHY

The Company's philosophy on Corporate Governance has been developed with a tradition of fair and transparent governance even before they were mandated by the legislation. Transparency, integrity, professionalism and accountability - based values form the basis of the Company's philosophy for Corporate Governance. The Company believes that good Corporate Governance is a continuous process and strives to improve the Corporate Governance practices to meet shareholder's expectations.

Corporate governance is about commitment to values and about the ethical business conduct. The commitment starts with the Board of Directors, which executes its corporate governance responsibilities by focusing on the Company's strategic and operational excellence in the best interest of all its stakeholders.

Our endeavour is to adopt the best governance and disclosure practice by providing the timely and accurate information regarding the financial situation, performance, ownership and governance of the Company. We believe that the good corporate governance practices, is a key driver to sustainable corporate growth and long-term value creation for the shareholders/stakeholders.

Your company has fulfilled all the existing guidelines prescribed by the Securities and Exchange Board of India (Listing Obligations and Disclosure requirements) Regulations, 2015.

CHAPTER-II

BOARD OF DIRECTORS

A) Composition, Category Of Directors And Their Other Directorship As On March 31, 2022:

The Board has an optimum combination of Executive Directors and Non-Executive Directors including Woman Directors. As on March 31, 2022, the Board comprises 12 (Twelve) Directors, out of which 6 (Six) are Non- Executive Directors and 6 (Six) are Executive Directors. All 6 (Six) Non Executive Directors are Independent Directors (including one Woman Independent Director). Out of the 6 (Six) Executive Directors, 1 (one) is the Executive Chairman, and 1 (one) is the Managing Director. All the Six Independent Directors are free from any business or other relationship that could materially influence their judgement. All the Independent Directors satisfy the criteria of Independence as defined under the Companies Act,2013, the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations").

In compliance with the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, none of the Directors on the Company's Board is a Director in more than 10 (Ten) Public Limited Companies (including "Heranba Industries Limited") or is a Member of more than 10 (Ten) Board Committees (Committees being the Audit Committee and Stakeholders' Relationship Committee) or Chairman of more than 5 Board Committees as on March 31, 2022.

Composition of Board as on March 31, 2022

Sr.No.	Category	Name of Director	Designation
1	Promoter & Promoter Group (Executive)	Sadashiv K Shetty	Chairman & Executive Director
		Raghuram K shetty	Managing Director
		Sujata S shetty	Executive Director (Woman Director)
		Vanita R shetty	Executive Director (Woman Director)
		Raunak R shetty	Executive Director
		Shriraj S Shetty*	Executive Director
2	Non Promoter (Independent)	Kaushik H Gandhi	Independent Director
		Mulky V Shetty	Independent Director
		Anilkumar M Marlecha	Independent Director
		Ganesh N Vanmali	Independent Director
		Nimesh S Singh	Independent Director
		Reshma D Wadkar*	Independent Director (Woman Director)

* appointed w.e.f. November 11, 2021

Details of Directorship and Committee membership in Companies as on March 31, 2022

Name of Directors	No of Directorship in Unlisted Companies	No of Directorship in Listed Companies	No of Membership position in Committees of Listed Companies	No of Chairmanship position in Committees of Listed Companies
Sadashiv K Shetty	3 (Three)	1 (One)	Nil	Nil
Raghuram K shetty	3 (Three)	1 (One)	1	Nil
Sujata S shetty	1 (One)	1 (One)	Nil	Nil

Vanita R shetty	NIL	1 (One)	Nil	Nil
Raunak R shetty	2 (Two)	1 (One)	Nil	Nil
Shriraj S Shetty*	2 (Two)	1 (One)	Nil	Nil
Kaushik H Gandhi	1 (One)	1 (One)	1 (One)	1 (One)
Mulky V Shetty	NIL	1 (One)	1 (One)	Nil
Anilkumar M Marlecha	NIL	1 (One)	1 (One)	1 (One)
Ganesh N Vanmali	NIL	1 (One)	2	Nil
Nimesh S Singh	1 (One)	1 (One)	Nil	Nil
Reshma D Wadkar*	NIL	1 (One)	Nil	Nil

* appointed w.e.f. November 11,2021

Note:

1. Directorship, Committee Membership/Chairmanship is inclusive of Heranba Industries Limited
2. Only Audit Committee and Stakeholders' Relationship Committees are considered.

No of Shares and convertible instruments held by Directors as on March 31, 2022

Name of Directors	Designation	No of Equity Shares held
Sadashiv K Shetty	Chairman & Executive Director	7201796
Raghuram K shetty	Managing Director	11849946
Sujata S shetty	Executive Director	3230400
Vanita R shetty	Executive Director	2018000
Raunak R shetty	Executive Director	636250
Shriraj S Shetty	Executive Director	842500
Kaushik H Gandhi	Independent Director	NIL
Mulky V Shetty	Independent Director	NIL
Anilkumar M Marlecha	Independent Director	NIL
Ganesh N Vanmali	Independent Director	NIL
Nimesh S Singh	Independent Director	NIL
Reshma D Wadkar	Independent Director	NIL

B) Key Skill/Expertise/Competence Of The Board:

Given below are the key skills / expertise / competence identified by the Board of Directors which are required by them in the context of the business and sector of the Company to function effectively:

Skills / Expertise / Competence	Description
Business Leadership & Operations	Deep knowledge of the Agrochemical Industry to provide important insights and perspectives to the Board on the Company's commercial, strategic, manufacturing, legal and other functions. Leadership experience resulting in a practical understanding of the Company's processes, developing talent, succession planning and driving the long term growth strategy of the Company
Risk Management & Governance	In depth knowledge and understanding of business risks to provide insights and perspective to the Board on Enterprise risk. Develop highest levels of governance practices, provide insights about maintaining Board and management accountability and to protect stakeholders interest.
Finance & Accounting	Provide financial expertise to the Board, including an understanding and analysis of financial statements, corporate finance, accounting and capital markets.
Business Expertise	In depth understanding of the Agrochemical operating and business environment, market access and healthcare solutions. Respond to change with agility, optimism and innovation. Sound knowledge of Business Technology, Digital Marketing, Strategic Development, Public Affairs, etc

C) Skills / Expertise / Competence Of Directors:

Name and Designation of the Directors	Qualification	Experience	Skills / Expertise / Competence
Sadashiv K Shetty (Chairman & Executive Director)	Bachelor's degree (Physics and Chemistry) Master's Degree (Chemistry)	More than 3 decades	Business Leadership & Operations, Risk Management & Governance, Business Expertise, Strategic Planning, General Management, Functional & Managerial Experience Chemical Industry Expert, Manufacturing, Research & Development etc
Raghuram K Shetty (Managing Director)	Bachelor's degree in Economics Diploma in Export and Import Management Commercial Diploma from Department of Education Bureau of Government Examination.	More than 3 decades	Business Leadership & Operations, Risk Management & Governance, Business Expertise, Finance & Accounting, Functional & Managerial Experience, Strategic Planning, Procurement, Sales & Marketing, International Trade, Export Business Management, Banking, Product Development, Plant Setup, Investor Relation, Supply Chain, Business Development and new Project, Human Resource, Administrative Reforms, Decision Making, Litigation Management, Supply Chain, Intellectual Property Rights etc
Sujata S Shetty (Executive Director)	Bachelor's degree in Commerce	19 years	Business Leadership & Operations, Functional & Managerial Experience, Business Administration etc
Vanita R Shetty (Executive Director)	Bachelor's degree in Science	19 years	Business Leadership & Operations, Functional & Managerial Experience Human Resource and People Management etc
Raunak R Shetty (Executive Director)	Bachelor's degree in Commerce Chartered Accountant	8 years	Business Leadership & Operations, Business Expertise, Finance & Banking, Standardization of system and process, Procurement, & Marketing, Investor Relation, Business Development and new Project & New Products. New Technology & Innovation etc
Shriraj S Shetty* (Executive Director)	Bachelors in Chemical Engineering M Tech in Chemical Engineering	9 years	Business Leadership & Operations, Risk Management & Governance, Business Expertise, Technical process improvement, Process implementation, Technical innovation expertise, Team management, production improvements, Conflict resolution, Product Quality and Safety Function, Procurement, Sales & Marketing, Functional & Managerial Experience etc
Kaushik H Gandhi (Independent Director)	Bachelor's degree in Commerce Chartered Accountant	13 years	Finance & Accounting, Business Expertise Audit, Project Finance, Taxation, Secretarial and Accounting, Capital Market Activity and Investor Relation
Mulky V Shetty (Independent Director)	Bachelor's degree in Science (Physics and Chemistry)	More than 2 decades	Business Expertise, Finance & Accounting, Product Development, Plant Setup, Manufacturing Operation, etc
Anilkumar M Marlecha (Independent Director)	Bachelor's degree in Commerce LL.B	8 years	Risk Management & Governance, Contract Drafting and Negotiations, Litigation Matters, Litigation Management Dispute Resolution, Statutory Compliance, Social Reforms etc
Ganesh N Vanmali (Independent Director)	Bachelor's degree in Commerce General Law from University of Mumbai CAIIB	More than 4 decades	Finance & Accounting, Banking, Taxation, Finance & allied activities, Statutory Compliance etc
Nimesh S Singh (Independent Director)	Bachelor's degree in Commerce	11 years	Finance & Accounting, Financial Advisory, Taxation, Strategic Private Equity Investment, Capital Market Activity and Investor Relation and Business Management.
Reshma D Wadkar* (Independent Woman Director)	Bachelor's degree in Commerce	19 years	Finance & Accounting, Taxation, Banking etc

* appointed w.e.f. November 11, 2021

D) Disclosure Of Relatioship Inter-Se:

1. Mr. Sadashiv K Shetty, Chairman and Mr. Raghuram K Shetty, Managing Director are brothers.
2. Mrs. Sujata S Shetty, Executive Director is the wife of Mr. Sadashiv K Shetty, Chairman.
3. Mrs. Vanita R Shetty, Executive Director is the wife of Mr. Raghuram K Shetty, Managing Director.
4. Mr. Shriraj S Shetty is the son of Mr. Sadashiv K Shetty, Chairman and Mrs. Sujata S Shetty, Executive Director
5. Mr. Raunak R Shetty is the son of Mr. Raghuram K Shetty, Managing Director and Mrs. Vanita R Shetty, Executive Director.
6. No other Directors has any relationship inter-se

E) Board Meetings:

During the year ended March 31, 2022, **6 (Six)** Meetings were held on below mentioned date:

Sl.No.	Date of Board Meeting
1	June 11, 2021
2	August 10, 2021
3	November 11,2021
4	January 29, 2022
5	March 23, 2022*
6	March 23, 2022

* Separate Board Meeting of Independent Directors

F) Directors' Attendance Record:

Name of Directors	No of Board Meetings Attended During the year	Whether attended Last AGM held on 14.09.2021
Sadashiv K Shetty	5	Yes
Raghuram K shetty	5	Yes
Sujata S shetty	4	Yes
Vanita R shetty	4	Yes
Raunak R shetty	5	Yes
Shriraj S Shetty	2	NA*
Kaushik H Gandhi	6	Yes
Mulky V Shetty	6	Yes
Anilkumar M Marlecha	6	Yes
Ganesh N Vanmali	6	Yes
Nimesh S Singh	5	Yes
Reshma D Wadkar	3	NA*

* appointed w.e.f. November 11, 2021

G) Functioning Of The Board And Its Meetings:

The Board and its Committees meet at regular interval for discussion on the Agenda circulated well in advance by the Company. All material information is incorporated in the Agenda for facilitating meaningful and focused discussion and to discharge its responsibilities effectively and take informed decisions.

Where it is not practical to attach or send the relevant information as a part of agenda papers, the same are tabled at the Meeting. The Board periodically review Compliance Reports of all laws applicable to the Company, as prepared by the Company, and steps taken by the Company to rectify instances of non compliances.

The Board has the complete and unrestricted access to any information required by them to perform its supervisory duties and make decisions on the matters reserved for the Board of Directors. The Board generally meets once in a quarter to review among other things, quarterly performance of the Company and financial results.

The information as specified in regulation 17(7) of the Listing Regulations and Secretarial Standards issued by the Institute of Company Secretaries of India (ICSI) is regularly made available to the Board, whenever applicable, for discussion and consideration.

H) Independent Directors Meeting:

During the year under review, the Independent Directors met on March 23, 2022, inter alia, to discuss the followings:

1. Evaluation of the performance of Non Independent Directors and the Board of Directors as a Whole;

2. Evaluation of the performance of the Chairman of the Company, taking into account the views of the Executive and Non Executive Directors.

3. Evaluation of the quality, content and timelines of flow of information between the management and the Board that is

necessary for the Board to effectively and reasonably perform its duties.

All the independent Directors were present at the meeting.

I) Familiarization Programme:

The Company, from time to time organize the Familiarization Program for its Independent Directors. The objective of the familiarization program is to familiarize Company's Independent Directors inter-alia on the following:

a. Nature of the Industry in which the Company operates

b. Business environment and operational model of various business divisions of the Company

c. Roles, Rights and Responsibilities of Directors

d. Important changes in the Regulatory framework having impact on the Company

e. Manufacturing facilities of the Company at various location

In addition, the Company also undertakes initiatives to update the Independent Directors about:

f. On-going events and developments relating to the Company and significant changes in the Regulatory environment by way of presentations

g. Operations and financial performance of the Company.

It is pertinent to mention here that the review of the operations and financial performance of the Company is one of the key agenda in each Board Meeting.

The brief details of the specific Familiarization Programme held during FY22 are given below:

- Program was organized for the independent directors where a detailed Presentation and discussion was made about the following:

  a. Overview Of The Company Including History of The Company, Promoters, Management Expertise, Mission of the Company, Awards and recognitions given to the Company, milestone, journey of the Company

  b. Manufacturing process of the Company including details about factories, value chain, formulation and packing capabilities, Research and Development centres and quality control lab that company has in-house

  c. Intermediaries and other products that the Company deals with

  d. The market that the company has covered in the past and the prospective countries that company is approaching

  e. Top clients of the Company

  f. Financial performance of the Company.

- Plant visit: Independent directors visited all the plants of the Company situated at Vapi and Sarigam in Gujarat in order to understand the process of Plants.

- Regularly updates the Independent Director about Roles, Rights and Responsibilities of Directors.

CHAPTER-III

COMMITTEES OF THE BOARD

Presently there are five Board Committees viz-Audit Committee, Nomination and Remuneration Committee, Stakeholders' Relationship Committee, Corporate Social Responsibility Committee and Stakeholders' Relationship Committee. The Board stipulated the terms of reference of these committees and the assignment of its member thereof.

A) Audit Committee:

Presently the Audit Committee comprises of three independent directors, Mr. Kaushik H Gandhi, Mr. Mulky V Shetty and Mr. Ganesh N Vanmali. Mr. Kaushik H Gandhi has been designated as chairman of the committee. Mr. Kaushik H Gandhi is Chartered Accounts by profession, Mr. Ganesh N Vanmali is Ex-Banker and holder of CAIIB degree. All the members of the Audit Committee are financially literate within the meaning of SEBI (LODR) Regulations, 2015. The Company Secretary of the Company, acts as the Secretary to the Committee. The Chief Financial Officer ("CFO") and Statutory Auditor are invitees of the Meeting.

The committee met **4 (Four)** times during the financial year ended March 31, 2022. These Meetings were held on June 11, 2021, August 10, 2021, November 11, 2021 and January 29, 2022.

The Minutes of the Audit Committee Meeting were noted at the Board Meeting.

The details of the attendance record of the members at the meeting were as follows:

Name of The Member	Designation	No Meetings of held	No Meetings of Attended
Kaushik H Gandhi	Chairman	4	4
Mulky V Shetty	Member	4	4
Ganesh N Vanmali	Member	4	4

The terms of reference of Audit Committee includes of the matters specified all the matters provided in regulation 18 read with Schedule II of SEBI (LODR) Regulation, 2015 as well as section 177 of the Companies Act 2013.

Apart from all the matters provided in regulation 18 read with Schedule II of SEBI (LODR) Regulation, 2015 as well as section 177 of the Companies Act 2013, the Audit committee reviews reports of the internal auditor, meets statutory auditors as and when required and discusses their findings, suggestions, observations and other related matters. It also reviews major accounting policies followed by the company.

B) Nomination & Remuneration Committee:

Presently the Nomination & Remuneration Committee presently consists of three independent Directors viz. Mr. Kaushik H Gandhi,

The committee met **4 (Four)** times during the financial year ended March 31, 2022. These Meetings were held on June 11, 2021, August 10, 2021, November 11, 2021 and March 23, 2022.

The Minutes of the Nomination and Remuneration Committee Meeting were noted at the Board Meeting.

The details of the attendance record of the members at the meeting were as follows:

Name of The Member	Designation	No Meetings of held	No Meetings of Attended
Kaushik H Gandhi	Chairman	4	4
Mulky V Shetty	Member	4	4
Anil Kumar M Marlecha	Member	4	4

The terms of reference of Nomination and Remuneration Committee includes of the matters specified in Schedule II of SEBI (LODR) Regulation, 2015 as well as section 178 of the Companies Act 2013.

C) Stakeholder's Relationship Committee:

Presently the Stakeholders' Relationship Committee presently consists of three Directors viz. Mr. Anil Kumar M Marlecha (Independent Director), Mr. Ganesh N Vanmali (Independent Director) and Mr. Raghuram K Shetty (Managing Director). Mr. Anilkumar M Marlecha has been designated as a Chairman of the Committee. The Company Secretary of the Company, acts as the Secretary to the Committee.

The committee met **1 (One)** times during the financial year ended March 31, 2022. These Meeting was held on March 23, 2022.

The Minutes of the Stakeholders' Relationship Committee Meeting were noted at the Board Meeting.

The details of the attendance record of the members at the meeting were as follows:

Name of The Member	Designation	No Meetings of held	No Meetings of Attended
Anil Kumar M Marlecha	Chairman	1	1
Ganesh N Vanmali	Member	1	1
Raghuram K Shetty	Member	1	1

The terms of reference of Nomination and Remuneration Committee includes of the matters specified in Schedule II of SEBI (LODR) Regulation, 2015 as well as section 178 of the Companies Act 2013.

During the year 2021-22, **4 (four)** Complaints were pending at the beginning of the year and the 18 (Eighteen) Complaints were received during the year under review from shareholders and investors. All the aforesaid Complaints has been resolved till March 31, 2022. As on the date of this Report, no complaints is pending. All the complaints have generally been resolved to the satisfaction of the complainants except for disputed cases and sub-judice matters, if any, which would be solved on final disposal by the courts/ forums where they are pending.

D) Corporate Social Responsibilty (CSR) Committee:

Presently Corporate Social Responsibility ("CSR") Committee presently consists of three Directors viz. Mr. Mulky V Shetty (Independent Director), Mr. Kaushik H Gandhi (Independent Director) and Mr. Sadashiv K Shetty (Executive Director). Mr. Mulky V Shetty has been designated as a Chairman of the Committee. The Company Secretary of the Company, acts as the Secretary to the Committee.

The committee met **2 (Two)** times during the financial year ended March 31, 2022. These Meetings were held on June 11, 2021 and March 23, 2022.

The Minutes of the CSR Committee Meeting were noted at the Board Meeting.

The details of the attendance record of the members at the meeting were as follows:

Name of The Member	Designation	No Meetings of held	No Meetings of Attended
Mulky V Shetty	Chairman	2	2
Kaushik H Gandhi	Member	2	2
Sadashiv K Shetty	Member	2	2

The terms of reference of Nomination and Remuneration Committee includes of the matters specified in Section 135 of the Companies Act, 2013, Schedule VI of the Act and the Rules made thereunder.

The Company has a Policy on CSR which is displayed on the Company's website www.heranba.co.in . A Report on the Corporate Social Responsibility activities carried out by the Company during the year under review are given in the Board's Report.

E) Risk Management Committee:

Presently Risk Management Committee presently consists of five Directors viz. Mr. Sadashiv K Shetty (Chairman & Executive Director), Mr. Raghuram K Shetty (Managing Director), Mr. Raunak R Shetty (Executive Director), Mr. Kaushik H Gandhi (Independent Director) and Mr. Nimesh S Singh (Independent Director). Mr. Sadashiv K Shetty has been designated as a Chairman of the Committee. The Company Secretary of the Company, acts as the Secretary to the Committee. The Chief Financial Officer of the Company would be invitee of the Committee.

The committee met **2 (Two)** times during the financial year ended March 31, 2022. These Meetings were held on November 11, 2021 and March 23, 2022.

The Minutes of the Risk Management Committee Meeting were noted at the Board Meeting.

The details of the attendance record of the members at the meeting were as follows:

Name of The Member	Designation	No Meetings of held	No Meetings of Attended
Sadashiv K Shetty	Chairman	2	2
Raghuram K Shetty	Member	2	2
Raunak R Shetty	Member	2	2
Kaushik H Gandhi	Member	2	2
Nimesh S Singh	Member	2	1

The terms of reference of Nomination and Remuneration Committee includes of the matters specified in Regulation 21 of the SEBI (LODR) Regulations, 2015.

The Risk Management Committee is responsible for oversight on overall risk management, process of the Company and shall ensure that key strategic and business risk are identified and necessary steps are taken for mitigation/ redressal of the said risks.

F) Remuneration To Directors:

The details of remuneration for the year ended March 31, 2022 to the Executive Directors are as follows:

(₹ in million)

Name	Designation	Remuneration
Sadashiv K Shetty	Chairman & Executive Director	15.53
Raghuram K Shetty	Managing Director	89.42*
Sujata S Shetty	Executive Director	1.32
Vanita R Shetty	Executive Director	1.32
Raunak R Shetty	Executive Director	2.42
Shriraj S Shetty	Executive Director	1.38

*includes commission

The Company has paid sitting fees of ₹ 10,000/- per board meeting and ₹ 5,000/- per committee meeting to Non-Executive Independent Directors during FY22

G) Policy For Selection And Appointment Of Directors And Their Remuneration:

The Company has Policy for the selection and appointment of Directors and their remuneration. The Nomination and Remuneration (N&R) Committee has followed that policy which, inter alia, deals with the manner of selection of Board of Directors and CEO & Managing Director and their remuneration.

Criteria of selection of Non Executive Directors

The Non Executive Directors shall be of high integrity with relevant expertise and experience so as to have a diverse Board with Directors having expertise in the fields of manufacturing, marketing, operation, accounts, finance, taxation, law, governance and general management.

In case of appointment of Independent Directors, the N&R Committee shall satisfy itself with regard to the independent nature of the Directors vis-à-vis the Company so as to enable the Board to discharge its function and duties effectively.

The N&R Committee shall ensure that the candidate identified for appointment as a Director is not disqualified for appointment under Section 164 of the Companies Act, 2013.

The N&R Committee shall consider the following attributes / criteria, whilst recommending to the Board the candidature for appointment as Director.

i. Qualification, expertise and experience of the Directors in their respective fields;

ii. Personal, Professional or business standing;

iii. Diversity of the Board.

In case of re-appointment of Non Executive Directors, the Board shall take into consideration the performance evaluation of the Director and his engagement level.

Remuneration

The Non Executive Directors shall be entitled to receive remuneration by way of sitting fees for participation in the Board meetings.

A Non Executive Director shall be entitled to receive sitting fees for each meeting of the Board attended by him, of such sum as may be approved by the Board of Directors within the overall limits prescribed under the Companies Act, 2013 and The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

CEO & Managing Director - Criteria for selection / appointment

For the purpose of selection of the CEO & MD, the N&R Committee shall identify persons of integrity who possess relevant expertise, experience and leadership qualities required for the position and shall take into consideration recommendation, if any, received from any member of the Board.

The Committee will also ensure that the incumbent fulfills such other criteria with regard to age and other qualifications as laid down under the Companies Act, 2013 or other applicable laws.

Remuneration for the CEO & Managing Director

At the time of appointment or re-appointment, the CEO & Managing Director shall be paid such remuneration as may be mutually agreed between the Company (which includes the N&R Committee and the Board of Directors) and the CEO & Managing Director within the overall limits prescribed under the Companies Act, 2013.

The remuneration shall be subject to the approval of the Members of the Company in General Meeting.

The remuneration of the CEO & Managing Director comprises fixed component and commission. The fixed component comprises salary, allowances, perquisites, amenities and retrial benefits.

Remuneration Policy for the Senior Management Employees

In determining the remuneration of the Senior Management Employees (i.e. KMPs and Executive Committee Members) the N&R Committee shall ensure the relationship of remuneration and performance benchmark is clear.

The Managing Director will carry out the individual performance review based on the standard appraisal matrix and shall take into account the appraisal score card and other factors mentioned herein-above, whilst recommending the annual increment and performance incentive to the N&R Committee for its review and approval.

CHAPTER-IV

SHAREHOLDERS

A) Means Of Communication :

a) The Quarterly Un-Audited (Provisional) Results and the Annual Audited Financial results of the company are sent to the stock exchanges immediately after they are approved by the Board and are also published in one vernacular news paper viz. "Financial Express and Mumbai Lakshadweep" and in English news paper viz. "Financial Express Mumbai and Ahmadabad edition". Also they are uploaded on the company's website www.heranba.co.in The results are published in accordance with the guidelines of the Stock Exchanges.

b) In line with the exiting provisions of the Listing Regulations, the Company has created a separate e-mail address viz. compliance@heranba.com to receive complaints and grievances of the investors.

c) From time to time, Institutional Investor/ Analysts meets were held, information regarding such meets were sent to exchange and available on the company's website www.heranba.co.in

d) Apart from the aforesaid institutional meets, Earning call were also regularly held after publication of financial result. The details of which were sent to Exchange and available on the Company's website www.heranba.co.in

B) Share Transfers Agents:

M/s. Bigshare Services Private Limited.,
Office No S6-2, 6th Floor, Pinnacle Business Park,
Next to Ahura Centre,
Mahakali Caves Road, Andheri (East)
Mumbai – 400093
Email : ipo@bigshareonline.com
Telephone No- +91 22 6263 8200

C) Share Transfer System:

Entire Share Capital of the Company are dematerialized and No shares are held in Physical mode.

D) General Body Meetings:

Details of last three Annual General Meetings ("AGM") are as under.

AGM No	Financial Year	Date	Time	Venue
29th	2020-21	September 14, 2021	03.00 P.M.	Through Video Conferencing(VC)/ Other Audio Visuals Means (OVAM)
28th	2019-20	September 28, 2020	11.00 A.M.	1504/1505/1506/1 GIDC, Phase- III, Vapi, Valsad – 396195
27th	2018-19	September 30, 2019	2.30 P.M.	1504/1505/1506/1 GIDC, Phase- III, Vapi, Valsad – 396195

Special business transacted at the last three AGM:

Meeting	Subject matter of resolution	Remarks
2020-21 (29th AGM)	1. To increase in annual remuneration payable to Mr. Raunak R Shetty, Whole Time Director (DIN: 08006529) 2. To ratify the remuneration payable to Cost Auditor of the Company for the Financial Year ending March 31, 2022	All resolution were passed with requisite majority
2019-20 (28th AGM)	1. Ratification of the remuneration to be paid to the Cost Auditor 2. Reclassification of Mr. Babu Kunjanna Shetty, Mrs. Sandhya Vittal Bhandary And Mr. Vittala Kinhanna Bhandary from "Promoter Category" to "Public Category" 3. Enter into Related Party Transactions	All resolution were passed with requisite majority
2018-19 (27th AGM)	1. Ratification of the remuneration to be paid to the Cost Auditor 2. Approval to grant Loan and/or give Guarantee and/or provide Securities under section 186 of the Companies Act, 2013 3. Approval to grant Loan and/or give Guarantee and/or provide Securities under Section 185 of Companies Act, 2013 4. Enter into Related Party Transactions	All resolution were passed with requisite majority

Extra-Ordinary General Meetings

During the year under review, the Company has not convened any Extra Ordinary General Meeting.

E) Postal Ballot:

During the year ended March 31, 2022 there have been no ordinary or special resolutions passed by the Company's Shareholders through postal ballot.

CHAPTER-V

GENERAL SHAREHOLDERS INFORMATION

A) Date, Day, Time And Venue Of This 30th Annual General Meeting:

Date	July 27, 2022
Day	Wednesday
Time	3.30 p.m.
Venue	Through Video Conferencing (VC) / Other Audio Visual Means (OAVM) facility

B) Date Of Book Closure:

The Registrar of Members and Share Transfer Books of the Company will remain closed **from Thursday, July 21, 2022 to Wednesday, July 27, 2022** (both days inclusive) for the purpose of 30th Annual General Meeting of the Company.

C) Record Date:

Wednesday, July 20, 2022 is fixed as the Record Date for determining the eligibility and entitlement of the Members to the Final Dividend for the Financial Year ended March 31, 2022. The dividend for FY22 as recommended by the Board of the Directors of the Company, if approved at the Annual General Meeting will be paid to those Shareholders whose name appear on the Register of Members on the close of the business hours of the Record Date.

D) Financial Calendar:

Financial Year: April 01 to March 31 for FY23, the tentative dates for declaration of Quarterly unaudited results will be, by July 31, 2022, October 31, 2022, January 31, 2023 and May 15, 2023.

E) Dividend Payment Date:

Dividend will be paid within 30 days of the approval of the same in the Annual General Meeting.

F) Listing In Stock Exchanges And Stock Codes:

The names of stock exchanges at which the equity shares are listed and respective stock codes are as under:

Name of the stock Exchanges	Stock Code No.
BSE Limited ("**BSE**")	543266
National Stock Exchange of India Limited ("**NSE**")	HERANBA

G) ISIN No:

The ISIN number allotted to the company for demat of shares are as under.

Name of the Depository	ISIN No.
National Securities Depository Limited (NSDL)	INE694N01015
Central Depository Services Limited (CDSL)	INE694N01015

H) Stock Data At BSE:

High/Low of Market price of Company's equity shares traded on the **BSE Limited** during the financial year ended on March 31, 2022 was as follows:

Month	High	Low
April, 2021	727	602.85
May, 2021	769.1	701
June, 2021	821.95	686.2
July, 2021	848.8	687.55
August, 2021	865.9	726.9
September, 2021	835	738.65
October, 2021	831	701.05
November, 2021	756	638.6
December, 2021	698	623.2
January, 2022	744.15	650.15
February, 2022	738	560.45
March, 2022	708	551.25

*Source:BSE.

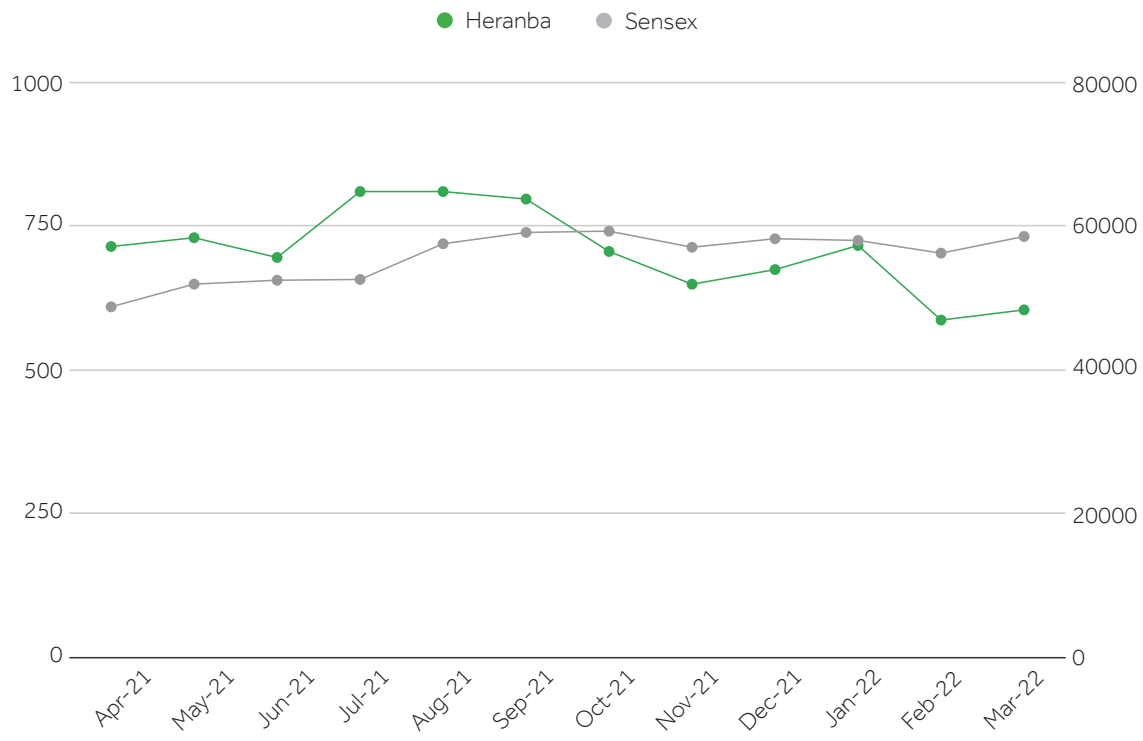
I) Stock Data At NSE:

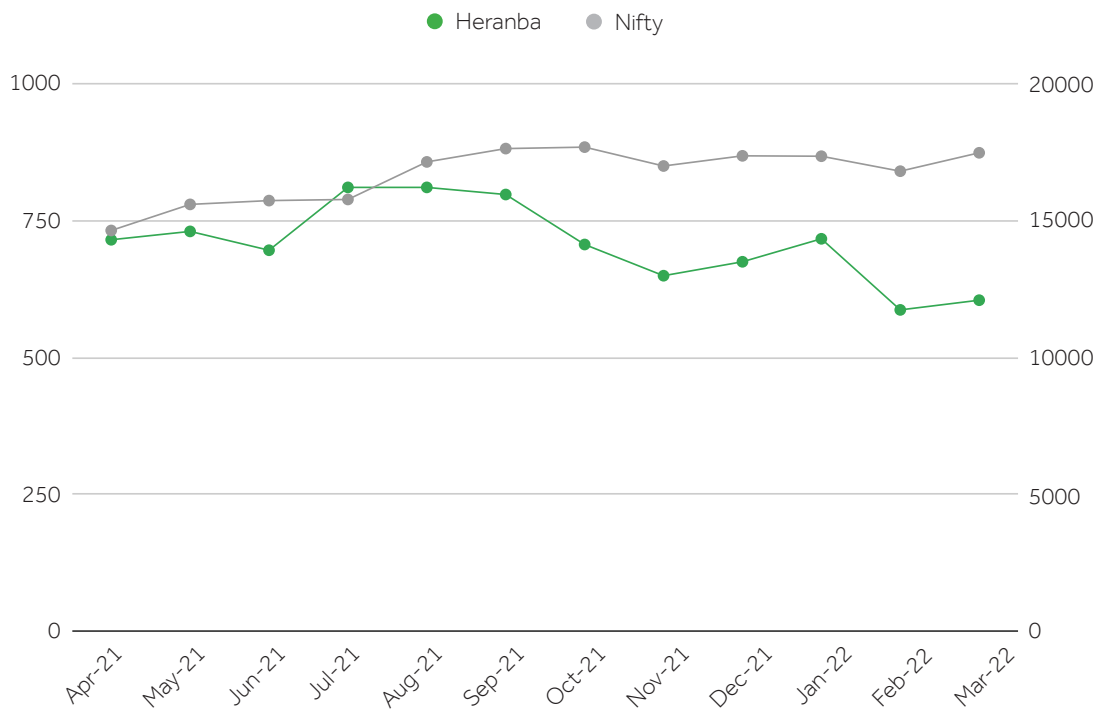
High/Low of Market price of Company's equity shares traded on **NSE** during the financial year ended on March 31, 2022 was as follows:

Month	High	Low
April, 2021	728	602.1
May, 2021	769.8	702.8
June, 2021	822.9	687
July, 2021	849	686.2

August, 2021	866.85	727.15
September, 2021	835.6	739.25
October, 2021	832	702.05
November, 2021	749.95	638
December, 2021	693.9	622.2
January, 2022	744.7	650.1
February, 2022	723.9	562.55
March, 2022	708.8	551.1

*Source:NSE.





J) Distribution Of Shareholding As On March 31, 2022:

Size of holding			No. of Shareholders*	(%)	No. of Shares	(%)
1	-	500	91,541	98.32	37,13,808	9.28
501	-	1,000	890	0.96	6,83,386	1.71
1,001	-	2,000	374	0.40	5,42,210	1.36
2,001	-	3,000	106	0.11	2,72,343	0.68
3,001	-	4,000	52	0.06	1,89,215	0.47
4,001	-	5,000	26	0.03	1,21,109	0.30
5,001	-	10,000	52	0.06	3,66,239	0.92
10,001	-	& Above	67	0.07	3,41,25,157	85.28
Total			**93,108**	**100.00**	**4,00,13,467**	**100.00**

*The list of shareholders is non PAN based.

K) Share Holding Pattern As On March 31, 2022:

Sr. No.	Category	No. of Shares	%
1	Promoters including Promoter Group	2,99,19,530	74.77
2	Mutual Fund	3,25,268	0.81
3	Alternate Investment Fund	2,75,154	0.69
4	Foreign Portfolio Investor	10,48,934	2.62
5	Insurance Companies	28,092	0.07
6	Individuals shareholders holding upto ₹ 2 Lakhs	54,30,612	13.57
7	Individuals shareholders holding in excess of ₹ 2 Lakhs	18,57,856	4.64
8	Bodies Corporate	5,79,153	1.45
9	Clearing Members	1,17,953	0.29
10	HUF	2,47,197	0.62
11	Non Resident Indians ("NRI")	1,83,695	0.46
12	Trust	23	0.00
TOTAL		**4,00,13,467**	**100**

L) Shares Held In Physical And Dematerialized Form:

As on March 31, 2022, 100 % of shares were held in dematerialized form.

M) Outstanding GDR'S/ADR'S/Warrant's/Convertible Instruments And Their Impact On Equity: NIL

N) Plant Location:

Plant	Location
UNIT-I	Plot No. 1504/1505,1506/1, at III Phase GIDC, Vapi, Taluka – Pardi, District – Valsad, Gujarat.
UNIT-II	Plot No. A-2/2214, A-2/2215, III Phase GIDC, Vapi, Taluka – Pardi, District – Valsad, Gujarat
SARIGAM PLANT (UNIT-III)	Plot No.2817/1, GIDC Sarigam, Taluka – Umbergaon, District – Valsad, Gujarat
UNIT-IV	Plot No.1409, GIDC, Phase-III, Vapi – 396 195

O) Address For Correspondence:

Corporate Office	2nd Floor, A Wing, Fortune Avirahi, Jain Derasar Lane, Boarivali (West), Mumbai-400092 Telephone: +91-22-2898 7912 Email: compliance@heranba.com Website: www.heranba.co.in
Registered Office	Plot No. 1504/1505,1506/1, at III Phase GIDC, Vapi, Taluka – Pardi, District – Valsad, Gujarat. Telephone: +91-260-240 1646 Email: compliance@heranba.com Website: www.heranba.co.in

Registrar & Share Transfer Agent	M/s. Bigshare Services Private Limited Office No S6-2, 6th Floor, Pinnacle Business Park, Next to Ahura Centre, Mahakali Caves Road, Andheri (East) Mumbai – 400093 Telephone-+91 22 6263 8200 Email : ipo@bigshareonline.com Website:-www.bigshareonline.com

P) Shares Held In Electronic Form:

Shareholders holding shares in the electronic form may furnish their bank details, which they wish to incorporate on their dividend warrants, to their depository participants. As per the regulations of NSDL and CDSL the company is required to print the bank details on the dividend warrants, if required to be issued, as furnished by these depositories to the Company.

CHAPTER VI

DISCLOSURE

A) Related Party Transactions:

The Company has not entered into any materially significant related party transactions with its Promoters, Directors or Management, their subsidiaries or relatives, etc. that may have potential conflict with the interests of the Company at large. The Company has disclosed details of related party transactions with related parties to the Exchange. The details of the related party transaction are provided in the Board's Report.

B) Compliance Relating To Capital Market:

The company has complied with the requirements of the stock exchanges, SEBI and other statutory authorities on all matters related to capital markets except the below.

During the year under review, there was the delay in appointment of Independent Woman Director on the Board due to COVID-19 pandemic situation going on worldwide including India, as the Central Government and State Government had imposed various restriction and therefore offices of the Company was not working with full capacity. However your Company had appointed Ms. Reshma D Wadkar as Non-Executive Independent Woman Director with effect from November 11, 2021. Still the Stock Exchange imposed the penalty on the Company against which the Company filed the application for waiver of penalty, which is pending as on the date of the report. However as advised by the Exchange the Company had paid the aforesaid Penalty imposed by the Exchange. Your Board was of opinion that the delay was beyond control of the Management of the Company, and emphasized that going forward prescribed timelines should be strictly adhered to as far as practically possible. The Board would like to state that your Company has always been meticulous in complying with the SEBI Regulations/Companies Act, etc. but appointment of independent woman director got delayed due to unavoidable circumstances.

Except the aforesaid, There were no penalties imposed nor any strictures issued on the Company by the Stock Exchanges, SEBI or any other statutory authority relating to the above.

C) Code of Conduct:

The Board of Directors has approved a Code of Conduct which is applicable to the Members of the Board and all senior management personnel in the course of day to day business operations of the company. The details about Code of Conduct are provided in the Board's Report.

D) CEO And CFO Certification:

Certificate issued by Mr. Raghuram K Shetty, Managing Director and Mr. Rajkumar Bafna, Chief Financial Officer of the Company for financial year under review ,was placed before the Board of the Directors at its meeting held on May 14, 2022 in terms of Regulation 17(8) of SEBI (LODR) Regulations. Mr. Raghuram K Shetty, Managing Director and Mr. Rajkumar Bafna, Chief Financial Officer have also provided the quarterly certification on the financial result while placing the financial results before the Board in terms of Regulation 33(2)(a) of the SEBI(LODR) Regulations.

E) Compliance Certificate On Corporate Goverance:

A Certificate from the Practicing Company Secretary, K.C. Suthar & Co. confirming the compliance with the conditions of Corporate Governance as stipulated under Clause E of Schedule V of the SEBI (LODR) Regulations, is attached to this Report.

F) Management Discussion And Analysis Report:

Your Directors have pleasure in presenting the management discussion and analysis report for the year ended on March 31, 2022 which is attached separately along with this Report.

Cautionary Statement

The statements in the "Management Discussion and Analysis Report" section describes the Company's objectives, projections, estimates, expectations and predictions, which may be "forward looking statements" within the meaning of the applicable laws and regulations. The annual results can differ materially from those expressed or implied, depending upon the economic and climatic conditions, Government policies and other incidental factors.

G) Adherence To Indian Accounting Standards:

The financial statements have been prepared in accordance with Indian Accounting Standards (Ind AS) as per the Companies (Indian Accounting Standards) Rules, 2015 notified under Section 133 of the Companies Act, 2013 ("the Act") and other relevant provisions of the Act. Accounting policies have been consistently applied except where a newly issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy in use.

H) Whistle Blower / Vigil Mechanism:

The Company has a Vigil Mechanism/ Whistle Policy under which it established a Whistle Blower Policy/Vigil Mechanism. The details of the Whistle Blower/Vigil Mechanism are provided in the Board's Report.

I) Corporate Social Responsibility (CSR):

The company has fully complied with the mandatory norms prescribed for contributions towards corporate social responsibility. The details about CSR are provided in the Board's Report.

J) Policy on Criteria for Determining Materiality of Events:

In terms of the Regulation 30 of the SEBI Listing Regulations, the policy on criteria for determining materiality of events and ensuring timely and accurate dissemination of the material event/ information to the Stock Exchanges is available on the website of the Company at www.heranba.co.in

K) Commodity Price Risk:

The Company does not deal in commodity(ies), hence disclosure relating to commodity price risk and commodity hedging activities does not apply to the Company.

L) Funds Raised During The Year Under Review:

The Company has not raised any funds through preferential allotment or Qualified Institutional placement for the financial year ended March 31, 2022.

M) Material Developments In Human Resources/Industrial Relations Front, Including Number Of People Employed:

As on March 31, 2022 the company had 700+ (approximately) permanent employees at its manufacturing plant and administrative office.

The company recognizes the importance of human value and ensures that proper encouragement both moral and financial is extended to employees to motivate them.

The company enjoyed excellent relationship with workers and staff during the last year.

Compliance Certificate

We, Mr. Raghuram K Shetty, Managing Director and Mr. Rajkumar Bafna, Chief Financial Officer of Heranba Industries Limited **("The Company")** do hereby certify as follows:

A. We have reviewed financial statements and the cash flow statement for the year and that to the best of our knowledge and belief:

   1. these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;

   2. 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. There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or violative of the company's code of conduct.

C. We accept responsibility for establishing and maintaining internal controls for financial reporting and that We have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting and We have disclosed to the auditors and the audit committee, deficiencies in the design or operation of such 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 to the auditors and the Audit committee:

   1. significant changes in internal control over financial reporting during the year, if any;

   2. significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and

   3. instances of significant fraud of which We have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system over financial reporting.

For **Heranba Industries Limited**

Raghuram K. Shetty
Managing Director
DIN:00038703

Rajkumar Bafna
Chief Financial Officer

Date: May 14, 2022
Place: Mumbai

Certificate on Corporate Governance

To,
The Members
Heranba Industries Limited
Plot No 1504/1505/1506/1 GIDC,
Phase-III Vapi, Valsad,
Gujarat 396195, India

We have examined the compliance of the conditions of Corporate Governance by Heranba Industries Limited, CIN: L24231GJ1992PLC017315 for the year ended on March 31, 2022, as stipulated under Regulations 17 to 27, clauses (b) to (i) of sub-regulation (2) of Regulation 46 and para C, D & E of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations").

The compliance of the conditions of Corporate Governance is the responsibility of the management. Our examination was limited to the review of procedures and implementation thereof, as adopted by the Company for ensuring compliance with conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, and the representations made by the Directors and the Management and considering the relaxations granted by the Ministry of Corporate Affairs and Securities and Exchange Board of India warranted due to the spread of the COVID-19 pandemic, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the SEBI Listing Regulations for the year ended on March 31, 2022.

We further state that such compliance 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 K.C. Suthar & Co.
Company Secretaries

K.C. Suthar
Proprietor
M. No: FCS-5191 /COP- 4075
Peer Review No: 1357/2021
UDIN: F005191D000322741

Date: May 14, 2022
Place: Mumbai

Business Responsibility Report

SECTION A
GENERAL INFORMATION ABOUT THE COMPANY

1	Corporate Identity Number (CIN) of the company	L24231GJ1992PLC017315
2	Registration Date	17/03/1992
3	Name of the Company	Heranba Industries Limited
4	Website	www.heranba.co.in
5	E-mail ID	compliance@heranba.com
6	Financial Year Reported	April 01, 2021 – March 31, 2022
7	Category / Sub-Category of the Company	Company Limited by Shares/ Indian Non-Government Company
8	Address of the Registered office and contact details	Plot No 1504/1505/1506/1 GIDC, Phase-III, Vapi-Valsad -396195 Gujarat compliance@heranba.com
9	Whether listed company	Yes
10	Sector that the company is engaged in	Agro Chemicals
11	List of three key products that the company manufactures	Insecticides Herbicides, Fungicides, Public Health
12	Total number of location where business activity is undertaken by the company	Four (4) Plants in the state of Gujarat, 21 stock depots spread across 16 states and 1 union territory in India, One Corporate Office at Mumbai and other Offices/ Godown etc across the India. 65 + Countries have been served.

SECTION B
FINANCIAL DETAILS OF COMPANY

1	Paid up Capital	₹ 400134670
2	Total Turnover	₹. 14,503.73 million
3	Total Profit after tax	₹. 1890.63 million
4	Total Spending on Corporate Social Responsibility (CSR) as a percentage of profit after tax (%)	₹ 30.65 million
5	List of activities in which expenditure in 4 above has been incurred	1. Upliftment of weaker and handicapped and blind person 2. School & Education Development 3. Promoting Health Care 4. Covid Relief /Prevention Activities 5. Basic necessity to widow/ children 6. Education Development

SECTION C
OTHER DETAILS

1	Does the Company have any subsidiary company	Yes
2	Do the Subsidiary Company participate in the BR Initiatives of the parent company? If yes, then indicate the number of such subsidiary Company	Not Applicable as the subsidiary have not yet started any activities.
3	Do any other entity/entities (e.g. suppliers, distributors etc.) that the Company does business with participate in the BR initiatives of the Company? If yes, then indicate the percentage of such entity/entities? [Less than 30%, 30-60%, More than 60%]	We do not mandate our suppliers, distributors etc to participate in Company's BR initiatives. Presently distributors/suppliers etc do not participate in BR initiatives of the Company.

SECTION D

BR INFORMATION

1. Details of Director responsible for BR

(a) Details of the Director responsible for implementation of the BR Policy/ policies

Sl. No.	Particulars	Details
1	DIN Number	00038703
2	Name	Raghuram K Shetty
3	Designation	Managing Director

(b) Details of the BR Head

Sl. No.	Particulars	Details
1	DIN Number	00038703
2	Name	Raghuram K Shetty
3	Designation	Managing Director
4	Telephone Number	022-2898 7912
5	E-mail ID	compliance@heranba.com

2. Principle-wise (as per NVGs) BR Policy/policies

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

P1 :-	Businesses should conduct and govern themselves with Ethics, Transparency and Accountability.
P2:-	Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle.
P3:-	Businesses should promote the well-being of all employees.
P4:-	Businesses should respect the interests of and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalized.
P5:-	Businesses should respect and promote human rights.
P6:-	Businesses should respect, protect and make efforts to restore the environment.
P7:-	Businesses, when engaged in influencing public and regulatory policy, should do so in a responsible manner.
P8:-	Businesses should support inclusive growth and equitable development.
P9:-	Businesses should engage with and provide value to their customers and consumers in a responsible manner

(a) Details of Compliance

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
		In addition to the BR Policy, the Company has Quality Policy, HR Policy, CSR Policy and Environment and Safety policy which cover the various aspect of above policies.								
2	Has the policy being formulated in consultation with the relevant stakeholders?	yes								
3	Does the policy conform to any national / international standards? If yes, specify? (50 words)	Most of the policies are aligned to National Guidelines on Responsible Business Conduct (NGRBC) issued by Ministry of Corporate Affairs and some other standards such as Bureau of Indian Standard / Generally accepted standards., the guidelines, norms and directives of different State and Central Government.								
4	Has the policy being approved by the Board? Is yes, has it been signed by MD/ owner/ CEO/ appropriate Board Director?	yes								
5	Does the company have a specified committee of the Board / Director/ Official to oversee the implementation of the policy?	The Board from time to time oversee the implementation of respective policies. The Functional Heads are authorized to oversee the implementation thereof.								
6	Indicate the link for the policy to be viewed online?	www.heranba.co.in								

7	Has the policy been formally communicated to all relevant internal and external stakeholders?	The communication is as on-going process to cover all internal and external stakeholders.								
8	Does the company have in-house structure to implement the policy/ policies.	Yes, the Company has necessary structure in place to implement the policies.								
9	Does the Company have a grievance redressal mechanism related to the policy/ policies to address stakeholders grievances related to the Policy/policies?	Y	Y	Y	Y	Y	Y	Y	Y	Y
		The company has a redressal mechanism for all kind of grievances.								
10	Has the company carried out independent audit/ evaluation of the working of this policy by an internal or external agency?	Y	Y	Y	Y	Y	Y	Y	Y	Y
		Policies are currently evaluated internally by the Company from time to time and training is provided to employees and would be subjected to external audits as and when applicable.								

(b) If answer to the question at Sr.No1 against any principal, is No, Please explain why (Tick up to 2 option)

No	Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
1	The Company has not understood the Principles	NA	NA	NA	NA	NA	NA	NA	NA	NA
2	The Company is not at a stage where it finds itself in a position to formulate and implement the policies on specified principles	NA	NA	NA	NA	NA	NA	NA	NA	NA
3	The Company is not at a stage where it finds itself in a position to formulate and implement the policies on specified principles	NA	NA	NA	NA	NA	NA	NA	NA	NA
4	It is planned to be done within next 6 months	NA	NA	NA	NA	NA	NA	NA	NA	NA
5	It is planned to be done within the next 1 year	NA	NA	NA	NA	NA	NA	NA	NA	NA
6	Any other reason (please specify)	NA	NA	NA	NA	NA	NA	NA	NA	NA

3. Governance Related to BR

a) Indicate the frequency with which the Board of Directors, Committee of the Board or CEO to assess the BR performance of the Company: yearly by Chairman & Managing Director (Within 3 months, 3-6 months, annually, more than 1 year)

The frequency of assessment of BR performance by the Board of Directors is on an Annual basis.

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

The Company has published its Business Responsibility Report for financial year ended March 31, 2022, which forms part of the Annual Report. The same is also available on the Company's website at www.heranba.co.in.

SECTION E

PRINCIPLE-WISE PERFORMANCE

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

1	Does the policy relating to ethics, bribery and corruption cover only the company? Yes/No Does it extend to the Group/Joint Ventures/ Suppliers/Contractors/ NGOs /Others?	The Company is committed to conduct its business in accordance with the applicable laws, rules and regulations and with highest standards of business ethics. The Company has in place the Code of Conduct ("Code") for its Directors and Senior Management Personnel and their confirmations to the Code is obtained by the Company on annual basis. This Policy is intended to provide guidance and help in recognizing and dealing with ethical issues, provide mechanisms to report unethical conduct, and to help foster a culture of honesty and accountability. The objective is to ensure the highest standards of ethical conduct, transparency and accountability while dealing with the stakeholders. Vigil Mechanism Policy provides a platform for reporting unethical behavior, fraud and actual or potential violation of the Code and is applicable to each employee working with the organisation. No stakeholder complaints with respect to the Company's Code of Conduct and Whistle Blower Policy were received in the reporting year.

2	How many stakeholder complaints have been received in the past financial year and what percentage was satisfactorily resolved by the management? If so, provide details thereof, in about 50 words or so.	The Company has not received any complaint from any stakeholders relating to ethics, bribery and corruption during the Financial Year 2021-22. However the Company had received other complaints from the investor which have been resolved to the satisfaction of the Complainants and no investor complaints was pending at the end of the year.

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

1	List up to 3 of your products or services whose design has incorporated social or environmental concerns, risks and/or opportunities.	1. Deltamethrin Tech. 2. Lamda cyhalothrin Tech. 3. Profenophos Tech.
2	For each such product, provide the following details in respect of resource use (energy, water, raw material etc.) per unit of product(optional):	Electricity procurement through open access system allows us to get Electricity and we have taken a membership of DGVCL. Conservation of water is in process by installation of water harvesting system. Sustainable processes developed by R&D continue and helping the Company in reduction of waste in various production process. Handling of raw material is converted by storage in storage tank through tanker transportation instead of drum handling for reduce fugitive fumes and other toxic and flammable gases exposure. Periodically conducting Energy audit for reduction of Energy consumption. Use of various technologies for distillation process for reduction of energy consumption.
	a Reduction during sourcing/ production/ distribution achieved since the previous year throughout the value chain?	
	b Reduction during usage by consumer (energy, water) has been achieved since the previous year?	
3	Does the company have procedures in place for sustainable sourcing (including transportation)? (a) If yes, what percentage of your inputs was sourced sustainably? Also, provide details thereof, in about 50 words or so.	Yes. Company select suppliers keeping in mind the sustainability aspect. The Company has dedicated fleets for Transportation.
4	Has the company taken any steps to procure goods and services from local & small producers, including communities surrounding their place of work? (a) If yes, what steps have been taken to improve their capacity and capability of local and small vendors ?	Yes. Local vendors provide us Product labels, shipping marks, Special marks and printing on packaging goods etc. They also supply us with printed TREM Cards, MSDS, which are required for each sample / shipment. They also provide us EIP (Emergency Information Panel) labels for each tanker, truck and export shipment. Similarly, local vendors have been developed for wood packaging, stretch wrapping for export and pharma customers, carpentry, fabrication, ISO container lining, coal transport or contract labor etc. Every individual is provided safety trainings before entry at site.
5	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%, 5-10%, >10%). Also, provide details thereof, in about 50 words or so.	With the help of our in-house R&D team, we are producing waste like 30% HCl, Sodium Sulphite solution, HBr, KBr, Crude Bromobenzene, Ammonium Chloride solution, Cupric Chloride solution etc.. and from that waste we are manufacturing finish product by recovery of Bromine (10-15 %) , Phenol (2-5 %), KCl (5-10 %), Pure Bromobenzene (5-10 %), Pure Benzene (2-5 %), Copper Hydroxide (10-15 %), Sodium Sulphite powder (10-15 %), Poly Aluminium Chloride (10-15 %), Ammonium Chloride powder (10-15 %) etc. and Spent HCl we are using in house consumption also for manufacture products.

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

1	Please indicate the Total number of employees	1498
2	Please indicate the Total number of employees hired on temporary/ contractual/casual basis.	805
3	Please indicate the Number of permanent women employees.	17
4	Please indicate the Number of permanent employees with disabilities	1
5	Do you have an employee association that is recognized by management	No
6	What percentage of your permanent employees is members of this recognized employee association?	Not Applicable

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.	
Category	**No of Complaints filed during the F.Y. 2021-22**	**No of Complaints pending as at the end of the F.Y. 2021-22**
Child Labour/ Forced Labour/ Involuntary Labour	Nil	Nil
Sexual Harassment	Nil	Nil
Discriminatory Employment	Nil	Nil

8	What percentage of your under mentioned employees were given safety & skill up-gradation training in the last year 2021-22?	
Category	**Employees imparted safety Training**	**Employees imparted skill up-gradation training**
Permanent Employees	315	200
Permanent Women Employees	1	-
Casual/Temporary/Contractual Employees	480	275
Employees with Disabilities	4	2

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

1	Has the company mapped its internal and external stakeholders? Yes/No	The Company has mapped its internal and external stakeholders. They are community, consumers, customers, employees, Government, lenders, NGOs and the Shareholders.
2	Out of the above, has the company identified the disadvantaged, vulnerable & marginalized stakeholders	The Company has identified poor, women and children as marginalized and disadvantaged groups through needs assessment and engagement with local communities in and around the Company's manufacturing sites under its Corporate Social Responsibility (CSR) initiatives. The Company has undertaken various programs under its CSR Policy in the areas of health, education and livelihood for such marginalized and disadvantaged groups.
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 initiatives undertaken by the Company under its CSR Scheme for the above marginalized and disadvantaged group are elaborated in the Directors' Report.

Principle 5: Businesses should respect and promote human rights

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 the Company, its Subsidiary and Contractors.
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 complaints in the Financial Year 2021-22 related to Human Rights.

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

1	Does the policy related to Principle 6 cover only the company or extends to the Group/Joint Ventures/ Suppliers/Contractors/NGOs/Others.	The Policy related to adopting low-carbon technologies, is being monitored continuously. Water conservation, procurement of electricity from renewable resources, Solar Power, recycling and optimization of raw materials is a norm followed at all our sites. This extends to all the Group companies and stakeholders.
2	Does the company have strategies/ initiatives to address global environmental issues such as climate change, global warming, etc? Y/N. If yes, please give hyperlink for webpage etc.	Yes, through regular training from various agencies for reducing the carbon footprint, the company is aiming to address issues related to climate change, global warming etc.
3	Does the company identify and assess potential environmental risks? Y/N	Yes. The R&D has been providing continual insights to developing process which are cleaner, greener and more sustainable. Also, the Risk Management Committee regularly identify and assess the potential environmental risks.

4	Does the company have any project related to Clean Development Mechanism? If so, provide details thereof, in about 50 words or so. Also, if Yes, whether any environmental compliance report is filed?	Yes, the Company constantly endeavors in improving its environmental performance / GHG reduction for its existing & new products by optimizing the process parameters and also monitoring emissions. State pollution control Board has provided good ratings to our production units after survey.
5	Has the company undertaken any other initiatives on clean technology, energy efficiency, renewable energy etc. Y/N. If yes, please give hyperlink for web page etc.	The Company has adopted many ideas for green initiatives and resource efficiency improvements. Specific measures are isolation & recycle of byproducts from waste streams, procurement of renewable electricity through open access, installation of motion sensitive lights in offices and acoustic generators etc.
6	Are the Emissions/Waste generated by the company within the permissible limits given by CPCB/SPCB for the financial year being reported?	Yes, the emissions and wastes generated by manufacturing facilities of the Company are within the permissible limits given by SPCB.
7	Number of show cause/ legal notices received from CPCB/SPCB which are pending (i.e. not resolved to satisfaction) as on end of Financial Year.	There is No any Show cause / Legal notice which are pending (i.e. not resolved to satisfaction) as on end of Financial Year -2021-22 However two complaints filed by GPCB against the Company in the past before the Honourable Court at Vapi is pending as on the end of Financial year 2021-22.

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

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:	As on March 31, 2022, the Company is a member of the following trade associations: 1. CCFI -Crop Care Federation of India 2. BCCI-Bombay Chamber of Commerce and Industry 3. PMFAI -Pesticides Manufacturers & Formulators Association of India 4. CHEMEXCIL- Chemicals Export Promotion Council 5. Haryana Pesticides Manufacturer's association
2	Have you advocated/lobbied through above associations for the advancement or improvement of public good? Yes/No; if yes specify the broad areas (drop box: Governance and Administration, Economic Reforms, Inclusive Development Policies, Energy security, Water, Food Security, Sustainable Business Principles, Others)	The Company supports the initiatives taken by above associations in their endeavor for the advancement or improvement of public good. The Company believes that to protect overall interest of its business and the diverse stakeholders, the Company has to express its fair views, opinions, representations, concerns etc on the policies framed by the competent authorities as and when required.

Principle 8: Businesses should support inclusive growth and equitable development

1	Does the company have specified programs/initiatives/ projects in pursuit of the policy related to Principle 8? If yes details thereof.	The Company takes up program/ initiatives/ projects in pursuit of the principle of inclusive growth and equitable development in pursuance of its Corporate Social Responsibility ('CSR') Policy. Detailed information about the specified program and initiatives undertaken during the Financial Year 2021-22 in pursuit of the CSR Policy, the details of which has been given in the Directors' Report.
2	Are the programmes/projects undertaken through in-house team/own foundation/external NGO/government structures/any other organization?	The programs/projects are undertaken through Implementing Agency, the details of which has been given in the Directors' Report
3	Have you done any impact assessment of your initiative?	The CSR programs and their impacts/ outcomes are monitored and reviewed by the CSR Committee of the Directors and the management periodically to understand the impact of these programs.
4	What is your company's direct contribution to community development projects- Amount in INR and the details of the projects undertaken	During the Financial Year 2021-22, the Company spent ₹ 3.06 Cr. on various CSR initiatives, the details of which has been given in the Directors' Report.
5	Have you taken steps to ensure that this community development initiative is successfully adopted by the community? Please explain in 50 words, or so.	Implementation of the CSR programs/ projects by the community is ensured through meetings, obtaining periodic progress reports from Implementing Agency.

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

1	What percentage of customer complaints/ consumer cases are pending as on the end of financial year.	As on March 31, 2022, There are 4 consumer cases pending before different Forums/ Commissions/ Courts
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)	Yes, the Company adheres to all the applicable statutory laws regarding product labeling and displays relevant information on product label.
3	Is there any case filed by any stakeholder against the company regarding unfair trade practices, irresponsible advertising and/or anti-competitive behavior during the last five year and pending as on end of financial year. If so, provide details thereof, in about 50 words or so.	There are no such cases during the last five years and pending as on end of the financial year 2021-22.
4	Did your company carry out any consumer survey/ consumer satisfaction trends?	The Company interacts periodically with its customers and channel partners to obtain feedback on the product quality, adherence to delivery schedules and service levels. The feedback so obtained is reviewed internally and appropriate improvement actions are finalized and implemented.

INDEPENDENT AUDITOR'S REPORT

To the Members of HERANBA INDUSTRIES LIMITED
Report on the Audit of the Financial Statements

OPINION

We have audited the accompanying financial statements of **HERANBA INDUSTRIES LIMITED ("the Company")** which comprises the Balance Sheet as at 31st March, 2022, the Statement of Profit and Loss (including other comprehensive income), Statement of Changes in Equity and Statement of Cash Flows for the year then ended and notes to the financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India including the Indian Accounting Standards (Ind AS) prescribed under section 133 of the Act read with Companies (Indian Accounting Standard) Rules,2015 as amended of the state of affairs(financial position) of the Company as at 31st March, 2022, and its profit (including other comprehensive income), changes in equity and its cash flows for the year ended on that date.

BASIS FOR OPINION

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the 'Auditor's Responsibilities for the Audit of the Financial Statements' section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on the financial statements.

KEY AUDIT MATTERS

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the 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 address the key audit matter
Revenue is measured net of discounts, incentives, rebates and sales return. Given the significant judgment required and complexity involved in estimating discounts, incentives, rebates and sales return, this is considered as a key audit matter. Due to the Company's presence across different locations and the competitive business environment, the estimation of various types of discounts, incentives and rebate schemes which are recognized based on sales made is considered to be complex and judgmental.	We performed following audit procedures: a) Obtained and reviewed schemes and policies relating to discounts, incentives, rebates and sales return; b) Evaluated the design and tested the operating effectiveness of Company's internal controls over discounts, incentives and rebates and sales return; c) Obtained location wise calculations for discounts, incentives and rebates accruals under applicable schemes. Verified on a sample basis and compared the accruals made with the approved schemes; d) Obtained and inspected, on a sample basis, supporting documentation for payment towards discounts, incentives and rebates during the year e) Analyzed the historical trend of payments made towards discounts, incentives, rebates and that of sales return and compared actuals with accruals; and f) Assessed the adequacy of the disclosures as per the applicable Indian accounting standards.

INFORMATION OTHER THAN THE FINANCIAL STATEMENTS AND AUDITOR'S REPORT THEREON

The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Annual Report, but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance or conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained during the course of our 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.

RESPONSIBILITY OF MANAGEMENT AND THOSE CHARGED WITH GOVERNANCE FOR THE FINANCIAL STATEMENTS

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements that give a true and fair view of the state of affairs (financial position),profit and loss (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 Indian Accounting Standards (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 implementation and maintenance of 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.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those Board of Directors are also responsible for overseeing the company's financial reporting process.

AUDITOR'S RESPONSIBILITY FOR THE AUDIT OF THE FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Standards on Auditing, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system 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 management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- 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.

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.

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.

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.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

I. As required by section 197(16) of the Act, 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 of the Act.

II. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies

Act, 2013, we give in the "**Annexure A"** statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

As required by Section 143(3) of the Act, we report 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 purposes of our audit;

(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 Balance Sheet, the Statement of Profit and Loss (including other comprehensive income), the Cash Flow Statement and the statement of changes in equity dealt with by this Report are in agreement with the books of account;

(d) In our opinion, the aforesaid financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;

(e) On the basis of the written representations received from the directors as on 31st March, 2022 taken on record by the Board of Directors, none of the directors is disqualified as on 31st 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 over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in **"Annexure B"**; 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, in our opinion and to the best of our information and according to the explanations given to us:

i. The Company has disclosed the impact, if any, of pending litigations as on 31st March, 2022 on its financial position in its financial statements.

ii. The Company did not have any long term contracts including derivative contracts for which there were any material foreseeable losses; and

iii. There has been no delay in transferring amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

iv.

(a) The Management has represented that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) 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 or entity, including foreign entity ("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 ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

(b) The Management has represented, that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been received by the Company from any person or entity, including foreign entity ("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;

(c) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.

v.

(a) The final dividend proposed in the previous year, declared and paid by the Company during the year is in accordance with Section 123 of the Act, as applicable.

(b) The Board of Directors of the Company have proposed final dividend for the year which is subject to the approval of the members at the ensuing Annual General Meeting. The amount of dividend proposed is in accordance with section 123 of the Act, as applicable.

(h) With respect to the matter to be included in the Auditor's Report under Section 197(16) of the Act: In our opinion and according to the information and explanations given to us, the remuneration paid by the Company to its directors during the current year is in accordance with the provisions of Section 197 of the Act. The remuneration paid to any director is not in excess of the limit laid down under Section 197 of the Act. The Ministry of Corporate Affairs has not prescribed other details under Section 197(16) of the Act which are required to be commented upon by us.

FOR N S SHETTY & CO.
Firm Registration No.: 110101W
Chartered Accountants

DIVAKAR SHETTY
Partner
Membership No.: 100306
UDIN : 22100306AIZADK2023

Place: Mumbai
Date: 14th May, 2022

ANNEXURE "A"

REFERRED TO IN INDEPENDENT AUDIT REPORTOF EVEN DATE TO THE MEMBERS OF HERANBA INDUSTRIES LIMITED ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2022;

To the best of our information and according to the explanations provided to us by the Company and the books of account and records examined by us in the normal course of audit, we state that:

i. In respect of the Company's Property, Plant and Equipment and Intangible Assets:

(a)

(A) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment and relevant details of right-of-use assets.

(B) The Company does not have intangible assets hence reporting under clause (i)(B) of the order is not applicable.

(b) The Company has a program of physical verification of Property, Plant and Equipment and right-of-use assets so to cover all the assets once every three years which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the program, certain Property, Plant and Equipment were due for verification during the year and were physically verified by the Management during the year. According to the information and explanations given to us, no material discrepancies were noticed on such verification.

(c) Based on our examination of the lease agreement for land on which building is constructed, registered sale deed / transfer deed / conveyance deed provided to us, we report that, the title in respect of self-constructed buildings and title deeds of all other immovable properties (other than properties where the company is the lessee and the lease agreements are duly executed in favour of the lessee), disclosed in the financial statements included under Property, Plant and Equipment are held in the name of the Company as at the balance sheet date.

(d) The Company has not revalued any of its Property, Plant and Equipment (including right- of-use assets) during the year. The company does not have any intangible assets.

(e) No proceedings have been initiated during the year or are pending against the Company as at 31st March, 2022 for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (as amended in 2016) and rules made thereunder.

ii.

(a) As explained to us, inventories were physically verified during the year by the Management at reasonable intervals. In our opinion the frequency of such verifications is reasonable. The discrepancies noticed on such verification between the physical stock and book records were not material and have been properly dealt in the books of account.

(b) The Company has not been sanctioned working capital limits in excess of ₹ 5 crores, in aggregate, at any points of time during the year, from banks or financial institutions on the basis of security of current assets and hence reporting under clause 3(ii)(b) of the Order is not applicable.

iii. The Company has not made investments in, companies, firms, Limited Liability Partnerships, and not granted unsecured loans to other parties, during the year, in respect of which:

(a) The Company has not provided any loans or advances in the nature of loans or stood guarantee, or provided security to any other entity during the year, and hence reporting under clause 3(iii)(a) of the Order is not applicable.

(b) The company has not made any investments and hence reporting under clause 3(iii)(b) of the Order is not applicable.

(c) The Company has not provided any loans or advances in the nature of loans hence reporting with respect to repayment of principal and regular payment of interest is not applicable.

(d) The Company has not provided any loans or advances in the nature of loans hence reporting with respect to overdue amounts and steps taken by the company for the recovery is not applicable.

(e) There were no loan granted by the Company which has fallen due during the year and has been renewed or extended or fresh loans granted to settle the overdues of existing loans given to the same parties.

(f) The Company has not granted any loans or advances in the nature of loans either repayable on demand or without specifying any terms or period of repayment during the year. Hence, reporting under clause 3(iii) (f) is not applicable.

iv. The Company has complied with the provisions of Sections 185 and 186 of the Companies Act, 2013 in respect of loans granted, investments made and guarantees and securities provided, as applicable.

v. The Company has not accepted any deposit or amounts which are deemed to be deposits. Hence, reporting under clause 3(v) of the Order is not applicable.

vi. We have broadly reviewed the cost records maintained by the Company pursuant to the Companies (Cost Records and Audit) Rules, 2014, as amended and prescribed by the Central Government under sub- section (1) of section 148 of the Act and are of the opinion that prima facie the prescribed cost records have been made and maintained. We have, however, not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.

vii. In respect of statutory dues:

(a) In our opinion, the Company has generally been regular in depositing undisputed statutory dues, including Goods and Services tax, Provident Fund, Employees' State Insurance, Income Tax, Sales Tax, Service Tax, duty of Custom, duty of Excise, Value Added Tax, Cess and other material statutory dues applicable to it with the appropriate authorities.

There were no undisputed amounts payable in respect of Goods and Service tax, Provident Fund, Employees' State Insurance, Income Tax, Sales Tax, Service Tax, duty of Custom, duty of Excise, Value Added Tax, Cess and other material statutory dues in arrears as at 31st March, 2022 for a period of more than six months from the date they became payable.

(b) Details of statutory dues referred to in sub-clause (a) above which have not been deposited as on 31st March, 2022 on account of disputes are given below:

(₹ in million)

Name of the Statute	Nature of Dues	Forum where dispute is pending	Period to which the amount relates	Amount
Central Excise Act	Excise Duty and Penalty	Appellate Authority	2010-2011 to 2014-2015	134.26
Central Excise Act	Excise Duty and Penalty	Appellate Authority	2012-2013	0.64
VAT UP	VAT	Addl Commissioner – Appeals	2014-2015	2.25
Income Tax Act	Income Tax	Commissioner of Income Tax (Appeals)	2018-19	46.85

viii. There were no transactions relating to previously unrecorded income that have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (43 of 1961).

ix.

(a) The Company has not taken any loans or other borrowings from any lender. Hence reporting under clause 3(ix)(a) of the Order is not applicable.

(b) The Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority.

(c) The Company has not taken any term loan during the year and there are no outstanding term loans at the beginning of the year and hence, reporting under clause 3(ix)(c) of the Order is not applicable.

(d) On an overall examination of the financial statements of the Company, funds raised on short- term basis have, prima facie, not been used during the year for long-term purposes by the Company.

(e) 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.

(f) The Company has not raised any loans during the year and hence reporting on clause 3(ix)(f) of the Order is not applicable.

x.

(a) The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) during the year and hence reporting under clause 3(x)(a) of the Order is not applicable.

(b) During the year, the Company has not made any preferential allotment or private placement of shares or convertible debentures (fully or partly or optionally) and hence reporting under clause 3(x)(b) of the Order is not applicable.

xi.

(a) No fraud by the Company and no material fraud on the Company has been noticed or reported during the year.

(b) No report under sub-section (12) of section 143 of the Companies Act has been filed in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government, during the year and up to the date of this report.

(c) As represented to us by the management, there are no whistle blower complaints received by the Company during the year.

xii. The Company is not a Nidhi Company and hence reporting under clause (xii) of the Order is not applicable.

xiii. In our opinion, the Company is in compliance with Section 177 and 188 of the Companies Act, 2013 with respect to applicable transactions with the related parties and the details of related party transactions have been disclosed in the financial statements as required by the applicable accounting standards.

xiv.

(a) In our opinion the Company has an adequate internal audit system commensurate with the size and the nature of its business.

(b) We have considered, the internal audit reports for the year under audit, issued to the Company during the year and till date, in determining the nature, timing and extent of our audit procedures.

xv. In our opinion during the year the Company has not entered into any non-cash transactions with its Directors or persons connected with its directors and hence provisions of section 192 of the Companies Act, 2013 are not applicable to the Company.

xvi.

(a) In our opinion, the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Hence, reporting under clause 3(xvi)(a), (b) and (c) of the Order is not applicable.

(b) In our opinion, there is no core investment company within the Group (as defined in the Core Investment Companies (Reserve Bank) Directions, 2016) and accordingly reporting under clause 3(xvi)(d) of the Order is not applicable.

xvii. The Company has not incurred cash losses during the financial year covered by our audit and the immediately preceding financial year.

xviii. There has been no resignation of the statutory auditors of the Company during the year.

xix. On the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the financial statements and our knowledge of the Board of Directors and Management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report indicating that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.

xx.

(a) There are no unspent amounts towards Corporate Social Responsibility (CSR) requiring a transfer to a Fund specified in Schedule VII to the Companies Act in compliance with second proviso to sub-section (5) of Section 135 of the said Act. Accordingly, reporting under clause 3(xx)(a) of the Order is not applicable for the year.

(b) The company does not spent any amounts towards Corporate Social Responsibility (CSR) for ongoing projects, hence reporting under clause xx (b) of the order is not applicable.

FOR N S SHETTY & CO.
Firm Registration No.: 110101W
Chartered Accountants

DIVAKAR SHETTY
Partner
Membership No.: 100306
UDIN : 22100306AIZADK2023

Place: Mumbai
Date: 14th May, 2022

ANNEXURE "B"

REFERRED TO IN OUR INDEPENDENT AUDITORS REPORT OF EVEN DATE TO THE MEMBERS OF HERANBA INDUSTRIES LIMITED ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2022;

REPORT ON THE INTERNAL FINANCIAL CONTROLS UNDER CLAUSE (I) OF SUB-SECTION 3 OF SECTION 143 OF THE COMPANIES ACT, 2013 (THE 'ACT')

We have audited the internal financial controls over financial reporting of Heranba Industries Limited ("the Company") as of 31st March, 2022 in conjunction with our audit of the Financial Statements of the Company for the year ended on that date.

RESPONSIBILITY OF MANAGEMENT AND THOSE CHARGED WITH GOVERNANCE FOR INTERNAL FINANCIAL CONTROLS

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India (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 its 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.

AUDITORS' RESPONSIBILITY FOR THE AUDIT OF THE INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO FINANCIAL STATEMENTS

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143 (10) of the Act, to the extent applicable to an audit of internal financial controls. 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 over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risks. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

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 system over financial reporting.

MEANING OF INTERNAL FINANCIAL CONTROLS OVER FINANCIAL REPORTING

A company's internal financial control over financial reporting 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 control over financial reporting includes 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 authorizations of management and directors of the company; and

(3) provide reasonable assurance regarding prevention or timely detection of unauthorized 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 OVER FINANCIAL REPORTING

Because of the inherent limitations of internal financial controls over financial reporting, 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 over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions or that the degree of compliance with the policies or procedures may deteriorate.

OPINION

In our opinion, the Company has in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March, 2022, based on the internal control over financial reporting criteria established by the Company, considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India.

FOR N S SHETTY & CO.
Firm Registration No.: 110101W
Chartered Accountants

DIVAKAR SHETTY
Partner
Membership No.: 100306
UDIN : 22100306AIZADK2023

Place: Mumbai
Date: 14th May, 2022

Balance Sheet
AS AT 31ST MARCH, 2022

(₹ in Million)

Particulars	Note No.	As at 31st March, 2022	As at 31st March, 2021
ASSETS			
Non-Current Assets			
(a) Property, plant and equipment	4	1,934.26	1,334.36
(b) Capital work-in-progress	4	142.29	96.95
(c) Financial assets			
(i) Investments	5	21.27	100.98
(ii) Other financial assets	6	113.72	110.55
(d) Deferred tax assets (Net)	7	28.06	10.20
(e) Other non-current assets	8	59.86	97.01
Total Non-Current Assets		**2,299.46**	**1,750.05**
Current Assets			
(a) Inventories	9	2,557.39	1,659.86
(b) Financial assets			
(i) Trade receivables	10	4,096.45	3,417.62
(ii) Cash and cash equivalents	11	949.96	847.80
(iii) Bank balances other than (ii) above	12	248.75	131.16
(iv) Other financial assets	6	19.56	19.97
(c) Other current assets	8	514.73	606.66
Total Current Assets		**8,386.84**	**6,683.07**
TOTAL ASSETS		**10,686.30**	**8,433.12**
EQUITY AND LIABILITIES			
Equity			
(a) Equity share capital	13	400.13	400.13
(b) Other equity	14	6,744.45	4,881.21
Total Equity		**7,144.58**	**5,281.34**
Liabilities			
Non-Current Liabilities			
(a) Financial Liabilities			
(i) Borrowings		-	-
(ia) Lease Liabilities		6.34	11.71
(ii) Other Financial Liabilities	16	70.85	66.41
(b) Provisions	17	78.63	70.68
Total Non-Current Liabilities		**155.82**	**148.80**
Current Liabilities			
(a) Financial Liabilities			
(i) Borrowings	15	523.29	502.79
(ia) Lease Liabilities		9.99	8.56
(ii) Trade payables	18		
total outstanding dues of micro enterprises and small enterprises; and		95.52	56.69
total outstanding dues of creditors other than micro enterprises and small enterprises.		2,336.86	1,899.13
(iii) Other Financial Liabilities	16	176.19	283.27
(b) Current tax Liabilities (Net)	19	37.59	88.37
(c) Other current liabilities	20	192.59	151.17
(d) Provisions	17	13.87	13.00
Total Current Liabilities		**3,385.90**	**3,002.98**
Total Liabilities		**3,541.72**	**3,151.78**
TOTAL EQUITY AND LIABILITIES		**10,686.30**	**8,433.12**

The accompanying notes are an integral part of the financial statements

As per our report of even date

For N S Shetty & Co.
Chartered Accountants
Firm Registration No. 110101W

For **Heranba Industries Limited**

Divakar Shetty
Partner
Membership No. 100306

S. K. Shetty
Chairman
DIN: 00038681

R. K. Shetty
Managing Director
DIN: 00038703

Place: Mumbai
Date: 14th May, 2022

Raj K Bafna
Chief Financial Officer

Abdul Latif
Company Secretary

Statement of Profit and Loss

FOR THE YEAR ENDED 31ST MARCH, 2022

(₹ in Million)

	Particulars	Note No.	Year ended 31st March, 2022	Year ended 31st March, 2021
I	**INCOME**			
	Revenue from Operations	21	14,503.73	12,186.47
	Other Income	22	193.50	70.30
	TOTAL INCOME		**14,697.23**	**12,256.77**
II	**EXPENSES**			
	Cost of materials consumed	23	10,030.19	7,783.39
	Purchase of stock in trade		4.23	140.56
	Changes in Inventories of Finished Goods and Work-in-Progress	24	(728.37)	(128.94)
	Employee Benefit Expenses	25	584.49	521.81
	Finance Costs	26	40.75	53.97
	Depreciation and Amortisation Expenses	27	197.82	146.87
	Other Expenses	28	2,015.62	1,656.26
	TOTAL EXPENSES		**12,144.73**	**10,173.92**
	Profit before Tax		**2,552.50**	**2,082.85**
	Tax Expense			
	(a) Current Tax	19	678.00	567.00
	(b) Deferred tax charge / (credit)	7	(16.13)	(26.98)
	(c) (Excess) / Short provision for taxation in respect of earlier years	19	-	0.57
			661.87	**540.59**
	Profit for the Year		**1,890.63**	**1,542.26**
	OTHER COMPREHENSIVE INCOME			
	Items that will not be reclassified to profit or loss			
	- Remeasurement of the net defined benefit liability / asset		(2.54)	0.89
	- Income Tax relating to items that may not be reclassified to profit and loss	17	0.64	(0.22)
	Items that will be reclassified to profit or loss			
	- Fair Value of Investment		1.02	3.65
	- Time value of derivatives designated as cash flow hedges		0.41	(1.82)
	- Income Tax relating to items that may be reclassified to profit and loss	7	1.09	(0.46)
	Total other Comprehensive Income		**0.62**	**2.04**
	Total Comprehensive Income for the year		**1,891.25**	**1,544.30**
	Earning per equity share of nominal value of ₹ 10/- each (in Rupees)	**29**		
	Basic and Diluted		47.25	39.41

The accompanying notes are an integral part of the financial statements

As per our report of even date

For N S Shetty & Co.
Chartered Accountants
Firm Registration No. 110101W

Divakar Shetty
Partner
Membership No. 100306

Place: Mumbai
Date: 14th May, 2022

For **Heranba Industries Limited**

S. K. Shetty
Chairman
DIN: 00038681

R. K. Shetty
Managing Director
DIN: 00038703

Raj K Bafna
Chief Financial Officer

Abdul Latif
Company Secretary

Cash Flow Statement

FOR THE YEAR ENDED 31ST MARCH, 2022

(₹ in Million)

	Particulars	Year ended 31st March, 2022	Year ended 31st March, 2021
[A]	**CASH FLOW FROM OPERATING ACTIVITIES**		
	Profit/(Loss) before tax	2,552.50	2,082.85
	Adjustments for:		
	Depreciation/Amortisation/Impairment of Property, Plant and Equipments	197.82	146.87
	Dividend Income	(0.03)	-
	Interest Income	(18.22)	(7.19)
	Interest Expenses	40.75	53.97
	Provision for Doubtful Receivables/Advances/Sundry balances written off	53.42	101.20
	Fair value of Investment	(0.01)	(0.02)
	(Profit)/Loss on sale of Property, Plant and Equipments (Net)	(0.19)	(0.45)
	Loss on Assets discard	2.74	-
	(Profit)/Loss on sale of Investments (Net)	(1.71)	(3.81)
	Unrealised foreign exchange (gain)/loss (Net)	(7.14)	(41.77)
	Remeasurement of the net defined benefit liability	(2.54)	0.89
	Operating Profit/(Loss) before changes in working capital	**2,817.39**	**2,332.54**
	Adjustment for (Increase)/Decrease in Operating Assets		
	Adjustments for decrease (increase) in inventories	(897.53)	(204.68)
	Adjustments for decrease (increase) in trade receivables, current	(705.96)	(898.33)
	Adjustments for decrease (increase) in other current assets	91.93	8.67
	Adjustments for other financial assets, non-current	(7.44)	(30.76)
	Adjustments for other financial assets, current	(0.54)	(2.79)
	Adjustment for Increase/(Decrease) in Operating Liabilities		
	Adjustments for increase (decrease) in trade payables, current	468.64	(164.28)
	Adjustments for increase (decrease) in other current liabilities	41.42	(10.41)
	Adjustments for provisions, current	0.87	3.85
	Adjustments for provisions, non-current	7.95	15.94
	Adjustments for other financial liabilities, current	(110.61)	65.92
	Adjustments for other financial liabilities, non-current	4.44	4.96
	Cash flow from operations after changes in working capital	**1,710.56**	**1,120.64**
	Net Direct Taxes (Paid)/Refunded	(728.81)	(516.65)
	Net Cash Flow from/(used in) Operating Activities	**981.75**	**603.99**
[B]	**CASH FLOW FROM INVESTING ACTIVITIES**		
	Proceeds from sales of property, plant and equipment	0.26	0.62
	Purchase of property, plant and equipment	(805.38)	(241.00)
	Purchase of investment	-	(56.20)
	Proceeds from sales of Investment	82.45	-
	Proceeds from Loan	-	8.95
	Dividends received	0.03	-
	Interest received	19.17	7.18
	Investment in Bank Deposit	(113.32)	(126.68)
	Net Cash Flow from/(used in) Investing Activities	**(816.79)**	**(407.13)**
[C]	**CASH FLOW FROM FINANCING ACTIVITIES**		
	Proceeds from issuing shares	-	600.01
	Proceeds from IPO towards Offer for sale of existing shareholders	-	5,652.38
	Payments towards Offer for sale to existing shareholders	-	(5,577.05)
	Net Proceeds from short term borrowings	9.68	71.56
	Payments of finance lease liabilities	(9.46)	(5.18)
	Payments of IPO Expense	-	(12.87)
	Dividends paid	(28.01)	(58.58)
	Interest paid	(35.01)	(51.27)
	Net Cash Flow from/(used in) Financing Activities	**(62.80)**	**619.00**
	Net Increase/ (Decrease) in Cash and Cash Equivalents	**102.16**	**815.86**
	Cash & Cash Equivalents at beginning of period (see Note 1)	847.80	31.94
	Cash and Cash Equivalents at end of period (see Note 1)	**949.96**	**847.80**

NOTES:

(₹ in Million)

	Particulars	Year ended 31st March, 2022	Year ended 31st March, 2021
1	**Cash and Cash equivalents comprises of:**		
	Cash on Hands	**0.86**	**1.23**
	Balance with Banks	222.57	264.19
	Restricted cash and cash equivalents	-	81.87
	In deposit with maturity of less than three months	726.53	500.51
	Cash and Cash equivalents	**949.96**	**847.80**
2	Figures of the previous year have been regrouped / reclassified wherever necessary.		
3	The cash flow statement has been prepared under the indirect method as set out in Indian Accounting Standards (Ind AS) 7, 'Statement of Cash flows'.		

As per our report of even date

For N S Shetty & Co.
Chartered Accountants
Firm Registration No. 110101W

For **Heranba Industries Limited**

Divakar Shetty
Partner
Membership No. 100306

S. K. Shetty
Chairman
DIN: 00038681

R. K. Shetty
Managing Director
DIN: 00038703

Place: Mumbai
Date: 14th May, 2022

Raj K Bafna
Chief Financial Officer

Abdul Latif
Company Secretary

Statement of Changes In Equity
FOR THE YEAR ENDED 31ST MARCH, 2022

A. EQUITY SHARE CAPITAL

(₹ in Million)

Particulars	Notes	Amount
As at 1st April, 2020	**12**	**390.56**
Changes in Equity Share Capital due to prior period errors		-
Restated balance at the beginning of the previous reporting period		-
Changes in equity share capital		9.57
As at 31st March, 2021		**400.13**
Changes in Equity Share Capital due to prior period errors		
Restated balance at the beginning of the previous reporting period		
Changes in equity share capital		-
As at 31st March, 2022		**400.13**

B. OTHER EQUITY

(₹ in Million)

Particulars	Reserves and Surplus				Other Comprehensive Income			Total
	Securities Premium reserve	Capital Redemption Reserve	General reserve	Retained Earnings	Debts Instruments through Other Comprehensive Income (Net of Tax)	Effective portion of Cash Flow Hedges (Net of Tax)	Remeasurement of net defined benefit (Net of Tax)	
Balance at 31st March, 2020	**4.22**	**2.51**	**357.50**	**2,453.93**	**1.56**	**-**	**(1.78)**	**2,817.93**
Profit for the year	-	-	-	1,542.26	-	-	-	1,542.26
Add: Increase in share premium	590.43	-	-	-	-	-	-	590.43
Less : IPO Expense (Net of Tax)	(12.87)	-	-	-	-	-	-	(12.87)
Items of Other Comprehensive Income: Fair Valuation of investment	-	-	-	-	2.73	-	-	2.73
Items of Other Comprehensive Income: Remeasurement of net defined benefit	-	-	-	-	-	-	0.67	0.67
Time value of derivatives designated as cash flow hedges	-	-	-	-	-	(1.36)	-	(1.36)
Transfer (to)/from General Reserve	-	-	50.00	(50.00)	-	-	-	-
Dividend paid and tax thereon	-	-	-	(58.58)	-	-	-	(58.58)
Balance at 31st March, 2021	**581.78**	**2.51**	**407.50**	**3,887.61**	**4.29**	**(1.36)**	**(1.11)**	**4,881.21**
Profit for the year	-	-	-	1,890.63	-	-	-	1,890.63
Items of Other Comprehensive Income: Fair Valuation of investment	-	-	-	-	2.01	-	-	2.01
Items of Other Comprehensive Income: Remeasurement of net defined benefit	-	-	-	-	-	-	(1.90)	(1.90)
Time value of derivatives designated as cash flow hedges	-	-	-	-	-	0.51	-	0.51
Transfer (to)/from General Reserve	-	-	60.00	(60.00)	-	-	-	-
Dividend Paid and Tax thereon	-	-	-	(28.01)	-	-	-	(28.01)
Balance at 31st March, 2022	**581.78**	**2.51**	**467.50**	**5,690.23**	**6.30**	**(0.85)**	**(3.01)**	**6,744.45**

The accompanying notes are an integral part of the financial statements

As per our report of even date

For N S Shetty & Co.
Chartered Accountants
Firm Registration No. 110101W

For **Heranba Industries Limited**

Divakar Shetty
Partner
Membership No. 100306

S. K. Shetty
Chairman
DIN: 00038681

R. K. Shetty
Managing Director
DIN: 00038703

Place: Mumbai
Date: 14th May, 2022

Raj K Bafna
Chief Financial Officer

Abdul Latif
Company Secretary

Notes to the Financial Statements

FOR THE YEAR ENDED 31ST MARCH, 2022

NOTE 1. COMPANY OVERVIEW

1.1 HERANBA INDUSTRIES LIMITED is a public limited company domiciled in India, incorporated in 1992 under the Companies Act, 1956. The Company is principally engaged in the business of manufacturing and sale of agro chemical products. The registered office of the company is located at Vapi, Gujarat

1.2 The financial statements are approved for issue by the Company's Board of Directors on 14th of May, 2022

NOTE 2. BASIS OF PREPARATION OF FINANCIAL STATEMENTS

These financial statements have been prepared in accordance with the Indian Accounting Standards (hereinafter referred to as the 'Ind AS') as notified by Ministry of Corporate Affairs pursuant to Section 133 of the Companies Act, 2013 ('Act') read with of the Companies (Indian Accounting Standards) Rules, 2015 as amended and other relevant provisions of the Act. The accounting policies are applied consistently to all the periods presented in the financial statements.

The financial statements have been prepared on accrual basis and under the historical cost convention with the exception of certain financial assets and liabilities which have been measured at fair value.

All the assets and liabilities have been classified as current or non-current, wherever applicable, as per the operating cycle of the Company as per the guidance set out in Schedule III to the Act.

The Company's financial statements are reported in Indian Rupees, which is also the Company's functional currency.

I. SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS

The preparation of financial statement is in conformity with the recognition and measurement principles of Ind AS requires management to make judgements, estimates and assumptions that affect the reported balances 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.

II. ESTIMATES AND ASSUMPTIONS

The estimates and judgments used in the preparation of the financial statements are continuously evaluated by the Company and are based on historical experience and various other assumptions and factors (including expectations of future events) that the Company believes to be reasonable under the existing circumstances. Differences between actual results and estimates are recognised in the period in which the results are known/materialised. The said estimates are based on the facts and events, that existed as at the reporting date, or that occurred after that date but provide additional evidence about conditions existing as at the reporting date.

The areas involving critical estimates or judgements are :

a) Estimation of defined benefit obligation

b) Impairment of financial asset such as trade receivables

c) Impairment of Non- financial Assets

d) Estimation of Tax Expense and Liability

NOTE 3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

I. REVENUE RECOGNITION

The Company recognizes revenue when control over the promised goods or services is transferred to the customer at an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods or services.

The specific recognition criteria described below must also be met before revenue is recognised

A. Sale of goods

The Company recognises revenue generally at the point in time when the products are delivered to customer or when it is delivered to a carrier for export sale, which is when the control over product is transferred to the customer. In contracts where freight is arranged by the Company and recovered from the customers, the same is treated as a separate performance obligation and revenue is recognized when such freight services are rendered.

Revenue is adjusted for variable consideration such as discounts, rebates, refunds, credits, price concessions, incentives, or other similar items in a contract when they are highly probable to be provided. The amount of revenue excludes any amount collected on behalf of third parties.

B. Interest and dividend:

Interest income including income arising on other instruments are recognised on time proportion basis using the effective interest rate method.

Dividend income is recognized when the right to receive dividend is established.

II. EXPORT BENEFITS

The benefit accrued under the Duty Drawback, Merchandise Export Incentive Scheme and other schemes as per the Import and Export Policy in respect of exports made under the said schemes is included as 'Export Incentives' under the head 'Other operating revenue'.

III. PROPERTY PLANT AND EQUIPMENT , INVESTMENT PROPERTY AND DEPRECIATION / AMORTISATION

A Items of Property, plant and equipment including Capital-work in-progress are stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. Cost comprises the purchase price and any attributable cost of bringing the asset to its working condition for its intended use. Such cost includes the cost of replacing part of the plant and equipment

and borrowing costs for long-term construction projects if the recognition criteria are met. Subsequent expenditure related to an item of fixed asset is added to its book value only if it increases the future benefits from the existing asset beyond its previously assessed standard of performance. 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. All other repair and maintenance costs are recognized in statement of profit or loss as incurred.

B. Depreciation is provided based on useful life of the assets as prescribed in Schedule II to the Companies Act, 2013. Depreciation on additions to assets or on sale/disposal of assets is calculated pro-rata from the month of such addition, or upto the month of such sale/disposal, as the case may be.

Asset Category	Estimated useful life (in Years)
Plant & Machinery	20
Servers and networks	6
Computer desktops and laptops	3
Laboratory Equipments	10
Office Equipments	5
Plumbing and Piping	20
Electrical Installation	10
Factory Building	30
Non Factory Buildings	60
Vehicles	8
Furniture and Fixture	10
Leasehold Land	Over Primary Lease period

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

IV. 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.

A. Financial Assets

i. Recognition and initial measurement

Trade Receivables are initially recognised when they are originated. All other financial assets are initially recognised when the Company becomes party to the contractual provisions of the instrument. All financial assets other than those measured subsequently at fair value through profit and loss, are recognised initially at fair value plus transaction costs that are attributable to the acquisition of the financial asset.

ii. Classification and Subsequent measurement

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

a) Financial Assets at Amortised Cost

A financial asset is measured at amortised cost if it is held within a business model whose objective is to hold the asset in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

After initial measurement, such financial assets are subsequently measured at amortized cost using the Effective Interest rate method (EIR). Amortized cost is calculated by taking into account any discount or premium and fees or cost that are an integral part of the EIR. The EIR amortization is included in finance income in the statement of profit & loss. The losses arising from impairment are recognized in the statement of profit and loss.

b) Financial Assets Measured at Fair Value through Other Comprehensive Income (FVOCI)

Financial assets are measured at fair value through Other Comprehensive Income (OCI)if these financial assets are held within a business model with an objective to hold these assets in order to collect contractual cash flows or to sell these financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

After initial recognition, these assets are subsequently measured at Fair Value. Interest Income under Effective Interest method, foreign exchange gains and losses and impairment losses are recognized in the statement of profit and Loss. Other net gains and losses are recognized in OCI

c) Financial asset not measured at amortised cost or at fair value through OCI is carried at Fair Value through Profit and Loss

d) Equity Investments

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

For Equity instruments classified as FVOCI , all fair value changes in the instrument excluding dividends are recognized in OCI. Dividends on such equity instruments are recognized in the statement of Profit or loss.

iii. De-recognition of Financial Assets:

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) 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.

On de-recognition, any gains or losses on all debt instruments (other than debt instruments measured at FVOCI) and equity instruments (measured at FVTPL) are recognised in the

statement of Profit and Loss. Gains and losses in respect of debt instrument measured at FVOCI and that are accumulated in OCI are reclassified to Profit and Loss on de-recognition. Gains or losses on equity instruments measured at FVOCI that are recognised and accumulated in OCI are not reclassified to Profit or Loss on derecognition.

B. Financial Liabilities

Financial liabilities and equity instruments issued by the Company are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability and an equity instrument.

i) Recognition and Initial Measurement

Financial liabilities are initially recognized when the company becomes a party to the contractual provisions of the instrument. Financial Liability is initially measured at fair value plus, for an item not at fair value through profit and loss, net of transaction costs that are directly attributable to its acquisition or issue.

ii) Classification and Subsequent Measurement

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

- Financial liabilities at fair value through Profit or Loss (FVTPL)

Financial liabilities at FVTPL include financial liabilities held for trading and financial liabilities designated upon initial recognition as at FVTPL. Financial Liabilities at FVTPL are measured at fair value and changes therein, including any interest expense, are recognised in Statement of Profit and Loss.

- Financial liabilities at amortised cost

After initial recognition, financial liabilities other than those which are classified as FVTPL are subsequently measured at amortised cost using the 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 as finance costs in the Statement of Profit and Loss.

iii) De-recognition of Financial Liabilities

Financial liabilities are de-recognised when the obligation specified in the contract is discharged, cancelled or expired. 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 de-recognition of the original liability and recognition of a new liability. The difference in the respective carrying amounts is recognised in the Statement of Profit and Loss.

C. Offsetting Financial Instruments

Financial assets and liabilities are offset and the net amount is reported in the Balance Sheet where there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the Company or the counterparty.

D. Derivative financial instruments and Hedge Accounting:

Derivative financial instruments such as forward contracts to hedge its foreign currency risks are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value with changes in fair value recognised in the Statement of Profit and Loss in the period when they arise.

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 Statement of Profit and Loss, except for the effective portion of cash flow hedge which is recognised in Other Comprehensive Income and later to Statement of Profit and Loss when the hedged item affects profit or loss or is treated as basis adjustment if a hedged forecast transaction subsequently results in the recognition of a Non-Financial Assets or Non-Financial liability.

Cash Flow Hedge:

The Company designates derivative contracts or non-derivative Financial Assets/ Liabilities as hedging instruments to mitigate the risk of movement in interest rates and foreign exchange rates for foreign exchange exposure on highly probable future cash flows attributable to a recognised asset or liability or forecast cash transactions

When a derivative is designated as a cash flow hedging instrument, the effective portion of changes in the fair value of the derivative is recognised in the cash flow hedging reserve being part of Other Comprehensive Income. Any ineffective portion of changes in the fair value of the derivative is recognised immediately in the Statement of Profit and Loss. If the hedging relationship no longer meets the criteria for hedge accounting, then hedge accounting is discontinued prospectively. If the hedging instrument expires or is sold or terminated or exercised, the cumulative gain or loss on the hedging instrument recognised in cash flow hedging reserve till the period the hedge was effective remains in cash flow hedging reserve until the underlying transaction occurs. The cumulative gain or loss previously recognised in the cash flow hedging reserve is transferred to the Statement of Profit and Loss upon the occurrence of the underlying transaction. If the forecasted transaction is no longer expected to occur, then the amount accumulated in cash flow hedging reserve is reclassified in the Statement of Profit and Loss.

V. IMPAIRMENT

a. 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 financial asset measured at amortized cost.

Loss allowances on trade receivables are measured following the 'Simplified Approach' at an amount equal to the Life time ECL at each reporting date. The Company uses a provision matrix to determine impairment loss allowance on the portfolio of trade receivables. The provision matrix is based on its historically observed default rates over the expected life of the trade receivable and is adjusted for forward looking estimates. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed.

In respect of other financial asset, the loss allowance is measured at 12 month ECL only, if there is no significant deterioration in the credit risk since initial recognition of an asset or asset is determined to have a low credit risk at the reporting date.

b. Impairment of Non-financial assets

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

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded companies or other available fair value indicators.

c. 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. The expense relating to a provision is presented in the statement of profit and loss net of any reimbursement.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost. Provisions are reviewed at each balance sheet date and adjusted to reflect the current best estimates."

VI. TAXATION

i. Current Tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from 'profit before tax' as reported in the statement of profit and loss because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The Company's current tax is calculated using rates that have been enacted or substantively enacted by the end of the reporting period.

ii. Deferred Tax

Deferred tax is recognized on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognized for all taxable temporary differences. Deferred tax assets are generally recognized for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilized.

The carrying amount of deferred tax asset is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realized, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

VII. INVENTORIES

All inventories are stated at lower of 'Cost or Net Realizable Value'.

A. Stores and spares, packing materials and raw materials are valued at lower of cost or net realisable value and for this purpose, cost is determined on First in First Out (FIFO) basis. Cost includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition. However, the aforesaid items are not valued below cost if the finished products in which they are to be incorporated are expected to be sold at or above cost.

B. Finished products and Work in Progress are valued at lower of cost or net realisable value and for this purpose, cost is determined on standard cost basis which approximates the actual cost. Cost of finished goods and work in progress includes direct materials, direct labour and an appropriate proportion of variable and fixed overhead expenditure, the latter being allocated on the basis of normal operating capacity.

C. Traded goods are valued at lower of cost and net realizable value. Cost is determined on a weighted average basis.

D. Net realisable value is the estimated selling price in the ordinary course of business, less estimated remaining costs of completion and the estimated costs necessary to make the sale.

VIII. EMPLOYEE BENEFITS

a) Defined Contribution Plan

The Company pays provident fund contributions to publicly administered provident funds as per local regulations. The Company has no further payment obligations once the contributions have been paid. The contributions are accounted for as define contribution plan and the contributions are recognised as employee benefit expense when they are due.

b) Defined Benefit Plan

The liability or asset recognised in the Balance Sheet in respect of defined benefit gratuity plans is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. The defined benefit obligation is calculated annually by actuaries using the projected unit credit method.

The present value of the defined benefit obligation denominated in ₹ is determined by discounting the estimated future cash outflows by reference to market yields at the end of the reporting period on government bonds that have terms approximating to the terms of related obligation.

The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is included in employee benefit expense in the statement of profit and loss.

Remeasurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised in the year in which they occur, directly in other comprehensive income.

Changes in present value of the defined benefit obligation resulting from plan amendments or curtailments are recognised immediately in the statement of profit and loss as past service cost.

c) Leave Entitlement

Leave entitlement are provided based on an actuarial valuation, similar to that of gratuity benefit. Re-measurement, comprising of actuarial gains and losses, in respect of leave entitlement are recognised in the Statement of Profit and Loss in the period in which they occur.

d) Short-term Benefits

Short-term employee benefits such as salaries, performance incentives etc. are recognised as expenses at the undiscounted amounts in the Statement of Profit and Loss of the period in which the related service is rendered.

IX. BORROWINGS AND BORROWING COSTS

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.

X. EARNINGS PER SHARE

Basic earnings per share are calculated by dividing the net profit or loss for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year. The weighted average number of equity shares outstanding during the year is adjusted for events of bonus issue, if any.

For the purpose of calculating diluted earnings per share, the net profit or loss for the year 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.

The number of equity shares are adjusted retrospectively for all periods presented for any bonus shares issues.

XI. CASH FLOW STATEMENT

Cash flows are reported using the indirect method, whereby profit for the period is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing cash flows. The cash flows from operating, investing and financing activities of the company are segregated.

XII. CASH AND CASH EQUIVALENTS

Cash and cash equivalent in the balance sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above, net of outstanding bank overdrafts, if any as they are considered an integral part of the Company's cash management."

XIII. FOREIGN CURRENCY TRANSACTIONS

A. All transactions in foreign currency are recorded in the reporting currency, based on closing rates of exchange prevalent on the dates of the relevant transactions.

B. Monetary assets and liabilities in foreign currency, outstanding as on the Balance Sheet date , are converted in reporting currency at the closing rates of exchange prevailing on the said date. Resultant gain or loss is recognized during the year in the Statement of Profit and Loss.

C. Non monetary assets and liabilities denominated in foreign currencies are carried at the exchange rate prevalent on the date of the transaction.

D Exchange difference arising on the settlement of monetary items at rates different from those at which they were initially recorded during the year, or reported in previous financial statements, are recognised as income or expenses in the year in which they arise.

XIV. SEGMENT REPORTING

Based on "Management Approach" as defined in Ind AS 108 - Operating Segments the chief operating decision maker regularly monitors and reviews the operating results of the whole company as one segment of "Agro-Chemicals". Thus, as defined in Ind AS 108, the Company's entire business falls under this one operational segment and hence the necessary information has already been disclosed in the Balance Sheet and the Statement of Profit and Loss. The analysis of geographical segments is based on the areas in which customers of the company are located.

XV. PROVISIONS, CONTINGENT LIABILITIES AND CONTINGENT ASSETS

A provision is recognized when the company has a present obligation (legal or constructive) as a result of past event and it is probable that an outflow of resources embodying economic benefits will be required to settle a reliably assessable obligation. Provisions are determined based on best estimate required to settle each obligation at each balance sheet date. 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.

Contingent liabilities are disclosed in respect of possible obligations that arise from past events, whose existence would be confirmed by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company. Contingent liabilities are also present obligations where it is not probable that an outflow of resources will be required or the amount of the obligation cannot be measured with sufficient reliability.

Contingent Liabilities are not recognized in the financial statements but are disclosed separately.

Contingent assets are not recognised unless it becomes virtually certain that an inflow of economic benefits will arise.

XVI. LEASES

Measurement of Lease Liability

At the time of initial recognition, the Company measures lease liability as present value of all lease payments discounted using the Company's incremental cost of borrowing and directly attributable costs. Subsequently, the lease liability is –

1) increased by interest on lease liability;

2) reduced by lease payments made; and

3) remeasured to reflect any reassessment or lease modifications specified in Ind AS 116 'Leases', or to reflect revised fixed lease payments.

Measurement of Right-of-use assets

At the time of initial recognition, the Company measures 'Right-of-use assets' as present value of all lease payments discounted using the Company's incremental cost of borrowing w.r.t said lease contract. Subsequently, 'Right-of-use assets' is measured using cost model i.e. at cost less any accumulated depreciation and any accumulated impairment losses adjusted for any remeasurement of the lease liability specified in Ind AS 116 'Leases'.

Depreciation on 'Right-of-use assets' is provided on straight line basis over the lease period.

The exception permitted in Ind AS 116 for low value assets and short term leases has been adopted by Company.

NOTE 4. PROPERTY, PLANT AND EQUIPMENT

(₹ in Million)

Particulars	Freehold Land	Leasehold land	Plant and Machinery	Buildings	Electrical Installation	Piping	laboratory equipments	Office Equipment	Computers	Vehicles	Furniture & Fixtures	Right to use Asset	Total	Capital work-in-progress
Gross Carrying Value (At Deemed Cost)														
Balance at 1st April, 2020	**-**	**392.61**	**1,006.24**	**81.59**	**43.71**	**56.57**	**10.95**	**6.19**	**8.70**	**36.89**	**7.52**	**4.93**	**1,655.90**	**377.72**
Additions	-	6.36	187.20	226.24	69.77	-	5.55	1.14	2.41	2.52	4.23	21.56	526.98	96.95
Disposals	-	-	-	-	-	-	-	-	-	1.96	-	-	1.96	377.72
Balance at 31st March, 2021	**-**	**398.97**	**1,193.44**	**307.83**	**113.48**	**56.57**	**16.50**	**7.33**	**11.11**	**37.45**	**11.75**	**26.49**	**2,180.92**	**96.95**
Accumulated depreciation and impairment														
Balance at 1st April, 2020	**-**	**14.11**	**492.40**	**59.61**	**30.33**	**48.17**	**7.35**	**5.82**	**8.11**	**27.18**	**7.11**	**1.29**	**701.48**	**-**
Eliminated on disposal of assets	-	-	-	-	-	-	-	-	-	1.79	-	-	1.79	-
Depreciation charge	-	4.61	87.00	21.28	18.76	0.91	1.99	0.41	1.14	3.30	0.96	6.51	146.87	-
Balance at 31st March, 2021	**-**	**18.72**	**579.40**	**80.89**	**49.09**	**49.08**	**9.34**	**6.23**	**9.25**	**28.69**	**8.07**	**7.80**	**846.56**	**-**
Net carrying value as on 31st March, 2021	**-**	**380.24**	**614.04**	**226.94**	**64.39**	**7.49**	**7.16**	**1.12**	**1.87**	**8.77**	**3.68**	**18.69**	**1,334.36**	**96.95**

(₹ in Million)

Particulars	Freehold Land	Leasehold land	Plant and Machinery	Buildings	Electrical Installation	Piping	laboratory equipments	Office Equipment	Computers	Vehicles	Furniture & Fixtures	Right to use Asset	Total	Capital work-in-progress
Gross Carrying Value (At Deemed Cost)														
Balance at 1st April, 20201	**-**	**398.97**	**1,193.44**	**307.83**	**113.48**	**56.57**	**16.50**	**7.33**	**11.11**	**37.45**	**11.75**	**26.49**	**2,180.92**	**96.95**
Additions	2.65	232.24	222.01	221.16	32.57	-	15.63	17.20	2.43	43.51	7.82	8.48	805.70	124.71
Disposals	-	-	41.37	1.44	0.12	3.20	6.89	1.03	2.99	2.39	0.60	11.11	71.14	79.37
Balance at 31st March, 2022	**2.65**	**631.21**	**1,374.08**	**527.55**	**145.93**	**53.37**	**25.24**	**23.50**	**10.55**	**78.57**	**18.97**	**23.86**	**2,915.48**	**142.29**
Accumulated depreciation and impairment														
Balance at 1st April, 2021	-	18.72	579.40	80.89	49.09	49.08	9.34	6.23	9.25	28.69	8.07	7.80	846.56	-
Eliminated on disposal of assets	-	-	40.36	1.05	0.02	2.55	6.57	0.97	2.84	2.28	0.57	5.95	63.16	-
Depreciation charge	**-**	**5.99**	**91.49**	**56.67**	**18.56**	**0.74**	**3.53**	**2.24**	**1.61**	**7.61**	**1.71**	**7.67**	**197.82**	**-**
Balance at 31st March, 2022	**-**	**24.71**	**630.53**	**136.51**	**67.63**	**47.27**	**6.30**	**7.50**	**8.02**	**34.02**	**9.21**	**9.52**	**981.22**	**-**
Net carrying value as on 31st March, 2022	**2.65**	**606.50**	**743.55**	**391.04**	**78.30**	**6.10**	**18.94**	**16.00**	**2.53**	**44.55**	**9.76**	**14.34**	**1,934.26**	**142.29**

FOOT NOTES:

1. Capital work in progress

Capital work in progress comprises expenditure for the plant and factory building in the course of construction.

(₹ in Million)

CWIP (As on 31st March 2021)	Amount in CWIP for a period of				Total
	Less than 1 year	1-2 years	02 to 03 years	More than 3 years	
Projects in progress	96.95	-	-	-	96.95
Projects temporarily suspended	**-**	**-**	**-**	**-**	**-**

(₹ in Million)

CWIP (As on 31st March 2022)	Amount in CWIP for a period of				Total
	Less than 1 year	1-2 years	02 to 03 years	More than 3 years	
Projects in progress	124.96	17.57	-	-	142.53
Projects temporarily suspended	**-**	**-**	**-**	**-**	**-**

2. Contractual Obligatio

Refer note 33 (B) on disclosure of contractual commitments for the acquisition of Property, Plant & Equipment.

3. Property, Plant & Equipment taken on finance lease

The Property, Plant & Equipment includes leasehold land where the company is a lessee under finance lease. The lease term in respect of leasehold land is long term lease with ability to opt for renewal of the lease term.

4. During the previous year ABFL has released its charge on land at Sarigam (Further refer note 15D)

NOTE 5. INVESTMENTS

(₹ in Million)

Particulars		As at 31st March, 2022	As at 31st March, 2021
Non Current			
Investments in equity instruments (un-quoted) At Deemed Cost			
2,000 (As at 31st March, 2021, 2000) Equity Shares of The Shamrao Vithal Co-op. Bank Ltd.		0.05	0.05
1,000 (As at 31st March, 2021, 1,000) Equity shares of Matrubhumi Co-op. Credit Society Limited		0.10	0.10
	A)	**0.15**	**0.15**
Investments in equity instruments (At fair value through profit / loss) (quoted):			
41 (As at 31st March, 2021, 41) Equity Shares of United Phosphorus Ltd.		0.03	0.03
200 (As at 31st March, 2021, 200) Equity Shares of Aditya Birla Money Ltd.		0.01	0.01
500 (As at 31st March, 2021, 500) Equity Shares of Gujarat State Financial Corporation Ltd. *		-	-
	B)	**0.04**	**0.04**
Investments in Debt instruments (At fair value through OCI) (quoted):			
Nil Units of Aditya Birla Sunlife Mutual Fund (As at 31st March, 2021, 156351.222)		-	80.73
19,99,900.005 (As at 31st March, 2021 19,99,900.005) Units of Baroda Banking & PSU Bond Fund		21.02	20.00
	C)	**21.02**	**100.73**
Other Investment (un-quoted)			
National Savings Certificates [Lodged with Government Departments as security]		0.06	0.06
	D)	**0.06**	**0.06**
Total Non Current Investments (A+B+C+D)		**21.27**	**100.98**
Aggregate amount of quoted investments		**21.06**	**100.77**
Aggregate amount of un-quoted investments		**0.21**	**0.21**

* Value less than ₹.10,000 is stated at Zero

NOTE 6. FINANCIAL ASSETS

(₹ in Million)

Particulars	As at 31st March, 2022	As at 31st March, 2021
Non-current		
Bank balances (Refer Footnote)		
- Balance with bank held as margin money	38.23	42.50
Security deposits	75.39	68.00
Advance Rental Credit	0.10	0.05
Total	**113.72**	**110.55**

Footnote:
Balances with bank in fixed deposits are kept as security for guarantees / other facilities.

(₹ in Million)

Particulars	As at 31st March, 2022	As at 31st March, 2021
Current		
Security deposits	18.25	17.59
Interest Accrued and Due	0.69	1.64
Fair value of foreign exchange derivative assets	0.61	0.67
Advance Rental Credit	0.01	0.07
Total	**19.56**	**19.97**

NOTE 7. DEFERRED TAX ASSETS (NET)

The following is the analysis of deferred tax asset / (liabilities) presented in the balance sheet

(₹ in Million)

Particulars	As at 31st March, 2022	As at 31st March, 2021
Deferred Tax Asset	41.79	38.27
Deferred Tax Liability	(13.73)	(28.07)
Total	**28.06**	**10.20**

2021 - 2022

(₹ in Million)

Deferred tax assets / (liabilities) in relation to:	Opening Balance	Recognised in profit or loss	Recognised in Other Comprehensive Income	Closing Balance
Property, Plant and Equipment	(27.15)	13.42	-	(13.73)
Provisions	12.00	(9.78)	-	2.22
Impairment Allowance for trade receivables	25.47	13.44	-	38.91
Fair Valuation of Investment	(0.92)	-	1.19	0.27
Time value of derivatives designated as cash flow hedges	0.46	-	(0.10)	0.36
Others	0.34	(0.94)	0.64	0.04
Total	**10.20**	**16.13**	**1.72**	**28.06**

2020-2021

(₹ in Million)

Deferred tax assets / (liabilities) in relation to:	Opening Balance	Recognised in profit or loss	Recognised in Other Comprehensive Income	Closing Balance
Property, Plant and Equipment	(20.66)	(6.49)	-	(27.15)
Provisions	3.41	8.59	-	12.00
Impairment Allowance for trade receivables	1.61	23.86	-	25.47
Fair Valuation of Investment	(0.52)	(0.40)	-	(0.92)
Time value of derivatives designated as cash flow hedges	-	-	0.46	0.46
Others	0.07	0.05	0.22	0.34
Total	**(16.09)**	**25.61**	**0.68**	**10.20**

NOTE 8. CURRENT ASSETS

(₹ in Million)

Particulars	As at 31st March, 2022	As at 31st March, 2021
Non-current		
Capital Advances (Unsecured, considered good)	59.86	97.01
Total	**59.86**	**97.01**
Current (Unsecured, considered good)		
Advance to Suppliers	33.71	38.83
Balance with Revenue Authorities	465.64	555.20
Prepaid Expense	9.40	5.38
Others	5.98	7.25
Total	**514.73**	**606.66**

NOTE 9. INVENTORIES

(₹ in Million)

Particulars	As at 31st March, 2022	As at 31st March, 2021
No. . Financial assets		
Inventories (lower of cost or net realisable value)		
Raw materials	653.90	551.12
Work In Progress	87.22	116.67
Finished Goods (Includes Stock in transit ₹ 14.78 Million As at 31st March 2022 (₹ 3.04 Million As at 31st March 2021)	1,671.83	914.01
Packing materials	115.09	58.69
Stores and Spares	29.35	19.37
Total	**2,557.39**	**1,659.86**

NOTE 10. TRADE RECEIVABLES

(₹ in Million)

Particulars	As at 31st March, 2022	As at 31st March, 2021
Unsecured but considered good	**4,423.95**	**3,465.37**
Trade Receivables which have significant increase in Credit Risk	168.47	115.73
Trade Receivables - credit impaired	100.90	96.74
Less: Impairment loss allowance	224.52	171.10
Less: Bills discounted	372.35	89.11
Total	**4,096.45**	**3,417.62**

THE TRADE RECEIVABLES AGEING SCHEDULE FOR THE YEAR ENDED ON 31ST MARCH, 2022 AS FOLLOWS:

(₹ in Million)

PARTICULARS	Less than 6 months	6 month to 1 Year	1 Year to 2 Year	2 Year to 3 Year	More than 3 Year	Total
Undisputed Trade receivables						
– considered good	3,833.45	297.04	65.00	4.72	223.74	4,423.95
– which have significant increase in credit risk	53.45	31.65	7.96	2.88	27.68	123.62
- credit impaired	-	-	-	-	-	-
Disputed Trade Receivables						
- considered good	-	-	-	-	-	-
- which have significant increase in credit risk	-	3.49	14.73	1.98	24.64	44.85
- credit impaired	-	-	4.16	96.74	-	100.90
	3,886.90	**332.18**	**91.86**	**106.32**	**276.06**	**4,693.32**

Less: Impairment loss allowance	(168.47)
	4,524.85
Less: Bills discounted	(372.35)
	4,152.50

THE TRADE RECEIVABLES AGEING SCHEDULE FOR THE YEAR ENDED ON 31ST MARCH, 2021 AS FOLLOWS:

(₹ in Million)

Particulars	Less than 6 months	6 month to 1 Year	1 Year to 2 Year	2 Year to 3 Year	More than 3 Year	Total
Undisputed Trade receivables						
– considered good	2,952.13	310.56	116.69	3.05	82.94	3,465.37
– which have significant increase in credit risk	29.60	19.46	5.11	11.30	8.90	74.37
- credit impaired	-	-	-	-	-	-
Disputed Trade Receivables						
- considered good	-	-	-	-	-	-
- which have significant increase in credit risk	-	14.73	1.98	5.64	19.00	41.36
- credit impaired				96.74	-	96.74
	2,981.74	**344.75**	**123.78**	**116.73**	**110.84**	**3,677.83**
Less: Impairment loss allowance						(171.10)
						3,506.73
Less: Bills discounted						(89.11)
						3,417.62

"i) No trade receivable due from directors or other officers of the company either severally or jointly with any other person. Nor any trade receivable are due from firms or private companies in which any director is a partner, or a director or a member."

ii)Trade receivable are non- interest bearing and generally on terms of 30 to 120 days

NOTE 11. CASH AND CASH EQUIVALENTS

(₹ in Million)

Particulars	As at 31st March, 2022	As at 31st March, 2021
Balances with banks:		
- in current accounts (in P.Y. it includes ₹ 81.87 Million in IPO Escrow Account)	222.57	346.06
- in deposit with maturity of less than three months	726.53	500.51
Cash on hand	0.86	1.23
Total	**949.96**	**847.80**

NOTE 12. BANK BALANCE OTHER THAN CASH AND CASH EQUIVALENTS

(₹ in Million)

Particulars	As at 31st March, 2022	As at 31st March, 2021
- Balance with bank held as margin money	**144.93**	**131.16**
- Fixed deposits with original maturity of more than 3 months but less than 12 months	103.82	-
Total	**248.75**	**131.16**

NOTE 13. EQUITY SHARE CAPITAL

(₹ in Million)

Particulars	As at 31st March, 2022	As at 31st March, 2021
Authorised Share Capital:		
4,50,00,000 (As at 31st March, 2021: 4,50,00,000) Equity Shares of ₹ 10/- each	450.00	450.00
Issued and subscribed capital:		
4,00,13,467 (As at 31st March, 2021: 4,00,13,467) Equity Shares of ₹ 10/- each fully paid up	400.13	400.13
	400.13	**400.13**

A) RECONCILIATION OF NUMBER OF EQUITY SHARE OUTSTANDING AT THE BEGINNING AND AT THE END OF THE YEAR

(₹ in Million)

Particulars	Number of shares	Share Capital
Fully paid equity shares		
Balance at 1st April, 2020	3,90,56,530	390.56
Increase/ (Decrease) during the year	9,56,937	9.57
Balance at 31st March, 2021	4,00,13,467	400.13
Increase/ (Decrease) during the year/Bonus shares	-	
Balance at 31st March, 2022	**4,00,13,467**	**400.13**

B) INITIAL PUBLIC OFFER

During the previous year the company completed the Initial Public offer ("the offer/IPO") of 99,71,937 Equity Shares of Face Value of ₹ 10/- each at a price of ₹ 627/- per equity share (including a premium of ₹ 617/- per share)

The offer comprised of a fresh issue of 9,56,937 equity shares aggregating to ₹ 600 Million and an offer for sale of 90,15,000 equity shares aggregating to ₹ 5,652.40 Million.

Of the Proceeds received from the Fresh issue of shares amounting to ₹ 600 Million after adjusting ₹ 17.20 Million towards Company's share of IPO expenses, has been used by the company for the working capital requirement of the company.

Amount unutilised as on 31.03.2022 - NIL. Amount unutilised as on 31.03.2021 amounting to ₹ 500.51 Million is kept as fixed deposit in bank."

C) AGGREGATE NUMBER OF EQUITY SHARES ISSUED AS BONUS, SHARES ISSUED FOR CONSIDERATION OTHER THAN CASH AND SHARES BOUGHT BACK DURING THE PERIOD OF FIVE YEARS IMMEDIATELY PRECEDING THE REPORTING DATE:

During the year ended March 31, 2019, the bonus issue in the proportion of 4:1 i.e.4 (Four) bonus equity share of ₹ 10 each for every 1 (One) fully paid-up equity shares held was approved by the shareholders of the Company on .09th July, 2018 through voting at the Meeting by show of hands. Subsequently, on 09th July,2018, the Company allotted 3,12,45,224 (Three Crore Twelve Lakh Forty Five Thousand Two Hundred Twenty Four) equity shares to shareholders who held equity shares as on the record date of 09th July,2018 and ₹ 312.45 Million (representing par value of ₹ 10 per share) was transferred from securities premium and retained earnings to the share capital.

D) TERMS / RIGHTS ATTACHED TO EQUITY SHARES

The company has a single class of equity shares having a par value of ₹10 per share. Each shareholder of equity share is entitled to one vote per share. The company declares and pays dividend in Indian rupees.

In the event of liquidation of the company, the holders of equity shares will be entitled to receive the remaining assets of the company in proportion to the number of equity shares held by each shareholder, after settlement of all preferential obligations.

E) DETAILS OF SHAREHOLDERS HOLDING MORE THAN 5% EQUITY SHARES IN THE COMPANY

(₹ in Million)

Particulars	As at 31st March, 2022		As at 31st March, 2021	
Fully paid equity shares				
Mr. Sadashiv K. Shetty	72,01,796	18.00%	72,01,796	18.00%
Mr. Raghuram K. Shetty	1,18,49,946	29.61%	1,18,49,946	29.61%
Mrs. Sujata S. Shetty	32,30,400	8.07%	32,30,400	8.07%
Mrs. Vanita R. Shetty	20,18,000	5.04%	20,18,000	5.04%

F) DETAILS OF PROMOTERS SHAREHOLDERS HOLDING IN EQUITY SHARES OF THE COMPANY

For the year ended March 31, 2022

S. No	Promoter Name	No. of Shares	%of total shares	% Change during the year
Promoters				
1	Sadashiv K Shetty	72,01,796	18.00%	-
2	Raghuram K Shetty	1,18,49,946	29.61%	-
Promoters Group				
3	Sujata S Shetty	32,30,400	8.07%	-
4	Vanita R Shetty	20,18,000	5.04%	-
5	Sams Industries Ltd	8,61,288	2.15%	0.62%
6	Raghuram K Shetty HUF	13,80,000	3.45%	-
7	Shreya S Shetty	9,42,500	2.36%	-
8	Shriraj S Shetty	8,42,500	2.11%	-
9	Raunak R Shetty	6,36,250	1.59%	-
10	Roshan R Shetty	6,36,250	1.59%	-
11	Sadashiv K Shetty HUF	3,20,600	0.80%	-

For the year ended March 31, 2021

S. No	Promoter Name	No. of Shares	%of total shares	% Change during the year
Promoters				
1	Sadashiv K Shetty	72,01,796	18%	(15.42%)
2	Raghuram K Shetty	1,18,49,946	29.61%	(6.54%)
Promoters Group				
3	Sujata S Shetty	32,30,400	8.07%	(0.20%)
4	Vanita R Shetty	20,18,000	5.04%	(0.12%)
5	Sams Industries Ltd	6,13,288	1.53%	(2.12%)
6	Raghuram K Shetty HUF	13,80,000	3.45%	(0.08%)
7	Shreya S Shetty	9,42,500	2.36%	(0.05%)
8	Shriraj S Shetty	8,42,500	2.11%	(0.05%)
9	Raunak R Shetty	6,36,250	1.59%	(0.04%)
10	Roshan R Shetty	6,36,250	1.59%	(0.04%)
11	Sadashiv K Shetty HUF	3,20,600	0.80%	(0.02%)

NOTE 14. OTHER EQUITY

(₹ in Million)

Particulars	As at 31st March, 2022	As at 31st March, 2021
Securities premium		
Balance at the beginning of the year	581.78	4.22
Add : Addition during the year	-	590.43
	581.78	**594.65**
Less : IPO expenses (Net of Tax) (Refer footnote)	-	12.87
Balance at the end of the year	**581.78**	**581.78**

Footnote:

During the previous year, the company has incurred ₹ 179.19 Million (net of GST) as IPO related expenses and allocated such expenses between the Company ₹ 17.20 Million and selling Shareholders ₹ 161.99 Million. Such amounts were allocated based on agreement between the various parties and in proportion to the total proceeds in the IPO. The Company's share of expenses ₹ 12.87 Million (net of taxes) has been adjusted to security premium

The Company has issued and allotted during the year ended 31/03/2019, 3,12,45,224 equity shares of ₹ 10 each as a bonus shares in the ratio of four equity shares for every one equity share held by the members.

GENERAL RESERVE

(₹ in Million)

Particulars	As at 31st March, 2022	As at 31st March, 2021
Balance at the beginning of the year	**407.50**	**357.50**
Add / (Less) :		
Additions During the year	60.00	50.00
Balance at the end of the year	**467.50**	**407.50**
Capital Redemption Reserve		
Balance at the beginning of the year	**2.51**	**2.51**
Add / (Less) :		
Transfer from Retain Earnings	-	-
Balance at the end of the year	**2.51**	**2.51**
Retained Earnings		
Balance at the beginning of the year	**3,889.42**	**2,453.70**
Profit For the Year	1,891.25	1,544.30
Less: Appropriation		
Transfer to general reserve	60.00	50.00
Dividend - equity shares	28.01	58.58
Balance at the end of the year	**5,692.66**	**3,889.42**
Total	**6,744.45**	**4,881.21**

SECURITY PREMIUM :

Security Premium represents the premium received o issue of shares. It can be utilised to pay-off equity related expenses or for issuance of bonus shares and its related issue expenses.

GENERAL RESERVE

Under the erstwhile Companies Act 1956, general reserve was created through an annual transfer of net income at a specified percentage in accordance with applicable regulations. The purpose of these transfers was to ensure that if a dividend distribution in a given year is more than 10% of the paid up share capital of the Company for that year, then the total dividend distribution is less than total distributable reserve for that year. Consequent to introduction of the Companies Act 2013, the requirement to mandatorily transfer a specified percentage of net profit to general reserve has been withdrawn. However the amount previously transferred to the general reserve can be utilised only in accordance with the specific requirements of the Companies Act, 2013.

CAPITAL REDEMPTION RESERVE

Capital redemption reserve represents the amount of profits transferred from general reserve for the purpose of redemption of preference shares or for the buyback of shares.

NOTE 15. BORROWINGS

(₹ in Million)

Particulars	As at 31st March, 2022	As at 31st March, 2021
Current		
Secured		
From Banks:		
- Cash Credit (Refer note A)	-	-
- Foreign Currency Loan (Refer note B)	410.12	303.11
- Packing Credit (Refer note C)	113.17	199.68
Total	**523.29**	**502.79**

Notes

A Cash Credit - Bank Of Baroda
Sanctioned Limit ₹ 747.5 Million, Interest rate 9.35% p.a. (Previous year 747.50 Million, Interest rate 9.90% p.a.)

B. Foreign Currency Loan - Bank of Baroda :- is a sublimit of ₹600 Million sanctioned under overall Cash Credit limit of ₹ 747.50 Million (Previous year 747.50 Million) Interest rate ranging from 2.75% to 3.10% p.a.

C. Packing Credit - Bank of Baroda
Sanctioned limit ₹ 500.00 Million Interest rate ranging from 1.25% to 1.85% p.a.
(Previous year sanction limit ₹ 200.00 Million , Interest rate 1.52% p.a.)
Above cash credit and packing credit limits are secured by way of exclusive first charge on hypothecation of entire inventories, Book debts and other current assets present & future.

The above facilities are secured as follows,

a. Pari pasu First charge on the current financial assets of the company.
b. Parri pasu Equitable Mortgage of all land and buildings and hypothecation of plant and machinery situated at factories.
c. Joint and several guarantee by all directors of the Company in individual capacity.

During the previous year Bank of Baroda has sanctioned to the company credit facilities totaling to ₹ 1600 Million by taking over credit facilities granted to the company by consortium of bankers namely Corporation Bank and Syndicate Bank amounting to ₹ 1207.10 Million with enhancement of ₹ 392.90 Million.

D. During the FY 2019-20, related parties of the company namely Insunt Trading Pvt Ltd (Borrower) and Shakti Bio Science Limited (Co Borrower) along with the company as a co borrower had entered into an borrowing arrangement for a term loan of ₹ 350 Million with Aditya Birla Finance Limited (ABFL) ["The Lender"] to discharge the liabilities of Shakti Bioscience Limited to its Banker in its capacity as a Co-borrower (Balance outstanding as on 31/03/2022 for ₹Nil (P.Y. ₹ 288.70 Million).

As a co borrower, Company has provided following security to the lender,

i) Put option on the company, if default happens
ii) Lien on units invested in Aditya Birla Sunlife Mutual Fund amounting to ₹ 75.01 Million.
iii) First charge on Land situated at Sarigam
iv) Personal Guarantee of Chairman and his family members

Tenure of the loan is 60 months from date of first disbursement and Interest rate is 11.75% P.A.

During the previous year ABFL has released its charge on land at Sarigam and hypothecation on current assets and lien on Investment in Aditya Birla Sunlife Mutual Fund referred in Note 15(D)(ii) above. The Loan to ABFL is since repaid fully and the company has received No Due Certificate for the same on 28th April, 2021.

Disclosure related to Statement submitted to bank and amount disclsoed in financial statement.

(₹ in Million)

Quarter	Name of bank	Particulars of Securities Provided	Amount as per books of account	Amount as reported in the quarterly return/ statement	Amount of difference	Reason for material discrepancies
June-21	Bank of Baroda	Book Debt	4,499.07	4,423.30	75.77	Refer Foot Note 4
September-21	Bank of Baroda	Book Debt	4,841.83	5,040.50	(198.67)	
December-21	Bank of Baroda	Book Debt	5,088.82	5,298.20	(209.38)	

Foot Note:

1 The quarterly statements of inventories filed by the company with the bank are in agreement with the books of acounts.

2 The quarterly statements of inventories and trade recievables for the quarted ended 31st March 2022 are yet to be filed with bank as on date.

3 The securities of the company got listed on the stock exchange on 05th March, 2021. The company was not required to compile and report quarterly accounts in the previous year ended March 2021, hence comparative figures have not been disclosed.

4 Quarterly book debt statement submitted to the bank are subject to adjustment towards credit balances of parties (towards purchase of Materials) and exchange flactuation .

NOTE 16. OTHER FINANCIAL LIABILITIES

(₹ in Million)

Particulars	As at 31st March, 2022	As at 31st March, 2021
Non-current		
Security Deposit from Dealers (Interest bearing @ 9% p.a)	70.85	66.41
Total	**70.85**	**66.41**
Current		
Interest accrued and due	38.51	34.98
Other payables	137.68	248.29
Total	**176.19**	**283.27**

NOTE 17. PROVISIONS

(₹ in Million)

Particulars	As at 31st March, 2022	As at 31st March, 2021
Non-current		
Employee Benefits		
Provision for leave benefit	22.83	22.43
Provision for Gratuity	55.80	48.25
Total	**78.63**	**70.68**
Current		
Employee Benefits		
Provision for leave benefit	7.87	7.00
Provision for Gratuity	6.00	6.00
Total	**13.87**	**13.00**

NOTE 18. TRADE PAYABLES

(₹ in Million)

Particulars	As at 31st March, 2022	As at 31st March, 2021
Total outstanding dues of micro enterprises and small enterprises	95.52	56.69
Total outstanding dues of creditors other than micro enterprises and small enterprises	2336.86	1,899.13
Total	**2432.38**	**1,955.82**

OUTSTANDING FOR FOLLOWING PERIODS FROM TRANSACTION DATE FOR THE YEAR ENDED MARCH 2022.

(₹ in Million)

Particulars	Less than 1 year	1 Year to 2 Year	2 Year to 3 Year	More than 3 Year	Total
(i) MSME	95.52	-	-	-	95.52
(ii) Others	2257.07	24.73	10.00	4.98	2296.78
(iii) Disputed dues – Others	-	31.18	-	8.90	40.08

OUTSTANDING FOR FOLLOWING PERIODS FROM TRANSACTION DATE FOR THE YEAR ENDED MARCH 2021

(₹ in Million)

Particulars	Less than 1 year	1 Year to 2 Year	2 Year to 3 Year	More than 3 Year	Total
(i) MSME	56.69	-	-	-	56.69
(ii) Others	1,611.36	237.38	0.83	9.47	1,859.05
(iii) Disputed dues – Others	31.18	-	-	8.90	40.08

Trade payables are non interest bearing and normally settled on 30 to 90 days

Dues to Micro & Small Enterprises have been determined to the extent such parties have been identified on the basis of information collected by the Management. This has been relied upon by the auditor. Moreover the Company is in the process of updating its suppliers data, as to the status as a Micro Small & Medium Enterprise with a copy of the Memorandum filed as per the provisions of Section 8 of the Micro Small & Medium Enterprises Development Act, 2006.

(₹ in Million)

Particulars	As at 31st March, 2022	As at 31st March, 2021
The principal amount and the interest due thereon remaining unpaid to any supplier as at the end of each accounting year :		
Principal	95.52	56.69
Interest	-	-
Interest paid by the buyer along with amount of payment made to the suppliers beyond the appointed day during the year.	0.03	0.02
Interest due and payable towards payments already made	-	-

The amount of interest accrued and remaining unpaid at the end of each accounting year, and	-	-
Further interest remaining due and payable in succeeding years, until such interest is actually paid	-	-

NOTE 19. CURRENT TAX LIABILITIES (NET)

(₹ in Million)

Particulars	As at 31st March, 2022	As at 31st March, 2021
Current tax assets	-	-
Current tax liabilities	(37.59)	(88.37)
Total	**(37.59)**	**(88.37)**

INCOME TAX EXPENSES

(₹ in Million)

Particulars	As at 31st March, 2022	As at 31st March, 2021
(a) Current Tax		
Tax for the year	678.00	567.00
Tax in respect of earlier years	-	0.57
Total Current Tax Expenses	678.00	567.57
Deferred Tax Expenses	(16.13)	(26.98)
Income Tax expense	661.87	540.59
(b) Reconciliation of tax expense and the accounting profit multiplied by the Company's tax rate		
Profit for the Year	2,552.50	2,082.85
Applicable Rate of Tax		
Income tax expense calculated at 25.168% (P.Y. @25.168%)	642.41	524.21
Tax effects of amounts that are not deductible (taxable) in calculating taxable income:		
Effect of expenses that are not deductible in determining taxable profit	74.82	83.24
Effect of expenses that are deductible in determining taxable profit	(42.29)	(41.22)
Effect on deferred tax due to timing difference (Refer Note 7)	(16.13)	(26.98)
Adjustments for current tax of prior periods	-	0.57
Others	3.05	0.77
Income tax expense	**661.87**	**540.59**

NOTE 20. OTHER LIABILITIES

(₹ in Million)

Particulars	As at 31st March, 2022	As at 31st March, 2021
Current		
Advance against orders	117.53	77.11
Other payables :		
Statutory liabilities	8.62	19.18
Employee Benefits Payable	66.44	54.88
Total	**192.59**	**151.17**

NOTE 21. REVENUE FROM OPERATIONS

(₹ in Million)

Particulars	As at 31st March, 2022	As at 31st March, 2021
Sale from operations :		
Sale of Goods	14,344.80	11,859.41
Sale of Traded Goods	4.41	160.83
	14,349.21	**12,020.24**

Other operating revenue :		
Export Incentive	**154.52**	**166.23**
Total	**14,503.73**	**12,186.47**

NOTE 22. OTHER INCOME

(₹ in Million)

Particulars		As at 31st March, 2022	As at 31st March, 2021
Interest Income		18.22	7.19
Dividend Income		0.03	-
Foreign Exchange Fluctuation Gain (Net)		133.73	51.99
Gain/(Loss) Fair Valuation of Investment		0.01	0.02
	(A)	**151.99**	**59.20**
Other gains and losses			
Surplus on sale of fixed assets		0.19	0.45
Profit on sale of investment		1.71	3.81
	(B)	**1.90**	**4.26**
Miscellaneous income	(C)	39.61	6.84
Total	**(A+B+C)**	**193.50**	**70.30**

IND AS 115 REVENUE FROM CONTRACTS WITH CUSTOMERS

(₹ in Million)

Particulars	As at 31st March, 2022	As at 31st March, 2021
Revenue from customers	14,349.21	12,020.24
Other operating revenue	154.52	166.23
Total revenue from operations	**14,503.73**	**12,186.47**
India	8,333.91	6,378.08
Outside India	6,169.82	5,808.39
Total revenue from operations	**14,503.73**	**12,186.47**
Timing of revenue recognition		
At a point in time	14,503.73	12,186.47
Total revenue from operations	**14,503.73**	**12,186.47**

CONTRACT BALANCES

(₹ in Million)

Particulars	As at 31st March, 2022	As at 31st March, 2021
Trade Receivables (Gross) (refer note 10)	4,423.95	3,465.37
Contract liabilities		
Advance from customers (refer note 20)	117.53	77.11

The credit period on sales of goods ranges from 30 to 120 days with or without security.

As at 31st March, 2022, ₹ 224.52 Million (As at 31st March, 2021 ₹ 171.10 Million) was recognised as provision for allowance for doubtful debts on trade receivables.

Amount of revenue recognized from amounts included in the contract liabilities at As at 01st April, 2021 ₹ 77.11 Million (As at 31st March, 2021 ₹ 98.52 Million)

Out of the total contract liabilities outstanding as on 31st March, 2022, ₹ 117.53 Million will be recognized by 31st March, 2023.

RECONCILIATION OF REVENUE FROM OPERATIONS WITH CONTRACT PRICE

(₹ in Million)

Particulars	As at 31st March, 2022	As at 31st March, 2021
Contract Price	15,314.85	12,998.57
Less:		
Sales Returns	628.16	594.66
Discounts	182.96	217.44
Total Revenue from operations	**14,503.73**	**12,186.47**

NOTE 23. COST OF MATERIALS CONSUMED

(₹ in Million)

Particulars	Year ended 31st March, 2022	Year ended 31st March, 2021
Opening Stock	609.81	543.95
Add : Purchases	10,189.37	7,849.25
Less : Closing stock	768.99	609.81
Total	**10,030.19**	**7,783.39**

NOTE 24. CHANGES IN INVENTORIES OF FINISHED GOODS AND WORK-IN-PROGRESS

(₹ in Million)

Particulars		Year ended 31st March, 2022	Year ended 31st March, 2021
	Opening Stock of Finished Goods	914.01	832.60
	Opening Stock of Work In Progress	116.67	69.14
		1,030.68	**901.74**
Less :	Closing Stock of Finished Goods	1,671.83	914.01
	Closing Stock of Work In Progress	87.22	116.67
		1,759.05	**1,030.68**
	Total	**(728.37)**	**(128.94)**

NOTE 25. EMPLOYEE BENEFIT EXPENSES

(₹ in Million)

Particulars	Year ended 31st March, 2022	Year ended 31st March, 2021
Salaries, wages and bonus, etc.	535.29	467.25
Contribution to provident and other funds	26.94	25.63
Staff welfare expenses	22.26	28.93
Total	**584.49**	**521.81**

NOTE 26. FINANCE COSTS

(₹ in Million)

Particulars	Year ended 31st March, 2022	Year ended 31st March, 2021
Interest on :		
- Cash Credits & PCFC	10.58	19.81
- Bill Discounting	2.79	1.67
- Interest on statutory Dues	1.61	0.67
Other interest expense	25.77	31.82
Total	**40.75**	**53.97**

NOTE 27. DEPRECIATION AND AMORTISATION EXPENSES

(₹ in Million)

Particulars	Year ended 31st March, 2022	Year ended 31st March, 2021
Depreciation of property, plant and equipment	197.82	146.87
Total	**197.82**	**146.87**

NOTE 28. OTHER EXPENSES

(₹ in Million)

Particulars	Year ended 31st March, 2022	Year ended 31st March, 2021
Consumption of Stores and Spares	208.95	226.57
Repairs & Maintenance to:		
- Machinery	36.59	35.90
- Building	4.34	0.62
- Vehicle	1.68	0.85
- Others	14.35	6.91
Insurance	19.81	19.72
Rent, Rates and taxes	16.33	15.23
Donations	2.83	0.40
Allowances for doubtful debts	53.42	101.20
Payment to Auditor (Refer Note a)	4.00	4.05
Power and Fuel	659.91	483.96
Freight	371.85	303.33
Corporate Social Responsibility	30.65	35.51
Loss on discard of assets	2.74	-
Other expenses	588.17	422.01
Total	**2,015.62**	**1,656.26**

A) PAYMENT TO AUDITORS

(₹ in Million)

Particulars	Year ended 31st March, 2022	Year ended 31st March, 2021
As Auditor :		
- Audit fees	3.25	3.25
In other capacity :		
- Other services (Certification fees)	0.75	0.80
	4.00	**4.05**

B) CORPORATE SOCIAL RESPONSIBILITY

(₹ in Million)

	Particulars	Year ended 31st March, 2022	Year ended 31st March, 2021
	Gross amount required to be spent by the company during the year.	30.68	21.89
	Amount spent during the year on:		
(i)	Construction/acquisition of any asset	-	-
(ii)	On purposes other than (i) above	30.65	35.51

The additional disclosures included with regard to CSR activities are summarized below:-

(₹ in Million)

	Particulars	Year ended 31st March, 2022	Year ended 31st March, 2021
(i)	The amount of shortfall at the end of the year out of the amount required to be spent by the Company during the year;	0.03	(13.62)
(ii)	The total of previous years' shortfall / (Excess) amounts;	(0.11)	13.51
(iii)	The reason for above shortfalls by way of a note;	-	-
(iv)	(Excess) / Shortfall Payment at the end of the year	(0.08)	(0.11)
(v)	The nature of CSR activities undertaken by the Company.	Education, Health, Relief and Wellness of SC/ST, Minorities and Other Backward Communities	Education, Health, Relief and Wellness of SC/ST, Minorities and Other Backward Communities

NOTE 29. EARNING PER SHARE

Particulars	For Year ended 31st March, 2022	For Year ended 31st March, 2021
Basic and Diluted Earnings Per Share (in ₹)	47.25	39.41
The earnings and weighted average number of equity shares used in the calculation of basic earnings per share are as follows		
Profit for the year attributable to the Equity shareholders of the Company (₹ in Million)	1,890.63	1,542.26
Weighted average number of equity shares for the purposes of basic and diluted earnings per share (Nos. in Million)	40.01	39.14

NOTE 30. DISCLOSURE RELATING TO EMPLOYEE BENEFITS AS PER IND AS 19 'EMPLOYEE BENEFITS'

A. DEFINED BENEFIT OBLIGATION - GRATUITY

The Principal assumptions used for the purpose of the actuarial valuations were as follows,

(₹ in Million)

Particulars	31st March, 2022	31st March, 2021
Discount Rate	7.15%	6.86%
Expected rate of salary increase	8.00%	8.00%
Expected average remaining service	11.00	11.00
Service cost		
Current service cost	8.72	9.07
Past service cost and (gain)/loss from settlement	-	-
Net interest expense	3.72	3.38
Component of define benefit cost recognised in profit or loss	**12.44**	**12.45**
Actuarial (gains) / losses for the period		
Actuarial (gains) / losses arising from experience adjustments	4.23	(0.42)
Actuarial (gains) / losses arising from financial assumptions	(2.28)	(0.43)
Actuarial (gains) / losses arising from Demographic assumptions	0.02	-
Adjustment for restriction on the defined benefit asset	-	-
Return on plan assets (excluding amounts included in net interest expense)	(0.57)	(0.04)
Component of defined benefit cost recognised in OCI	**1.41**	**(0.89)**
Total	**11.03**	**13.34**
Present value of funded define benefit obligation at the end of period	94.29	82.15
Fair value of plan assets	(32.49)	(27.91)
Funded status	**61.80**	**54.25**

Net liability arising from define benefit obligation

Movement in PV of defined benefit obligation

(₹ in Million)

Particulars	31st March, 2022	31st March, 2021
Opening define benefit obligation	82.15	72.15
Current service cost	8.72	9.07
Interest cost	5.64	4.91
Remeasurement (gains) / (losses):		
Actuarial gains and losses arising from changes in demographic assumption	0.02	
Actuarial gains and losses arising from changes in financial assumption	(2.28)	(0.43)
Past Service Cost -(vested benefits)	-	
Actuarial gains and losses arising from changes in experience adjustment	4.23	(0.42)
Benefits paid	(4.20)	(3.13)
Closing define benefit obligation	**94.29**	**82.15**

Movements in fair value of plan assets		
Opening fair value of plan assets	27.91	22.49
Interest income	1.91	1.53
Return on plan assets (excluding amounts included in net interest expense)	(0.57)	0.04
Contribution from employer	7.43	6.98
Benefits paid	(4.20)	(3.13)
Closing fair value of plan assets	**32.49**	**27.91**
Asset Information:		**Total Amount**
Gratuity Fund		
LIC of India	32.49	27.91
Expected Payout:		
Year		**PVO Payout**
Expected Outgo First	10.51	9.57
Expected Outgo Second	5.22	4.69
Expected Outgo Third	5.43	4.50
Expected Outgo Fourth	7.22	5.63
Expected Outgo Fifth	6.35	6.46
Expected Outgo Sixth to Tenth Years	40.09	31.44

Sensitivity Analysis:

As of 31st March, 2022, every percentage point increase in discount rate will reduce our gratuity benefit obligation ₹ 7.44 Million

As of 31st March, 2022, every percentage point decrease in discount rate will increase our gratuity benefit obligation ₹ 8.59 Million

As of 31st March, 2022, every percentage point increase in salary escalation rate will increase our gratuity benefit obligation ₹ 8.26 Million

As of 31st March, 2022, every percentage point decrease in salary escalation rate will decrease our gratuity benefit obligation ₹ 7.43 Million

Sensitivity for significant actuarial assumptions is computed by varying one actuarial assumption used for the valuation of the defined benefit obligation by one percentage, keeping all other actuarial assumptions constant.

Expected Contribution as on 31st March, 2023 is ₹ 6.00 Million

Gratuity is a defined benefit plan and company is exposed to the Following Risks:

1 Salary Risk: The present value of the defined benefit plan liability is calculated by reference to the future salaries of members. As such, an increase in the salary of the members more than assumed level will increase the plan's liability.

2 Interest rate risk: A fall in the discount rate which is linked to the G.Sec. Rate will increase the present value of the liability requiring higher provision. A fall in the discount rate generally increases the mark to market value of the assets depending on the duration of asset.

3 Investment Risk: The present value of the defined benefit plan liability is calculated using a discount rate which is determined by reference to market yields at the end of the reporting period on government bonds. If the return on plan asset is below this rate, it will create a plan deficit. Currently, for the plan in India, it has a relatively balanced mix of investments in government securities, and other debt instruments.

4 Asset Liability Matching Risk: The plan faces the ALM risk as to the matching cash flow. Since the plan is invested in lines of Rule 101 of Income Tax Rules, 1962, this generally reduces ALM risk.

5 Mortality risk: Since the benefits under the plan is not payable for life time and payable till retirement age only, plan does not have any longevity risk.

6 Concentration Risk: Plan is having a concentration risk as all the assets are invested with the insurance company and a default will wipe out all the assets. Although probability of this is very less as insurance companies have to follow regulatory guidelines.

NOTES 31 : RELATED PARTY TRANSACTIONS

A. RELATIONSHIP

Enterprises over which key management personnel and their relatives exercise control	
a	Sams Industries Limited
b	Shakti Bioscience Limited
c	Heranba Agroscience Limited
d	Insunt Trading P Ltd.
Key Management Personnel and their Relatives	
a	Sadashiv K Shetty (Chairman and executive director)
b	Raghuram K Shetty (Managing director)

c	Sujata S Shetty (Whole time and executive director)
d	Vanita R Shetty (Whole time and executive director)
e	Shriraj S Shetty
f	Raunak R Shetty (Whole time and executive director)
g	Shreya Shetty
h	Roshan R Shetty
i	Sadashiv Shetty - HUF
j	Raghuram Shetty - HUF
k	Maheshwar V Godbole (CFO) upto 30.06.2021
l	Raj K Bafna (CFO) w.e.f. 1st July, 2021
m	Abdul Latif (Company Secretary)

B. TRANSACTIONS WITH RELATED PARTIES

(₹ in Million)

Sr. No.	Nature of transaction	Key management personnel, their relatives	Enterprises over which key management personnel and their relatives exercise control
i.	**Advance Given / Adjusted**		
	Shakti Bioscience Limited	-	-
		(-)	(17.02)
	Sams Industries Limited	-	-
		(-)	(11.78)
	Insunt Trading P Ltd.	-	-
		(-)	(18.15)
	Advance Received / Adjusted		
	Insunt Trading P Ltd.	-	-
		(-)	(27.04)
	Sams Industries Limited	-	-
		(-)	(11.80)
ii.	**Purchase of Goods / Jobwork / Other Expense**		
	Shakti Bioscience Limited	-	-
		(-)	(32.23)
	Professional Charges		
	Mrs. Shreya M. Shetty	1.80	-
		(1.80)	(-)
iii.	**Interest Received**		
	Insunt Trading P Ltd.	-	-
		(-)	(0.89)
iii.	**Payment of Dividend**		
	Interim Dividend		
	Sadashiv K Shetty	5.04	-
		(19.58)	(-)
	Raghuram K Shetty	8.29	-
		(21.18)	(-)
	Sujata S Shetty	2.26	-
		(4.85)	(-)
	Vanita R Shetty	1.41	-
		(3.03)	(-)
	Shriraj S Shetty	0.59	-
		(1.26)	(-)
	Raunak R Shetty	0.97	-
		(0.95)	(-)

	Shreya Shetty	0.66	-
		(1.41)	(-)
	Roshan R Shetty	0.45	-
		(0.95)	(-)
	Sadashiv K Shetty - HUF	0.22	-
		(0.48)	(-)
	Raghuram K Shetty - HUF	0.97	-
		(2.07)	(-)
	Sams Industries Limited	-	0.43
		(-)	(2.14)
iv.	**Remuneration of key management personnel**		
	Sadashiv K Shetty	15.53	-
		(15.55)	(-)
	Raghuram K Shetty	89.42	-
		(73.80)	(-)
	Sujata S Shetty	1.32	-
		(1.32)	(-)
	Vanita R Shetty	1.32	-
		(1.32)	(-)
	Shriraj S Shetty	2.92	-
		(1.45)	(-)
	Raunak R Shetty	2.42	-
		(1.45)	(-)
	Maheshwar V. Godbole	0.75	-
	CFO	(3.03)	(-)
	Raj K Bafna	3.98	-
	CFO	(-)	(-)
	Abdul Latif	2.51	-
	Company Secretary	(2.02)	(-)

C. OUTSTANDING AS AT BALANCE SHEET DATE

(₹ in Million)

Particulars		As at 31st March, 2022	As at 31st March, 2021
i.	Guarantee given by Directors to Bank	523.29	676.80
ii.	Security provide by the Company as a Co-borrower to Aditya Birla Finance Ltd.	-	288.75
a.	Previous year figures are given in brackets.		
b.	Related party relationships are as identified by the Company and relied upon by the auditors.		

NOTE 32: CONTINGENT LIABILITIES AND COMMITMENTS (NOT PROVIDED FOR) :

(₹ in Million)

Particulars		As at 31st March, 2022	As at 31st March, 2021
A	**Claims against the company not acknowledged as debts**		
1	Guarantees issued by bank	115.35	84.90
2	In respect of security provided to Aditya Birla Finance Limited for Loan availed by related party (Refer Note 14)	Nil	288.75
3	Disputed Excise Duty/ Custom Duty Demands	134.90	162.38
4	Disputed VAT Liability - UP state	4.50	4.50
	(deposited against appeal ₹ 2.25 Million)		
5	Bills discounted with Bank	372.35	89.11

6	Disputed Income Tax Liability (2018-19)	46.85	46.85
B	**Commitments**		
	Estimated amount of contracts remaining to be executed in Capital Account and not provided for (Net of Advance) i.e. the amount payable for the undelivered capital expenditure items.	162.53	76.39

NOTE 33. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Company's activities expose it to a variety of financial risks: market risk, credit risk and liquidity risk. The company's senior management oversees management of these risks. The Company's focus is to foresee the unpredictability of financial markets and seek to minimize potential adverse effects on its financial performance.

1) MARKET RISK

a) Foreign currency risk

Market risk is the risk that changes in market prices such as foreign exchange rates, interest rates and equity prices etc. The company operations involve foreign exchange transactions including mainly import, export, packing credit facilities and is exposed to foreign exchange risk arising from foreign currency transactions, primarily with respect to US$. Foreign currency risk arises from future commercial transactions and recognised in assets and liabilities denominated in foreign currency that is not company's functional currency. (i.e INR) The risk is measured through forecast of highly probable foreign currency cash flow.

Derivative contracts outstanding

(₹ in Million)

Particulars	Currency	As at 31st March, 2022	As at 31st March, 2021
Forward contracts to sell USD	USD	8.00	5.56

Uncovered risks in foreign currency transactions disclosed as at:

(₹ in Million)

Particulars	Currency	As at 31st March, 2022	As at 31st March, 2021
Borrowing (PCFC)	USD	1.49	2.73
Bank (EEFC)	USD	5.40	4.15
Trade Receivable	USD	12.98	17.66
Trade Payable	USD	6.08	4.66

Sensitivity

A change of 5% in Foreign currency would have following Impact on profit before tax (₹ in Million)

Particulars	As at 31st March, 2022		As at 31st March, 2021	
	5% Increase	5% Decrease	5% Increase	5% Decrease
USD (Receivables)	0.65	(0.65)	0.88	(0.88)
USD (Payables)	(0.65)	0.65	(0.58)	0.58
Net Increase/(Decrease) in Profit or loss (in USD)	0.00	(0.00)	0.31	(0.31)

b) Interest rate risk

Short-term borrowings of the Company bear fixed interest rate, thus interest rate risk is limited for the Company.

c) Other Market Price Risk

The company is exposed to Equity price risk , which arises from FVTPL of Equity securities. The company has a very insignificant portion of amount invested in quoted equity securities. The management monitors the proportion of quoted equity instruments in its investment portfolio based on market indices.

Hedge Accounting:

The Company's business objective includes safe-guarding its earnings against adverse price movements of foreign exchange. The Company has adopted a policy to hedge all risks within an acceptable risk limit and an approved hedge accounting framework which allows for Cash Flow hedges.

There is an economic relationship between the hedged items and the hedging instruments. The Company has established a hedge ratio of 1:1 for the hedging relationships.

The hedge ineffectiveness can arise from:

- Differences in the timing of the cash flows
- Different indexes
- The counterparties' credit risk differently impacting the fair value movements.

Movement in Cash Flow Hedge:

(₹ in Million)

Sr. No.	Particulars	2021-22	2020-21	Line Item in Balance Sheet/ Statement of Profit and Loss
1	At the beginning of the year	(1.36)	-	
2	Gain/ (loss) recognised in other comprehensive income during the year.	18.76	0.05	Items that will be reclassified to Profit & Loss
3	Deferred tax on Gain/ (loss) recognised in other comprehensive income during the year.	4.72	-	
4	Amount reclassified to Profit and Loss during the year	(18.36)	(1.86)	Value of Sale
5	Deferred tax on Amount reclassified to Profit and Loss during the year	(4.62)	0.46	
6	At the end of the year	(0.85)	(1.36)	Other Comprehensive Income

2) CREDIT RISK

Credit risk is the risk of financial loss to the company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's receivables from customers. Credit risk is managed through credit approvals, establishing credit limits and continuously monitoring the creditworthiness of customers to which the Company grants credit terms in the normal course of business.

Trade and Other Receivables:

The Company maintains an allowance for impairment of doubtful accounts based on financial condition of the customer, classification of customer, ageing of the customer receivable and overdues, available collaterals and historical experience of collections from customers. Accordingly, the Company creates provision for past due receivables beyond 90 days ranging between 10-11 % after reckoning the underlying collaterals. Besides, based on the expected credit loss model the Company also provides 2% allowances for receivables not due and past due up to 90 days except export receivables, if any. Further 100% impairment allownance has been created on credit impaired assets based on specific identification.

Summary of company's exposure to credit risk by age of the outstandings from various customer is as follows

(₹ in Million)

Particulars	As at 31st March, 2022	As at 31st March, 2021
Not due	2,552.38	2,110.68
past due up to 90 days	1,334.51	889.55
Past due more than 90 days	806.43	677.60
Total	4,693.32	3,677.83
Less: Impairment Allowance	224.52	171.10
Total	**4,468.80**	**3,506.73**

3) LIQUIDITY RISK

Liquidity risk is the risk that the company will encounter difficulty in raising funds to meet commitments associated with financial instruments. Liquidity risk management implies maintaining sufficient cash and marketable securities and the availability of funding through committed credit facilities to meet the obligations when due.

Management monitors rolling forecasts of the Company's liquidity position (comprising the undrawn borrowing facilities below) and cash and cash equivalents on the basis of expected cash flows. The Company manages its liquidity risk by preparing month on month cash flow projections to monitor liquidity requirements.

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

(₹ in Million)

Particulars	Less than 1 year	1 to 5 years	Total
Year Ended 31st March, 2022			
Borrowing	523.29	-	523.29
Lease Liability	9.99	6.34	16.33
Trade Payable	2,392.30	-	2,392.30
Other Financial Liabilities	176.19	70.85	247.04
Year Ended 31st March, 2021			
Borrowing	502.79	-	502.79
Lease Liability	8.56	11.71	20.27
Trade Payable	1,955.82	-	1,955.82
Other Financial Liabilities	283.27	66.41	349.68

NOTE 34. SEGMENT REPORTING

Due to similar nature of products, production process, customer types etc., the company has a single operating segment of "Agro chemicals" during the year.

GEOGRAPHICAL SEGMENT

The Company primarily operates in India and therefore the analysis of geographical segment is demarcated into its Indian and Overseas revenue as under,

(₹ in Million)

Particulars	For Year ended 31st March, 2022	For Year ended 31st March, 2021
Revenue(Gross Sale)		
India	8,333.91	6,378.08
Overseas	6,169.82	5,808.39
Total	**14,503.73**	**12,186.47**
Non-current assets other than Financial Assets		
India	2,164.47	1,538.52
Overseas	-	-
Total	**2,164.47**	**1,538.52**

The Company is not reliant on revenue from transactions with any single external customer and does not receive 10% or more of its revenue from transactions with any single external customer

NOTE 35. FAIR VALUE MEASUREMENTS

I) FINANCIAL INSTRUMENT BY CATEGORY:

(₹ in Million)

Particulars	31st March, 2022			31st March, 2021			Fair Value Hierarchy (Mar 22)				Fair Value Hierarchy (Mar 21)			
	FVOCI	FVTPL	Amortised Cost	FVOCI	FVTPL	Amortised Cost	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
Financial Assets														
Investments	21.02	0.04	0.21	100.73	0.04	0.21	21.06	-	-	21.06	100.77	-	-	100.77
Trade receivables	-	-	4,096.45	-	-	3,417.62	-	-	-	-	-	-	-	-
Cash and cash equivalents	-	-	949.96	-	-	847.80	-	-	-	-	-	-	-	-
Bank balances other than above	-	-	248.75		-	131.16	-	-	-					-
Other financial assets	-	-	133.28	-	-	130.52	-	-	-	-	-	-	-	-
Total	**21.02**	**0.04**	**5,428.65**	**100.73**	**0.04**	**4,527.31**	**21.06**	**-**	**-**	**21.06**	**100.77**	**-**	**-**	**100.77**
Financial Liabilities														
Borrowings	-	-	523.29	-	-	502.79	-	-	-	-	-	-	-	-

Lease Liabilities	-	-	16.33	-	-	20.27								
Trade payables	-	-	2,432.38	-	-	1,955.82	-	-	-	-	-	-	-	-
Other Financial liabilities	-	-	247.04	-	-	349.68	-	-	-	-	-	-	-	-
Total	-	-	3,219.04	-	-	2,828.55	-	-	-	-	-	-	-	-

II) FAIR VALUE HIERARCHY:

The company uses the following hierarchy for determing and disclosing the fair value of financial instrument by valuation technique:

Level 1: Quoted (unadjusted) prices in active markets for identical Assets or Liabilities.

Level 2: Other techniques for which all inputs which have a significant effect on the recorded fair value are observable, either directly or indirectly

Level 3: Techniques which use inputs that have a significant effect on the recorded fair value that are not based on observable market data.

III) The company has fair valued its Equity investment through profit and loss and Investment in Debt Funds through OCI based on quoted prices of such investments in active market. Hence it falls under level 1 valuations technique.

NOTE 36. IND AS 116 LEASES

The Company's lease asset primarily consist of leases for buildings (premises) for Depot and warehouses having various lease terms.

THE MATURITY ANALYSIS OF LEASE LIABILITIES ARE DISCLOSED AS FOLLOWS,

(₹ in Million)

Particulars	Less than 1 year	1 to 5 years	Total
As at March 2022			
Finance lease (Discounted)	9.99	6.34	16.33
As at March 2021			
Finance lease (Discounted)	8.56	11.71	20.27

THE BALANCE SHEET DISCLOSES THE FOLLOWING AMOUNTS RELATING TO LEASES:

(₹ in Million)

Particulars	As at 31st March, 2022	As at 31st March, 2021
Lease Liabilities		
Current	9.99	8.56
Non Current	6.34	11.71
Amounts recognised in statement of profit and loss:		
Interest Expense included in Finance Cost	2.18	2.61

NOTE 37. CAPITAL MANAGEMENT

Capital includes equity attributable to the equity holders to ensure that it maintains an efficient capital structure and healthy capital ratios in order to support its business and maximize shareholder value. The Company manages its capital structure and makes adjustments to it, in light of changes in economic conditions or its business requirements. To maintain or adjust the capital structure, the Company may adjust the dividend payment 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. Net debt is calculated as total borrowings less cash and cash equivalents.

The gearing ratio at the reporting period was as follows

(₹ in Million)

Particulars	As at 31st March, 2022	As at 31st March, 2021
Debt	523.29	502.79
Lease Liability	16.33	20.27
Cash and cash equivalents	(949.96)	(847.80)
Net Debt (A)	**(410.34)**	**(324.74)**
Equity Share Capital	400.13	400.13
Other Equity	6,744.45	4,881.21
Total Equity (B)	**7,144.58**	**5,281.34**
Debt Equity Ratio (A/B)	(0.06)	(0.06)

NET DEBT RECONCILIATION

(₹ in Million)

Particulars	As at 31st March, 2022	As at 31st March, 2021
Current borrowings	(523.29)	(502.79)
Interest on above borrowings	(38.51)	(34.98)
Lease Liability	(16.33)	(20.27)
Cash and cash equivalents	949.96	847.80
Net debt	**371.83**	**289.76**

(₹ in Million)

Particulars	Other assets	Liabilities from financing activities			
	Cash and cash equivalents	Current borrowings	Interest on above borrowings	Lease Liability	Total
Net Debt as at 31st March, 2021	**847.80**	**(502.79)**	**(34.98)**	**(20.27)**	**289.76**
Net Acquisition / Disposal of ROU asset	-	-	-	(3.33)	(3.33)
Net Cash flows	102.16	-	-	7.27	109.43
Net proceeds from Short term borrowing	-	(9.68)	-	-	(9.68)
Non cash movements	-	(10.82)	0.03	-	(10.79)
Interest recognised	-	-	(38.57)	(2.18)	(40.75)
Interest paid	-	-	35.01	2.18	37.19
Net Debt as at 31st March, 2022	**949.96**	**(523.29)**	**(38.51)**	**(16.33)**	**371.83**

(₹ in Million)

Particulars	Other assets	Liabilities from financing activities			
	Cash and cash equivalents	Current borrowings	Interest on above borrowings	Lease Liability	Total
Net Debt as at 31st March, 2020	**31.94**	**(430.79)**	**(32.28)**	**(3.90)**	**(435.03)**
Acquisition of ROU asset	-	-	-	(18.94)	(18.94)
Net Cash flows	815.86	-	-	2.57	818.43
Net proceeds from Short term borrowing	-	(71.56)	-	-	(71.56)
Non cash movements	-	(0.44)	2.62	-	2.18
Interest recognised	-	-	(56.58)	(2.61)	(59.20)
Interest paid	-	-	51.27	2.61	53.88
Net Debt as at 31st March, 2021	**847.80**	**(502.79)**	**(34.98)**	**(20.27)**	**289.76**

NOTE 38. RELATIONSHIP WITH STRUCK OFF COMPANIES

(₹ in Million)

Sl. No.	Name of struck off Company	Nature of transactions with struck-off Company	Balance outstanding	Relationship with the Struck off company, if any,
1	Trichy Internet Communication Pvt. Ltd.	Payables *	0.00	Vendors

NOTE 39.

a) During the Financial Year 2019-20 the Company incorporated a company to be a wholly owned Subsidiary company namely CHANG ZHOU Heranba crop science and technology Co. Ltd in China having address at No.2 Building 53, Hengsheng Science Park, Tianning District, Changzhou City. As on reporting date i.e. 31/03/2022, the company has not contributed any amount towards capital of the subsidiary. Further, no shares have been allotted by the subsidiary to the company till reporting date.

b) Subsequent to the reporting date i.e on 09th April 2022, the company has incorporated a Wholly-Owned Subsidiary Company namely "Mikusu India Private Limited. The Company has subscribed to 50,000/- (Fifty Thousand) Equity shares at the Face Value of ₹ 10 each aggregating to ₹ 5,00,000/- (Rupees Five Lakhs only). The wholly owned subsidiary shall carry out the business in the field of Agro Chemical.

NOTE 40.

The continuance of corona virus (COVID-19) pandemic globally and in India is causing significant disturbance and slowdown of economic activity. However, there has not been significant impact on the operations of the company due to COVID-19 during the year.

(₹ in Million)

Sr no.	Ratios Applicable	Numerator / Denominator	2022	2021	Variance (in %)	Remarks
1	Current ratio (in times)	Current Assets / Current Liability	2.48	2.23	11.30%	
2	Debt : Equity Ratio (in times)	Total Debt / Shareholder's Equity	0.07	0.10	-23.38%	
3	Debt Service Coverage ratio (in times)	Earning available for Debt Service / Debt Services *	70.01	43.74	60.06%	
4	Return on Equity Ratio (in %)	NPAT- Preference Dividend(if any) / Shareholder's Equity	26.46%	29.20%	-2.74%	
5	Inventory Turnover ratio (in times)	Sales / Average Inventory	6.88	7.79	-11.62%	
6	Trade Receivable Turnover Ratio (in times)	Net Credit Sales / Average Accounts Recievables	3.50	3.52	-0.41%	
7	Trade Payable Turnover Ratio (in times)	Net Credit Purchases / Average Trade Recievables	4.19	4.09	2.59%	
8	Net Capital T/o Ratio (in times)	Net Sales / Working Capital	2.87	3.27	-12.15%	
9	Net Profit Ratio (in %)	Net Profit / Turnover	13.18%	12.83%	0.35%	
10	Return on capital employed (in %)	EBIT / Capital Employed	33.82%	36.94%	-3.12%	
11	Return on Investment (in %)	Income Generated from Investments / Time Weighted Rate of Return##	0.00%	0.00%	0.00%	

* Variance due to lower finance cost and higher profit during the year

Since the Company does not have substantial investment, this ratio is not applicable.

NOTE 41.

Previous period figures have been regrouped/reclassified wherever necessary, to make them comparable with current period figures.

As per our report of even date

For N S Shetty & Co.
Chartered Accountants
Firm Registration No. 110101W

Divakar Shetty
Partner
Membership No. 100306

Place: Mumbai
Date: 14th May, 2022

For **Heranba Industries Limited**

S. K. Shetty
Chairman
DIN: 00038681

Raj K Bafna
Chief Financial Officer

R. K. Shetty
Managing Director
DIN: 00038703

Abdul Latif
Company Secretary

An ISO 9001:2015 Company

HERANBA®
INDUSTRIES LIMITED

HERANBA INDUSTRIES LTD

CORPORATE OFFICE

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