



Ref: SECT: STOC: 74-25

July 04, 2025

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

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

Scrip Code: 519552

Scrip Code: HERITGFOOD

Sub: 33rd Annual Report 2024-25 - reg

Dear Sir/Madam,

This is to inform you that the 33rd Annual General Meeting (AGM) of the Company is scheduled to be held on Thursday, July 31, 2025 at 10:00 AM through Video Conferencing ('VC') facility or other audio visual means ('OAVM'), in accordance with the circulars/notifications issued by Ministry of Corporate Affairs and Securities and Exchange Board of India.

Pursuant to Regulation 34 of the SEBI (Listing Obligation and Disclosure Requirements) Regulations 2015, please find enclosed Notice convening the 33rd AGM of the Company. The 33rd AGM Notice along with Annual Report 2024-25 is being sent through electronic mode on July 04, 2025 to those Members whose e-mail addresses are registered with the Company/Registrars and Transfer Agent/Depositories. The Company has sent a letter providing a web-link of the Annual Report 2024-25 to those Members who have not registered their e-mail addresses with the Company/Registrar & Transfer Agent/Depositories.

The 33rd Annual Report of the Company for FY 2024-25 is available on the website of the Company at [https://www.heritagefoods.in/uploads/investors/pdf/17515278770Annual_Report_2024-25_\(1\).pdf](https://www.heritagefoods.in/uploads/investors/pdf/17515278770Annual_Report_2024-25_(1).pdf)

The flip book of the 33rd Annual Report can be viewed at <https://www.heritagefoods.in/annual-report/2025/flipbook/index.html>

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

Thanks & Regards,

For **HERITAGE FOODS LIMITED**

UMAKANTA BARIK

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

Encl: a/a

HERITAGE FOODS LIMITED

CIN : L15209TG1992PLC014332

AN ISO: 22000 CERTIFIED COMPANY

Regd. Off : H.No. 8-2-293/82/A/1286 , Plot No. 1286, Road No. 1 & 65, Jubilee Hills, Hyderabad - 500033, Telangana, INDIA.
Tel. : +91-40-23391221, 23391222, Fax: 23326789, 23318090 Email : hfl@heritagefoods.in, Website : www.heritagefoods.in





Heritage Foods Limited

**33rd Annual Report
2024-25**



**DELIGHTING
CONSUMERS**

**NURTURING
GROWTH**

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33 YRS
RICH LEGACY

18
STATE-OF-ART
PROCESSING PLANTS

2.83 MLPD
PROCESSING CAPACITY

180,000
RETAIL OUTLETS

300,000+
FARMERS



In a world where tastes shift with every sunrise and expectations click faster than ever, standing still isn't an option.

AT HERITAGE FOODS, WE CHOOSE MOMENTUM OVER MONOTONY, TRANSFORMATION OVER TRADITION— ALWAYS ANCHORED IN THE VALUES THAT MAKE US WHO WE ARE.



to view soft copy of this Annual report





DELIGHTING CONSUMERS, NURTURING GROWTH...

...IS NOT A SLOGAN— IT IS THE MELODY WE LIVE BY. FROM EXCITING NEW FLAVOURS AND DIGITAL TOUCHPOINTS TO REIMAGINING TRADITION WITH OUR RANGE OF SWEETS, WE ARE BLENDING LEGACY WITH INNOVATION IN EVERY SIP EVERY BITE.

To us, growth is more than numbers—it is inclusive, layered, and purpose-driven. We measure it in better livelihoods, smarter logistics, and many more smiles. We are not just scaling—we are building something meaningful, more valuable and full of love.

As the pages turn, you will not just see performance—you will feel our purpose.

BECAUSE AT HERITAGE FOODS, DELIGHT IS NOT ONLY A WISH, BUT IT IS THE PROMISE WE LIVE UP TO, EVERY SINGLE DAY.

FINANCIAL HIGHLIGHTS, FY25



CHAIRPERSON'S MESSAGE

Our growth framework, centred on consumer needs, has consistently propelled our success. With a clear strategy and strong execution, we are confident in our ability to navigate market dynamics effectively while continuing to expand our market share and deliver superior value.



Dear Stakeholders,

I am privileged to present your Company's Annual Report for the fiscal year 2024-25. This year, we have completed 33 years of our journey. A journey of strength, struggle, honour, faith and steady progress. We confidently move towards becoming a leading player in this journey of transformation.

Notwithstanding the ongoing challenges posed by price volatility, your esteemed Company has demonstrated a commendable performance across key metrics, achieving double-digit revenue growth alongside significant EPS growth. Our record-breaking performance is founded on three fundamental pillars of disciplined financial management; judicious investments in essential infrastructure and bold operational decisions; each of which has contributed to enhancing our margins while maintaining momentum.

The accomplishment serves as a significant testament to Heritage Foods' steadfast dedication to excellence, strategic foresight, and consistent implementation.

I am pleased to share our unwavering commitment to robust Corporate Governance, comprehensive Environmental, Social, and Governance (ESG) practices, and a proactive Enterprise Risk Management (ERM) framework. These pillars are not mere regulatory checkboxes; they are fundamental to our long-term success, resilience, and ability to create sustainable value for all our stakeholders – our shareholders, employees, customers, partners, and the communities in which we operate.

LOOKING INTO THE HORIZON

We stand at a juncture of immense opportunity in India, and I am filled with a profound sense of excitement and possibility.

India's success story of balancing economic growth and a vibrant democratic society has no parallel and as a result my belief in the country's growth story has never been higher.

The country is poised at an inflexion point where it stands to correct decades of extensive product or service under-consumption across the decade, helping retain its position among the fastest-growing global economies. The result of this sustained transformation is also that India is likely to graduate from the fifth largest to the third largest economy by 2030.

Over the past three decades, India's per capita dairy consumption estimated at around 160 kg annually, remains lower than that of developed markets, where it typically exceeds 250 kg per person. This disparity highlights the significant growth potential in domestic consumption and the opportunity to further expand access to value-added dairy products across urban and rural markets.

Coming to the domestic dairy industry, the opportunities are increasingly promising. The Indian dairy market is on the verge of an explosive growth surge, with a stellar 9% overall CAGR and the value-added products category growing at 20 plus per cent annually.

Interestingly, the domestic dairy market is a fast-evolving demand landscape. Consumers today are no longer just buying dairy. They are buying trust, traceability, taste and nutrition. And in this shift the organised dairy players like Heritage are uniquely positioned to lead.

As the nation's burgeoning consumer base continues to grow due to increasing aspirations, and with the unorganised sector still representing 60% of the market, Heritage is strategically positioned to harness and accelerate this growth, thereby establishing itself as a significant contributor to India's dairy revolution. This presents a unique market opportunity.

Heritage Foods is strategically positioned to capitalise on this growth with a well-diversified product portfolio encompassing milk, curd, paneer, ghee, drinkables, ice cream, and animal nutrition.

Our strategic expansion into new geographical markets, supported by a robust distribution network and an omnichannel strategy, continues to broaden our reach. We are particularly enthusiastic about our growing strength in the E-Commerce sector, which is significantly enhancing our accessibility and convenience for our consumers while enhancing our outreach.

Our growth framework, centred on consumer needs and satisfaction has consistently propelled our success. With a clear strategy and strong execution, we are confident in our ability to navigate market dynamics effectively while continuing to expand our market share and deliver superior value.

As we progress, Heritage Foods will remain steadfast in executing its strategy with a sharp focus on growth. Our Company is committed to strengthening its core businesses, accelerating innovation, and unlocking efficiencies while exploring new opportunities, both organic and inorganic, and building for the future.

I express my sincere gratitude for the unwavering support of our dairy farmers, the commitment of our employees, and the continued patronage of other stakeholders, all of which have been crucial in the steady progress that the Company has made thus far. We greatly value your partnership and look forward to collectively achieving new heights on this journey.

Warm regards,

A V GIRIJAKUMAR

Chairperson

INDIA'S DAIRY SECTOR IS PROJECTED TO GROW AT A CAGR OF OVER 12%, REACHING AN ESTIMATED VALUE OF ₹57 TRILLION BY 2033.

VICE-CHAIRPERSON & MANAGING DIRECTOR'S MESSAGE

Dear Stakeholders,

Heritage Foods' commitment to growth continues to be anchored in a clear, consumer-centric framework one that prioritizes differentiation, strategic focus, and disciplined execution. This approach has consistently enabled us to navigate evolving market dynamics, expand our market share and deliver superior value.

Our ongoing efforts, aligned with this growth philosophy, have resulted in all-time high performance across key metrics.

We capped off FY25 with robust momentum, anchored by healthy volume growth, premiumisation and continued margin resilience.

Our focus for the year was simple and crystal clear. Strengthen our business through operational efficiency and consistent quality, scaling up our value-added products like Paneer, Lassi, Flavoured milk and Curd. The Farmer-first approach for deepening partnerships to ensure quality at source, sustainable procurement and timely payments. Accelerating green operations and digitalisation to future-proof the business. I am happy to report that we delivered on every front.

In FY25, an average of 1.72 million litres of milk was procured per day without any interruptions in supply and with timely payments upheld as a fundamental principle. By adhering to the highest standards from sourcing to distribution, we consistently maintained our status as a trusted provider within millions of households.

Across our brands, including Heritage Toned Milk, Heritage Paneer, and Heritage Lassi, we maintained superior standards of quality, traceability, and freshness. We assert that superior quality warrants a premium, a notion

consistently affirmed by our consumers through their trust and loyalty.

In the fiscal year 2025, we also intensified our marketing efforts by transitioning from regional campaigns and digital-first activations to the implementation of seasonal SKUs and customer loyalty initiatives. These efforts played a critical role in enhancing our brand recall in both urban and Tier 2 markets. Consequently, these initiatives fortified our core business and more significantly increased the share of revenue derived from value-added products, resulting in improved profitability.

The industry continues to navigate a dynamic and challenging landscape within the dairy sector. During the period under review, the sector experienced rising input costs, including increased fuel and fodder prices, which resulted in price hikes across the country. In response, we at Heritage Foods implemented a strategic adjustment to our pricing to ensure sustainability for our farmers and to maintain product quality.

As we look forward to FY26 and beyond, I am confident that Heritage will no longer remain just a dairy Company. We are evolving into a nutrition-first food enterprise with sustainability embedded as a key enabler of long-term growth and operational resilience.

Guided by our philosophy of products for every reason and every season, our strategic focus remains on strengthening our core milk and curd portfolio while expanding a wide array of value-added offerings that ensure year-round relevance and consumer appeal. This intelligent product mix not only bridges urban aspirations with rural accessibility but also supports

sustained volume and revenue across all quarters. With continuous innovation driven by our expert R&D team, we are developing seasonal and occasion-specific products that align with dynamic consumer lifestyles. Complementing this product-led growth, we are also investing in green energy initiatives and building a resilient, future-ready balance sheet.

As an integral component of our strategy to enhance our value-added portfolio, I am pleased to inform you that Heritage Foods has acquired a majority stake in Novandie, thereby transitioning from a joint venture to a subsidiary Company.

The state-of-the-art facility located near Mumbai, which was previously dedicated to yoghurt production, is now being repurposed to launch a broader portfolio that encompasses curd and a diverse array of value-added dairy products.

This transition exemplifies our commitment to maximising asset productivity while aligning with the evolving demands of consumers. Furthermore, this initiative reinforces our presence in Western India and advances our vision to transform into a nutrition-powered, innovation-led food enterprise.

On the sustainability front, our renewable energy investments now stand at 12.14 MW capacity installed, making Heritage one of the very few Indian dairy brands to embed green power directly into its operations. As we progress on our journey in the coming years, we will enhance our investment in renewable energy to reduce our carbon footprint, making a definitive transition from a green brand to a green Company.

We are proud of the progress made and energised by the road ahead; we will continue to shape the next era of Heritage with purpose, passion, and precision. With strong brands, a farmer-first mindset, disciplined governance, and a highly motivated team, we can confidently lead the next growth phase in India's dynamic dairy ecosystem.

As we advance our aspirations positively, I would like to express my sincere gratitude for your continual trust and confidence in us. I would like to assure you of the progressive growth in shareholder value year after year.

Thank you

N. BHUVANESWARI

Vice-Chairperson & Managing Director

With strong brands, a farmer-first mindset, disciplined governance, and a highly motivated team, we are confident of leading the next growth phase in India's dynamic dairy ecosystem.



COMPANY OVERVIEW

HERITAGE FOODS: INDIA’S ONE OF THE TOPMOST BRANDS IN METRO LOCALES

Established in 1992 in Andhra Pradesh, Heritage Foods has grown from humble beginnings into one of India’s leading dairy brands, trusted by millions.

Over the past 33 years, Heritage has built a robust presence across 17 states, reaching over 1.5 million households each day. Backed by a seamless omnichannel distribution network, the Company continues to deliver high-quality, trusted dairy products that have become a staple in homes across the country reflecting its commitment to nourishment, reliability, and growth.

Beyond milk, the Company has a huge array of value-added dairy products catering to the food palates of millions nationwide. The Company enjoys a deep relationship with 300,000+ farmers, built on immutable principles.

The Company is profoundly committed to the agricultural community by ensuring sustainable milk procurement and implementing various development initiatives focused on cattle.

VISION

Vision 2030

Where we want to be in 5 years

To be the most admired Dairy Nutrition company in India.

MISSION

Our Mission

The purpose that leads us forward

‘Delighting every home with Fresh & Healthy products and Empowering the Farmer’





WHERE NUMBERS TELL THE STORY

33 YRS OF
RICH LEGACY

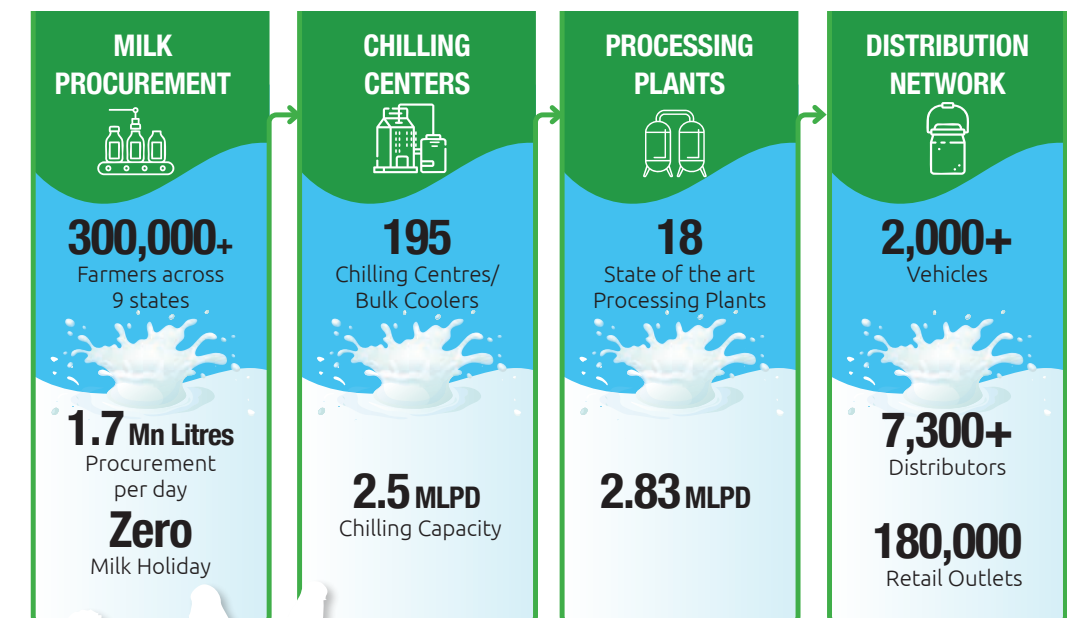
10 MILLION CONSUMERS
CONSUME HERITAGE PRODUCTS DAILY

10,000 +
VILLAGES ASSOCIATED WITH HERITAGE FOODS

THE OPERATING MODEL

Heritage Foods operates on an integrated, farmer-to-consumer model that ensures quality, traceability, and efficiency at every touchpoint. The Company has built a robust supply chain that spans milk procurement, processing, packaging, and distribution, while strongly emphasising sustainability, rural development, and consumer satisfaction.

THE DAIRY TO DOOR MODEL



AWARDS & ACCOLADES GETTING NOTICED...

CERTIFICATE OF APPRECIATION FROM GOVERNMENT OF TELANGANA, GROUND WATER DEPT.

We are pleased to inform you that on the occasion of "World Water Day 2025", the Company has been awarded a Certificate of Appreciation by the Government of Telangana, Ground Water Department, Medchal-Malkajgiri District. The award ceremony took place on March 22, 2025, at Pocharam, Hyderabad. This recognition has been granted in appreciation of our dedicated efforts in groundwater management and conservation under the industrial category for our Shamirpet Plant, Hyderabad, Telangana.

We take great pride in this achievement and remain committed to sustainable water management.

We are pleased to inform you that Bayyavaram plant of the Company has been awarded with 'Bronze Medal' in the Medium Category at the prestigious "6th CII-FACE Kaizen Competition on Food Safety & Quality 2024" held at New Delhi on 22nd November 2024.

ABOUT THE AWARD

The initiative was taken to recognise the achievers through awards and competitors to inspire organisation's excellence. It has been engaged in building capacity of Indian Food & Agriculture based Industries to make them globally competitive by enhancing their quality of products and services. This competition is its continuing efforts to showcase the best practices to learn from others and apply the same to improve the competitiveness of the industry.



We are happy to announce that our Company has been conferred with the following awards at

E4M INDIAN MARKETING AWARDS SOUTH 2024 AT BENGALURU ON 23RD AUGUST 2024:

- 1) Gold** for the "New Product Launch – FMCG"
- 2) Silver** for "Best use of Integrated Marketing - FMGC" for Heritage Paneer Campaign
- 3) Silver** for "Best Branded Content – FMCG" for Heritage Buffalo Milk
- 4) Bronze** for "Best use of Digital Marketing/ Social Media" for Heritage Howzzatt - World Cup campaign
- 5) Bronze** for "Best use of Omni Channel Marketing" for Heritage Buffalo Milk



OUR COMPETITIVE EDGE

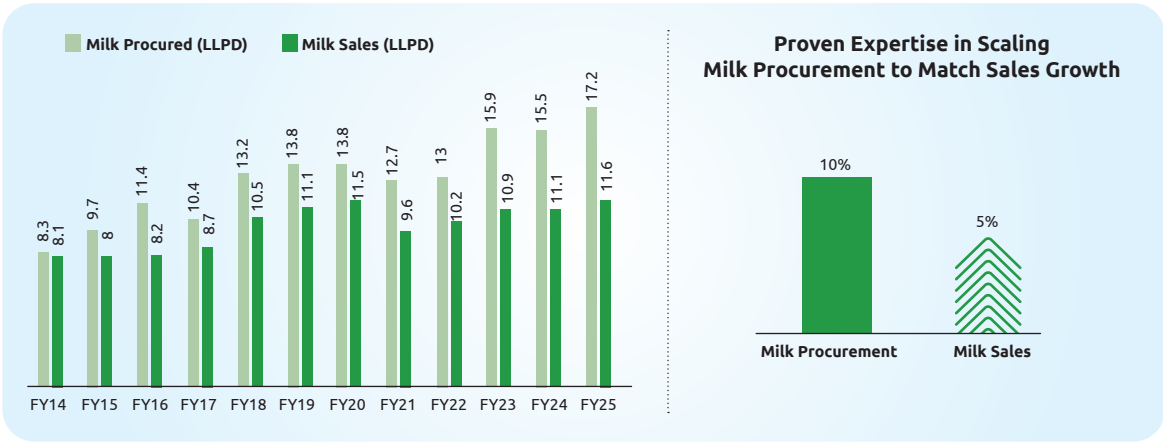
ROBUST RELATIONSHIPS, STRONG SUPPLY CHAIN, UNMATCHED INNOVATION, UNWAVERING QUALITY, AND UNSTOPPABLE MOMENTUM FACTORS THAT REDEFINE HERITAGE'S EXCELLENCE QUOTIENT.

1 STRONG RELATIONSHIP WITH FARMERS

Heritage maintains deep relations with 300,000+ farmers, built on immutable principles that have been followed for decades. These principles include:

- Transparency and accurate measurement
- Fair pricing based on measurement of solids (fat and SNF) delivered
- Timely and Guaranteed Cashflow

These principles demonstrate that the Company understands the needs of the farmers and has calibrated its business model to ensure their growth. Heritage's commitment to farmer well-being is reflected in an important reality –NO MILK HOLIDAY SINCE INCEPTION. Moreover, Heritage has graduated its position among the farmer community to a Preferred Buyer.



2 PRODUCTS FOR EVERY REASON & EVERY SEASON

With a robust operational presence across India, Heritage Foods distributes its dairy and value-added products in 17 states, enabling broad market penetration and improved consumer access. Its extensive milk procurement network covers nine states, sourcing premium-quality milk directly from thousands of farmers. Products like milk, butter and paneer are used through out the year.



Total SKUs : 400+

The defining edge of the Company's product portfolio is its relevance across seasons. This intelligent product positioning strategy has enabled sustained volumes, revenue and cash flow throughout the year. Additionally, the Company's R&D team, operated by experienced experts, continue developing new products aligned with dynamic customer preferences.

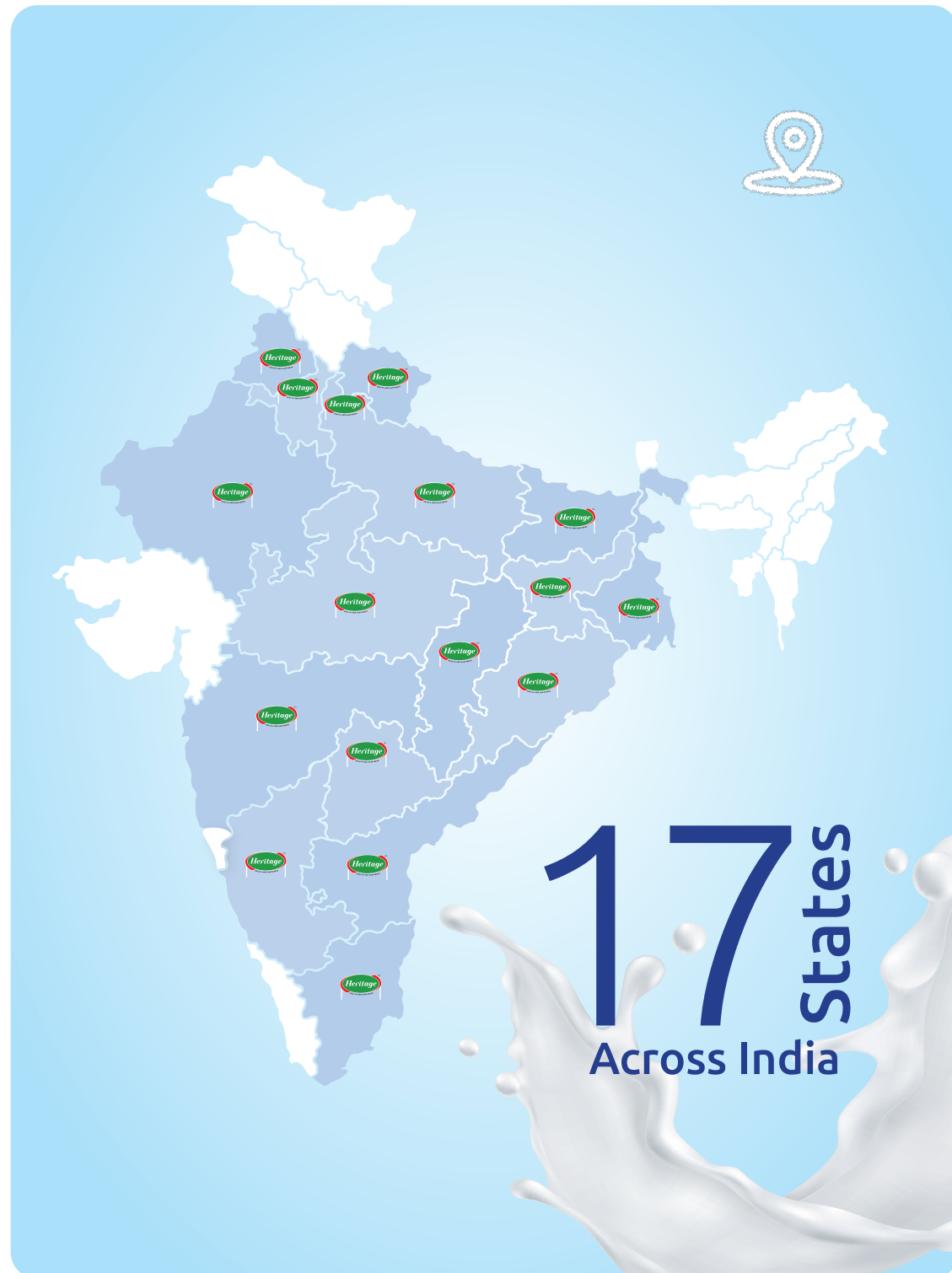
3 FEDERATED SUPPLY CHAIN

Heritage has carefully curated a robust and reliable supply chain which connects procuring and processing centres with the consuming hubs. The uniqueness of the distribution network resides in the proximity of one node to the other. This significantly reduces the distance travelled by milk and maintains its freshness.



4 AN EXPANSIVE AND ENTRENCHED PRESENCE

With a robust operational presence across India, Heritage Foods distributes its dairy and value-added products in 17 states, enabling broad market penetration and improved consumer access. Its extensive milk procurement network covers nine states, sourcing premium-quality milk directly from thousands of farmers.



5 A BRICK & CLICK DISTRIBUTION NETWORK

Heritage Foods has patiently and prudently created a distribution network comprising of Company and franchisee-owned retail presence. It has intelligently complemented its physical presence of a digital model, partnering with every leading e-commerce and quick delivery platform. The multi-layered brick-and-click distribution network allows us to cater to 75% of the pin codes in 17 states. More recently, the digital presence has been fortified with WhatsApp commerce, which serves ~ 500 households. The Company's ERP systems provide real-time inventory monitoring, route optimisation and demand-aligned production planning.



BUILT CHANNEL AGNOSTICITY

7300+
Distributors

0.18 mn
Retail Outlets
(Retail Trade)

16
E-Commerce
Websites
(Retail Trade)

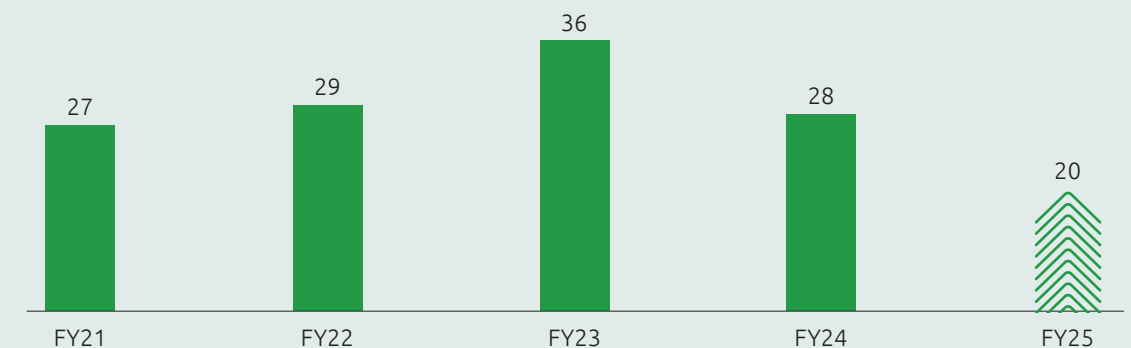
386
Heritage
Happiness Points
(Owned Network)

859
Heritage Parlors
(Owned Network)

6 WORKING CAPITAL MANAGEMENT

In Heritage's FMCG modelled operating model, working capital represents a crucial lifeline for daily business operations. This is primarily due to the immediacy of pay outs. At the same time, receivables require substantial time to materialise, particularly for value-added products, which constitute nearly one-third of the Company's revenue. Due to product freshness, impeccable quality and brand strength, the Company has successfully reduced its working capital cycle over the years. This has enhanced the cash flow within the organisation, allowing the Company to ideate and implement strategic growth initiatives.

WORKING CAPITAL CYCLE DAYS



OUR BRANDS SHOWCASING OUR DEDICATION TO DELIGHTING CONSUMERS

At Heritage Foods, the brands are more than just labels—they represent a commitment to purity, nutrition, and trust. Built over decades, each brand within the Heritage portfolio is crafted to serve diverse consumer preferences, while remaining firmly rooted in the Company's core values of health, taste, and tradition.

The Company's portfolio spans a wide range of household dairy products, including milk, curd, ghee, paneer, flavoured milk, sweets, and other value-added offerings. Each brand is strategically positioned to address specific consumer needs, ensuring relevance across regions and generations.

Heritage Foods continues to strengthen its regional connect through collaborations and culturally resonant packaging—such as Sankranti-themed products in Andhra Pradesh and Telangana—deepening its bond with local communities.

The Company also redefines consumer engagement through a blend of influencer-led campaigns and digital-first initiatives like the Heritage Kukdooku Children's Festival. Smart packaging innovations and authentic regional storytelling have further enabled Heritage Foods to stay ahead in a dynamic and evolving market landscape.

BRAND THAT CONNECTS, INSPIRES, AND ENDURES



1. BUILDS TRUST AND ASSURANCE

A strong brand like Heritage stands for quality, purity, and reliability. When consumers consistently receive safe, nutritious dairy products under a trusted name, it creates peace of mind and emotional assurance—especially in daily-consumed items like milk or curd.



2. COMMUNICATES VALUES AND IDENTITY

Through branding, a Company communicates its deeper values—like health, family nourishment, regional pride, and tradition. For instance, regional campaigns help consumers feel culturally connected to the brand.



3. SIMPLIFIES CHOICE IN A CROWDED MARKET

Branding helps consumers to quickly identify products that meet their needs, from daily essentials to value-added options. Heritage's clean and consistent brand identity builds easy recognition.



4. ENCOURAGES EMOTIONAL ENGAGEMENT

Branding through storytelling, like the Kukdooku Children's Festival or regional narratives fosters emotional connections. These emotional experiences often drive repeat purchases and advocacy.



5. FACILITATES INNOVATION ACCEPTANCE

When a brand has earned consumer trust, customers are more open to trying its new launches, like new flavoured milk variants, ghee, sweets and other dairy products.



THE EXECUTIVE DIRECTOR'S COMMUNIQUE

Dear Stakeholders,

I hope this message finds you in good health and high spirits. As I reflect on the past year, I am grateful for the unwavering support and collective efforts that have propelled Heritage Foods to achieve a record-breaking financial performance in the face of external challenges.

THE PERFORMANCE

I am pleased to convey that we have surpassed ₹10,000 million in all four quarters of the fiscal year, marking a significant milestone. Our consolidated revenue for the year totalled ₹41,346 million, representing a 9% increase compared to FY24. This figure is the highest in our history. More importantly, our value-added products contribution grew by 2.3%, now accounting for 32% of the total revenues without considering fat products. This is very satisfying, not simply for the number increase but because it vindicates our unflinching efforts towards delivering nutrition and quality. This increase has helped scale our profitability a few notches higher.

Even as input prices remained at elevated levels, our EBITDA increased by 58% year-on-year to ₹3,310 million, and our EBITDA margin improved by 248 basis points. Our Profit after Tax, at ₹1,883 million, experienced a 77% year-on-year increase.

What primarily distinguishes Heritage is our firmly established partnerships: 1) with over 300,000 farmers, founded upon principles of fairness, trust, and mutual growth, and 2) with millions of consumers throughout India, centred on quality, taste, and nutritional value. These relationships have significantly contributed to our outstanding results.

Our Return on Capital Employed exceeds 24%, and our healthy debt-to-equity ratio stands at 0.18 as of March 31, 2025, which testifies to the robustness and relevance of our business model in creating and delivering value to all our stakeholders.

We are entering FY26 with a strong foundation. Our primary objective is to facilitate sustainable and profitable growth by enhancing our product range and commercial excellence.

We aspire to elevate our operating margins and optimise asset utilisation. Our investments in the future are designed to create long-term value for all stakeholders.



THE PLATFORM

FY25 marked a pivotal chapter in the Heritage journey. A year that will be etched in our legacy, not only for the strong performance but for the purposeful transformation journey we have initiated. It was a year in which we laid the foundation for a future-ready consumer-centric dairy enterprise.

For over three decades, Heritage has earned the trust of millions, building a brand synonymous with quality, reliability and reach. This year, we took bold and deliberate steps to evolve that legacy, aligning ourselves.

With the aspirations of a new generation of consumers. We embraced digital acceleration, strengthened our go-to-market strategies and significantly expanded our presence in the value-added and premium dairy segments.

THE PURPOSE

In the fiscal year 2025, we allocated resources to three essential domains that will significantly contribute to sustainable and profitable growth over the long term; this remains our paramount objective.

One, we are investing in knowledge capital. We have engaged and will continue to engage skilled individuals with the necessary experience to facilitate growth moving forward.

Two, we are allocating resources towards our marketing assets. Our investments in branding have significantly risen. We dedicate approximately 0.9% of our revenue to marketing, advertising, and promotional activities, which will solidify our brand image in the minds of consumers and emerge as a substantial growth driver for our value-added products.

Thirdly, we are allocating investments towards capital assets to enhance our production capacity for both core and value-added products. The majority of this capacity enhancement is directed either towards Value Added Products or towards augmenting our procurement capabilities.

I am strongly convinced that these investments will sustain the revenue curve above the cost curve, thereby resulting in an increasingly wider gap between these lines in the forthcoming years.

THE PASSION

In keeping with this strategy, we are investing in a greenfield ice cream unit at an investment of ₹200 crore plus, which is slated to commence operations towards the end of FY26.

Why ice cream? That is a pertinent question. We are entering this sector because this space is at the cusp of explosive growth, driven by increasing disposable incomes, urbanisation, and evolving consumer preferences. Additional factors contributing to this expansion include

the growing demand for indulgent desserts, the rise of premium and artisanal ice cream options, and the expanding distribution channels.

Moreover, the per capita consumption in India is quite low. The category penetration, whether at a retail level or household level, is still very insignificant compared to many other indulgent categories like carbonated beverages and juices. This reality highlights the considerable headroom for growth. The market is projected to reach a significant value in the coming years, with various forecasts estimating it will exceed ₹1 trillion (US\$ 12 billion) by 2033.

We are leaving no stone unturned to accelerate our entry into the ice cream space. We should see some contribution from this unit in our numbers for FY27.

THE PROMISE

Heritage is poised to grow the business, harness our potential, and unlock value with a sharper focus on profitability and sustainability.

Looking ahead, we are entering FY26 with a strong foundation. Our primary objective is to facilitate sustainable and profitable growth by enhancing our product range and commercial excellence. We aspire to elevate our operating margins and optimise asset utilisation. Our investments in the future are designed to create long-term value for all stakeholders. Thank you for your continued support. We are excited about what the future holds and look forward to achieving more milestones together.

Warm regards,

NARA BRAHMANI

Executive Director



OUR STRATEGY PILLARS

LEVERS THAT WILL PROGRESS US INTO THE NEXT ORBIT OF GROWTH

Heritage has crafted a strategic roadmap to capitalise on emerging opportunities in India, propelling its long-term growth. The Company aims to maintain the momentum of its historical growth while actively pursuing expansion across all business verticals. Its roadmap for success is anchored in a comprehensive four-pronged approach.



1) DISTRIBUTION EXPANSION

The Company's primary focus is to continuously improve and expand the availability of its products with a 'fit-for-purpose' Route to market approach. This approach helps create the most efficient way to get the right product mix to the targeted consumer group. Its strategic investments include setting up warehousing, expanding cold-chain and ambient logistics, building people capability and distribution know-how.



2) BRAND LOYALTY

As one of the strongest brands in its core markets, the Company is focused on improving the conversion from awareness to loyalty. This lever helps the Company acquire consumers faster, retain them better and expand margins. Deep understanding of the consumer is at the core its product and brand strategy and the Company has acquired significant capabilities in brand building and marketing in the recent years.



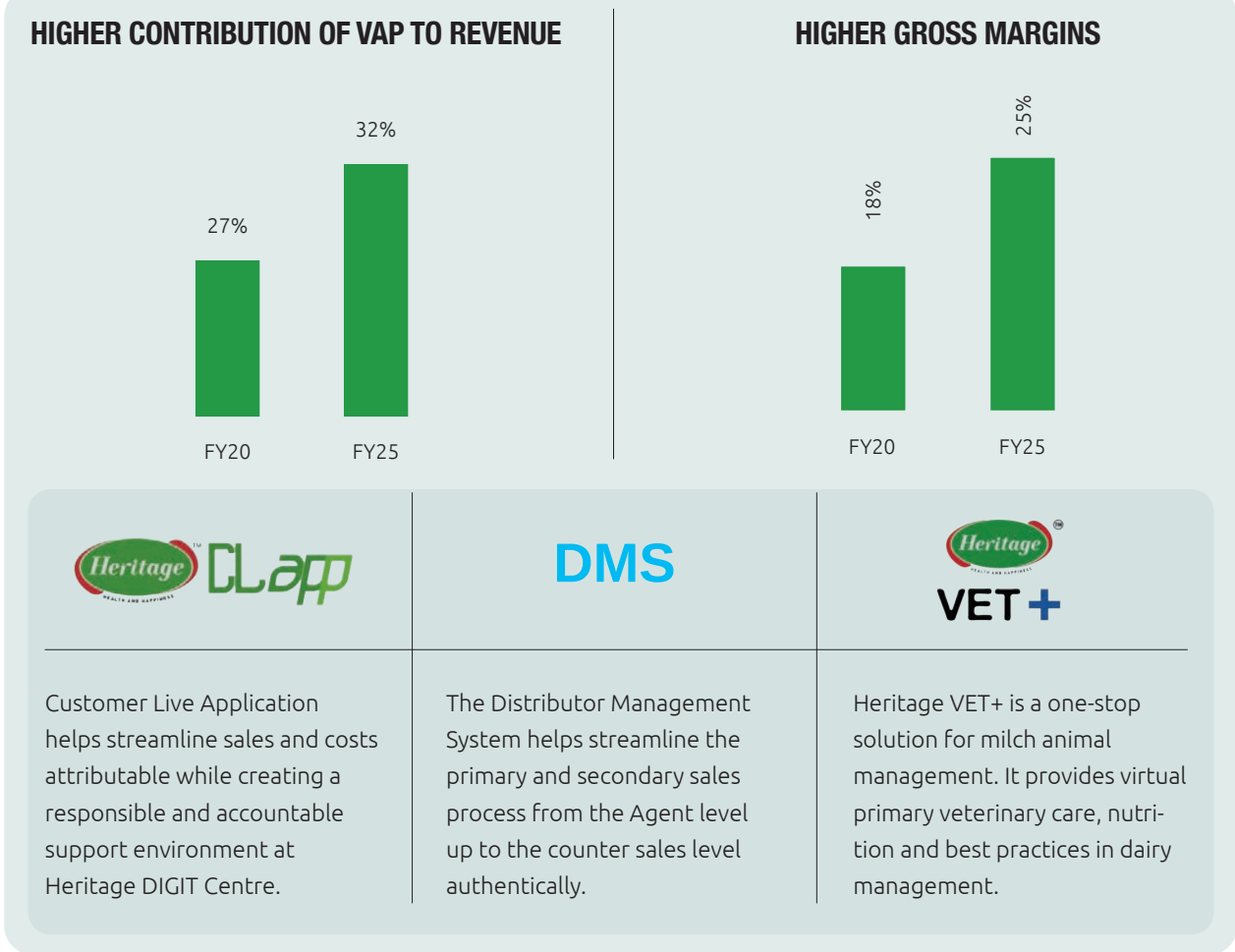
3) OPERATIONAL EXCELLENCE

Right from farm-level procurement to servicing its customers, the Company focuses on Operational excellence as a key lever to significantly improve Quality, increase freshness and reduce costs. Every function in its supply chain is sharply focused on operational metrics and KPIs that are tracked and continuously improved through Kaizen and company-wide culture of incremental innovations. This lever also helps it reduce the impact on the environment while driving aggressive growth in its business, creating a true win-win for all stakeholders.



4) DIGITAL TRANSFORMATION

Heritage is increasingly embracing digital technologies to modernise and optimise its operations across the value chain. From farm-to-house traceability, smart logistics, digital payment solutions, to data-driven decision-making; digital transformation enables greater agility, transparency, and efficiency in serving its stakeholders. Its recent smart digital interventions will facilitate sustaining the growth momentum.



OUR VALUE CREATION APPROACH



MANUFACTURED CAPITAL

Heritage Foods' facilities and logistics assets constitute the cornerstone of its operational efficiency and product excellence. The organisation's state-of-the-art processing plants and cold chain infrastructure, strategically positioned across high-demand regions, reflect its unwavering commitment to quality, innovation, and food safety.

The Company continues to strengthen its asset base through strategic and well-timed capacity expansions, automation, and energy-efficient technologies. Its prudent asset management approach not only enhances operational resilience and cost efficiency but also supports our vision for sustainable and inclusive growth.

LEVERAGING MANUFACTURED CAPITAL FOR LONG-TERM VALUE CREATION

- Improved production processes and supply chain efficiency
- Optimised resource consumption to minimise waste and improve sustainability
- Maintained strong cost discipline across all operations

10,000+

Village-Level Milk Procurement Centres

2.83 MLPD

Total Milk Processing Capacity

18

State-of-the-art Milk Processing Plants



HUMAN CAPITAL

Heritage Foods asserts that its personnel play a crucial role in its ongoing development. Its human capital strategy is founded upon the principles of inclusivity, collaboration, and continuous advancement. The Company is steadfast in its commitment to fostering a workplace culture that encourages innovation, values diversity, and promotes overall well-being.

From attracting skilled professionals to investing in training, upskilling, and employee engagement, the Company strives to empower each member of its workforce.

LEVERAGING HUMAN CAPITAL FOR LONG-TERM VALUE CREATION

- Continued employee benefit programs, including comprehensive health insurance
- Promoted inclusion, diversity, and equitable treatment across the workforce
- Provided benchmarked compensation along with structured

3,364+

Teams Size

23.22

Hours training per management staff



FINANCIAL CAPITAL

Heritage Foods remains committed to delivering long-term value to our shareholders through a disciplined capital allocation approach. The Company focuses on investing in strategic growth levers that support its growth ambition while maintaining a strong balance sheet. This financial prudence ensures organisational liquidity and steady returns to all stakeholders. The balanced strategy fosters trust in the organisation and fortifies its financial base to accelerate its growth momentum.

LEVERAGING FINANCIAL CAPITAL FOR LONG-TERM VALUE CREATION

- Maintained healthy liquidity levels
- Preserved balance sheet strength
- Continued prudent management of costs and capital expenditure

0.18

Debt-to-Equity Ratio

₹2,001.91 MN

Net Cash Flow from Operations

23.13%

Return on Capital Employed

₹9,471 MN

Networth



SOCIAL & RELATIONSHIP CAPITAL

Heritage Foods' approach to social and relationship capital is based on the belief that trust-driven stakeholder relationships are essential for sustainable and inclusive growth. The Company is dedicated to fostering strong connections with its customers, suppliers, communities, and partners through transparency, mutual respect, and shared goals.

It actively engages with stakeholders to comprehend their expectations and collaborates to address social and environmental challenges. Its initiatives are designed to create a substantive impact from supporting rural livelihoods and empowering women to promoting nutrition, education, and environmental stewardship.

LEVERAGING SOCIAL & RELATIONSHIP CAPITAL FOR LONG-TERM VALUE CREATION

- Organised various initiatives and programs focused on community development and upliftment
- Enhanced social impact through initiatives addressing fundamental societal needs such as healthcare and welfare

3,00,000+

Total Farmers Benefited

3,92,191

Total VET+ app Registrations



NATURAL CAPITAL

Heritage Foods is firmly convinced that actions benefiting the environment ultimately fortify both the business and the communities it serves. Guided by this conviction, the Company consistently allocates resources towards initiatives that promote environmental responsibility and sustainable practices throughout its operations.

This methodology for managing natural capital is centred on the conservation of resources, the reduction of ecological footprints, and the integration of sustainability throughout every stage of its value chain. From responsible sourcing and energy-efficient processes to effective waste and water management, the Company is resolutely committed to safeguarding the environment while delivering long-term value to its stakeholders.

LEVERAGING NATURAL CAPITAL FOR LONG-TERM VALUE CREATION

- Maintained uncompromised adherence to all policies and procedures, including EHS standards
- Consistently met targets for reducing water and electricity consumption
- Integrated environmental awareness into employee training programs

12.14 MW

Renewable Power Generation Capacity



INTELLECTUAL CAPITAL

Heritage Foods is focused on building a future-ready organisation that is agile, responsible, and responsive to the evolving expectations of its consumers and stakeholders. The Company's commitment to operational excellence and a culture of continuous improvement drives it to deliver long-term, sustainable value.

Its intellectual capital is defined by decades of experience in the dairy and food industry, deep operational knowledge, and an innovation-driven mindset. The Company continuously invest in research, digital technologies, and knowledge development to enhance its capabilities and adapt to changing market dynamics.

LEVERAGING INTELLECTUAL CAPITAL FOR LONG-TERM VALUE CREATION

- Researched and implemented best practices in dairy operations
- Maintained strict adherence to internal policies and processes
- Upheld robust governance standards, recognised by national and international awards

₹12.89 MN

R&D Expenses in FY25

129

Trademarks Registered in India

HERITAGE NUTRIVET

Heritage Nutrivet Limited, the (HNL) wholly owned subsidiary of Heritage Foods is a leading producer and distributor of livestock feed and feed supplements in the southern states of India. The Company focuses on enhancing animal nutrition by offering a diverse range of products, including cattle feed, feed supplements, veterinary medicines, and fish feed. The Company is committed to support 0.30 million farmers spread across 6 states of the Country with more than 15 products, aiming to improve livestock health and productivity.

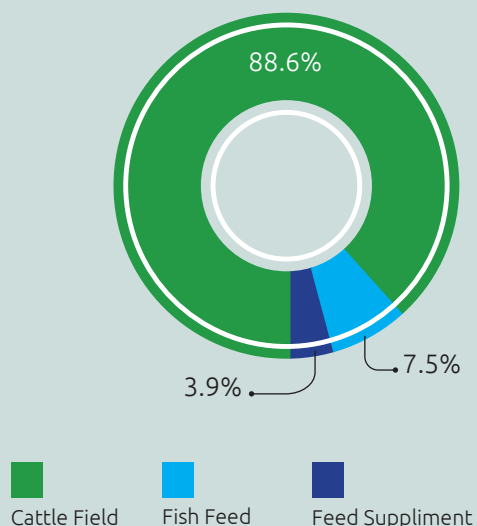
At HNL, we possess a deep understanding of farmers' practices, enabling us to innovatively develop livestock feed tailored to the diverse needs of farm animals. Our products help cattle stay healthier for longer, enhance milk production, and support efficient reproduction without energy deficiencies.

15+
Products

₹ 1,849^{MN}
Turnover

₹ 584^{MN}
Networth

PRODUCTS PORTFOLIO



HERITAGE NOVANDIE

Heritage Novandie Foods Private Limited (HNFPL) is a 50:50 Indo-French joint venture established in 2017 between Heritage Foods Limited (India) and Novandie France. The Company specialises in producing premium French-style yogurts tailored for the Indian market under the brand name "Mamie Yova". The Board of Directors of HFL has approved to acquire majority stake of HNFPL.



ENVIRONMENT. SOCIAL. GOVERNANCE (ESG) WORKING TOWARDS A BETTER WORLD

Heritage's well-governed and robust Environmental, Social, and Governance (ESG) framework exemplifies its commitment and accountability towards environmental preservation and societal well-being. The Company's investments are assessed through the perspective of economic and social value generation. Adopting responsible business practices not only promotes long-term value creation and risk mitigation but also aligns its interests with those of its partners and stakeholders.



ENVIRONMENTAL STEWARDSHIP: NATURE FUELS US, INNOVATION MOVES US

1) ADDRESSING CLIMATE CHANGE

Heritage is resolutely focused on combating climate change through resource optimisation, advanced waste management strategies, and efforts to reduce its carbon footprint significantly. With a steadfast dedication to global environmental goals, the Company continuously enhances its sustainability measures, contributing proactively to the collective fight against climate challenges.



2) WASTE MANAGEMENT APPROACH

Heritage has developed a comprehensive waste management blueprint focused on minimising waste generation. This approach emphasises reducing waste at its source, prioritising recycling wherever feasible, and ensuring strict adherence to proper disposal protocols.



3) ENERGY MANAGEMENT

Given the energy-intensive nature of its operations, the Company is actively working to reduce energy consumption, enhance efficiency, and integrate renewable energy sources into its daily processes. Heritage aims to achieve energy self-sufficiency as part of its sustainability commitment. The Company has established a total renewable energy capacity of 12.14 MW, fulfilling 39% of its electricity needs.



5.84 MW
SOLAR POWER
GENERATION CAPACITY

6.30 MW
WIND POWER
GENERATION CAPACITY





SOCIAL INTERVENTIONS: EMPOWERING THE FARMING COMMUNITY

Heritage Farmers Welfare Activities (HFWA)

Heritage is committed to the welfare of dairy farmers through its Heritage Farmers Welfare Activities (HFWA). Under this initiative, the Company organises camps and programs to improve cattle milk productivity and enhance farmers' income.

Heritage VET+ App – A Digital Dairy Companion

The Heritage VET+ app further empowers farmers by offering a comprehensive, single-stop solution for managing milch animals. It provides remote access to primary veterinary care, nutrition guidance, and best practices in dairy management. Since its launch, the

app has facilitated the treatment of thousands of cattle, significantly supporting farmer livelihoods and animal health.

2,837
CATTLE HEALTH
CAMPS CONDUCTED

72,853
CATTLE TREATED



GOVERNANCE FABRIC: ETHICAL FOUNDATIONS, GUIDED BY EXPERIENCE

Upholding Ethical and Transparent Governance

Heritage's commitment to ethical and transparent governance practices is deeply rooted in the esteemed tradition of the Group. Drawing from this rich heritage, the Company's corporate governance philosophy is firmly grounded in professionalism and integrity, consistently upholding the highest standards.

This commitment to governance excellence enables Heritage to foster trust, ensure accountability, and deliver sustainable value to its regulators, employees, customers, vendors, investors, and society.

STRATEGIC OVERSIGHT BY AN EXPERIENCED BOARD

Heritage's Board consists of accomplished professionals with extensive experience across diverse industries. Guided by a Board of Directors with extensive industry experience spanning multiple decades, the Company operates independently and impartially, always prioritising the Company's and its stakeholders' best interests. The strategic guidance provided by the Board, along with their wealth of knowledge, has been instrumental in helping the Company navigate through the challenges posed by the dynamic external landscape.

***6**
Total Board Size

244
Person years of
cumulative corporate
exposure

THE BOARD COMPOSITION

2
Non-Independent
Directors

4
Independent
Directors

* 7, with appointment of Whole Time Director w.e.f April 01, 2025

BOARD OF DIRECTORS

ARCHITECTS OF OUR SUSTAINABLE FUTURE



MRS. N BHUVANESWARI
Vice-Chairperson and Managing Director (DIN: 00003741)

Mrs. Bhuvaneshwari, a dynamic leader with extensive business experience and strategic acumen, has been associated with Heritage Foods since 1994. She has played a pivotal role in the Company's growth journey, guiding it to new heights through her visionary leadership. She currently oversees overall operations, driving efficiency, innovation, and sustained progress across all business verticals. She holds a Bachelor of Arts degree.



DR. M SAMBASIVA RAO
Whole Time Director (DIN: 01887410)

Dr. Rao, a seasoned professional with nearly two decades of experience in the Indian Administrative Service, including a distinguished tenure as Joint Secretary in the Ministry of Commerce, brings strong governance acumen and commercial expertise to Heritage Foods. He plays a vital role in shaping the Company's growth and strategic direction and he holds a Doctorate in Zoology.



MRS. N BRAHMANI
Executive Director (DIN: 02338940)

Mrs. Brahmani, associated with Heritage Foods since 2014, brings strong technical expertise and global business acumen to support the Company's continued growth and innovation. She holds a Bachelor of Science in Electrical Engineering from Santa Clara University, California, and a Master of Business Administration from Stanford University. She also earned a degree in Communication Engineering from Chaitanya Bharathi Institute of Technology, Hyderabad.



MR. A V GIRIJA KUMAR
Chairperson, Non-Executive Independent Director (DIN: 02921377)

Mr. Girija Kumar, with over four decades of experience in the insurance sector in India and abroad, brings deep industry knowledge and leadership expertise. He is currently a Member of the Financial Services Institutions Bureau under the Ministry of Finance, Government of India. He is the former Chairman and Managing Director of Oriental Insurance Co. Ltd. and has held various key positions across the sector. He has also served as an Independent Director in several leading conglomerates. He is a Commerce graduate, holds an MBA, and an Associate of the Insurance Institute of India (AIII).



MR. RAJESH THAKUR AHUJA
Non-Executive Independent Director (DIN: 00371406)

Mr. Ahuja, an accomplished entrepreneur and founder of Silver Line Wire Products in 1993 and established it as a leading manufacturer of plastic-coated wire products for household use. He brings strong technical knowledge and business acumen to the table. He is a graduate in Production Engineering from Pune University and has further honed his leadership skills by completing the Owner President Management Programme at Harvard University, USA.



MRS. APARNA SURABHI
Non-Executive Independent Woman Director (DIN: 01641633)

Mrs. Surabhi, a seasoned finance professional with over 33 years of experience in auditing across various sectors, has been a practising Chartered Accountant since 1991. She has also served as a consultant to numerous start-ups, offering strategic financial and compliance guidance. She currently serves as the Chief Financial Officer (CFO) and Chief Human Resources Officer (CHRO) at Caliber Technologies Private Limited. She is a Fellow Member of the Institute of Chartered Accountants of India and holds a Bachelor of Commerce and a Bachelor of Law from Bombay University.



MR. M P VIJAY KUMAR
Non-Executive Independent Director (DIN: 05170323)

Mr. Vijay Kumar, with over thirty years of experience in finance, accounting, and corporate governance, brings deep expertise to the corporate and regulatory landscape. He currently serves as Executive Director and Group CFO at Sify Technologies Limited. He is a Fellow Member of the Institute of Chartered Accountants of India (ICAI), the Institute of Cost and Management Accountants of India (ICMA) and the Institute of Company Secretaries of India (ICSI).

He is also a member of the IFRS Interpretation Committee of the International Accounting Standards Board and the IFRS Advisory Council of the IFRS Foundation, London.

He served as a council member of ICAI from 2016 to 2022, was Chairman of the Accounting Standards Board and an ex-officio member of NFRA from 2019 to 2022. He has been a member of various committees under the MCA, SEBI and the CFO Forum of CII. In recognition of his contributions, he was awarded the Business World CFO of the Year in 2021 and named among the 100 most influential CFOs in India by CIMA.



SENIOR MANAGEMENT AT THE HELM



MR. SRIDEEP M KESAVAN
Chief Executive Officer

Srideep brings over 28 years of experience, with two decades in the packaged food industry as a seasoned marketer and business leader. He has held leadership roles at Coca-Cola India and Olam International Singapore. He is an alumnus of XLRI and CET Trivandrum



CA A PRABHAKARA NAIDU
Chief Financial Officer

A Fellow Member of the Institute of Chartered Accountants of India, he graduated with a university rank in Science from Sri Venkateswara University. With over 36 years of experience in finance and accounts, he has been an integral part of Heritage Foods since its inception, contributing significantly to its growth and financial management.



CS UMAKANTA BARIK
Company Secretary & Compliance Officer

He holds a Master's in Economics, LLB, FCS, and LIII. A Fellow Member of the Institute of Company Secretaries of India, New Delhi, and a licentiate from the Insurance Institute of India, Mumbai, he has over 25 years of experience in Secretarial, Legal, Insurance, and Intellectual Property Rights domains.



MR. J SAMBAMURTHY
Chief Operating Officer

He holds an MBA in Marketing and a Bachelor's in Science. As the COO of Heritage Foods since 2007, he brings extensive experience in Sales & Marketing. He has previously held leadership roles at APDDCF Limited, Visakha Dairy, NDDB, and Reliance, focusing strongly on the dairy and agribusiness sectors.



A DECADE OF FINANCIAL PERFORMANCE

Standalone	(In ₹ Million)									
Particulars	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25
Turnover	23,806	18,714	23,440	24,823	26,811	24,070	26,429	32,087	37,343	40,805
Other Income	66	37	72	111	83	84	103	113	119	273
Fair Value gain on Equity Securities	-	2,468	3,954	1,311	2,945	-	-	-	-	-
Total Income	23,872	21,219	27,466	26,245	29,839	24,154	26,532	32,200	37,463	41,078
EBITDA	1,293	3,541	1,353	1,820	-841	2,497	1,781	1,350	1,989	3,117
Depreciation & Amortization	345	249	370	437	480	441	500	539	584	672
Finance cost	155	96	175	207	208	178	32	32	82	150
Loss due to changes in fair value of derivative liabilities	-	385	3,870	1,311	5,116	48	-	-	-	-
Exceptional items									168	235
Profit before tax	860	3,233	881	1,287	-1,447	1,962	1,352	893	1,274	2,334
Provision for Taxation	306	307	277	452	153	510	337	234	364	653
Profit after Tax (PAT)	554	2,926	604	834	-1,600	1,452	1,015	659	910	1,681
Cash Profit/(Loss)	899	1,092	890	1,271	1,051	1,940	1,515	1,197	1,495	2,352
Proposed Dividend (%)	30	40	40	40	50	100	100	50	50	50
Proposed Dividend Amount (Incl. tax on dividend)	84	112	112	112	112	116	232	232	232	232
Equity Share Capital	232	232	232	232	232	232	232	464	464	464
Reserves and Surplus	2,168	5,700	7,548	7,818	4,391	5,706	6,373	6,903	7,571	9,007
Net Worth	2,400	5,932	7,780	8,050	4,623	5,938	6,605	7,367	8,035	9,471
Gross Fixed Assets	5,184	3,050	4,632	5,551	6,318	7,140	7,376	8,292	9,591	10,909
Net Fixed Assets	3,120	2,874	4,247	4,757	5,156	5,563	5,462	6,011	6,859	7,740

KEY INDICATORS

Particulars	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25
Earnings per share* (₹)	12.11	31.98	6.60	9.12	-17.49	15.87	11.10	7.19	9.81	18.11
Cash Earnings Per Share* (₹)	19.65	11.91	9.71	13.87	11.47	21.17	16.53	13.07	16.11	25.35
Book Value Per Share (₹)	25.86	63.92	83.84	86.75	49.82	63.99	71.17	79.39	86.59	102.06
Debt:Equity Ratio##	0.53:1	0.26:1	0.35:1	0.35:1	0.63:1	0.10:1	0.02:1	0.22:1	0.16:1	0.18:1
EBITDA/Turnover (%)	5.43%	18.92%	5.77%	7.33%	-3.14%	10.37%	6.74%	4.21%	5.33%	7.64%
Net Profit Margin (%)	2.33%	15.64%	2.58%	3.36%	-5.97%	6.03%	3.84%	2.05%	2.44%	4.12%
RONW (%)	25.59%	70.24%	8.81%	10.54%	-25.25%	27.49%	16.18%	9.43%	11.82%	19.20%

Note:

*EPS and book value per share have been adjusted for all the years on the account of rights issue during the year 2022-23.

##Debt includes non-current and current portion of long-term borrowings, loans repayable on demand, deferred payment liabilities and lease liabilities.

CORPORATE INFORMATION

BOARD OF DIRECTORS

Mr. A V Girija Kumar (DIN : 02921377)

Chairperson,

Non-Executive Independent Director

Mrs. N Bhuvaneswari (DIN: 00003741)

Vice-Chairperson and Managing Director*

Mr. Rajesh Thakur Ahuja (DIN: 00371406)

Non-Executive Independent Director

Mrs. Aparna Surabhi (DIN: 01641633)

Non-Executive Independent Woman Director

Mr. M P Vijay Kumar (DIN: 05170323)

Non-Executive Independent Director

Dr. M Sambasiva Rao, (DIN:01887410)

Whole Time Director*

(w.e.f. April 01, 2025)

Mrs. N Brahmani, (DIN: 02338940)

Executive Director*

SENIOR MANAGEMENT

Mr. Srideep M Kesavan

Chief Executive Officer*

CA A Prabhakara Naidu

(M.No: FCA 200974)

Chief Financial Officer*

CS Umakanta Barik

(M.No: FCS-6317)

Company Secretary & Compliance Officer*

Mr. J Sambamurthy

Chief Operating Officer

* Key Managerial Personnel

BOARD COMMITTEES

AUDIT COMMITTEE

Mrs. Aparna Surabhi (C)

Mr. A V Girijakumar (M)

Mr. Rajesh Thakur Ahuja (M)

Mr. M P Vijay Kumar (M)

NOMINATION & REMUNERATION COMMITTEE

Mr. M P Vijay Kuma (C)

Mr. A V Girija Kumar (M)

Mr. Rajesh Thakur Ahuja (M)

Mrs. Aparna Surabhi (M)

STAKEHOLDERS' RELATIONSHIP COMMITTEE

Mrs. Aparna Surabhi (C)

Mr. A V Girijakumar (M)

Mr. Rajesh Thakur Ahuja (M)

Mrs. N Bhuvaneswari (M)

RISK MANAGEMENT COMMITTEE

Mr. Rajesh Thakur Ahuja (C)

Mrs. Aparna Surabhi (M)

Mrs. N Bhuvaneswari (M)

CSR COMMITTEE

Mr. Rajesh Thakur Ahuja (C)

Mr. A V Girijakumar (M)

Mrs. N Bhuvaneswari (M)

MANAGEMENT COMMITTEE

Mrs. N Bhuvaneswari (C)

Mr. A V Girijakumar (M)

Mrs. Aparna Surabhi (M)

Mr. M P Vijay Kumar (M)

REGISTERED OFFICE

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

Road No-1 & 65, Jubilee Hills,

Hyderabad - 500033, Telangana, India

Tel: +91-40-23391221/2

CIN: L15209TG1992PLC014332

E-mail: hfl@heritagefoods.in www.heritagefoods.in

REGISTRAR AND TRANSFER AGENTS

Kfin Technologies Limited

CIN: L72400TG2017PLC117649

Karvy Selenium Building, Tower B,

Plot No. 31 & 32, Financial District, Gachibowli,

Hyderabad - 500 032, Telangana

LISTING

BSE Limited, Mumbai

National Stock Exchange of India Limited, Mumbai

BANKERS CONSORTIUM

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

STATUTORY AUDITOR

Walker Chandio & Co LLP

Chartered Accountants

(FRN: 001076N/N500013), Unit No – 1,
10th Floor, My Home Twitza,

APIIC, Hyderabad Knowledge City,

Raidurg (Panmaktha) Village, Serilingampally Mandal,
RR District, Hyderabad – 500 081, Telangana

SECRETARIAL AUDITOR

Ravi & Subramanyam Company Secretaries

Practicing Company Secretary

#5-9-22/63/4/ A, Hill Fort Road, Adarsh Nagar,

Near Birla Mandir, Hyderabad-500063, Telangana

INTERNAL AUDITORS

M/s. Gattamaneni & Co.,

Chartered Accountants,
Hyderabad

M/s.Satayanarayana & Sushil,

Chartered Accountants,
Visakhapatnam

M/s. Ajit M. Joshi & Associates,

Chartered Accountants,
Kolhapur

M/s. SCJY & Associates,

Chartered Accountants,
Hyderabad

M/s. N R T & Associates,

Chartered Accountants,
Chennai

M/s. Punniiah & Co.

Chartered Accountants,
Guntur

M/s. S S A L & Associates,

Chartered Accountants,
Madurai

M/s. Rama Subba Rao & Co.,

Chartered Accountants,
Rajamahendravaram

M/s. G M J & Co.,

Chartered Accountants,
Mumbai

M/s. Murali & Venkat,

Chartered Accountants,
Bangalore

M/s. P Praveen and Associates,

Chartered Accountants,
SPSR Nellore

M/s.Gupta Dua & Co.,

Chartered Accountants,
New Delhi

M/s. Raju & Prasad,

Chartered Accountants,
Hyderabad

Notice to Members

NOTICE is hereby given that the 33rd Annual General Meeting (AGM) of the members of HERITAGE FOODS LIMITED will be held on Thursday, July 31, 2025 at 10:00 a.m. (IST) through Video Conferencing ("VC")/ Other Audio Visual Means ("OAVM") to transact the businesses mentioned below.

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

ORDINARY BUSINESS:

1. Consideration of the Financial statements and the reports of the Board of Directors' and auditors' thereon

To receive, consider and adopt the Audited Standalone and Consolidated Financial Statements of the Company for the financial year ended March 31, 2025, together with the Reports of the Board of Directors and the Auditors thereon and in this regard, to consider and if thought fit, to pass, with or without modification(s), the following resolution as an Ordinary Resolution:

"RESOLVED THAT the Audited Standalone and Consolidated Financial Statements of the Company for the financial year ended March 31, 2025 and the reports of the Board of Directors and Auditors' thereon, as circulated to the members be and are hereby considered and adopted."

2. Declaration of Final Dividend:

To declare final dividend on equity shares at the rate of 50% i.e. ₹2.50/- per equity share of face value of ₹ 5/- (Five Rupees) each for the Financial Year ended March 31, 2025 and in this regard, to consider and if thought fit, to pass, with or without modification(s), the following resolution as an Ordinary Resolution:

"RESOLVED THAT a final dividend at the rate of 50% i.e. ₹2.50/- per fully paid-up Equity Shares of face value of ₹ 5/- each of the Company, as recommended by the Board of Directors be and is hereby approved for the financial year ended March 31, 2025."

3. Re-appointment of Director Retiring by Rotation

To appoint a Director in place of Mrs. N Brahmani (DIN: 02338940), who retires by rotation and being eligible, offers herself for re-appointment and in this regard, to consider and if thought fit, to pass, with or without modification(s), the following resolution as an Ordinary Resolution:

"RESOLVED THAT pursuant to the provisions of Section 152 read with the Companies (Appointment and Qualification of Directors) Rules, 2014 and other applicable provisions of the Companies Act, 2013, Mrs. N Brahmani (DIN: 02338940), who retires by rotation at this meeting and being eligible, offers herself for reappointment, be and is hereby appointed as a Director of the Company."

SPECIAL BUSINESS:

4. Increase in borrowing limits of the Company under Section 180(1)(c) of the Companies Act, 2013

To authorise the Board of Directors of the Company to borrow, from time to time, from one or more banks, financial institutions and other persons, firms, bodies corporate for the purpose of the business of the Company and in this regard, to consider

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

"RESOLVED THAT in supersession to the Resolution passed through Postal Ballot on 10th September 2014 and pursuant the provisions of Section 180(1)(c) and other applicable provisions, if any, of the Companies Act, 2013 and rules made thereunder as amended from time to time, the consent of the members of the Company be and is hereby accorded to the Board of Directors of the Company (hereinafter referred to as "the Board" which term shall be deemed to include any Committee thereof) for borrowing, from time to time, at their discretion for the purpose of the business of the Company, from any one or more banks, financial institutions and other persons, firms, bodies corporate, as it may consider fit, any sum or sums of monies, on such terms and conditions as the Board may deem fit, notwithstanding that the money(ies) to be borrowed together with the money(ies) already borrowed by the Company (apart from temporary loan obtained or to be obtained from the Company's Bankers in the ordinary course of business) may exceed the aggregate of the paid-up Capital of the Company and its free reserves, that is to say, reserves not set apart for any specific purpose, provided that the total amount so borrowed by the Board shall not at any time exceed ₹ 800 Crores (Rupees Eight Hundred Crores Only)."

"RESOLVED FURTHER THAT for the purpose of giving effect to this resolution, the Board be and is hereby authorized to do all such acts, deeds, matters and things as it may in its absolute discretion deem necessary, proper, or desirable and to settle any question, difficulty, doubt that may arise in respect of the borrowing(s) aforesaid and further to do all such acts, deeds and things and to execute all documents and writings as may be necessary, proper, desirable or expedient to give effect to this resolution."

5. Creation / modification of Charges on the movable and immovable properties of the Company, both present and future, in respect of borrowings under Section 180(1)(a) of the Companies Act, 2013

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

"RESOLVED THAT in supersession to the Resolution passed through Postal Ballot on 10th September 2014 and pursuant to Section 180(1)(a) and other applicable provisions, if any, of the Companies Act, 2013 and rules made thereunder as amended from time to time, the consent of the members of the Company be and is hereby given to the Board of Directors of the Company (hereinafter referred to as "the Board" which term shall be deemed to include any Committee thereof) to create such charges, mortgages and hypothecations in addition to the existing charges, mortgages and hypothecations created by the Company, on such movable and immovable properties, both present and future and in such manner as the Board may deem fit, together with power to take over the substantial assets of the Company in certain events in favour of banks/ financial institutions, other investing agencies and trustees for the holders of debentures/bonds/other instruments to secure rupee/foreign currency loans and/or the issue of debentures whether partly/fully convertible or non-convertible and/or rupee/ foreign currency convertible bonds and/or bonds with share warrants attached (hereinafter collectively referred to

as “Loans”) provided that the total amount of Loans together with interest thereon, additional interest, compound interest, liquidated damages, commitment charges, premia on pre-payment or on redemption, costs, charges, expenses and all other monies payable by the Company in respect of the said Loans, shall not, at any time exceed ₹ 800 Crores (Rupees Eight Hundred Crores Only).”

RESOLVED FURTHER THAT the Board of Directors of the Company be and are hereby authorized and empowered to enter into, sign, seal and execute and deliver such arrangements, assignments, conveyances, covenants, contracts, deeds, writings and other instruments and to do all such acts, deeds, matters and things in the name and on behalf of the Company as the Board may consider expedient, usual, proper or desirable for creating mortgages / charges/ hypothecation on all or any of the immoveable and moveable properties of the Company, both present and future, which may be beneficial and convenient to the Company”.

6. Appointment of Secretarial Auditor of the Company

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

“RESOLVED THAT pursuant to the provisions of Sections 204 and other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force), read with Regulation 24A of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations 2015, as amended from time to time, pursuant to recommendation of the Audit Committee and the Board of Directors, consent of the members of the Company be and is

here by accorded for appointment of M/s. Ravi & Subramanyam a firm of Practicing Company Secretaries, Hyderabad-500063 (Peer review Certificate No. P2002AP012000) as the Secretarial Auditors of the Company for conducting Secretarial Audit and issue the Secretarial Compliance Report for a period of 5 (Five) consecutive years from the conclusion of this 33rd Annual General Meeting till the conclusion of the 38th Annual General Meeting (i.e., from FY 2025-26 to FY 2029-30), on such remuneration as recommended by the Audit Committee and as may be mutually agreed between the Board of Directors of the Company and Secretarial Auditors.”

“FURTHER RESOLVED THAT the Board of Directors be and are hereby authorised to do all such acts, deeds, matters and things as may be necessary, expedient or incidental for the purpose of giving effect to this resolution and to settle any question or difficulty in connection herewith and incidental hereto.”

By Order of the Board of Directors

Umakanta Barik

Company Secretary & Compliance Officer

M. No: FCS-6317

eCSIN: EF006317A000002335

Place: Hyderabad

Date: May 16, 2025

Registered Office:

CIN:L15209TG1992PLC014332

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

Plot No: 1286, Road No. 1 & 65, Jubilee Hills,

Hyderabad, Telangana, 500033.

Tel : 040-23391221

E-mail: hfl@heritagefoods.in

Website: www.heritagefoods.in

Notes

1. The General Circular No. No.09/2024 dated September 19, 2024 issued by Ministry of Corporate Affairs ("MCA") and SEBI Circular No. SEBI/HO/CFD/CFD-PoD-2/P/ CIR/2024/133, dated October 3, 2024 issued by the Securities and Exchange Board of India ("SEBI") including earlier circulars issued in this regard, (hereinafter collectively referred to as the "Circulars"), Secretarial Standard on General Meetings ("SS-2") issued by the Institute of Company Secretaries of India, New Delhi, Regulation 44 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the 'Listing Regulations') the AGM of the Company is being held through VC / OAVM. The deemed venue for the AGM shall be the Registered Office of the Company situated at # H.No.8-2-293/82/A/1286, Plot No: 1286, Road No. 1 & 65, Jubilee Hills, Hyderabad, Telangana, 500033, India.
2. Pursuant to the provisions of the circulars on the VC/ OAVM (AGM):
 - a) Members can attend the meeting through login credentials provided to them to connect to Video Conference (VC) / Other Audio-Visual Means (OAVM). Physical attendance of the Members at the Meeting venue is not required.
 - b) Body Corporates are entitled to appoint authorised representatives to attend the AGM through VC/OAVM and participate there at and cast their votes through e-voting.
3. The Members can join the AGM within 15 minutes before and after the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice.
4. The attendance of the Members (member's logins) attending the AGM will be counted for the purpose of reckoning the quorum under Section 103 of the Companies Act, 2013.
5. In compliance with the above MCA Circulars and SEBI Circular, Notice of the 33rd AGM along with the 33rd Annual Report 2024-25 is being sent through electronic mode only to those Members whose email addresses are registered with the Company/ Depositories. Members may note that the Notice and 33rd Annual Report 2024-25 will also be available on website of the Company (www.heritagefoods.in), websites of the stock exchanges, BSE Limited (www.bseindia.com), National Stock Exchange of India Limited (www.nseindia.com) and on the website of NSDL at www.evoting.nsdl.com. In compliance with SEBI Circular No. SEBI/LAD-NRO/GN/2024/218 dated December 12, 2024, shareholders whose email IDs are not registered will be sent a letter containing the web link to access the Annual Report.
6. The Statement, pursuant to Section 102 of the Companies Act, 2013, as amended ('Act') setting out material facts concerning the business with respect to Item No. 4, 5 & 6 forms part of this Notice.
7. GENERALLY, A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE ON A POLL INSTEAD OF HIMSELF / HERSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. SINCE, THIS AGM IS BEING HELD THROUGH VC / OAVM PURSUANT TO THE MCA CIRCULARS, PHYSICAL ATTENDANCE OF MEMBERS HAS BEEN DISPENSED WITH. ACCORDINGLY, THE FACILITY FOR APPOINTMENT OF PROXIES BY THE MEMBERS SHALL NOT BE AVAILABLE FOR THE AGM AND HENCE, THE PROXY FORM AND ATTENDANCE SLIP ARE NOT ANNEXED HERETO.
8. Since, the AGM will be held through VC/ OAVM, the route map of the venue of the Meeting is not annexed hereto.
9. In terms of the provisions of Section 152 of the Companies Act, 2013 and rules made thereunder, Mrs. N Brahmani (DIN: 02338940), Executive Director of the Company is liable to retire by rotation at the ensuing Annual General Meeting and being eligible offers herself for re-appointment. The Board of Directors of the Company recommend her re-appointment.

The above re-appointment shall not alter any terms and conditions with regard to remuneration, tenure of appointment and such other terms and conditions relating to her appointment as an Executive Director of the company for a term of five year (w.e.f. 01.04.2024) as approved by the Members of the Company by way of postal Ballot and remote e-voting, the results of which were declared on March 14, 2024.
10. Pursuant to Regulations 36(3) of SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015, Section 152 of the Companies Act, 2013 and Secretarial Standards on General Meetings (SS- 2), details in respect of Director seeking appointment/reappointment of Directorship at 33rd AGM of the Company to be held on Thursday, July 31, 2025 at 10.00 AM is provided in Annexure-1 of this Notice.
11. In compliance with the provisions of Section 108 of the Act read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended), Regulation 44 of SEBI Listing Regulations, SS-2 (Secretarial Standard on General Meeting) issued by the Institute of Company Secretaries of India ("ICSI") and the provisions of the MCA Circulars and SEBI Circular and any amendments thereto, the Company is providing remote e-Voting facility to its Members in respect of the business to be transacted at the AGM and facility for those Members participating in the AGM to cast their vote through Remote e-Voting. For this purpose, the Company has entered into an agreement with National Securities Depository Limited (NSDL), Trade World - A Wing, Kamala Mills Compound, Lower Parel, Mumbai - 400013 for facilitating voting through electronic means, as the authorised agency. The facility of casting votes by a member using remote e-Voting system as well as remote e-Voting during the AGM will be provided by NSDL. In terms of the MCA & SEBI Circulars, voting can be done only by Remote E-voting/E-voting. The Members are advised to use the E-voting procedure, as provided in the Notice.
12. (a) The Company has notified closure of Register of Members and Share Transfer Books from July 24, 2025 to July 31, 2025 (both days inclusive) for determining the names of member(s) eligible for dividend on Equity Shares, if declared at the Meeting.
(b) The dividend on equity shares, if approved at the Meeting, shall be paid/credited in the respective bank account of the members of the company on August 7, 2025. The dispatch of dividend warrants/ demand drafts will be completed on the same day.
13. Members may avail facility of nomination in terms of Section 72 of the Companies Act, 2013, by nominating any person to whom their shares in the Company shall vest in the event of their death.

DISPATCH OF ANNUAL REPORT THROUGH ELECTRONIC MODE:

14. As per the MCA Circulars and SEBI Circular the notice of the AGM along with the 33rd Annual Report for the FY 2024-25 is being sent only through electronic mode to those Members whose email addresses are registered with the Company/ Depositories unless any member has requested for a physical copy of the same. The company shall also send a letter providing the web-link, including the exact path for viewing and downloading the 33rd Annual Report to those shareholder(s) who have not registered their email addresses either with the Company or Depositories. Members may note that the Notice and 33rd Annual Report for the FY 2024-25 will also be available on the Company's website i.e. www.heritagefoods.in, websites of the Stock Exchanges, i.e., BSE Limited and National Stock Exchange of India Limited at www.bseindia.com and www.nseindia.com respectively and on the website of NSDL at www.evoting.nsdl.com.
15. For receiving all communications (including 33rd Annual Report for FY 2024-25) from the Company electronically.
- Members holding shares in physical mode and who have not registered/ updated their email address with the Company are requested to register / update the same by writing to the Company with details of folio number(s) and attaching a self-attested copy of PAN card at hfl@heritagefoods.in or to M/s KFin Technologies Limited (KFinTech) at einward.ris@kfintech.com.
 - Members holding shares in dematerialised mode are requested to register / update their email addresses with the relevant Depository Participant (DP).

INSTRUCTIONS FOR E-VOTING AND JOINING THE AGM ARE AS FOLLOWS:**16. PROCEDURE FOR JOINING THE AGM THROUGH VC / OAVM:**

- Pursuant to the provisions of Section 108 of the Act read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended), Regulation 44 of the SEBI Listing Regulations and in terms of SEBI circular no. SEBI/HO/CFD/ CMD/CIR/P/2020/242 dated December 9, 2020 in relation to e-Voting facility provided by listed entities, the Company is providing facility of remote e-Voting to its Members in respect of the business to be transacted at the AGM. For this purpose, the Company has entered into an agreement with NSDL for facilitating voting through electronic means, as the authorised agency. The facility of casting votes by a Member using remote e-Voting system as well as e-Voting during the AGM which will be provided by NSDL.
- Members of the Company holding shares either in physical form or in electronic form as on the cut-off date of Wednesday, July 23, 2025 may cast their vote by remote e-Voting. A person who is not a Member as on the cut-off date should treat this Notice for information purpose only. A person whose name is recorded in the Register of Members or in the Register of Beneficial Owners maintained by the depositories as on the cut-off date only shall be entitled to avail the facility of remote e-Voting before the AGM as well as e-Voting during the AGM.

Any member(s) holding shares in physical form or non individual member who acquires shares of the Company

and becomes a member of the Company after the cut-off date i.e. Wednesday, July 23, 2025 may obtain the User ID and Password by sending a request at evoting@nsdl.co.in. However, if a person is already registered with NSDL for remote e-Voting then the Members can use their existing User ID and password for casting the vote.

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

- The remote e-Voting period commences on Monday, July 28, 2025 at 9.00 a.m. (IST) and ends on Wednesday, July 30, 2025 at 5.00 p.m. (IST). The remote e-Voting module shall be disabled for voting thereafter. Once the vote on a resolution is cast by the Member, the Member shall not be allowed to change it subsequently. The voting rights of the Members shall be in proportion to their share of the paid-up equity Share Capital of the Company as on the cut-off date i.e. Wednesday, July 23, 2025.
- Members shall be provided with the facility for voting through electronic voting system during the VC/OAVM proceedings at the AGM and Members participating at the AGM, who have not cast their vote on the resolution(s) by remote e-Voting, will be eligible to exercise their right to vote on such resolution(s) upon announcement by the Chairperson. Members who have cast their vote on resolution(s) by remote e-Voting prior to the AGM will also be eligible to participate at the AGM through VC/OAVM but shall not be entitled to cast their vote on such resolution(s) again. Members who have voted on some of the resolutions during the said voting period are also eligible to vote on the remaining resolutions during the AGM. The e-Voting module on the day of the AGM shall be disabled by NSDL for voting 15 minutes after the conclusion of the Meeting.

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

- Members will be able to attend the AGM through VC/OAVM or view the live webcast of AGM provided by NSDL at <https://www.evoting.nsdl.com> by following the steps mentioned under 'Access NSDL e-Voting system'. After successful login, Member(s) can click on link of 'VC/OAVM' placed under 'Join General Meeting' menu against Company name. The link for VC/OAVM will be available in Shareholder/Member login where the EVEN of the Company will be displayed. Members who do not have the User ID and Password for e-Voting or have forgotten the User ID/Password may retrieve the same by following the process as mentioned in paragraph titled "The instructions for remote e-Voting before/ during the AGM" in the Notice to avoid last minute rush.
- Members who would like to express their views or ask questions during the AGM may register themselves as a speaker by sending their request from their registered email address mentioning their name, DP ID and Client ID/ Folio number, PAN, mobile number at hfl@heritagefoods.in between Saturday, July 26, 2025 (9:00 a.m. IST) to Tuesday, July 29, 2025 (5:00 p.m. IST). The Company reserves the right to restrict the number of questions and

speakers depending on the availability of time for the AGM. Further, the sequence in which the shareholders will be called upon to speak will be solely determined by the Company.

- iii. Members who need assistance before or during the AGM, can contact NSDL on evoting@nsdl.co.in / 022 - 4886 7000.

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

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

Step 1: Access NSDL e-Voting system

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

Details on Step 1 are mentioned below:

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

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

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

Type of shareholders	Login Method
Individual Shareholders holding securities in demat mode with NSDL	A. NSDL IDeAS facility If you are already registered, follow the below steps: 1. Visit the e-Services website of NSDL. Open web browser by typing the following URL: https://eservices.nsdl.com/ either on a personal computer or on a mobile. 2. Once the home page of e-Services is launched, click on the 'Beneficial Owner' icon under 'Login' which is available under 'IDeAS' section. 3. A new screen will open. You will need to enter your User ID and Password. After successful authentication, you will be able to see e-voting services under Value Added Services section. 4. Click on 'Access to e-voting' appearing on the left-hand side under e-voting services and you will be able to see e-voting page. 5. Click on options available against Company name or e-voting service provider – NSDL and you will be re-directed to NSDL e-voting website for casting your vote during the remote e-voting period or joining virtual meeting & e-voting during the meeting. If you are not registered, follow the below steps: a) Option to register is available at https://eservices.nsdl.com b) Select 'Register Online for IDeAS' Portal or click at https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp c) Please follow steps given in points 1-5
	B. e-voting website of NSDL 1. Open web browser by typing the following URL: https://www.evoting.nsdl.com/ either on a personal computer or on a mobile phone. 2. Once the home page of e-voting system is launched, click on the icon 'Login' which is available under 'Shareholder/ Member' section. 3. A new screen will open. You will need to enter your User ID (i.e. your sixteen digit demat account number held with NSDL), Password/OTP and a Verification Code as shown on the screen. 4. After successful authentication, you will be redirected to NSDL website wherein you can see e-voting page. Click on options available against Company name or e-voting service provider - NSDL and you will be redirected to e-voting website of NSDL for casting your vote during the remote e-voting period or joining virtual meeting & e-voting during the meeting. C. Shareholders/Members can also download NSDL Mobile App 'NSDL Speede' facility by scanning the QR code mentioned below for seamless voting experience.
Individual Shareholders holding securities in demat mode with CDSL	1. Existing users who have opted for Easi/Easiest, they can login through their user id and password. Option will be made available to reach e-Voting page without any further authentication. The URL for users to login to Easi/Easiest are https://web.cdslindia.com/myeasitoken/home/login or www.cdslindia.com and click on 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 links of e-Voting service provider i.e. NSDL. Click on NSDL to cast your vote. 3. If the user is not registered for Easi/Easiest, option to register is available at https://web.cdslindia.com/myeasitoken/Registration/EasiRegistration 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 & e-mail as recorded in the demat Account. After successful authentication, user will be provided links for the respective ESP i.e. NSDL where the e-Voting is in progress.

Type of shareholders	Login Method
Individual Shareholders (holding securities in demat mode) login through their depository participants	1. You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. 2. upon logging in, you will be able to see e-Voting option. Click on e-Voting option, you will be redirected to NSDL/ CDSL Depository site after successful authentication, wherein you can see e-Voting feature 3. Click on company name or e-Voting service provider i.e. NSDL and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting and e-voting during the meeting.



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

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

Login Type	Helpdesk Details
Individual Shareholders holding securities in demat mode with NSDL	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at evoting@nsdl.co.in or call at toll free no.: 022-48867000
Individual Shareholders holding securities in demat mode with CDSL	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at helpdesk.evoting@cdslindia.com or contact at 1800225533

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

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

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

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

- Password details for shareholders other than Individual shareholders are given below:
 - If you are already registered for e-Voting, then you can use your existing password to login and cast your vote.
 - If you are using NSDL e-Voting system for the first time, you will need to retrieve the 'initial password' which was communicated to you. Once you retrieve your 'initial password', you need to enter the 'initial password' and the system will force you to change your password.
 - How to retrieve your 'initial password'?
 - If your email ID is registered in your demat account or with the company, your 'initial password' is communicated to you on your email ID. Trace the email sent to you from NSDL from your mailbox. Open the email and open the attachment i.e. a .pdf file. Open the .pdf file. The password to open the .pdf file is your 8 digit client ID for NSDL account, last 8 digits of client ID for CDSL account or folio number for shares held in physical form. The .pdf file contains your 'User ID' and your 'initial password'
 - If your email ID is not registered, please follow steps mentioned below in process for those shareholders whose email ids are not registered.

6. If you are unable to retrieve or have not received the “Initial password” or have forgotten your password:
 - a. Click on “**Forgot User Details/Password?**”(If you are holding shares in your demat account with NSDL or CDSL) option available on www.evoting.nsdl.com.
 - b. “**Physical User Reset Password?**” (If you are holding shares in physical mode) option available on www.evoting.nsdl.com.
 - c. If you are still unable to get the password by aforesaid two options, you can send a request at evoting@nsdl.co.in mentioning your demat account number/folio number, your PAN, your name and your registered address etc.
 - d. Members can also use the OTP (One Time Password) based login for casting the votes on the e-Voting system of NSDL.
7. After entering your password, tick on Agree to “Terms and Conditions” by selecting on the check box.
8. Now, you will have to click on “Login” button.
9. After you click on the “Login” button, Home page of e-Voting will open.

Details on Step 2 are mentioned below:

A. How to cast your vote electronically on NSDL e-Voting system and join General Meeting on NSDL e-Voting system?

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

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

1. The procedure for remote e-Voting during the AGM is same as the instructions mentioned above for remote e-Voting since the Meeting is being held through VC/OAVM.

2. Only those Members/Shareholders, who will be present in the AGM through VC/OAVM facility and have not cast their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote on such resolution(s) through e-Voting system at the AGM.

C. General Guidelines for Shareholders:

1. Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/Authority letter etc. with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer by e-mail to klbcs.hyd@gmail.com with a copy marked to evoting@nsdl.co.in. Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) can also upload their Board Resolution / Power of Attorney / Authority Letter etc. by clicking on “Upload Board Resolution / Authority Letter” displayed under “e-Voting” tab in their login.
2. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the “Forgot User Details/Password?” or “Physical User Reset Password?” option available on www.evoting.nsdl.com to reset the password.
3. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available at the download section of www.evoting.nsdl.com or call on toll free no.: 022-48867000 and 022-24997000 or send a request to evoting@nsdl.co.in.

D. Other Instructions:

The Board of Directors has appointed Mrs. Khusboo Laxmi Bhagat, Partner of M/s. KLB & Associates, Practicing Company Secretary (CP No:14703, M.No.9376), Hyderabad- 500016, Telangana, as the Scrutinizer to scrutinise the remote e-Voting process as well as e-voting during the AGM in a fair and transparent manner.

The Scrutinizer shall immediately after the conclusion of voting at the AGM, unblock the votes cast through remote e-Voting (votes cast during the AGM and votes cast prior to the AGM) and make consolidated Scrutiniser’s Report and submit the same to the Chairperson. The result of e-voting will be declared within two working days of the conclusion of the Meeting and the same, along with the consolidated Scrutiniser’s Report, will be placed on the website of the Company: www.heritagefoods.in and on the website of NSDL www.evoting.nsdl.com immediately. The result will simultaneously be communicated to the stock exchanges where the shares of the company are listed.

19. PROCEDURE FOR INSPECTION OF DOCUMENTS:

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

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

20. DIVIDEND RELATED INFORMATION

- i. The Board of Directors at their meeting held on May 16, 2025 recommended a final dividend on equity shares at the rate of 50% i.e. ₹2.50/- per Equity Share of face value of ₹ 5/- each for the Financial Year ended on March 31, 2025, subject to approval of the Members at the AGM, the dividend will be paid on Thursday, August 7, 2025, to the Members whose names appear on the Company's Register of Members as on the Record Date and in respect of the shares held in dematerialised mode, to the Members whose names are furnished by National Securities Depository Limited and Central Depository Services (India) Limited as beneficial owners as on that date. The dispatch of dividend warrants/demand drafts will be completed on the same day.
- ii. The Company has notified closure of Register of Members and Share Transfer Books from Thursday, July 24, 2025 to Thursday, July 31, 2025 (both days inclusive) for determining the names of member(s) eligible for dividend on Equity Shares, if declared at the Meeting.
- iii. As per relevant Circulars, payment of dividend shall be made through electronic mode to the members who have updated their bank account details. Dividend warrants / demand drafts will be dispatched to the registered address of the members who have not updated their bank account details. To avoid delay in receiving dividend, members are requested to update their bank account details with their Depository Participants in case securities are held in demat mode and members holding securities in physical form should send a request for updating their bank details to the Company's Registrar & Share Transfer Agents.

- iv. Payment of Dividend shall be subject to deduction of tax at source (TDS) at applicable rates as notified by the Government of India.
- v. Members are requested to notify immediately any change of address and other relevant correspondence including NECS/ECS/NEFT/ RTGS details and submission of Permanent Account Number (PAN)
 - a. to their Depository Participants (DPs) in respect of their electronic share accounts; and
 - b. to the Company at its registered office or the Registrar & Transfer Agent, M/s. KFin Technologies Limited (KFinTech) (CIN:L72400TG2017PLC117649), Selenium Building, Tower-B, Plot No 31 & 32, Financial District, Nanakramguda, Serilingampally, Hyderabad, Rangareddi, Telangana - 500 032, India in respect of their physical shares, if any, quoting their folio number, Banker's name and account number to ensure prompt and safe receipt of dividend warrants.
- vi. Manner of registering mandate for receiving Dividend:
 - a. with their Depository Participant(s) with whom they maintain their demat accounts if shares are held in dematerialised mode by submitting the requisite documents and
 - b. with the Company / KFinTech by clicking on <https://ris.kfintech.com/form15> or by emailing at hfl@heritagefoods.in or einward.ris@kfintech.com if shares are held in physical mode, by submitting scanned copy of the (i) signed request letter which shall contain member's name, folio number, bank details (Bank account number, Bank and Branch Name and address, IFSC, MICR details), (ii) self-attested copy of the PAN card and (iii) cancelled cheque leaf. In case shares are held in dematerialised mode, details in a form prescribed by your Depository Participant may also be required to be furnished.
- vii. Pursuant to the amendments introduced by the Finance Act, 2020 the Company will be required to withhold taxes at the prescribed rates on the dividend paid to its members w.e.f. April 01, 2020. No tax will be deducted on payment of dividend to the resident individual members if the total dividend paid does not exceed ₹10,000/-, The withholding tax rate would vary depending on the residential status of the member and documents registered with the Company as follows

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

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

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

SI No	Particulars	Withholding tax rate	Documents required (if any)
1	Submission of form 15G/15H	Nil	Declaration in Form No. 15G (applicable to any person other than a company or a firm) / Form 15H (applicable to an Individual who is 60 years and above), fulfilling certain conditions
2	Members to whom section 194 of the Income Tax, 1961 does not apply such as LIC, GIC, etc.	Nil	Documentary evidence that the said provisions are not applicable
3	Member covered u/s 196 of Income Tax Act, 1961 such as Government, RBI, corporations established by Central Act & mutual funds	Nil	Documentary evidence for coverage u/s 196 of Income Tax Act, 1961
4	Category I and II Alternative investment Fund	Nil	SEBI registration certificate to claim benefit under section 197A(1F) of Income Tax Act, 1961
5	Recognised provident funds Approved superannuation fund Approved gratuity fund	Nil	Necessary documentary evidence as per Circular No. 18/2017 issued by Central Board of Direct Taxes (CBDT)
6	National Pension Scheme	Nil	No TDS as per section 197A (1E) of Income Tax Act, 1961

B. NON-RESIDENT MEMBERS:

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

SI No	Particulars	Withholding tax rate	Documents required (if any)
1	Foreign Institutional Investors (FIIs) / Foreign Portfolio Investors (FPIs)	20% (plus applicable surcharge and cess)	FPI registration number / certificate
2	Other Non-resident members	20% (plus applicable surcharge and cess) or tax treaty rate whichever is beneficial	To avail beneficial rate of tax treaty following tax documents would be required: i. Tax Residency certificate issued by revenue authority of country of residence of member for the year in which dividend is received ii. PAN iii. Form 10F filled & duly signed iv. Self-declaration for non-existence of permanent establishment/ fixed base in India (Note: Application of beneficial Tax Treaty Rate shall depend upon the completeness of the documents submitted by the Non- Resident member and review to the satisfaction of the Company)
3	Indian Branch of a Foreign Bank	NIL	Lower tax deduction certificate u/s 195(3) obtained from Income Tax Authority Self-declaration confirming that the income is received on its own account and not on behalf of the Foreign Bank
4	Availability of Lower/NIL tax deduction certificate issued by Income Tax Department u/s 197 of Income Tax Act, 1961	Rate specified in certificate	Lower tax deduction certificate obtained from Income Tax Authority

Notes:

- The Company will issue soft copy of the TDS certificate to its members through email registered with the Company / Kfintech post payment of the dividend. Members will be able to download the TDS certificate from the Income Tax Department's website <https://incometaxindiaefiling.gov.in> (refer to Form 26AS).
- The aforesaid documents such as Form 15G/ 15H, documents under section 196, 197A, FPI Registration Certificate, Tax Residency Certificate, Lower Tax certificate etc. can be uploaded on the link <https://ris.kfintech.com/form15/> on or before Friday, July 16, 2025 to enable the Company to determine the appropriate TDS / withholding tax rate applicable. Any communication on the tax determination/ deduction received post Friday, July 16, 2025 shall not be considered.

- iii. Application of TDS rate is subject to necessary verification by the Company of the member details as available in Register of Members as on the Record Date and other documents available with the Company / RTA.
- iv. In case TDS is deducted at a higher rate, an option is still available with the member to file the return of income and claim an appropriate refund.
- v. In the event of any income tax demand (including interest, penalty, etc.) arising from any misrepresentation, inaccuracy or omission of information provided by the Member(s), such Member(s) will be responsible to indemnify the Company and also provide the Company with all information/documents and cooperation in any appellate proceedings.
- vi. This Communication is not exhaustive and does not purport to be a complete analysis or listing of all potential tax consequences in the matter of dividend payment. Members should consult their tax advisors for requisite action to be taken by them.

21. IEPF RELATED INFORMATION:

Pursuant to the provisions of Investor Education and Protection Fund (Uploading of information regarding unpaid and unclaimed amounts lying with companies) Rules as amended from time to time, the Company has uploaded the details of unclaimed/unpaid amounts lying with the Company as on August 21, 2024 (date of the last AGM) on the website of the Company (www.heritagefoods.in) and also on the website of the Ministry of Corporate Affairs, the information in respect of such unclaimed/unpaid dividend and the last date for claiming the same are given below:

Financial year	Date of Declaration of Dividend	Last date for claiming Unpaid Dividend	Unclaimed/Unpaid Dividend as on March 31, 2025	
			Amount outstanding (₹ in Rupees)	No. of Shares
2017-18	30-08-2018	04-10-2025	14,03,984.00	7,01,992
2018-19	30-08-2019	04-10-2026	13,81,452.00	6,90,726
2019-20	28-08-2020	03-10-2027	15,89,981.50	7,16,771
2020-21	30-07-2021	03-09-2028	23,29,103.00	5,39,354
2021-22	21-10-2021 (1 st Interim Dividend)	25-11-2028	12,43,437.50	5,87,605
2021-22	29-07-2022 (Final Dividend)	02-09-2029	13,33,381.50	6,09,701
2022-23	22-08-2023	26-09-2030	13,67,723.00	6,19,066
2023-24	21-08-2024	26-10-2031	18,16,518.50	8,19,124

Pursuant to Section 124(5) of the Companies Act, 2013 [Section 205C(2) of the Companies Act, 1956] read with the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 as amended from time to time the unclaimed/unpaid dividend amount ₹ 27,54,800/- (Twenty seven lakh fifty four thousand eight hundred Only) for the year 2016-17 was transferred to the Investor Education and Protection Fund during the financial year 2024-25 on 28th August 2024.

Pursuant to the provisions of Section 124 and 125 of the Companies Act, 2013 and the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 as amended from time to time, all shares on which

dividend has not been claimed/paid for seven consecutive years or more shall be transferred to IEPF Authority.

In compliance with the provisions of Section 124 of the Companies Act, 2013 read with applicable rules, the Company has transferred 1,22,541 (One lakh twenty two thousand five hundred forty one only) equity shares belonging to 14 members of the company who have not claimed dividends for a continuous period of seven years to Investor Education and Protection fund Authority (IEPF) Vide Corporate Action to Demat account of IEPF Authority dated 16-10-2024.

Further the unclaimed/unpaid dividend and the shares thereof pertaining to the financial year 2017-18 shall be transferred to the Investor Education and Protection Fund during the financial year 2025-26. The members who have not claimed their dividend are requested to claim it as early as possible.

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

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

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

22. OTHER INFORMATION

- i. The Company's equity shares are Listed at (i) BSE Limited, Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai - 400001, Maharashtra, India; and (ii) National Stock Exchange of India Limited, Exchange Plaza, Floor 5, Plot No. C/1, Bandra (East), Mumbai - 400051, Maharashtra, India and the Company has paid the Annual Listing Fees to the said Stock Exchanges for the year 2024-25.
- ii. Members holding shares in physical mode are:
 - a. required to submit their Permanent Account Number (PAN) and bank account details to the Company / KFinTech at <https://karisma.kfintech.com/> members, if not registered with the Company/ KFinTech as mandated by SEBI by writing to the Company at hfl@heritagefoods.in or to KFinTech at einward.ris@kfintech.com along with the details of folio no., selfattested copy of PAN card, bank details (Bank account number, Bank and Branch Name and address, IFSC, MICR details) and cancelled cheque.
 - b. advised to register nomination in respect of their shareholding in the Company.
- iii. Members holding shares in electronic mode are:
 - a. requested to submit their PAN and bank account details to their respective Depository Participants ("DPs") with whom they are maintaining their demat accounts.
 - b. advised to contact their respective DPs for registering nomination.

- iv. Non-Resident Indian members are requested to inform KFinTech / respective DPs, immediately of:
 - a) Change in their residential status on return to India for permanent settlement.
 - b) Particulars of their bank account maintained in India with complete name, branch, account type, account number and address of the bank with pin code number, if not furnished earlier.
- v. Members holding shares in electronic form may note that bank particulars registered against their respective depository accounts will be used by the Company for payment of dividend. The Company or its Registrars and Transfer Agents i.e. Kfin Technologies Limited cannot act on any request received directly from the members holding shares in electronic form for any change of bank particulars or bank mandates. Such changes are to be advised only to the Depository Participant by the member(s).
- vi. Members holding shares in electronic form are requested to intimate immediately any change in their address or bank mandates to their Depository Participants with whom they are maintaining their Demat accounts. Members holding shares in physical form are requested to advise any change in their address or bank mandates immediately to the Company / RTA.
- vii. Pursuant to Section 101 and Section 136 of the Companies Act, 2013 read with relevant Rules made there under, Companies can serve Annual Reports and

other communications through electronic mode to those members who have registered their e-mail address either with the Company or with the Depository. Those members, who desire to receive notice / documents through e-mail, are requested to communicate their e-mail ID and changes thereto from time to time to his/her Depository Participant / the Company's Registrar & Share Transfer Agent as the case may be. Members who have not registered their e-mail address either with the Company or with the Depository are requested to register as soon as possible.

- viii. The members may note that pursuant to Regulation 36(c) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 the Hard copy of full annual report shall be sent to members on request. Members may further note that pursuant to Section 20 of the Companies Act, 2013 and on the approval of members in their meeting held on August 19, 2016 the Board of Directors have fixed a minimum fee of ₹100 for providing physical copy of annual report if so requested by any member of the Company.
- ix. Members are requested to follow the process detailed below and intimate changes, if any, pertaining to their name, postal address, e-mail address, telephone/mobile numbers, Permanent Account Number (PAN), mandates, nominations, power of attorney, bank details such as, name of the bank and branch details, bank account number, MICR code, IFSC code, etc.

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

- x. Members may also note that the 33rd Annual Report for the financial year 2024-25 will also be available on the Company's website www.heritagefoods.in. For any communication, the members may also send requests to the Company's investor email id: umakanta@heritagefoods.in.

By Order of the Board of Directors

UMAKANTA BARIK

Company Secretary & Compliance Officer

M. No: FCS-6317

eCSIN: EF006317A000002335

Place: Hyderabad

Date: May 16, 2025

Registered Office:

CIN:L15209TG1992PLC014332

H.No.8-2-293/82/A/1286, Plot No: 1286, Road No. 1 & 65,

Jubilee Hills, Hyderabad, Telangana, 500033. Tel : 040-23391221

E-mail: hfl@heritagefoods.in | Website: www.heritagefoods.in

Explanatory Statement

Pursuant to Section 102 of the Companies Act, 2013

The following explanatory Statement sets out all the material facts relating to the Special Business mentioned in Item No. 4, 5 & 6 of the Notice of 33rd AGM dated July 31, 2025:

Item No: 4 & 5

The members at the Extra Ordinary General Meeting conducted through Postal Ballot held on 10th September, 2014, had accorded consent to the Board of Directors for borrowings up to ₹ 500 Crores (Rupees Five hundred Crore only) under section 180(1)(c) and other applicable provisions, if any, of the Companies Act, 2013 ("the Act") and the rules made thereunder.

Taking into consideration the requirements of financial resources for meeting the operational and future capital works expansion of Business operations of the Company it is now considered necessary to increase the threshold of ₹ 500 Crores (Rupees Five hundred Crores only) as stated above.

Therefore, the consent of the members is being sought, pursuant to the provisions of Section 180(1)(c) of the Act, to enable the Board of Directors to borrow monies, from time to time, from one or more bank(s), financial institutions, as may be deemed necessary provided that the total amount so borrowed by the Board together with the money(ies) already borrowed by the Company (apart from temporary loan obtained or to be obtained from the Company's Bankers in the ordinary course of business) shall not at any time exceed ₹ 800 Crores (Rupees Eight hundred Crores Only).

The Resolution under Item No.4 is to obtain the consent of the members for this purpose. The Company shall ensure that the debt equity ratio of the Company, at all times, is maintained within a reasonable limit.

The proposed borrowings of the Company may, if necessary, be secured by way of charge/ mortgage/hypothecation on the Company's assets in favour of the lenders/holders of securities/trustees for the holders of the said securities as mentioned in the Resolution under Item No.5. As the documents to be executed between the lenders/security holders/trustees for the holders of the said securities and the Company may contain provisions to take over substantial assets of the Company in certain events, it is necessary to pass a resolution under Section 180(1)(a) of the Act, for creation of charges/mortgages/hypothecations for an amount not exceeding ₹ 800 Crores (Rupees Eight hundred Crores Only).

The above proposals are in the interest of the Company and the Directors recommend the Resolutions as set out at Item Nos.4 and 5 of the Notice, for approval by the members.

None of the Directors, Key Managerial Personnel and their relatives are in any way concerned or interested in the said resolution.

The Directors recommend the aforesaid resolutions as set out at Item Nos.4 and 5 of the Notice for the approval by the members as Special Resolutions.

Item No: 6

SEBI vide its notification dated 12 December 2024, amended the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The amended regulations require companies to obtain shareholders' approval for appointment of Secretarial Auditors, in addition to approval by the Board of Directors. Further, such Secretarial Auditor must be a peer reviewed company secretary and should not have incurred any of the disqualifications as specified by SEBI.

After evaluating and considering various factors such as industry experience, competence of the audit team, efficiency in conduct of audit, independence, etc., The Board of Directors has, based on the recommendation of the Audit Committee and subject to the approval of the shareholders in the Annual General Meeting, appointed M/s. Ravi & Subramanyam Company Secretaries, Practicing Company Secretary (Peer review Certificate No. P2002AP012000) as Secretarial Auditors of the Company for a period of 5 (Five) consecutive years from the conclusion of this 33rd Annual General Meeting till the conclusion of the 38th Annual General Meeting (i.e., for the Financial Year April 1, 2025 – March 31, 2026 to April 1, 2029 – March 31, 2030).

Rationale for appointment

M/s. Ravi & Subramanyam, Company Secretaries, a firm of Practicing Company Secretaries, Hyderabad-500063 is registered with The Institute of Company Secretaries of India (ICSI) and has Peer Review Certificate No. P2002AP012000 issued by the Institute of Company Secretaries of India (ICSI).

Their expertise covers Corporate legal compliances, Corporate Governance, Advisory and Consulting.

M/s. Ravi & Subramanyam, Company Secretaries has capability to serve a diverse and complex business landscape as that of the Company, audit experience in the Company's operating segments and possesses the market standing and technical knowledge best suited to handle the scale, diversity and complexity associated with the audit of the Secretarial matters of the Company.

M/s. Ravi & Subramanyam, Company Secretaries have given their consent to act as the Secretarial Auditors of the Company and have confirmed that their appointment, if made, will be within the limit specified under section 204 of the Companies Act, 2013. They have also confirmed that they are not disqualified to be appointed as secretarial auditors in terms of the provisions of the Section 204 of the Companies Act, 2013 and the Rules made thereunder, read with Regulation 24A of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations 2015 and other applicable Regulations.

In view of their qualifications and experience in undertaking Secretarial Audit, it is proposed to appoint M/s. Ravi & Subramanyam, Company Secretaries as Secretarial Auditors of the Company.

The remuneration paid to M/s. Ravi & Subramanyam, Company Secretaries, for the financial year 2024 was ₹ 1,80,000/- (Rupees One lakh eighty thousand only) excluding taxes and reimbursement of out of pocket expenses for carrying out Secretarial Audit and issue the Secretarial compliance Report for the financial year 2024-2025.

Based on the recommendations of the Audit Committee, the Board has approved a remuneration of ₹ 2,00,000/- (Rupees Two lakh only) plus taxes as applicable and out of pocket expenses, for carrying out Secretarial Audit and issue the Secretarial compliance Report for the Financial Year 2025-26.

The Remuneration payable to M/s. Ravi & Subramanyam, Company Secretaries for the Financial Year 2026-27 and thereafter will be as mutually agreed between Board of Directors and Secretarial Auditor.

Pursuant to regulation 24A of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, Members of the

Company are required approve the appointment of M/s. Ravi & Subramanyam, Company Secretaries as Secretarial Auditors and the remuneration to be paid to the Secretarial auditors of the Company.

None of the Directors, Key Managerial Personnel and their relatives are in any way concerned or interested in the said resolution.

The Directors recommend the aforesaid resolutions as set out at Item Nos.6 of the Notice for the approval by the members as Ordinary Resolution.

By Order of the Board of Directors

Place: Hyderabad
Date: May 16, 2025

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

Registered Office:

CIN:L15209TG1992PLC014332

H.No.8-2-293/82/A/1286, Plot No: 1286, Road No. 1 & 65,
Jubilee Hills, Hyderabad, Telangana, 500033. Tel : 040-23391221
E-mail: hfl@heritagefoods.in | Website: www.heritagefoods.in

Annexure-1

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

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

S. No.	Particulars	Details
1.	Name of the Director	N Brahmani
2.	DIN	02338940
3.	Date of birth and Age	21-12-1987, 37 years
4.	Qualification	She holds MBA degree from Stanford Graduate School of Business and a Bachelors degree in Electrical Engineering from Santa Clara University. While at Stanford, she was on the leadership teams of the Marketing and FARM clubs. She graduated Summa cum Laude from SCU in 2009, was on the Dean's List, was a member of Tau Beta Pi Engineering Honor Society and received the Academic Achievement Award for securing the highest GPA. She also completed an Executive Education program in Digital Marketing Strategies from Kellogg. She also pursued a marketing internship program at Danone, Paris and Danone Baby Nutrition, Schipol while pursuing her MBA.
5.	Experience and expertise in specific functional areas	Since joining Heritage Foods in 2014, she has been instrumental in driving innovation and growth in the dairy industry. At Heritage Foods, she is focused on strategic resource allocation, digital transformation, business development and marketing initiatives. She strongly believes that milk plays a vital role in bringing nutrition to the nation. Prior to joining Heritage Foods, she worked at Vertex Venture Management, a Venture Capital subsidiary of Temasek Holdings, as the youngest member of the investment team. She focused on growth equity investments. In addition to her corporate role, she serves as a Trustee in the Board of Trustees of NTR Memorial Trust, Hyderabad and Mrs. Nandamuri Basavataraka Ramarao Memorial Cancer Foundation (NBTRMCF), Hyderabad, contributing to impactful social initiatives.
6.	Relationship with other Directors, Manager and other Key Managerial Personnel of the Company	Daughter-in-law of Mrs. N Bhuvaneswari, Vice Chairperson and Managing Director
7.	Nature of appointment (appointment/ re-appointment)	Retires by rotation and offers herself for re-appointment.

S. No.	Particulars	Details
8.	Terms and Conditions of appointment / re-appointment	As per the terms of appointment originally approved by the Members of the Company through Postal Ballot and remote e-voting, the results of which were declared on March 14, 2024
9.	Remuneration last drawn by such person, if applicable and remuneration sought to be paid	As per the terms of appointment originally approved by the Members of the Company through Postal Ballot and remote e-voting, the results of which were declared on March 14, 2024
10.	Date of first appointment on the Board	01/04/2014
11.	Shareholding in the company including shareholding as a beneficial owner;	4,30,952 Equity Shares
12.	The number of Meetings of the Board attended during the year	7 (Seven)
13.	Directorship Details of the Board	Executive Director/WTD
14.	Membership / Chairmanship of Committees of other Boards	NIL

By Order of the Board of Directors

UMAKANTA BARIK

Company Secretary & Compliance Officer

M. No: FCS-6317

eCSIN: EF006317A000002335

Place: Hyderabad

Date: May 16, 2025

Registered Office:

CIN:L15209TG1992PLC014332

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

Plot No: 1286, Road No. 1 & 65, Jubilee Hills,
Hyderabad, Telangana, 500033.

Tel : 040-23391221

E-mail: hfl@heritagefoods.in

Website: www.heritagefoods.in

Board's Report 2024-25

To the Members,

Your Directors have a great pleasure in presenting the 33rd Annual Report together with the Audited Standalone & Consolidated Financial Statements of your Company for the Financial Year ended March 31, 2025.

1.0 State of the Company's Affairs & Performance Highlights

1.1 Financial Results

The Company's financial performance for the year ended March 31, 2025 is summarized below:

(₹ in Millions)

Particulars	Standalone		Consolidated	
	FY 2024-25	FY 2023-24	FY 2024-25	FY 2023-24
Revenue	40,783.23	37,324.48	41,322.82	37,918.20
Other Operating Income	21.58	18.97	23.13	20.84
Total Revenue	40,804.81	37,343.45	41,345.95	37,939.04
Add: Other Income	272.84	119.29	278.73	119.65
Total Income	41,077.65	37,462.74	41,624.68	38,058.69
Less: Total Expenditure	37,687.49	35,354.89	38,036.26	35,843.60
Profit before Finance cost, Depreciation, Amortisation Expenses and Tax	3,390.16	2,107.85	3,588.42	2,215.09
Less: i) Finance cost	150.23	81.64	154.32	90.60
ii) Depreciation and Amortisation Expenses	671.57	584.32	695.56	608.19
Profit before tax and exceptional items	2,568.36	1,441.89	2,738.54	1,516.30
Exceptional items	(234.85)	(167.95)	(87.07)	-
Less: share of loss of an Associate and a joint venture	-	-	69.09	65.43
Profit before tax	2,333.51	1,273.94	2,582.38	1,450.87
Less: i) Current Tax	625.11	356.68	674.04	375.21
ii) Deferred taxation	27.58	6.88	25.54	10.17
Profit after tax	1,680.82	910.38	1,882.80	1,065.49

1.2 Performance of the Company

Standalone

During the FY 2024-25 your Company has earned standalone revenue of ₹ 40,804.81 Million, compared to ₹ 37,343.45 Million in the previous year with a growth of 9.27% over last year. Similarly, the standalone profit before Finance Cost, depreciation & amortization and tax in the FY 2024-25 has grown by 60.83% and stood at ₹ 3,390.16 Million against ₹ 2,107.85 Million in the FY 2023-24.

The standalone Profit After Tax for the year is ₹ 1680.82 Million against ₹ 910.38 Million in the previous year with a growth of 84.63%.

Consolidated

Your Company, during the year under review earned a consolidated revenue of ₹ 41,345.95 Million, against ₹ 37,939.04 million over the previous year with a growth of 8.98%. The consolidated profit before Finance Cost, depreciation & amortization and tax was of ₹ 3,588.42 Million before adjusted for the share of loss of an associate and joint venture, compared to ₹ 2,215.09 Million in the previous year.

The Consolidated Profit After Tax for the financial year 2024-25 is ₹ 1,882.80 Million against ₹ 1,065.49 Million in the previous year. The Consolidated Profit After Tax has grown by 76.71% over the previous FY 2023-24.

1.3 Variation in market capitalization

Particular	March 31, 2025	March 31, 2024
Market Capitalization (₹ in million)	35,745.02	31,267.61
Price Earning Ratio	21.27	34.35

Note: Data based on share prices quoted on BSE

1.4 Variations in Net worth:

The Standalone Net worth of the Company for the Financial Year ended March 31, 2025 is ₹ 9,471.20 million as compared to ₹ 8,034.98 million for the previous Financial year ended March 31, 2024 and the consolidated Net worth of the Company for the Financial Year ended March 31, 2025 is ₹ 9,719.60 million as

compared to ₹ 8,081.59 million for the previous Financial year ended March 31, 2024.

2.0 Business Review

Your Company has not changed nature of its business during the period under review. Your Company continues to report results under two divisions i.e. Dairy division and Renewable energy division, in operation across 17 States in India.

2.1 Dairy Business Overview:

India's dairy industry is not just the largest in the world—it is the backbone of rural livelihoods, a source of nutritional security for millions and a cornerstone of the nation's food economy. With deep integration into the socio-economic fabric of rural India, the sector provides employment, sustained and lucrative source of income generation to small farmers, marginal cattle farmers and landless workers and promotes women empowerment by providing livelihood and nutritional protection to the masses. Over the years, the Indian dairy industry has evolved from being a subsistence activity to a structured and rapidly growing commercial enterprise, contributing significantly to the national GDP and rural development.

As per the research report by IMARC Group, the dairy industry size in India reached INR 18,975 Billion in 2024. Looking forward the market is projected to reach INR 57,001.8 Billion by 2033, exhibiting a growth rate (CAGR) of 12.35% during 2025-2033 propelled by technological innovation, enhanced retail and e-commerce platforms and improved cold chain infrastructure, meeting rising consumer demand with a diversified and quality-focused product range as per the report of IMARC group..

Long-term structural growth:

India ranks as the top producer and consumer of dairy products globally, contributing to over 25% of the total global dairy production. In the food landscape of India, dairy products are indispensable and are consumed in various forms, including direct consumption, in restaurants and as packaged foods. Indian households allocate nearly 45% of their food budget to dairy and packaged foods and this trend has been steadily increasing. The growing population, changing lifestyle patterns, increasing disposable incomes and rising health awareness are the primary factors driving the growth of dairy consumption in India. Even though India is the largest consumer of dairy products, its per capita consumption is still low when compared to developed countries, indicating enormous potential for further growth. Thus, we believe Indian dairy industry presents an attractive opportunity for investors looking to capitalize on the country's growing discretionary consumption trend.

The attractiveness of Dairy industry:

The Indian dairy industry is a promising avenue to capitalize on this growth trend. Followings are the essential structural trends that underpin the optimistic stance on the dairy industry.

- **Growing demographic dividend.** India's population in the high consuming age-group of 15 to 45 is projected to steadily increase in the coming years. This shift in population dynamics is significant, as this particular segment is also the India's earning population, which indicates that spending on consumption will steadily be on the rise for the next two decades. This expanding demographic dividend of India in the coming years, offers immense market potential and ensures long-term growth prospects.
- **Rising income levels.** India has seen a significant increase in per capita income, rising by over 87.5% in the

last ten years to reach US\$2.7K in 2024. The International Monetary Fund (IMF) predicts this number will reach around US\$4K by 2028, a growth of over 50%. This rise in income levels is expected to result in the addition of around 140 million middle-income households and 21 million high-income households by 2030. Furthermore, the share of middle-income households is set to rise from 54% in 2018 to 78% in 2030. This growth in income levels will lead to higher disposable incomes and drive a rising consumer preference for premium and nutritious food products like milk and milk products.

- **Discretionary spends.** India's promising income growth and favourable demographics should drive share of discretionary spending in the future. The World Economic Forum predicts that consumer spending in India will skyrocket from \$1.5 trillion to nearly \$6 trillion by 2030. The latest National Family Health Survey 2022 conducted in India highlights that households in the country allocate a significant portion of their budget towards the food segment. The survey also emphasizes a steady rise in discretionary spending within the Food segment over the past two decades, with a consistent growth in dairy products and packaged food products witnessing accelerated growth.
- **Urbanization.** Urbanization is a key trend unfolding in India, driven by improved access to higher education, growth of industries and services sector and infrastructure development. Although the urban population in India has been increasing steadily, just over one-third of the population currently resides in urban areas. As cited in the latest Economic Survey 2023-24 and report of NITI Aayog, it is expected that by 2030, more than 40 percent of India's population will live in urban areas. . This growing trend is particularly driving the demand for branded and packaged dairy products, including milk, curd, buttermilk, paneer, flavored milk, ghee, butter, ice cream, etc.
- **Changing dietary patterns.** The food consumption pattern of Indian households is undergoing a notable transformation due to increasing health awareness, especially in the aftermath of the COVID pandemic. There is now a greater inclination towards consuming high-value and nutritious food items like milk, milk products, fruits and vegetables, while staple cereals are becoming less prominent. The preference is now leaning towards high-value and nutritious food choices such as milk, milk products, fruits and vegetables, with staple cereals taking a backseat. The preference for dairy products as an essential source of nutrients like proteins, vitamins and minerals is continuously growing. This preference extends beyond conventional dairy items to include value-added products like cheese, flavoured yogurts, fortified milk and probiotic drinks.

Industry setup and structural shifts:

Since 1997, India has consistently held the top position as the world's largest milk producer, contributing to more than a quarter of the global dairy output. In the FY 2023-24, the country produced around 239.3 million tonnes of milk, clocking a growth rate of 5.62% CAGR over the past decade. A report by NITI Aayog predicts that milk production will reach approximately 300 million tonnes by 2030. Indian dairy industry primarily caters to the domestic market, with production and consumption centred within the country. It serves as a crucial pillar of the rural economy, contributing to employment and income generation for the rural population.

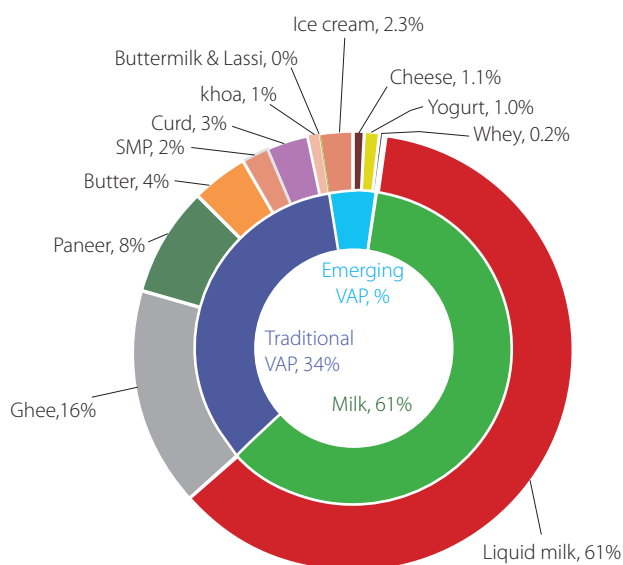
The dairy market in India was estimated to be worth ₹ 18.975 trillion in 2024 (as per IMARC). Over the past 15 years, the market has shown a steady growth rate of approximately 15% CAGR and it is anticipated to achieve a market size of about ₹ 57.0018 trillion by 2033 as per IMARC. The liquid milk segment accounts for approximately 61% of the overall dairy market in the country, with traditional value-added products making up 34% and emerging value-added products comprising the remaining 5%. It is projected that the liquid milk market is expected to experience a 12.69% CAGR over the next five years. Meanwhile, traditional value-added products such as paneer, ghee, ice-cream/ FD, khoa, curd, etc., are forecasted to grow at a 14% CAGR and emerging value-added products like cheese, flavoured milk, lassi, buttermilk, whey and organic milk are anticipated to grow at a rate exceeding 20% per annum.

Dairy Industry in India Snapshot:

Liquid milk remains the dominant product segment in the Indian dairy market due to its daily consumption, nutritional value and widespread cultural acceptance. A key industry driver is the rising demand from population growth and higher incomes, which expands the consumer base and purchasing power. This trend compels producers to scale operations and innovate, ensuring continued market growth.

Beyond milk to value-added products:

The evolving dietary patterns and changing consumer lifestyles have resulted in a rise in demand for value-added dairy products like curd, ghee, cheese, paneer, etc., surpassing the demand for liquid milk. Consumers are now more inclined towards purchasing these products rather than making them at home, which is driving the growth of value-added dairy products. Indian dairy companies are also adapting to this trend by introducing innovative products across different price ranges to cater to the diverse tastes and preferences of consumers. With improved packaging, longer shelf-life and higher product quality, the penetration of value-added dairy products is expected to increase, supporting long-term growth. This trend is likely to continue in the future, with value-added dairy products expected to outpace the growth of the liquid milk category.



The fragmented and unorganized Indian dairy industry is poised to change:

The majority of markets in the Indian dairy industry are dominated by regional players. This is mainly due to the high consumption of liquid milk and the demand for dairy products with short shelf-life. Moreover, the limited profitability and feasibility of transporting liquid milk over long distances have also played a role. Furthermore, the establishment of trust with farmers and the development of a reliable procurement network have been significant factors contributing to the dominance of regional players. Consequently, numerous companies have opted to concentrate on their local regions initially and then expand into other markets once they have established a solid foundation.

The Department of Animal Husbandry & Dairying (DAHD) predicted that the organized sector's share will grow to 54% by 2026. The rise in consumerism, urbanization and the preference for branded packaged products is driving a noticeable shift towards the organized sector. Moreover, the increasing demand for packaged products is attributed to their superior hygiene, convenient storage, consistent quality and widespread availability. Additionally, the influx of capital investments from cooperatives and private players will enable them to establish a strong presence and capture market share from the unorganized sector.

Evolution of Private Dairy Sector in India:

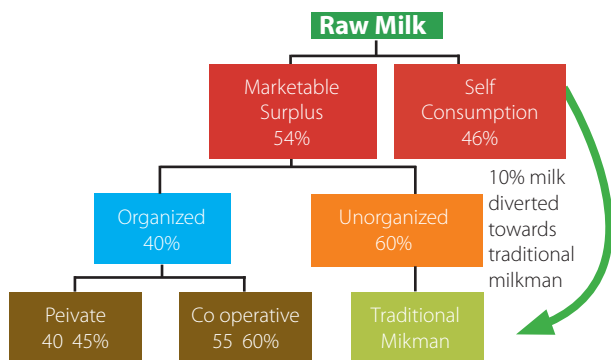
Since the industrial licensing reforms of 1991, India's private dairy sector has witnessed remarkable growth, with companies making significant investments in milk processing infrastructure. Over the past two decades, their cumulative capacity has surpassed that of dairy cooperatives and government dairies. Several private players now rival or exceed cooperatives in scale and operational reach, highlighting their strong growth potential.

Co-ops dominant, private players gaining ground:

India's dairy sector has historically been dominated by state co-operatives. However, since the implementation of industrial licensing reforms in 1991, private players have experienced impressive growth by investing in procurement, storage and distribution networks. These private companies have made significant investments in the dairy industry, surpassing the combined capacity of both cooperative dairies and government-owned dairies over the past two decades. To stay competitive with cooperatives, private players offer attractive pricing, prompt payments and work closely with farmers to boost cattle productivity. Their ability to swiftly adjust to industry trends, consistent investment in technology and infrastructure and introduction of innovative products based on consumer preferences will likely ensure their outperformance over cooperatives in the future.

Share of organized segment Organized sector - Cooperatives vs Private players

Procurement from villages		Milk chilling center		Daily processing		Sale of dairy product	
Share in installed capacity						Market Share	
Cooperative: 51%		Cooperative: 61%		Cooperative: 48%		Cooperative: 55-60%	
Private: 49%		Private: 39%		Private: 52%		Private: 40-45%	



Structural industry shifts favouring private players:

The Indian dairy industry is currently witnessing significant structural changes, driven by key demand drivers, which should particularly benefit private players. One major trend is the formalization of the market, as the organized sector gains prominence over the unorganized sector, driven by consumerism, urbanization and the preference for branded products. Another important trend is the increasing demand for value-added dairy products due to shifting dietary habits and evolving consumer lifestyles. This transformation presents opportunities for private companies offering a diverse range of products and adapting quickly to changing consumer preferences. Lastly, industry consolidation is projected to strengthen the growth of private dairy player, placing them as competitive alternatives to larger cooperatives.

Consolidation is the way forward:

The Indian dairy industry is characterized by a high level of fragmentation, with numerous regional players dominating most markets due to the limited shelf life of dairy products. Only a handful of companies have succeeded in creating a nationwide brand and procurement network. Building a robust milk procurement network and establishing a brand in a new region is a gradual process and takes time organically. Consequently, many regional players have opted for inorganic growth strategies to expand beyond their traditional markets. It is anticipated that this trend will continue to gain momentum in the future, as dairy companies looking to expand nationally seek to acquire smaller regional players to leverage their procurement and distribution networks.

As consumption increases and consumer awareness increases and consumers start demanding for better quality products suiting their specific nutritional needs, this will change rapidly, leading to consolidation in the industry. We are witnessing this across markets, where marginal small players are disappearing to the benefit of high-quality players like your company.

The company's operations and evolution in recent years:

Your Company was founded with a vision of 'Delighting every home with fresh and healthy products and empowering the farmer.' Your company has made significant progress on both these pillars in this financial year. Your Company is pioneer in adopting the critical success factors as stated above.

Your Company has grown into a formidable dairy company in India and has second largest private milk procurement network in South India. Over the past three decades, the company grown its daily milk procurement volumes at 10% CAGR to 1.76 million liters per day in 2025. Today, HERITAGE has established a robust network of 300,000 plus dairy farmers across 9 states in India and boasts one of the most extensive regional footprints

among publicly dairy companies in India and its products are available in 17 states.

The primary focus of the company lies in the B2C dairy business, where it operates under the brand name 'Heritage'. Over time, the company has diversified its range of milk and value-added products (VAP), which include curd, ice cream, frozen dessert, paneer, buttermilk, flavoured milk, lassi, milk shakes and sweets, among others.

Your company today collects milk from nearly 300,000+ farmers, spread across 9 states. In this financial year, we have opened 1457 new village level milk procurement centres, which brought in nearly 3 lakh plus litres of additional raw milk daily by the end of quarter 4. For the last 3 decades, the company has strengthened its farmer- partner relations on 3 basic principles.

- (i) **Prompt and timely payment:** Your company holds the principle of paying farmers for the milk collected promptly twice or thrice in a month (depending on the region). This means faster, but more importantly guaranteed cashflow for our farmers. This year as well, as for the last 30+ years, your company has not missed even a single pay day notwithstanding the bank holidays and other challenges.
- (ii) **Transparency and accurate measurement:** The company has a very transparent mechanism to ensure that the measurement of solids in the milk collected is absolutely accurate and is openly communicated to the farmers, so that our farm partners know how much they have earned on any given day. Once a farmer starts supplying milk to Heritage, they realize the gains they make because of this.
- (iii) **Fair pricing:** The company remunerates the farmer for the milk supplied based on measurement of solids (fat and SNF) delivered. The prices are set in a very fair manner and is competitive compared to any other option the farmer has in the village. This helps us attract farmers in every village we enter.

While these principles help your company go a long way in empowering its farmers, the company also undertakes several other activities which go a long way in enhancing farmer income and empowering them financially. Some of these initiatives are:

- Dissemination of animal care and farm management information through informative videos on VET+ mobile application, which has over 100,000 downloads and monthly active users.
- Conducting veterinary camps throughout the year, through 17 veterinary doctors and many vet assistants
- Supply of high-quality cattle feed and fodder seeds
- Training of farmers for better feed and fodder practices
- Facilitating loans for the purchase of cattle through commercial banks/ NBFCs
- Facilitating Group personal accident coverage for farmers and insurance for the cattle.

Your company has farmer network about 3,00,000+ dairy farmers across 9 major milk producing States namely, Andhra Pradesh, Telangana, Karnataka, Tamil Nadu, Maharashtra, Rajasthan, Punjab, Uttar Pradesh and Odisha. The company added several chilling plants through the year, to increase its procurement network and today operates 195 chilling centres/ bulk coolers and procured an average of 1.7 Million litres of milk per day in FY24-25, which is a growth of 23% over previous year. With this, the chilling capacity of the company has grown

to 2.4 million litres per day. Your company also operates 18 processing plants with installed milk processing capacity of 2.8 million litres per day.

During the year, the contribution of revenues from milk dropped below 60% as the company's revenues from VAP increased to 29.6%. The contribution of ghee and butter which is classified as fat products stood at 8.2%. Curd is the biggest Value added product in our portfolio contributing to about 70% of VAP revenues. Through out the year, your company launched over a dozen new products, across many product clusters and added several new customers. We expanded our presence in the emerging channels like Quick commerce, with the addition of several new customers, alongside deepening our presence in the general trade segments through 250+ Heritage Happiness Points, which are franchisee operated stores-cum-neighbourhood distribution centres.

2.2 Renewable Energy Division:

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

Your Company is taking a lot of initiatives for conservation of energy. Renewable energy was the major focus area in the last ten years. Now your Company has 12.14 MW of solar and wind power for captive consumption. Your Company is continuously investing in latest technologies and efficiencies to conserve energy.

Renewable Energy Division of your Company had achieved the turnover of ₹ 8.77 Million during the year under review.

3.1 Awards & Recognitions:

We are delighted to share that during the financial year 2024-25, your Company has been honored with several awards and recognitions from esteemed organizations, institutions and forums. These accolades reaffirm our unwavering commitment to excellence, innovation, workplace culture and sustainable water management. It reflects our dedication to setting industry benchmarks, fostering a thriving, inclusive environment and ensuring responsible stewardship of vital resources. Your Company take immense pride in these achievements and remain committed to driving positive impact across all areas of our operations.

A brief overview of the awards and recognitions are as follows:

a. "Great Place to Work" Certification

Your Company has been certified as a "Great Place to Work" by the prestigious Great Place to Work® Institute, valid until November 2025. This esteemed certification underscores our commitment to fostering a workplace culture that prioritizes employee well-being, encourages professional growth and promotes inclusivity. It is a proud acknowledgment of our efforts to create an empowering environment that aligns with our organizational values and enables our people to thrive.

b. E4M Indian Marketing South Awards 2024

Your Company received multiple honors at the E4M Indian Marketing Awards South 2024, held in Bengaluru on 23rd August 2024, recognizing our excellence in marketing and brand strategy:

- Gold for New Product Launch – FMCG.
- Silver for Best Use of Integrated Marketing - FMCG (Heritage Paneer Campaign).

- Silver for Best Branded Content – FMCG (Heritage Buffalo Milk).
- Bronze for Best Use of Digital Marketing/Social Media (Heritage Howzzatt - World Cup Campaign).
- Bronze for Best Use of Omni-Channel Marketing (Heritage Buffalo Milk).

c. CII-FACE Kaizen Competition on Food Safety & Quality 2024

The Bayyavaram Plant of your Company was awarded the 'Bronze Medal' in the Medium Category at the prestigious 6th CII-FACE Kaizen Competition on Food Safety & Quality 2024, held in New Delhi on 22nd November 2024.

This recognition is a testament to our dedication to upholding the highest standards in food safety and quality. It also highlights our continuous commitment to innovation and process improvement, reinforcing our efforts to maintain industry-leading excellence.

These prestigious awards and recognitions inspire us to push boundaries, innovate and continue delivering excellence across all facets of our business.

d. Certificate of Appreciation – World Water Day 2025

On the occasion of World Water Day 2025, your Company was honored with a Certificate of Appreciation by the Government of Telangana, Ground Water Department, Medchal-Malkajiri District.

This recognition acknowledges our dedicated efforts in groundwater management and conservation.

We take immense pride in this achievement and remain steadfast in our commitment to sustainable water management, ensuring responsible stewardship of this vital resource.

3.4 Credit Rating:

The details of the credit rating are as follows:

- Credit rating obtained by the company:** In respect of Debt Instrument/facilities of the Company
- Name of the credit rating agency:** Credit Rating Information Services of India Limited (CRISIL)
- Ratings:**
 - Long term Rating: CRISIL A+/Positive
 - Short term Rating: CRISIL A1+
- Date on which the credit rating was obtained:** March 29, 2025 (valid up to March 31, 2026)
- Revision in the credit rating:** During the period under review no revision in the credit rating in Short term Rating. CRISIL Ratings Limited has enhanced the rating from CRISIL A+/Stable to CRISIL A+/Positive in respect of Long-term rating.
- Reasons provided by the rating agency for a downward revision:** Not Applicable

4.0 Quality Assurance:

In the current year, your Company has remained focused on delivering strong value to consumers and customers by strengthening its quality assurance practices—from raw milk procurement to the final product. Significant progress has

been made in improving raw milk quality through targeted field actions, ensuring consistent product quality through enhanced process control and maintaining continuous attention to quality across the entire supply chain. For the first time, we have exported our ghee to the USA.

The Quality department has played a key role in building a strong quality culture across the organization. With a focus on operational efficiency, product consistency and customer satisfaction, we are focusing on advanced testing methods, upgraded laboratory facilities and promoted a work culture driven by speed, accuracy and transparency. Efforts are also underway to digitalize key quality activities, aiming to enhance process performance and further strengthen consumer trust."

The Company continues to maintain a wide range of globally recognized certifications, including ISO 22000:2018 (Food Safety Management System), ISO 9001:2015 (Quality Management System), ISO 45001:2018 (Occupational Health & Safety), ISO 14001:2015 (Environmental Management System), ISO 50001:2018 (Energy Management System), FSSC 22000 v6.0, SEDEX (Ethical) and HALAL Certification by JUHF. It also remains fully compliant with national standards such as FSSAI, AgMark, BIS and EIA.

As the Company continues to grow, it remains fully committed to becoming a world class organization, recognized for its excellence in quality, nutrition and customer satisfaction.

5.0 Brand Building Activities:

Your Company embodies the essence of identity, core values and belief system. Committed to diversification, we continuously expand our product portfolio to align with evolving consumer trends while fulfilling our mission of bringing health, nutrition and happiness to every home.

The Company undertook a series of strategic initiatives during FY 2024-25 to strengthen its brand, increase consumer engagement and expand its market reach, the glimpses of which are given under:

i. Targeted Marketing & Retail Expansion:

Focused Campaigns: Your Company launched sharply targeted marketing campaigns, resulting in increased top-of-mind awareness and higher product offtake across retail channels.

Wider Distribution: Retail availability was broadened through entry into new stores and expansion into additional cities, significantly increasing market penetration.

ii. Product Launches & Promotions

The Company has actively diversified its product portfolio to cater to evolving consumer preferences such as:

Dairy Delicacies: Introduction of new products like Shrikhand, Amrakhand and Malai Paneer.

Festive Offerings: Launch of a healthy-yet-indulgent laddu range under the 'Heritage Truly Good' brand in three variants: Ghee Besan, Ghee Jowar and Ghee Millet.

Summer Launches: Company expanded its summer product lineup with new Lassi variants (Sweet, Mango and Strawberry), Alpendvie ball-shaped ice creams in fun flavors like Cotton Candy, Banana Strawberry and Bubble Gum and introduced long shelf-life milk in UHT cartons of various sizes to enhance convenience and distribution reach.

iii. Participation in Key Industry Events

50th Dairy Industry Conference: Heritage Foods showcased its products and engaged with industry leaders and consumers at this prestigious event held at the Hitex Exhibition Center, Hyderabad.

iv. Strategic Events & Consumer Engagement:

Kukdukoo Fest 2025 -Hyderabad & Bengaluru Editions: Company was the official title partner, promoting creative engagement for children and families, reinforcing its community-focused brand image.

v. Talent Development

"EMERGE>>" Young Talent Program 2024: Conducted across IIMs and premier B-Schools, this initiative aimed to inject fresh thinking into the organization and build future leadership.

vi. Heritage Milk Campaign:

A campaign has been launched with tag line **"Pure milk powers real learning"** — Emphasizing Heritage Milk's commitment to providing pure, quality milk consistently, covering 11.3K+ TV spots, 4.5 Crore reach with Regional Focus on Andhra Pradesh & Telangana (AP & TS), Karnataka (KA), Tamil Nadu (TN). It also includes Massive Digital Campaign with 600 + influencers reaching 800 million people.

Looking ahead, we will develop more insight-driven, integrated marketing initiatives to strengthen consumer connections and enhance brand preference.

6.1 Transfer to General Reserves

Your Directors do not propose to transfer any amount to general reserves for the financial year ended March 31, 2025.

6.2 Dividend

Your Directors have pleasure in recommending a dividend of 50% i.e. ₹ 2.50/- per equity share of face value of ₹ 5/- each for the financial year ended March 31, 2025 at their meeting held on May 16, 2025 amounting to ₹ 231.99 Millions. The dividend payout is subject to approval of members at the ensuing Annual General Meeting.

The Register of Members and Share Transfer Books will remain closed from Thursday, July 24, 2025 to Thursday, July 31, 2025 (both days inclusive) for the purpose of payment of dividend for the financial year ended March 31, 2025.

6.2a Transfer of Un-Claimed Dividends and Shares

Pursuant to Section 124(5) of the Companies Act, 2013 read with the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 as amended from time to time the unclaimed/ unpaid dividend amount of ₹ 27,54,800/- (Twenty seven lakh fifty four thousand eight hundred Only) for the year 2016-17 was transferred to the Investor Education and Protection Fund during the financial year 2024-25.

In compliance with the provisions of Section 124 of the Companies Act, 2013, the Company has transferred 1,22,541 (One lakh twenty two thousand five hundred forty one only) equity shares belonging to 14 members of the company to Investor Education and Protection fund Authority (IEPF) Vide Corporate Action to Demat account of IEPF Authority dated

16-10-2024, of those members who have not claimed the dividends for a continuous period of 7 years.

Pursuant to Section 124(5) of the Companies Act, 2013 [Section 205C (2) of the Companies Act, 1956] read with the Investor Education and Protection Fund (awareness and protection of Investors) Rules, 2001 as amended from time to time the unclaimed/unpaid dividend and the shares thereof pertaining for the financial year 2017-18 shall be transferred to the Investor Education and Protection Fund during the financial year 2025-26.

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

Financial year	Date of Declaration of Dividend	Last date for claiming Unpaid Dividend	Unclaimed/Unpaid Dividend as on March 31, 2025	
			Amount outstanding (₹ in Rupees)	No. of Shares
2017-18	30-08-2018	04-10-2025	14,03,984.00	7,01,992
2018-19	30-08-2019	04-10-2026	13,81,452.00	6,90,726
2019-20	28-08-2020	03-10-2027	15,89,981.50	7,16,771
2020-21	30-07-2021	03-09-2028	23,29,103.00	5,39,354
2021-22	21-10-2021 (1 st Interim Dividend)	25-11-2028	12,43,437.50	5,87,605
2021-22	29-07-2022 (Final Dividend)	02-09-2029	13,33,381.50	6,09,701
2022-23	22-08-2023	26-09-2030	13,67,723.00	6,19,066
2023-24	21-08-2024	26-10-2031	18,16,518.50	8,19,124

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

The members whose shares got transferred to IEPF Authority shall claim the dividends and shares from IEPF Authority by submitting an online application in the prescribed e-Form No. IEPF-5 available on the website www.iepf.gov.in and the procedure prescribed thereon.

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

6.3 Share Capital

The Authorised Share Capital of the Company as on March 31, 2025 was ₹ 50,00,00,000 (Fifty Crores) divided into 9,60,00,000 equity shares of ₹ 5 each and 20,00,000 preference shares of ₹ 10 each. The issued, subscribed and fully paid-up Equity Share Capital as on March 31, 2025 stood at ₹ 46,39,80,000 (Forty Six Crores Thirty-nine Lakhs Eighty Thousand) divided into 9,27,96,000 equity shares face value of ₹ 5/- each. During the year under review, the Company has not issued any shares with differential voting rights as to dividend, voting or otherwise, not granted any stock options nor issued any sweat equity share to its employee(s)/ director(s). As on March 31, 2025, none of the Directors of the Company holds any instruments convertible into equity shares of the Company.

6.3a Buy Back of shares

The Company has not bought back any of its shares during the Financial Year ended on March 31, 2025.

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

There are no material changes and commitments affecting financial position of the company, which occurred after the end of the financial year i.e., March 31, 2025.

6.5 Deposits

During the FY 2024-25, your Company has neither accepted nor has any outstanding deposits received from the public within the meaning of Section 2(31) and Chapter V of the Companies Act, 2013, read with Rule 2(1)(c) of the Companies (Acceptance of Deposits) Rules, 2014 and as such there are no such overdue deposits outstanding as on 31st March, 2025.

7.0 Internal Financial Controls (IFC) and its adequacy

Your Company has adequate Internal Financial Controls as per Section 134(5)(e) of Companies Act, 2013, that commensurate with the size of the business and nature of its operations, designed to provide reasonable assurance with regard to the accuracy and completeness of the accounting records and timely preparation and provision of reliable financial statements.

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

Your Company has adopted necessary policies and procedures for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records and the timely preparation of financial information.

Board has appointed M/s. Kapasi Bangad & Co. consultant, Chartered Accountants, Hyderabad for carrying out review and testing of the internal financial control framework in place in line with the provisions of the Accounting Standard, Ind AS and Companies Act, 2013 and report to the Board. For the year under review such controls were tested and no reportable material weakness in the design or operation was observed by the consultant.

8.1 Subsidiary / Associate / Joint Venture Companies

Your Company as on March 31, 2025 is having following subsidiary/associate/joint venture Companies:

Heritage Nutrivet Limited (CIN: U15400TG2008PLC062054)

A wholly owned Subsidiary Company, is a leading producer and distributor of livestock feed and feed supplements. The company focuses on enhancing animal nutrition by offering a diverse range of products, including cattle feed, feed supplements, veterinary medicines and fish feed. The Company is committed to supporting 0.30 million farmers spread across various states with more than 15 products, aiming to improve livestock health and productivity. Heritage Nutrivet also invests in research and development to drive innovation and sustainability in animal nutrition, catering to both livestock and aquaculture needs in its endeavour towards "HEALTHY MILCH ANIMAL – HAPPY FARMER". The Company is proficient in providing cost-effective solutions for the farmers facing ground reality. The products of the Heritage Nutrivet Limited

are innovatively engineered to serve varieties of needs of the animals

The Cattle Feed Products of the Company include Dairy Power, Dairy Milk Rich, Dairy Supreme, Gomitra, Gomitra Plus and Milk Magic, which are formulated to improve milk production, reproductive health and overall cattle well-being.

In Feed Supplements and Veterinary Medicines, Company provides Herita Vit, Herita Min, Herita Cal, Herita Liv and Heritafen-Plus, targeting reproductive performance, immunity, digestion and parasite control.

For Fish Feed Products, the company offer Nutrizyme - 20/3, Fish Feed Mash, Nutrizyme - 24/4, Sinking Fish Feed Pellet, Nutrizyme - 28/4, Sinking Fish Feed Pellet, Harita Floating Fish Feed, Fish Feed Supplements -Herita Vit, Herita Cal, Herita - Liv, Herita Vit - C, Herita Pro - B to promote fish health, growth and efficient feed conversion.

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

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

Heritage Novandie Foods Private Limited
(CIN: U74999TG2017PTC120860)

A Joint Venture(JV) Company between Heritage Foods Limited (HFL), Hyderabad, India and Novandie, France with an object to manufacture and market various Yoghurts and other dairy products in India. The Company had started the commercial production on February 16, 2021 and launched Yoghurt brand 'Mamie Yova' in India hoping to serve Indian consumers with its fruit-based yogurt and having a strong presence across 8-10 key cities.

However, over the last four years the JV has not been able to achieve the desired goals. Considering the performance of the JV Company, the JV Partners have mutually decided to amend the JV agreement for changes in shareholding and control of the JV Company, remodelling of the businesses, clause relating payment of royalty, change in profit sharing, funding of operation and discontinuation of Yoghurt brand 'Mamie Yova'. The developments relating to the JV have been communicated to the investors and the Stock exchanges as and when taken place. The Board of Directors approved to purchase 71,00,000 Equity shares of JV Company from Novandie. After effecting the said purchase the shareholding pattern of the JV Company shall be 94.40% owned by Heritage Foods limited and remaining 5.60% owned by Novandie.

The salient features of financial statements of Subsidiary, Associate and Joint Venture companies of the company are given in Form AOC-1 which is forming part of the consolidated financial statement. The gist of financial performance of the Subsidiary/Associate/Joint Venture companies is as follows.

₹ in Millions

Particulars	Heritage Nutrivet Limited (Wholly Owned Subsidiary) year ended on		Skil Raigam Power (India) Limited (Associate) year ended on		Heritage Novandie Foods Private Limited (Joint Venture) year ended on	
	31/03/2025	31/03/2024	31/03/2025	31/03/2024	31/03/2025	31/03/2024
Total Income	1,860.92	1,608.68	-	-	74.46	47.48
Total Expenses	1,690.18	1,535.09	0.02	0.03	329.09	178.32
Profit/ (Loss) before tax	170.74	73.59	(0.02)	(0.03)	(254.63)	(130.84)
Current tax expense	48.93	18.53	-	-	-	-
Deferred tax expense/(benefit)	(1.70)	2.91	-	-	-	-
Profit/ (loss) for the year	123.51	52.15	(0.02)	(0.03)	(254.63)	(130.84)

In accordance with Section 136 of the Companies Act, 2013, the audited financial statements, including the consolidated financial statements and related information of the Company and audited accounts of each of its Subsidiary, Associate and Joint Venture are available on the website of your Company www.heritagefoods.in.

8.2 Names of Companies, which have become or ceased to be Company's Subsidiaries, Joint Ventures or Associate Companies during the year

During the year under review, no Company has become or ceased to be Company's Subsidiary, Joint Venture or Associate Company.

9.1 Particulars of Loans, Guarantees and Investments:

Loans:

During the financial year 2024-25, your Company has not given any loans to any persons or body corporates as covered under Section 186 of the Companies Act, 2013 and Schedule V of the SEBI (LODR) Regulation, 2015.

Guarantees:

The Company has given corporate guarantee as at March 31, 2025 of ₹ 220 Million for the credit facilities availed by its joint venture Company namely Heritage Novandie Foods Private Limited (CIN: U74999TG2017PTC120860) (the outstanding as on March 31, 2025 was ₹ 35.41 Million) from ICICI Bank Limited for long term loan and working capital facilities.

Investments:

During the year under review your Company has invested ₹ 75.00 million in the equity shares in Heritage Novandie Foods Private Limited.

9.2 Particulars of Contract or Arrangements made with Related Parties

Your Company has put in place “Policy on Materiality of Related Party Transaction and on dealing with related party transactions”, intended to ensure the proper approval and reporting of transactions between the Company and its Related Parties apart from other objectives. The Policy is available in the Policy section of the website of the Company (<https://www.heritagefoods.in/policy>). The particulars of contracts or arrangements entered in to with the related parties as per Section 188 of the Companies Act, 2013 and rules made thereunder, as amended from time to time and as per the Policy on Materiality of Related Party Transaction and on dealing with related party transactions, during the financial year ended March 31, 2025 in prescribed Form AOC-2 is annexed to this Board’s Report (Annexure-1). Further, there are no materially significant related party transactions entered by the Company during the year under review with Promoters, Directors, Key Managerial Personnel and their relatives, which may have potential conflict with interest of the shareholders and the company. The company has complied with the regulation 23 and other applicable regulations of the Listing Regulations with respect to the related party transactions. The related party transactions were approved/ratified as the case may be, by the Audit Committee of the Board and also placed before the Board as required under the listing regulations and the Companies Act, 2013. All related party transactions entered during the year were in accordance to the Policy on Materiality of Related Party Transaction (RPT) and on dealing with related party transactions, in the ordinary course of business and at arm’s length basis and there were no material related party transactions entered during the year. Details of the related party transactions entered during the year are made part of the financial statements forming part of this Annual Report as per the applicable accounting standards under Note 41.

9.3 Particulars of Employees and Related Disclosures

Disclosures with respect to the remuneration of Directors and employees as required under Section 197(12) of the Act read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 have been appended as Annexure-2A to this Annual Report.

A statement containing the particulars of the employees remuneration as required under Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 as amended from time to time are provided in Annexure-2B to this report.

10.0 Auditors’ & Auditor’s Report

10.1 Statutory Auditors:

As per Section 139 of the Companies Act, 2013 (‘the Act’), read with the Companies (Audit and Auditors) Rules, 2014, the Members of the Company at their 30th Annual General Meeting held in the year 2022, approved the appointment of M/s. Walker Chandio & Co. LLP, Chartered Accountants (FRN 001076N/ N500013), as the Statutory Auditors of the Company for a term of 5 years i.e. from the conclusion of 30th Annual General Meeting till the conclusion of ensuing 35th Annual General Meeting of the Company.

The Audit reports dated May 16, 2025 (Standalone UDIN: 25206931BMNRAF8480) (Consolidated UDIN: 25206931BMNRAH1972) issued by M/s. Walker Chandio & Co. LLP, Chartered Accountants, Statutory Auditors on the Company’s standalone and consolidated financial statements for the financial year ended 2024-25 is part of the Annual Report.

There has been no qualification, reservation or adverse remark in their Report.

10.2 Secretarial Auditors and Secretarial Standards

The Secretarial Audit was carried out by Mr. A. Ravi Shankar (M No: FCS-5335, CP No: 4318), Partner of M/s. Ravi & Subramanyam, a firm of Practicing Company Secretaries, Hyderabad - 500063, Telangana for the financial year 2024-25. The report issued by the secretarial auditor dated May 3, 2025 (UDIN: F005335G000261800) is annexed in Annexure-3 and forms integral part of the Board’s Report. There has been no qualification, reservation or adverse remark in their Report.

In terms of Regulation 24(A) of SEBI (Listing Obligation and Disclosure Requirements) Regulation, 2015 as amended from time to time, the Company has obtained the Secretarial Compliance certificate from Mr. A. Ravi Shankar (M No: FCS-5335, CP No: 4318), Partner of M/s. Ravi & Subramanyam, a firm of Practicing Company Secretaries, Hyderabad-500063 is annexed in Annexure-3(i) and forms part of the Annual Report and the same was also intimated to the Stock Exchanges where the shares of the Company are listed.

Pursuant to Regulation 34(3) and Schedule V Para C clause (10) (i) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, Company has obtained a certificate from Mr. A. Ravi Shankar (M No: FCS-5335, CP No: 4318), Partner of M/s. Ravi & Subramanyam, a firm of Practicing Company Secretaries, Hyderabad-500063 is annexed in Annexure-3(ii) and forms part of the Annual Report and the same was also intimated to the Stock Exchanges where the shares of the Company are listed.

Your Company has obtained a Secretarial Audit Report of its wholly owned subsidiary company namely Heritage Nutrivet Limited (CIN:U15400TG2008PLC062054) from Mrs. Khusboo Laxmi Bhagat, Partner of M/s. KLB & Associates, Practicing Company Secretary (CP No:14703, M.No.9376), Hyderabad-500016, Telangana is annexed in Annexure- 3(iii) and forms part of the Annual Report.

Your Company is in compliance with all applicable Secretarial Standards issued by the Institute of Company Secretaries of India, New Delhi for the financial year ended March 31, 2025.

Further, your Directors in their meeting held on May 16, 2025, have appointed M/s. Ravi & Subramanyam, Company Secretaries, Practicing Company Secretary, Hyderabad - 500063, Telangana as Secretarial Auditors of the Company for a period of 5 (Five) consecutive years from the conclusion of this 33rd Annual General Meeting till the conclusion of the 38th Annual General Meeting (i.e., for FY 2025-26 to FY 2029-30), subject to the approval of the shareholder in the 33rd Annual General Meeting of the company to be held on July 31, 2025.

Accordingly, a resolution has been proposed by the Board in the notice of the 33rd Annual General Meeting in this regard.

10.3 Reconciliation of Share Capital Audit

Pursuant to Regulation 76 of the Securities and Exchange Board of India (Depositories and Participants) Regulations,

2018, quarterly audit of the Company's share capital is being carried out by a Practicing Company Secretary to reconcile the total share capital admitted with NSDL and CDSL and held in physical form, with the issued and listed capital of the Company. The Practicing Company Secretary's Certificate in regard to the same is submitted to Stock Exchanges and is also placed before the Board of Directors.

10.4 Internal Audit & Control Systems

Internal audit and control systems play a crucial role in ensuring the efficient and effective operation of organizations across various sectors. Internal audit refers to the independent and objective examination of an organization's activities, processes and controls to assess their adequacy, reliability and compliance with relevant laws, regulations and internal policies. The primary objective of internal audit is to provide assurance to management and stakeholders that risks are identified and mitigated appropriately.

Internal audit encompasses a wide range of activities, including evaluating the effectiveness of internal controls, identifying areas of improvement, assessing operational efficiency, detecting fraud and irregularities and ensuring compliance with legal and regulatory requirements. By conducting regular audits, internal auditors help organization identify potential weaknesses in their systems and processes, allowing management to take proactive measures to address them.

Control systems, on the other hand, refer to the policies, procedures and practices put in place by management to safeguard assets, ensure accurate financial reporting and promote operational efficiency. These control systems aim to mitigate risks and provide reasonable assurance that the organization's objectives are achieved.

The internal audit function is responsible for evaluating the design and effectiveness of these control systems. Internal auditors assess whether the controls are properly designed to mitigate risks and whether they are operating effectively in practice. They conduct tests and reviews to identify control gaps, weaknesses, or deviations from established policies and procedures. Based on their findings, they provide recommendations to management for enhancing controls and improving processes, thus helping the organization operate in a more efficient and risk-aware manner.

Your Company has an Audit Committee consisting of Four Non-Executive Independent Directors. All members of audit committee are financially literate and the Committee is chaired by the Non-Executive Independent Director, who is a Fellow Member of Institute of Chartered Accountants of India. The Audit Committee of the Board of Directors and Statutory Auditors are periodically apprised of the internal audit findings and corrective actions taken. The Audit Committee of the Board of Directors reviews the adequacy and effectiveness of internal control system and suggests improvements if any for strengthening them. Your Company has a robust Management Information System which is an integral part of the control mechanism.

Your Company has a well-built structure for the Internal Audit. The Company has appointed external firms of Chartered Accountants across India as internal auditors to conduct internal audit and to review internal controls and operating systems and procedures as per the scope of the audit. The Board of Directors on recommendation of the Audit Committee appoints/re-appoints the Internal Auditors every year in compliance with Section 138 of the Act read with the Companies (Accounts) Rules, 2014.

Internal auditors carry out the audit as per the Scope of Internal Audit approved by the Audit Committee at the beginning of each financial year keeping in view of the audit observations of the previous year.

Depending on the size of the units to be audited the internal audit is conducted at monthly and half yearly intervals whereas the Registered Office operations are subjected to internal audit on monthly basis.

The Internal Audit Reports of the company were reviewed by the Audit Committee on monthly basis. The Internal Auditors send the quarterly audit observations to the Company and the same were presented quarterly by the lead internal auditor of the Company to the Audit Committee. The Audit Committee along with Statutory Auditors and the management of the Company meets all Internal Auditors of the Company once in a year and review the internal controls and its adequacy. The list of Internal Auditors appointed by the Board on the recommendation of the Audit Committee of the Board for the FY 2025-26 is provided in the corporate information section in the Annual Report.

10.5 Cost Auditor / Records

As your Company is dealing with Skimmed Milk Powder and Renewable energy for captive consumption, it is required to maintain the cost records. Your Company has maintained all the required records as specified by the Central Government under sub-section (1) of Section 148 of the Companies Act, 2013. However the provisions mandating Cost Audit and appointment of Cost Auditor are not applicable for your Company.

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

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

11.0 Indian Accounting Standards (Ind AS)

The Company has adopted Indian Accounting Standards (Ind AS) with effect from April 1, 2017 pursuant to Ministry of Corporate Affairs' notification of the Companies (Indian Accounting Standards) Rules, 2015. The standalone and consolidated financial statements of the Company, forming part of the Annual Report, have been prepared and presented in accordance with all the material aspects of the Indian Accounting Standards ('Ind AS') as notified under section 133 of the Companies Act 2013 read with the Companies (Indian Accounting Standards) Rules 2015 (by Ministry of Corporate Affairs ('MCA')) and Regulation 33 of SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015 as amended and relevant amendment rules issued thereafter and guidelines issued by the Securities Exchange Board of India ("SEBI"). There was no revision of Financial Statements (Standalone & Consolidated) and Board Reports during the year under review.

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

12.1 Board Diversity

The Company believes that “The best boards always blended with individuals with different skills, knowledge, information, power and time to contribute.” The composition of the Board is in compliance to the prescribed structure for listed companies and the Board Diversity Policy of the Company. The Policy is available in the Company website, i.e www.heritagefoods.in>Investor>policy.

During the year 2024-25 the Board comprised of six eminent personalities with well diversified expertise from various fields, including three non-executive independent directors, one non-executive independent woman director, Vice Chairperson & Managing Director and Executive Director.

A Board with diversified experience is an essential factor for the company’s overall growth which exclusively includes viz. Enhanced decision-making, Improved corporate governance, Increased creativity and innovation, Enhanced problem-solving, Better understanding of customers and markets, Improved reputation and stakeholder trust, Mitigation of biases etc.

Keeping in view of the above the nomination of Directors in the Board is recommended by the Nomination and Remuneration Committee of the Board based on the following guiding principles:

- ▶ The company aims for a balanced Board composition, ensuring diversity in gender, ethnicity, physical ability, education and expertise.
- ▶ Gender diversity is encouraged, with at least one woman independent director required by the Companies Act, 2013.
- ▶ Ethnic diversity is promoted to enhance business understanding and decision-making.
- ▶ No discrimination is made against individuals with physical disabilities if they can perform their duties effectively.
- ▶ Directors should have varied educational backgrounds in finance, engineering, legal and management fields.
- ▶ The Board values expertise in sales and marketing, particularly in consumer goods, branding and market growth strategies.
- ▶ Information technology expertise is essential, focusing on technological trends, innovation and digital governance.
- ▶ Directors with international business experience are preferred to guide companies with global operations.
- ▶ The Board collectively brings experience across industries, education, policy and investment for better governance.
- ▶ Overall, the company ensures an inclusive and competent Board to drive its strategic objectives effectively.

12.2 Meetings of the Board

During the financial year 2024-25 the Board met seven (7) times on May 29, 2024, July 23, 2024, September 18, 2024, October 23, 2024, November 15, 2024, January 22, 2025, March 11, 2025. The intervening gap between any two meetings was within the period prescribed by the Companies Act, 2013 and SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015.

12.3 Declaration from Directors

Your Company has received necessary declaration from all Directors stating that they are not debarred or disqualified from being appointed or continuing as Directors of companies as per

the Securities and Exchange Board of India, Reserve Bank of India, Ministry of Corporate Affairs or any such other Statutory Authority.

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

All Independent Directors of the Company have passed the Online Proficiency Self-Assessment Test conducted by Indian Institute of Corporate Affairs (IICA).

12.4 Confirmation and Opinion of the Board on Independent Directors.

All the Independent Directors of the Company have given their respective declaration / disclosures under Section 149(7) of the Companies Act, 2013 (“the Act”) and Regulation 25(8) of the Listing Regulations and have confirmed that they fulfill the independence criteria as specified under section 149(6) of the Act and Regulation 16 of the Listing Regulations and have also confirmed that they are not aware of any circumstance or situation, which exist or may be reasonably anticipated, that could impair or impact their ability to discharge their duties with an objective independent judgment and without any external influence. Further, the Board after taking these declarations/ disclosures on record and acknowledging the veracity of the same, concluded that the Independent Directors are persons of integrity and possess the relevant expertise and experience to qualify as Independent Directors of the Company and are Independent of the Management.

12.5 Board Evaluation

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

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

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

- Evaluating the board member’s understanding of the organization’s mission, vision and strategic goals, as well as their ability to provide strategic guidance and direction.
- Ability to act on a fully informed basis, in good faith, with due diligence and in the best interest of the company and the stakeholders.
- Optimum combination of knowledge, skill, experience and diversity on the Board as well as its Committees.
- Relationships and effective communication among the Board members.
- Effectiveness of individual non-executive and executive directors and Committees of Board.
- Quality of the discussions, general information provided on the company and its performance, papers and presentations to the Board.

- Risk management as well as processes for identifying and reviewing risks.
- Well- defined mandate and terms of reference of Committee.
- Attendance at Board as well as Committee Meetings
- Procurement of Information, preparation for Board Meetings and value of contribution at meetings
- Relationships with fellow Board members, the company secretary and senior management and mutual trust and respect they stimulated within the Board.
- Keeping update with the latest developments in the areas of governance and financial reporting
- Willingness to devote time and effort to understand the company and its business
- Providing necessary guidance using their knowledge and experience in development of corporate strategy, major plans of action, risk policy and setting performance objectives.
- Independence exercised in taking decisions, listening to views of others and maintaining their views with resolute attitude
- Ability in assisting the Company in implementing the best corporate governance practices.
- Capability in exercising independent judgement to tasks where there is potential conflict of interest
- Commitment in fulfilling the director's obligations fiduciary responsibilities.
- Providing an overall assessment of the board member's contribution to the effectiveness of the board in fulfilling its governance responsibilities and advancing the organization's mission and objectives.

The Board of Directors received all evaluations from each Director including Board as a whole and its committee based on the above criteria, discussed various points and all points are satisfactory. Hence, no further action is required. There were no actions pending from the previous year observations.

In order to improve the efficiency, ensure confidentiality and streamlining the evaluation process, the Company with approval of the Nomination and Remuneration Committee, has implemented a Board Evaluation Solution for carrying out the Board Evaluation in Digital Mode as on March 31, 2025.

12.6 Appointment/Re-Appointment of Directors

During the year under review, the approval of members through special resolution was taken on March 14, 2024, for the re-appointment of Mrs. Aparna Surabhi (DIN: 01641633) as Non-Executive Independent Woman Director of the Company for second and final term with effect from April 1, 2024, to January 29, 2029; for the re-appointment of Mrs. N Bhuvaneswari (DIN: 00003741) as Whole-time Director designated as Vice-Chairperson and Managing Director (VC&MD) of the Company for a further period of 5 years commencing from April 1, 2024, to March 31, 2029 and for the re-appointment of Mrs. N. Brahmani (DIN: 02338940) as Whole-time Director designated as Executive Director of the Company for a further period of 5 years commencing from April 1, 2024 to March 31, 2029.

The Board in the meeting held on March 11, 2025, has approved that appointment of Dr. M Sambasiva Rao as an Additional Director w.e.f. April 1, 2025, as recommended by the Nomination and Remuneration Committee of the Board.

The Board in the said meeting has also approved the appointment of Dr. M Sambasiva Rao as Whole Time Director

w.e.f. April 1, 2025, to hold office for a tenure of 5 consecutive years reckoned from the date of appointment, subject to the approval of shareholders through postal ballot, which was approved by the shareholder vide Special resolution passed through postal Ballot on May 2, 2025.

12.7 Retirements and Resignations

In terms of the provisions of Section 152 of the Companies Act, 2013 and rules made thereunder, Dr. V. Nagaraja Naidu (DIN:00003730) Non-Executive Director of the Company has retired at the Annual General Meeting held on August 21, 2024, who did not offer himself for re-appointment and the vacancy so caused on the Board be not filled up. Mrs. N Brahmani, Executive Director, is retiring by rotation from the conclusion of forthcoming AGM and being eligible, offered herself for re-appointment as a Director. The notice for the AGM provides for consideration of re-appointment of Mrs. N Brahmani.

12.8 Meeting of Independent Directors

Separate meetings of the Independent Directors was held on May 29, 2024 and March 11, 2025, inter-alia, to discuss evaluation of the performance of Non- Independent Directors, the Board as a whole, evaluation of the performance of the Chairperson, taking into account the views of the Executive and Non-Executive Directors and the evaluation of the quality, content and timeliness of flow of information between the management and the Board that is necessary for the Board to effectively and reasonably perform its duties. As such the company has complied with Schedule II part E of SEBI (LODR) Regulation, 2015, requiring independent directors of top 2000 listed entities (as per market capitalization) to hold at least two meetings in a financial year, with all Independent directors' active participation. The Independent Directors expressed satisfaction with the overall performance of the Directors and the Board as a whole.

12.9 Registration of Independent Directors in Independent Directors Databank:

All the Independent Directors of your Company have been registered and are members of Independent Directors Databank maintained by the Indian Institute of Corporate Affairs (IICA).

12.10 Familiarisation programmes imparted to Independent Directors

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

12.11 Code of Conduct

Board of Directors have adopted and oversee the administration of the Company's Code of Business Conduct and Ethics (the 'Code of Conduct'), which applies to all Directors, Officers and Employees of Heritage Foods Limited and its subsidiaries. The Code of Conduct reflects the Company's commitment to do business with integrity and in full compliance with the law and provides a general roadmap for all the Directors, Officers and Employees to follow as they perform their day-to-day responsibilities with the highest ethical standards. The Directors and the Senior Management personnel have submitted annual declarations regarding adherence to the Code of Conduct.

The Code of Conduct also ensures that all members of company perform their duties in compliance with applicable laws and in a

manner that is respectful of each other and the company's relationships with its customers, suppliers and shareholders, as well as the communities and regulatory bodies where the Company does business.

12.12 Key Managerial Personnel

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

Name of the Official	DIN/M. No	Designation
Mrs. N Bhuvaneswari	00003741	Vice Chairperson & Managing Director
Mrs. N. Brahmani	02338940	Executive Director
Dr. M Sambasiva Rao*	01887410	Whole Time Director (President - up to March 31, 2025)
Mr. Srideep Madhavan Nair Kesavan#	-	Chief Executive Officer
Mr. A Prabhakara Naidu	FCA 200974	Chief Financial Officer
Mr. Umakanta Barik	FCS 6317	Company Secretary & Compliance Officer

* Dr. M Sambasiva Rao, has been appointed as Whole time Director and Key Managerial Personnel w.e.f. April 1, 2025.

Hereinafter referred as Mr. Srideep M Kesavan.

12.13 Remuneration of Directors, Key Managerial Personnel and Senior Management

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

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

12.14 Committees of the Board

The Committees of the Board focus on certain specific areas and make informed decisions in line with the delegated authority.

The following Committees constituted by the Board function according to their respective roles and defined scope:

- Audit Committee
- Nomination and Remuneration Committee
- Stakeholders' Relationship Committee
- Corporate Social Responsibility Committee
- Risk Management Committee
- Management Committee

During the Year under review, the Nomination and Remuneration Committee and the Stakeholders' Relationship Committee of the Board were reconstituted w.e.f. 23rd July, 2024.

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

Name of the Committee	Composition of the Committee as on March 31, 2025	Highlights of roles and responsibilities
Audit committee	Mrs. Aparna Surabhi (C) Mr. A V Girija Kumar (M) Mr. Rajesh Thakur Ahuja (M) Mr. M P Vijay Kumar (M)	▶ All recommendations made by the audit committee during the year were accepted by the Board. ▶ Reviewing, with the management, the quarterly financial statements before submission to the Board for approval. ▶ Approval or any subsequent modification of transactions of the Company with related parties. ▶ Reviewing, with the management, the performance of statutory auditors and internal auditors, adequacy of internal control systems, etc.
Nomination and Remuneration Committee	Mr. M P Vijay Kumar (C) Mr. A V Girijakumar (M) Mr. Rajesh Thakur Ahuja (M) Mrs. Aparna Surabhi (M)	▶ The committee oversees and administers executive compensation, operating under a written charter adopted by our Board of Directors. ▶ The nomination and remuneration committee has framed the nomination and remuneration policy.
Stakeholders Relationship Committee	Mrs. Aparna Surabhi (C) Mr. A V Girijakumar (M) Mr. Rajesh Thakur Ahuja (M) Mrs. N Bhuvneswari (M)	▶ The committee reviews and ensures redressal of investor grievances. ▶ The committee noted that all the grievances of the investors have been resolved during the year.
Corporate Social Responsibility Committee	Mr. Rajesh Thakur Ahuja (C) Mr. A V Girijakumar (M) Mrs. N Bhuvaneswari (M)	▶ To formulate and recommend to the Board, a Corporate Social Responsibility (CSR) Policy indicating activities to be undertaken by the Company in compliance with provisions of the Companies Act, 2013 and rules made there under. ▶ To monitor the implementation of the CSR Policy of the Company from time to time

Name of the Committee	Composition of the Committee as on March 31, 2025	Highlights of roles and responsibilities
Risk Management Committee	Mr. Rajesh Thakur Ahuja (C) Mr. A V Girijakumar (M) Mrs. Aparna Surabhi (M) Mrs. N Bhuvaneswari (M)	▶ The purpose of the committee is to assist the Board in fulfilling its corporate governance with regard to the identification, evaluation & mitigation of operational, strategic and environmental risks efficiently and effectively. ▶ The Company has developed and implemented a risk management framework that includes identification of elements of risk, if any, which in the opinion of the Board may threaten the existence of the Company.
Management Committee	Mrs. N Bhuvaneswari (C) Mr. A V Girijakumar (M) Mr. M P Vijay Kumar (M) Mrs. Aparna Surabhi (M)	▶ Setting the strategic direction to guide and direct the activities of the organization; ▶ Ensuring the effective management of the organization and its activities; and ▶ Monitoring the activities of the organization to ensure they are in keeping with the founding principles, objects and values.

C: Chairperson, M: Member

12.15 CEO & CFO Certification

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

13.1 Compliance Management

The Company has built and adopted a compliance management tool as a part of the SAP. The application provides a facility to update statutory compliances from time to time by attaching the evidence of compliance. The tool also provides system-driven alerts to the respective personnel of the Company for complying with the applicable laws and regulations as per the due dates for compliance. The Chief Executive Officer, Chief Operating Officer, Chief Financial Officer and Company Secretary of the Company present a certificate certifying the compliance of all the applicable laws, rules and regulations to the Board of Directors of the Company in the Board Meetings held for reviewing of the quarterly financial statements.

13.2 Prevention of Insider Trading Code

As per SEBI (Prohibition of Insider Trading) Regulation, 2015 as amended from time to time, the Company has adopted a Code of Conduct to Regulate, Monitoring & Reporting of Trading by Insiders.

The Company has appointed Mr. Umakanta Barik, Company Secretary of the Company as Compliance Officer, who is responsible for setting forth procedures and implementation of the code of conduct for trading in Company's securities. During the FY 2024-25 the Company has duly complied with the said code.

Apart from this Code the Company has put in place Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information (UPSI), Policy and procedures for inquiry in case of leak of unpublished price sensitive information to ensure compliance with SEBI Prohibition of Insider Trading Regulation (PIT Regulations) with the approval of the Board of Directors. During the year, the Company regularly sent

informational e-mails to the specified Employees on topics including Do's and Don't's while dealing with the securities of the Company and window open period/closed period to familiarise, educate and remind them of the provisions of Share Dealing Code and SEBI PIT Regulations.

Your Company is maintaining Structured Digital Database ('SDD'), the database of unpublished price sensitive information (UPSI), shared internally and externally, with the intent of keeping track as to who all were in the know of an UPSI before it became public.

13.3 Investor Relationship:

Investor Relations (IR) is a key strategic function that bolsters the company's business model by ensuring transparent, consistent and impactful communication between management, shareholders, analysts and the broader investment community. By effectively conveying the company's financial performance, strategic direction and key developments, IR aligns investor expectations with long-term business goals, building stakeholder trust and driving sustainable growth. Go India Advisors, Mumbai manages the Investor relations of the Company.

IR professionals are responsible for disseminating accurate and timely updates, including financial results, earnings announcements and regulatory filings. They organize and participate in investor meetings, conferences and earnings calls, offering insights into the company's performance while addressing investor queries and concerns. A significant aspect of investor relations is maintaining strong, trust-based relationships with both institutional and retail shareholders, as well as buy-side and sell-side analysts. Through regular engagement, IR teams help strengthen the company's market reputation and investment appeal.

In addition to communication and relationship management, IR teams monitor market trends, investor sentiment and competitor activities. They assess how these factors affect the company's valuation and provide strategic inputs to management on investor expectations, emerging risks and

I. Opportunities

In view of the growing need for enhanced Investor Relations (IR), a few noteworthy steps have been undertaken by the Company to strengthen engagement and transparency with its stakeholders.

II. Investor Sentiment/Market Sentiment

Investor Relations (IR) team continues to play a vital role in shaping market sentiment and strengthening stakeholder confidence. Through clear, transparent and consistent communication, our IR function ensures that our performance, strategic direction and future outlook are well understood by the investment community. By actively monitoring investor feedback and market trends, the IR team provides valuable insights to our leadership, enabling informed decision-making that enhances our visibility, builds long-term trust and drives shareholder value.

III. Market Outreach

IR plays a key role in targeted market outreach by engaging both buy-side and sell-side stakeholders through strategic, focused interactions. By identifying and connecting with the right analysts, investors and institutions, IR ensures that the company's story reaches the right audiences. This targeted approach enhances visibility, attracts quality capital and fosters stronger relationships within the investment community.

IV. Investor Communication:

Investors are kept well-informed through timely dissemination of notices of events, material disclosures and postal ballot communications. These are circulated through physical delivery, email, publication on the Company's website and necessary filings with the stock exchanges to ensure transparency and compliance. On quarterly basis Quarterly investors' presentation and transcripts of the investors concall is sent to all shareholder who have registered their email addresses with the company/depositories.

V. Investor Grievance Redressal and Shareholder Services:

Investor complaints received via email, telephone, or in physical form are addressed and resolved promptly, reflecting the Company's ongoing commitment to fairness, transparency and building investor trust. Grievances of the security holders—including those related to transfer or transmission of shares, non-receipt of the annual report, non-receipt of declared dividends, issuance of new or duplicate share certificates, matters concerning general meetings and other related issues—are handled without delay.

The Company also ensures that requests for issuance of duplicate share certificates are processed efficiently and in strict compliance with applicable regulatory guidelines. Additionally, it facilitates requests for change in beneficial ownership through a streamlined and transparent process, ensuring smooth and timely execution.

The details of complaints and service requests received and resolved during the Financial Year 2024-25 are provided in the Corporate Governance Report

VI. Promotion of Dematerialisation:

Shareholders are encouraged to convert their physical shareholdings into dematerialised (demat) form. Your Directors also recommend this transition for enhanced security, ease of transfer, faster settlement and to eliminate the risks associated with loss, theft, or damage of physical share certificates. The demat system allows such changes to be electronically recorded with accuracy and efficiency.

VII. Enhanced Investor Interface:

The Company has restructured the Investor Relations section on its website to improve both visual appeal and the quality of content made available to stakeholders. This initiative ensures a more engaging, user-friendly interface while also ensuring complete compliance with statutory disclosure requirements.

VIII. Interviews and press releases:

Interviews are regularly conducted by the management and press releases are issued to provide updates on the Company's performance, key developments and strategic direction. These efforts ensure that stakeholders, the media and the investment community are kept informed with accurate and timely information, reinforcing transparency and fostering trust.

IX. Investor calls:

Investor calls are conducted regularly to maintain consistent communication with shareholders and analysts, providing updates on the Company's performance, addressing queries and strengthening transparency and investor confidence.

13.4 Human Resources and Industrial Relations

Your Company takes pride in the commitment, competence and dedication shown by its employees in all areas of business. Your company ensures that it provides a harmonious and cordial working environment to all its employees. To ensure good human resources management, your Company focused on all aspects of the employee lifecycle. This provides a holistic experience for the employee as well. During their tenure at the Company, employees are motivated through various skill-development programs, engagement and volunteering programs. Your company has put in continued efforts in building capabilities of Human Resources with adoption of specific and targeted interventions.

During the FY 2024-25 the Company conducted 193 in-house Training Programmes in 194 training days i.e. a total of 69, 673 Hours of Training, involving 12,268 participants, in other words all employees were imparted with more than one trainings during the period.

The training programmes were designed keeping in view the need of the Organisation, capacity building and overall personality development and career growth of the staff. Basically three types of programmes were organised viz. Technical aspect, Behavioural aspects and general aspects.

The Technical Training sessions covered key areas viz. Food Safety, Quality & Hygiene, Health, Safety & Environment, Operations & Maintenance, Process Improvement & Productivity, Sales, Marketing & Business Development, Data & Technology, Compliance, Legal & Financial, HR & Project Management and Dairy Industry Specific topics etc.

The Behavioural programs focused on Workplace Ethics & Legal Awareness, Personal Conduct, Health & Hygiene, Safety Behaviour & Emergency Preparedness, Personal Effectiveness & Emotional Intelligence and Leadership & Transformation etc.

Training on General aspects included sessions on Health, Hygiene & Safety, HR Systems & Policies, IT & Digital Tools, Productivity, Time & Team Management, Induction, SOPs & On-boarding, Workplace Organization & Quality Systems and Thought on Leadership & Development etc.

Apart from this, the Company has sponsored 52 training programmes/seminars/conference for 3,461 employees (recurring participants) organised by various organisations viz. IIM Indore; Bharati EduTech Services; Green Ways Road Safety Academy; National Productivity Council; M S Soft Technologies; Pegasus Academy; IMA (International Market Assessmnet); Prompt Dairy Tech; Prosper Consultancies; Suvant Solutions; Middle Earth HR; National Safety Council of India; One IT Technologies; IIM Ahmedabad; NALSAR University; CII (Conferderation of Indian Industry) etc.

Your Company has a structured induction process at all locations and management development programs to upgrade skills of managers. Objective appraisal systems based on Key Result Areas are in place for all employees. Company has adopted several policies viz. Equal Opportunity Policy, Health and Safety Policy, Policy on Prevention of Sexual Harassment (POSH) of Women at the Workplace, Whistle blower Policy etc. to provide guiding force towards achievement human resource management and employee capacity building goals and addressing issues relating to human resource and regulatory expectations.

The company has implemented ZOHO people, a cloud based HR software Solution designed to streamline and automate various HR processes, making workforce management more efficient. It offers a comprehensive suite of features, including employee database management, attendance and leave tracking, payroll integration, performance appraisal and recruitment. The software also includes self-service portals, enabling employees to update their information, request leaves and track performance goals. Zoho People helps HR teams make data-driven decisions. Your Company is committed to nurture, enhance and retain talent through superior Learning & Organizational Development.

The total strength of your Company employees as on March 31, 2025 was 3,364 The average age of employees is 35 years. The annualised attrition rate stood at 16.31%as on March 31, 2025 with reduction of 2.58% compared to 18.89% as on March 31, 2024.

The Company is proactively taking steps to enhance employee engagement, provide career growth opportunities, implement skill development initiatives and foster a positive work culture to retain talent and reduce attrition. Regular feedback mechanisms and employee recognition programs are also being strengthened to boost satisfaction and long-term retention. Various employee welfare schemes included Medical Insurance for Non-ESI employees; Annual health check-ups; Transportation; Canteen Facilities; Crèche and childcare facilities for working mothers etc.

Heritage Premier League, A corporate sports event was organized to foster internal collaboration, employee morale and brand pride.

“EMERGE>>” Young Talent Program 2024, Conducted across IIMs and premier B-Schools, this initiative aimed to inject fresh thinking into the organization and build future leadership pipelines.

Your Company has been certified as a “Great Place to Work” by the prestigious Great Place to Work® Institute, valid until November 2025. This esteemed certification underscores our commitment to fostering a workplace culture that prioritizes employee well-being, encourages professional growth and promotes inclusivity. It is a proud acknowledgment of our efforts to create an empowering environment that aligns with our organizational values and enables our people to thrive.

The Industrial Relations within the Company during the period under review remained cordial, constructive and harmonious marked by high employee morale and mutual respect. There were no instances of unrest, agitation, or deterioration in the relationship between the management and employees. All employee grievances, queries and concerns were promptly addressed and resolved in a timely and effective manner, reflecting the Company's commitment to maintaining transparent communication, employee well-being and a positive work environment.

13.5 Compliance of Reclassification of Promoters group:

For the financial year ended on March 31, 2025, the Promoters re-classified to the Public shareholders have submitted the Annual declaration stating that they have complied with the provisions as prescribed under Regulation 31(4) of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015.

13.6 Risk Management

Your Company have constituted a Risk Management Committee pursuant to Section 134 (3) (n) of the Companies Act, 2013 & Regulation 21 of SEBI (Listing Obligations & Disclosure Requirements) Regulations 2015, which has been entrusted with the responsibility to assist the Board in (a) Overseeing and approving the Company's enterprise risk management framework; and (b) Overseeing that all the risks that the organization faces such as strategic, financial, credit, market, liquidity, security, property, Information Technology, legal, regulatory, reputational and other risks have been identified and assessed and there is an adequate risk management infrastructure in place capable of addressing those risks. The details of Risk Management Committee and are given in Clause (5 (A) of the Corporate Governance Report.

The Committee had formulated a Risk Management Policy for dealing with different kinds of risks which it faces in day to day operations of the Company. Risk Management Policy of the Company outlines different kinds of risks and risk mitigating measures to be adopted by the Board. The policy is available in the website of the company in the Policy section: www.heritagefoods.in>Investor>policies. The Risk Management Procedure is reviewed by the Risk Management Committee and Board of Directors on a half- yearly basis at the time of review of Financial Results of the Company. On the recommendation of the Risk Management Committee the Board has engaged the services of Consultancy, for implementing an Enterprise Risk Management (ERM) tool for the Company. The ERM tool shall be instrumental for early identification & assessment and risk, developing a robust risk monitoring mechanism, developing and updating the Risk Appetite Framework and integrating risk management practices within the organization's business processes for strategic management of the “Key Risks That Matter”.

13.7 Insurance

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

13.8 Cyber Security

The Company has implemented robust technologies, processes and practices to safeguard its networks, systems and data from external threats, unauthorized access and potential damage. Regular employee training programs are conducted to promote

awareness of safe usage of networks, digital devices and data, helping to prevent breaches and strengthen cyber security.

The Information Technology Department continuously gathers employee feedback to enhance cybersecurity protocols, ensuring they remain effective and up to date. Additionally, the Risk Management Committee and the Board of Directors regularly review cybersecurity risks and mitigation measures to uphold a strong and resilient security framework.

13.9 Information Technology and Digital Transformation:

Implementation of IT & Digital Transformation Strategy has been a key priority for your Company for the year 2024-25. The Strategy was focused on addressing the perspective of all the stakeholders, viz. Farmer, Consumer, Customer and the Employee to achieve the desired outcomes of reducing the cost, enhancing the efficiency.

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

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

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

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

As part of Digital Transformation for business operations your Company has migrated its IT infrastructure to AWS cloud using Well Architecture Review Framework which enhances scalability, reliability and security w.e.f. November 1, 2023.. This transition reduces operational costs, improves system performance and provides access to advanced services like machine learning and big data analytics, driving greater business agility and innovation. The Primary Data centre (SAP ERP) of the Company is hosted on AWS Cloud located in Amazon Development Centre (Hyd 11) Jayabheri Orange Towers, Jairaj, Rd Number 2, Financial District, Nanakramguda, Hyderabad, Telangana -500032, India.

And the Disaster Recovery centre (SAP ERP) is located at AWS Cloud located in Amazon Web Services India Pvt Limited, Godrej One, 11th Floor, Pirojshanagar, Vikhroli, Mumbai, Maharashtra -400079, India.

In order to self-assess the Disaster Management capability, the Company conducts DR Drill at regular intervals.

In order to evaluate the effectiveness, security and compliance of the IT systems, to ensure that they align with industry standards and regulatory requirements and to identify vulnerabilities, assess risk management practices and enhance overall data integrity, confidentiality and availability the Company has appointed qualified consultants to conduct IS audit of the IT framework.

The packing stations and sales offices are connected to the Data centre through SAP and the transactions at taking place at these terminals are effected on real time basis over a secure network line.

The chilling centres terminals are standalone, from where the data is uploaded to the Central Data base at the end of the day.

Your Company also streamlined its customer payment process by moving to 100% digital payments and also automated key activities in Procure to Pay, Order to Cash and Quality management processes.

The internal communication takes place through Google mail service via internet and intranet.

Apart from the SAP and network, the Company uses several stand-alone software/Tool for the day to day operation. A brief of few software used by the Company are as under:

A Software used by the Company to comply with the requirement of Structured Digital Database ('SDD') i.e. the database of unpublished price sensitive information (UPSI) with the intent of recording the flow of sharing of UPSI, in compliance to SEBI (Prohibition of Insider Trading) Regulations, 2015.mitigating software Company to unsure full compliance with SEBI's Prohibition of Insider Trading (PIT) Regulations (2015).

A digital signature solution that allows to sign, manage and store documents electronically in a secure and legally compliant manner to streamline workflows, reduce paperwork and enhance document security.

A Software used for Contract Management, Litigation Management, Legal Notice Management, IPR Management, Legal Case Traking and IPR management.

A digital platform used by the Company which enables real-time conduct of Board and Committee meetings. It facilitates the preparation, circulation and secure storage of agendas, minutes and documents in digital format. BLISS ensures authorized access, maintains an audit trail and supports compliance, making it a valuable tool for efficient corporate governance.

A digital platform used by the Company, which streamlines the evaluation of Board and Committee performance in Digital Mode through structured questionnaires, confidential feedback and automated analysis, helping improve governance and decision-making.

By leveraging the power of analytics and insights generated your Company is able to unlock business opportunities in Sales, Milk procurement and planning areas.

14.0 Policies

The SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 mandated the formulation of certain policies for all listed companies. Company has also adopted several polices in line with Companies Act, 2023 and Acts applicable to the Company. Apart from those polices the Company has also adopted comprehensive set of policies covering various ESG aspects for promoting Sustainable business practices. All the corporate policies are available in the Company website ([www.heritagefoods.in/ Investors/ policies](http://www.heritagefoods.in/Investors/policies)). The policies are reviewed periodically by the Board and updated based on need and new compliance requirement.

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

Sl. No.	Policy Name	About the Policy
1.	Code of Conduct & Ethics for Board & Senior Management	The Code is applicable to Board of Directors, Senior Management Personnel and Employees helping them to maintain good standards of business conduct, foster ethical and moral conduct and promote a culture of honesty and accountability, so as to set an example to others in the company.
2.	Whistle Blower Policy	The Company has adopted the whistleblower mechanism for employees to report concerns about unethical behaviour, actual or suspected fraud, or violation of the Company's code of conduct and ethics. It also provides for adequate safeguards against victimization of the whistleblower employees and also provides for direct access to the Chairperson of the Audit Committee.
3.	Risk Management Policy	This policy sets out the objectives and accountabilities for the management of risk within the Company such that it is structured, consistent and effective
4.	Corporate Social Responsibility Policy (CSR Policy)	The policy outlines the Company's strategy to bring about a positive impact on Society through programs relating to hunger, poverty, education, healthcare, environment, relief, disaster management etc., as per the provisions of the Companies Act, 2013.
5.	Policy on Materiality of Related Party Transactions	The policy regulates all transactions between the Company and its related parties
6.	Policy for Determining Material Subsidiaries	The policy is to regulate the investments of Company in Subsidiaries and oversee the functioning of subsidiaries based on the applicable laws and regulations applicable on the Company.
7.	Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information (UPSI), Policy on Legitimate Purpose, Policy/procedure for investigation of leak/suspected leak of UPSI	The Policy has been formulated with a view to maintain uniformity, transparency and fairness in dealing with all stakeholders and to ensure timely, fair and adequate disclosure of unpublished price sensitive information to the investor community by the Company to enable them to take informed investment decisions with regard to the Company's securities.
8.	Code of Conduct to Regulate, Monitor & Report Trading by Insiders as per SEBI (Prohibition of Insider Trading) Regulation 2015	This code regulates any kind of Insider Trading by designated persons
9.	Policy on Prevention of Sexual Harassment	The policy aims at providing a safe work environment for women at workplace
10.	Board Diversity and Nomination & Remuneration Policy	The policy sets out the Company's approach to ensuring adequate diversity in its Board of Directors (the "Board") and is devised in consultation with the Nomination and Remuneration Committee (the "Committee") of the Board
11.	Policy on Preservation of Documents	The Policy provides for the preservation period for records/documents based on their reference value and legal requirements.
12.	Policy on determination of Materiality of Events	The Policy provides for determining the materiality of events or information relating to the Company and to ensure timely and accurate disclosure on all material matters concerning the Company.
13.	Policy on Dividend distribution	The objective of this Policy is to ensure the right balance between the quantum of Dividend paid and amount of profits retained in the business for various purposes
14.	Archival Policy	The Policy establishes guidelines for protecting, maintaining and archiving the disclosures made to the stock exchange and hosted on the company's website. It defines the duration for which such information remains on the website and in the archived folder, along with other related archival matters.
15.	Business Responsibility Policies	The Policy is intended to ensure that the Company contributes towards sustainable development and fulfils its social, environmental and economical responsibilities
16.	Cyber Security Policy	The policy is to protect information and information infrastructure from cyber incidents through a combination of processes, guidelines, technology and cooperation. This policy governs the usage of IT Resources from an end user's perspective.
17.	Policy and procedures for inquiry in case of leak of unpublished price sensitive information	The Policy aims to provide a framework for inquiry in case of leak or suspected leak of Unpublished Price Sensitive Information
18.	Anti Bribery and Anti-Corruption Policy	The policy is to safeguard and promote legitimate business throughout the Company and to prevent and prohibit corruption, bribery and similar acts in connection with the Company.
19.	Policy on Environment and Climate Change	The Policy covers all operations, manufacturing facilities, supply chains, logistics and community interactions of the Company to ensure environmental responsibility and climate action
20.	Product Stewardship Policy	The Policy provides guidelines for sustainable procurement, product safety, environmental responsibility and consumer engagement.

Sl. No.	Policy Name	About the Policy
21.	Supply Chain Management and Responsible Sourcing Policy	The Policy serves as a guiding framework to ensure responsible sourcing and effective supply chain management
22.	Animal Welfare Policy	The policy provides a framework to positively influence animal health and welfare through social and educational interventions
23.	Operational Health & Safety Policy	The Policy outlines the Company's approach to workplace safety, risk management and environmental sustainability, integrating best practices to enhance compliance and employee well-being.
24.	Equal Opportunity Policy	The policy provides a framework to uphold diversity, fair employment practices, equal career opportunities and workplace inclusivity, ensuring compliance with applicable labour laws and regulations.
25.	Policy on Human Rights, Diversity and Inclusion	This policy establishes our guiding principles and commitments to ensure that our operations respect and protect human dignity, fairness and equal opportunities.
26.	Stakeholders Engagement Policy	This policy outlines the company's approach towards stakeholder engagement, inclusive dialogue with stakeholders for shared progress and mutual respect.

14.1 Policy on Sexual Harassment

Prevention of sexual harassment at the workplace is a critical issue that requires robust mechanisms and proactive measures. The Vishakha Guidelines, established by the Supreme Court of India in 1997, laid the foundation for addressing sexual harassment at the workplace. These guidelines were further reinforced by the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 (i.e. POSH Act). Your Company is committed to providing a safe and conducive work environment to all its employees and associates. In compliance with POSH Act and rules made thereunder, your Company has constituted Internal Complaints Committees (ICCs) covering all workplaces to address complaints of sexual harassment. The company has put in place a Policy on Prevention of Sexual Harassment (POSH) of Women at the Workplace, serving as guiding policies dedicated to preventing and redressing incidents of harassment, ensuring complete anonymity, confidentiality and fairness in the investigation process.

Regular awareness programs and training sessions are conducted to sensitize employees about appropriate workplace behaviour and the consequences of harassment, thereby fostering a respectful and inclusive workplace culture. To sum up, the Company has complied with the provision relating to the constitution of Internal Complaints Committee under the Sexual Harassment of Women at the Workplace (Prevention, Prohibition and Redressal) Act, 2013. There are no instances of Harassment reported during the year 2024-25 under Sexual Harassment of Women at the Workplace (Prevention, Prohibition and Redressal) Act, 2013.

The below table provides details of complaints received/dispensed during the financial year 2024-25:

S. No	Particulars	Status of the No. of complaints received and disposed off
1	Number of complaints at the beginning of financial year	Nil
2	Number of complaints filed during the financial year	Nil
3	No. of complaints disposed during the financial year	Nil
4	No. of complaints pending at the end of financial year	Nil

As per the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013, your Company follows calendar year for annual filling with statutory authority.

14.2 Vigil Mechanism policy

In compliance with the provisions of Section 177 of the Companies Act, 2013 and Regulation 22 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Board of Directors of the Company has established a Vigil Mechanism. had adopted the Whistle Blower Policy. A mechanism has been established for employees to report concerns about unethical behaviour, actual or suspected fraud, or violation of Code of Conduct and Ethics. It also provides for adequate safeguards against the victimization of employees who avail of the mechanism and allows direct access to the Chairperson of the Audit Committee in exceptional cases. The functioning of whistle blower mechanism is periodically reviewed by the Audit Committee. No complaints have been received during the Financial Year ended March 31, 2025. No personnel have been denied access to the Audit Committee during the Financial Year 2024-25.

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

14.3 Policy on Director's Appointment and Remuneration

As per the policy of the Company, the Board of Directors shall have an optimal combination of Executive and Non-Executive Directors, with at least one Woman Director. The composition of the Board complies with the Articles of Association, the Companies Act, 2013, along with its applicable rules and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time to maintain the diversity and independence of the Board.

As on March 31, 2025, the Board comprised of 6 Directors, including 1 Vice-Chairperson and Managing Director, 1 Executive Director, 1 Non-Executive Independent Woman Director and 3 Non-Executive Independent Directors.

The Board periodically evaluates the need for change in the composition and size of the Board. Accordingly, with effect from 1st April 2025 another Whole Time Director was inducted to the Board taking the total strength of the Board to 7 comprising of 1 Vice-Chairperson and Managing Director, 2 Whole Time/Executive Director, 1 Non-Executive Independent Woman Director and 3 Non-Executive Independent Directors.

The policy of your Company on directors' appointment and remuneration, including criteria for determining qualifications, positive attributes, independence of a director and other matters as provided under Section 178(3) of the Companies Act, 2013 and SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 was adopted by the Board. In line with the provision under Para C of Schedule V of the Corporate Governance Report, the Directors submit annual declaration about their skill sets/expertise/ competencies. It is affirmed that the remuneration paid to the Director(s) is as per the terms laid out in the nomination and remuneration policy of the Company.

14.4 Directors and Officers insurance ('D and O insurance')

Your company has taken Directors and Officers insurance policy ('D&O insurance') for all its Directors and members of the Senior Management as required under Regulation 25(10) of SEBI (LODR), Regulations, 2015.

14.5 Dividend Distribution Policy

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

15.1 Details under Insolvency and Bankruptcy Code, 2016

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

15.2 Details of One Time Settlement and Valuation of Assets

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

15.3 Financial Year

There has been no change in the financial year during the year under report.

15.4 Significant Material Orders Passed by the Regulators

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

Company had made the necessary disclosure to the stock exchanges pursuant to Regulation 30 and of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with Schedules and SEBI Circular on Continuous Disclosure Requirements with in the stipulated time as and when any order/notice from statutory/regulatory or judicial authorities are received. There is no material impact on financial, operations or other activities of the Company.

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

15.5 Energy Conservation, Technology Absorption & Foreign Exchange Earnings & Outgo

The particulars as prescribed under Sub-section (3)(m) of Section 134 of the Companies Act 2013, read with the

Companies (Accounts) Rules, 2014 are provided in the Annexure-5 to the Board Report.

16.1 Corporate Social Responsibility (CSR)

Your Company has made Corporate Social Responsibility (CSR) an integral part of its ethos and culture. Your company has constituted a Corporate Social Responsibility Committee ("CSR Committee") in accordance with Section 135 of the Companies Act, 2013. A Standard Operating Procedure covering the system of reporting and monitoring for CSR activities has been put in place to ensure effective implementation of planned CSR initiatives.

The CSR activities / projects as per the provisions of the Companies Act, 2013 and rules made thereof, is undertaken directly by the Company or through a registered trust or a registered society. During the Financial Year 2024-25 the CSR Committee of the Board evaluated various options to implement the CSR activities and decided to implement the CSR projects for the year through the following implementing Agency:

Sl. No	Name of the implementing Agency	List of Activities
1.	NTR Memorial Trust, NTR Bhavan, Road No. 2, Banjara Hills, Hyderabad -500034, Telangana.	Promoting health care including Preventive health care of the needy groups

NTR Memorial Trust

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

During the financial year 2024-25, the CSR obligation for the Company was ₹26.99 million. However, the Company allocated a total of ₹48.77 million towards various CSR projects. The amount set apart for ongoing projects/multiyear projects was ₹26.99 million while the amount set apart for project other than ongoing project/multiyear project was ₹21.78 million. The company had spent ₹21.78 million for Disaster Management and Relief activities which are other than ongoing/multiyear projects during the year. The amount of ₹26.99 million earmarked for ongoing CSR project was not spent. Hence, in compliance with the CSR Amendment Rules, the unspent amount of ₹26.99 million has been transferred to the 'Unspent CSR Account' and will be utilized for the ongoing projects on or before March 31, 2028. Accordingly, the excess amount of ₹21.78 million spent over and above the mandated obligation shall be set off against the CSR requirements of the succeeding financial years, in accordance with Rule 7(3) of the Companies (CSR Policy) Rules, 2014.

16.2 Corporate Governance

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

at improving the company's image, efficiency, effectiveness and social responsibilities.

In terms of Regulation 34 of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter "Listing Regulations") as amended from time to time, a Report on Corporate Governance along with Compliance Certificate issued by Statutory Auditors of the Company forms integral part of this Annual Report.

16.3 Management Discussion and Analysis

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

16.4 Business Responsibility and Sustainability Report (BRSR)

Pursuant to regulation 34(2)(f) of SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015, top 1000 listed entities based on their market capitalisation as on 31st March every year, are required to submit their Business Responsibility and Sustainability Report (BRSR) as a part of their Annual Report. The Annual Report shall contain a Business Responsibility and Sustainability Report (BRSR) describing the initiatives taken by the Company from an environmental, social and governance perspective. BRSR has been designed as a tool to help companies understand the principles and core elements of responsible business practices and start implementing which reflect their adoption in the manner the company undertakes its business. Based on the market capitalization of BSE as on December 31, 2024 your Company was at sl no. 756 under top 1000 listed Companies. In compliance with the regulation, the BRSR is provided in a separate section and forms an integral part of this Report.

16.5 Annual Return

The Annual Return as on March 31, 2025 as required under Section 92(3) and Section 134(3)(a) of the Companies Act, 2013, will be hosted on the Company's website ([https:// www. heritagefoods.in/annualreturn](https://www.heritagefoods.in/annualreturn))

17.0 Listing & Custodian Fees

The Company's equity shares are listed on the following Stock Exchanges:

- BSE Limited, Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai - 400 001, Maharashtra, India; and
- National Stock Exchange of India Limited, Exchange Plaza, Floor 5, Plot No. C/1, G Block, Bandra-Kurla Complex, Bandra (East), Mumbai - 400051, Maharashtra, India.

The Company has paid the Annual Listing Fees to the said Stock Exchanges for the Financial Year 2024-25. The annual custodian fees have also been paid to the depositories before the due date.

18.0 Unclaimed Rights Equity Shares Suspense Account

During the year 2022-23 the Company has issued and made allotment of 4,63,98,000 equity shares of face value of ₹ 5 each (Issue Shares) for cash at a price of ₹5 per Equity Share (Right Issue Price), aggregating up to ₹ 23,19,90,000/- to the Eligible Equity Shareholders of the Company on rights basis (Rights Equity Shares) in the ratio of 1 (one) Rights Equity Share for every 1 (one) fully paid-up Equity Share (₹5/- face value) held by the Eligible Equity Shareholders on the record date.

The Company has opened demat account in the name of HERITAGE FOODS LIMITED for Rights Shares Unclaimed Suspense Account maintained with Stock Holding Corporation Of India Limited, Reg. Office: 301, Centre Point, Dr. Babasaheb Ambedkar Road, Parel, Mumbai - 400012, Maharashtra, India vide DPID IN301330 and client ID 41280635.

Out of the total number of eligible shareholders, 334 shareholders who applied in the rights issue did not get the credit of shares due to their incorrect details provided in the rights issue application and all those shares were transferred to Heritage Foods Limited - Rights Shares unclaimed suspense account.

As on March 31, 2025, there are Nil outstanding shares lying in the suspense account. In accordance with the requirement of Clause F of Schedule V of SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015, the Company reports the following details as of March 31, 2025 in respect of equity shares lying in the suspense account:

Particulars	No. of Share-holders	No. of equity shares
Aggregate number of shareholders and the outstanding shares in the suspense account lying at the beginning of the year i.e., April 01, 2024	42	3,857
Number of shareholders who approached listed entity for transfer of shares from suspense account during the year	42	3,857
Number of shareholders to whom shares were transferred from suspense account during the year	42	3,857
Transferred to Investor Education and Protection fund Authority	Nil	Nil
Aggregate number of shareholders and the outstanding shares in the suspense account lying at the end of the year i.e. March 31, 2025	Nil	Nil

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

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

In terms of the Section 134 (3)(c) & (5) of the Companies Act, 2013 the Board of Directors of your Company states that:

- In the preparation of the annual accounts (Standalone & Consolidated) for the financial year 2024-25, the applicable accounting standards have been followed along with proper explanation relating to material departures.
- They have selected such accounting policies and applied them consistently and made judgments and estimates

that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year 2024-25 and of the profit of the Company for that period.

- ▶ They have taken Proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities if any,
- ▶ The annual accounts of the company have been prepared on a going concern basis.
- ▶ They have laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and were operating effectively; and
- ▶ They have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

20.0 Acknowledgement and Appreciation

We, the Board of Directors, feel compelled to express our sincere acknowledgement and heartfelt appreciation to the farmers, customers, consumers, investors, bankers, vendors/employees and all other stakeholders who have played an invaluable role in our collective success.

First and foremost, we extend our deepest gratitude to the farmers who toil tirelessly to take-care of the milch animals and bring forth the bounties of nature. Their unwavering commitment and dedication ensure a steady supply of high-quality milk that form the foundation of our products. Without their hard work and expertise, we would not be able to deliver exceptional goods to our customers.

To our esteemed customers and consumers, we extend our utmost appreciation. Their loyalty and trust in our brand inspire us to continuously improve and exceed your expectations. Their invaluable feedback and support have guided us in refining our products and services, ultimately enhancing the overall consumer experience. We are honoured to be a part of their lives and strive to consistently deliver excellence.

We would also like to express our gratitude to our investors for your unwavering confidence in our vision and mission. Your financial backing and strategic guidance have propelled our growth and enabled us to pursue innovation and expansion.

Your belief in our potential has been instrumental in transforming our ideas into reality and we remain committed to delivering sustainable returns on your investment.

To our esteemed bankers, we extend our sincere appreciation for your trust and collaboration. Their unwavering support in providing financial solutions and expertise has been instrumental in our operational efficiency and growth. Your partnership has enabled us to navigate challenges and seize opportunities and we are grateful for the synergy we have cultivated together.

Your Directors express their sincere thanks to the Statutory Auditors, Internal Auditors, Secretarial Auditors and other consultants and technical service provider firms and agencies for their services and co-operation and contribution for the smooth operations of the Company.

We thank our vendors and suppliers and distributors for fulfilling their commitments and for uninterrupted services and supplies to the Company.

Your Directors also wish to place on record their most sincere appreciation of the commitment, support and sincere efforts put in by employees in Service as well as growth of the Company during the year and look forward to their continued cooperation in realization of the corporate goals in the years ahead.

Last but not least, we would like to extend our heartfelt thanks to all our other stakeholders. Their collective efforts, dedication and belief in our organization have been the cornerstone of our achievements. We cherish the relationships we have built and we are committed to fostering open communication, transparency and collaboration as we move forward.

In conclusion, we wholeheartedly acknowledge and appreciate the farmers, customers, consumers, vendors investors, bankers, employees and all other stakeholders who have contributed to our journey thus far. Your unwavering support and trust have been integral to our success and we look forward to continuing this partnership as we strive for new heights together.

For and on behalf of
HERITAGE FOODS LIMITED

A V Girija Kumar
Chairperson
(DIN: 02921377)

Place : Hyderabad
Date: May 16, 2025

FORM NO. AOC-2

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

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

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

All the contracts or arrangements or transactions entered into during the year ended 31st March, 2025 were at arm's length basis and in the ordinary course of business of the Company.

2. Details of contracts or arrangements which are not in the ordinary course of business and justification for entering into such contracts:

There are no such contracts or arrangements entered with the related party.

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

The Company has not entered into any material contracts or arrangement or transactions with any of the related parties during the FY 2024-25. However the details of non-material contracts or arrangement or transactions entered at arm's length basis and in the ordinary course of business of the company for FY 2024-25 are given below:

Sr. No.	Name(s) of the related party	Nature of Relationship	Nature of contracts/ arrangements/ transactions	Value of contracts/ arrangements/ transactions during the Year (₹ In Millions)	Duration of contracts/ arrangements/ transactions
1.	Heritage Nutrivet Limited (HNL)	Wholly Owned Subsidiary Company	Sale of products	7.14	Sale order/Invoice
			Purchases	1,300.98	Purchase order/Invoice
			Expenditure incurred on behalf of HNL	2.26	During FY 2024-25
			Brand income	3.50	As per agreement
2.	Heritage Novandie Foods Private Limited (HNFPL)	Joint Venture Company	Investment made (including financial guarantee)	75.50	During FY 2024-25
			Sale of products	17.87	Sale order/Invoice
			Financial guarantee income	2.20	During FY 2024-25
			Lease rental income	1.39	As per agreement
			Expenditure incurred on behalf of HNFPL	9.03	During FY 2024-25
3.	Heritage Finlease Limited	Enterprise over which Vice-Chairperson & Managing Director, Executive Director and President of the Company exercise significant influence	Remittance of loan proceeds collected on behalf of Heritage Finlease Limited	1,881.58	As per agreement
			Cattle loan facilitation charges	3.98	As per agreement
			Deposit paid	12.63	As per the lease agreement
			Lease rentals paid	106.25	
4.	NTR Memorial Trust	Enterprise over which Vice- Chairperson & Managing Director and Executive Director of the Company exercise significant influence	CSR expenditure	30.00	As per CSR initiatives Sale order
5.	Mrs. N Bhuvaneswari	Key Managerial personnel (Vice Chairperson and Managing Director)	Short-term employee benefits	132.21	As per the terms of appointment
			Post-employment benefits	1.46	
			Other long-term benefits	1.30	
6.	Mrs. N. Brahmani	Key Managerial personnel (Executive Director)	Short-term employee benefits	105.71	As per the terms of appointment
			Post-employment benefits	0.73	
			Lease Rentals	12.25	As per the lease agreement

Sr. No.	Name(s) of the related party	Nature of Relationship	Nature of contracts/ arrangements/ transactions	Value of contracts/ arrangements/ transactions during the Year (₹ In Millions)	Duration of contracts/ arrangements/ transactions
7.	Master N Devaansh	Relative of Executive Director and Vice –chairperson & Managing Director	Lease Rentals	12.25	As per the lease agreement
8.	Dr. M. Sambasiva Rao	Key Managerial personnel (President)	Short-term employee benefits	43.39	As per terms of appointment
			Post-employment benefits	0.98	
9.	Mr. Srideep M Kesavan	Key Managerial personnel (CEO)	Short-term employee benefits	28.06	As per terms of appointment
			Post-employment benefits	1.00	
10.	Mr. A. Prabhakara Naidu	Key Managerial personnel (Chief Financial Officer)	Short-term employee benefits	12.37	As per terms of appointment
			Post-employment benefits	0.61	
			Other long-term benefits	1.10	
11.	Mr. Umakanta Barik	Key Managerial personnel (Company Secretary & Compliance Officer)	Short-term employee benefits	5.70	As per terms of appointment
			Post-employment benefits	0.28	
			Other long-term benefits	0.44	
12.	Mr. Rajesh Thakur Ahuja	Non-Executive Independent Director	Sitting fees	1.07	During FY 2024-25
13.	Mrs. Aparna Surabhi	Non-Executive Independent Woman Director	Sitting fees	1.01	During FY 2024-25
14.	Mr. Muthu Raju Paravasa Raju Vijay Kumar*	Non-Executive Independent Director	Sitting fees	0.95	During FY 2024-25
15.	Mr. A V Girijakumar	Non-Executive Independent Director	Sitting fees	1.07	During FY 2024-25
16.	Dr. V Nagaraja Naidu **	Non-Executive Director	Sitting fees	0.10	During FY 2024-25

* Hereinafter referred as Mr. M P Vijay Kumar

**Dr. V Nagaraja Naidu, Non-Executive Directors, has retired at the Annual General Meeting held on 21st August 2024

Note:

- Appropriate approvals have been taken from the Audit Committee and Board for the above related party transactions by the Company and no amount paid in advance for the above related party transactions.
- The Audit committee / Board approved all the tentative Related party transactions before the commencement of financial year 2024-25 and in every quarter committee/Board review and approved the above Related party transactions, that are mostly repetitive in nature.
- Approvals under first proviso to section 188(1) from shareholders are not required for the above related party transactions during FY 2024-25.

For and on behalf of
HERITAGE FOODS LIMITED

A V Girija Kumar
Chairperson
(DIN : 02921377)

Place: Hyderabad
Date: May 16, 2025

PARTICULARS OF EMPLOYEE

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

A. Statement of particulars as per Rule 5 of the Companies (Appointment and Remuneration of Managerial personnel) Rules, 2014.

The remuneration and perquisites provided to the employees and Management are at par with the industry levels. The remunerations paid to Whole-time Directors and Senior Executives are reviewed and recommended by the Nomination and Remuneration Committee.

The ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the financial year

SI No	Name of the director	Title	Ratio of remuneration to MRE
	Sitting Fees		
1	Mr. A V Girija Kumar	Non-Executive Independent Director	3.75:1
2	Mr. Rajesh Thakur Ahuja	Non-Executive Independent Director	3.75:1
3	Mrs. Aparna Surabhi	Non-Executive Independent Director	3.54:1
4	Mr. M P Vijay Kumar	Non-Executive Independent Director	3.33:1
5	*Dr V Nagaraja Naidu	Non-Executive Director	0.35:1
	Remuneration		
6	Mrs. N Bhuvaneswari	Vice Chairperson & Managing Director	462.99:1
7	Mrs N Brahmani	Executive Director	370.18:1

MRE: Median Remuneration of Employees:

Notes:

*Dr V Nagaraja Naidu has ceased to be director of the Company w.e.f. August 21, 2024

SI No 1 to 5 are related to sitting fees paid to Non-Executive Directors

SI No. 6 & 7 Remuneration includes monthly salary, perquisites and annual/performance pay

ii. The percentage increase in remuneration of each Director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager in the financial year

SI No	Name of the director	Title	% Increase in Remuneration
	Sitting Fee		
1	Mr. A V Girija Kumar [^]	Non-Executive Independent Director	174.36
2	Mr. Rajesh Thakur Ahuja	Non-Executive Independent Director	25.88
3	Mrs. Aparna Surabhi	Non-Executive Independent Director	22.89
4	Mr. M P Vijay Kumar	Non-Executive Independent Director	35.71
5	Dr V Nagaraja Naidu*	Non-Executive Director	(82.14)
	Remuneration		
6	Mrs. N Bhuvaneswari	Vice Chairperson & Managing Director	70.33
7	Mrs. N Brahmani	Executive Director	70.22
8	Dr. M Sambasiva Rao [#]	President	40.33
9	Mr. Srideep N Kesavan	CEO	60.25
10	Mr. A. Prabhakara Naidu	CFO	22.74
11	Mr. Umakanta Barik	CS	21.80

Notes:

[^]Mr. A V Girija Kumar has been appointment as a Non-Executive Independent Director w.e.f. June 01, 2023

*Dr V Nagaraja Naidu has cease to be director of the Company w.e.f. August 21, 2024

[#]Dr. M Sambasiva Rao, appointed as Whole Time Director wef. April 1, 2025

Notes:

SI No 1 to 5 are related to sitting fees paid to Non-Executive Directors

SI No. 6 & 7 Remuneration includes monthly salary, perquisites and annual/performance pay

SI No. 9 to 11 Remuneration includes monthly salary, variable pay and LTI paid, the actual % of increase of fixed pay is 10% during 24-25 but when compared to previous year the % increase is high because VP was not achieved for FY 22-23, hence not paid in FY23-24.

There was no increase in the Sitting fees as compared to the previous year but the increase/(decrease) are based on the no of meetings attended by the Non-Executive Directors

- iii. **The percentage increase in the median remuneration of employees in the financial year:** 3.81%
- iv. **The number of permanent employees on the rolls of Company:** There are 3,364 permanent employees on the rolls of the Company.
- v. **Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year 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**
- The Average percentile increase already made in the salaries of employees is: 19.89%
 - The key managerial personnel remuneration was increased around 61.37% including two Whole-time Directors.
The key managerial personnel remuneration was increased around 41.67% excluding two Whole-time Directors of the Company.
(The remuneration includes monthly salary, Performance incentive, variable pay and LTI, the actual % of increase of fixed pay is 10% during 24-25 but when compared to previous year the % increase is high because of VP was not achieved for FY 22-23, hence not paid in FY23-24)
 - As per the terms of appointment approved by the Shareholders of the Company by way of postal Ballot and remote e-voting on March 14, 2024, Vice Chairperson & Managing Director of the Company is drawing 5% of the net profit as per the Section 198 of the Companies Act, 2013. However, the amount may vary due to the increase in the profitability.
 - As per the terms of appointment approved by the Shareholders of the Company by way of postal Ballot and remote e-voting on March 14, 2024, Executive Director of the Company is drawing 4% of the net profit as per the Section 198 of the Companies Act, 2013. However, the amount may vary due to the increase in the profitability.
- vi. The Remuneration paid to the Board of Directors and to Key Managerial Personnel is as per the Remuneration policy of the Company.

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

LIST OF TOP 10 SALARIED EMPLOYEES FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2025

Sl No	Name	Designation	Annual Gross Remuneration Received for FY24- 25** (₹ in Mn)	Nature of employment	Qualification	Total Years of Ex-perience	Date of Joining in the Company	Age (Yrs)	Last Employment before Joining the Company	% of Equity Shares held in the Company	Whether is a relative of any director or manager of the company
1	Mr. M Sambasiva Rao	President	43.39*	Regular	M. Sc, PhD	41	23-Jan-06	68	Joint Secretary, Ministry of Commerce & Industry, Govt of India	0.100%	NA
2	Mr. Srideep M Kesavan	CEO	28.06	Regular	B. Tech, MBA (PGDBM, Mkt. XLRI)	28	09-Aug-21	52	Coca Cola India Private Limited	0.008%	NA
3	Mr. A Prabhakara Naidu	CFO	12.37	Regular	B. Sc, C.A	36	07-Aug-92	64	Heritage Foods Limited	-	NA
4	Mr. Jangam Samba Murthy	COO	12.02	Regular	MBA (Marketing)	36	01-Apr-07	59	Reliance Life Sciences Limited	0.001%	NA
5	Mr. Makarand Shastri	VP	10.72	Regular	MBA (Marketing)	22	18-Jan-22	48	Adani Wilmar Limited.	0.001%	NA
6	Mr. Puneet Kusumbia	VP	7.01	Regular	MBA (Marketing)	23	12-Jun-23	47	Innovative Nutrition Solutions	-	NA
7	Mr. Balaji Adivishnu	Sr.GM	6.61	Regular	MBA (Mkt), M. Sc (Maths)	25	27-Jun-19	49	Real Time Governance - Govt of India	-	NA
8	Mr. Dheeraj Tandon [#]	Sr.GM	6.47	Regular	MBA (HR), PGDip. (T&D)	26	05-Oct-16	49	Meritor Commercial Vehicle Systems (India) Private Limited	0.000%	NA
9	Mr. Nanduri Kiran	Sr.GM	6.25	Regular	B. Tech (Mech) IIT Madras PGPM IIM Indore	20	25-Feb-22	44	DXC Technology	-	NA
10	Sagi Rammohan Rao	Sr. VP	6.06	Regular	B.Sc. Dairy Technology PGPM Rural Development	38	18-Apr-22	65	Mother Dairy Fruit & Vegetables Pvt Ltd	-	NA

* Remuneration includes Salary & Performance incentive

[#]Mr. Dheeraj Tandon has resigned from the services w.e.f. March 29, 2025.

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

No	Name	Designation	Annual Gross Remuneration Received for FY24- 25** (₹ in Mn)	Nature of employment	Qualification	Total Years of Experience	Date of Joining in the Company	Age (Yrs)	Last Employment before Joining the Company	% of Equity Shares held in the Company	Whether is a relative of any director or manager of the company
1	Mr. M Sambasiva Rao	President	43.39*	Regular	M. Sc, PhD	41	23-Jan-06	68	Joint Secretary, Ministry of Commerce & Industry, Govt of India	0.100%	NA
2	Mr. Srideep M Kesavan	CEO	28.06	Regular	B. Tech, MBA (PGDBM, Mkt. XLRI)	28	09-Aug-21	52	Coca Cola India Private Limited	0.008%	NA
3	Mr. A Prabhakara Naidu	CFO	12.37	Regular	B. Sc, C.A	36	07-Aug-92	64	Heritage Foods Limited	-	NA
4	Mr. Jangam Samba Murthy	COO	12.02	Regular	MBA (Marketing)	36	01-Apr-07	59	Reliance Life Sciences Limited	0.001%	NA
5	Mr. Makarand Shastri	VP	10.72	Regular	MBA (Marketing)	22	18-Jan-22	48	Adani Wilmar Limited.	0.001%	NA

- Remuneration includes Salary & Performance incentive
- Mr. M Sambasiva Rao was appointed as Whole Time Director of the Company wef. April 1, 2025

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

Employee Name	Designation	Educational qualification	Age	Experience (in years)	Date of joining	Gross Remuneration Paid (₹ in Million)	Previous employment and designation
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Nil

iii. **None of the employees of the Company employed throughout the financial year or part thereof, draws remuneration in excess of the remuneration drawn by Managing Director/ Whole Time Director, Executive Director of the company for the financial year 2024-25. None of the employees by themselves or along with their spouse and dependent children holding in excess of two percent of the total equity shares of the Company.**

None of the employees of the company are working outside of India

There are no other employees who draw remuneration in excess of the limits prescribed in Rule 5(2)(i). (ii) & (iii) if the Companies (Appointment & Remuneration) Rules, 2014.

For and on behalf of
HERITAGE FOODS LIMITED

Place : Hyderabad
Date: May 16, 2025

A V Girija Kumar
Chairperson
(DIN : 02921377)

FORM No. MR-3

SECRETARIAL AUDIT REPORT

For the Financial year ended 31st March, 2025

[Pursuant to section 204(1) of the Companies Act, 2013 and Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To
The Members of,
HERITAGE FOODS LIMITED
CIN: L15209TG1992PLC014332
Regd Off: H.No.8-2-293/82/A/1286,
Plot No: 1286, Road No. 1 & 65,
Jubilee Hills, Hyderabad 500033
Telangana

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

Based on our verification of the Company's, books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the company has during the audit period covering the financial year ended on 31st March, 2025 have 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 March 31, 2025 and according to the provisions of:

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

- (d) The Securities and Exchange Board of India (Share based employee benefits and Sweat Equity) Regulations, 2021; -- **Not Applicable**
- (e) The Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021; -- **Not Applicable**
- (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
- (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021; -- **Not Applicable**
- (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018; -- **Not Applicable**
- (i) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015
- (j) The Securities and Exchange Board of India (Depositories and Participants) Regulations, 2018;
- (vi) We further report that, having regard to the compliance system prevailing in the Company and on examination of the relevant documents and records in pursuance thereof, on test-check basis, the Company has complied with the following laws applicable specifically to the Company.
 - a. Food safety and Standards Act, 2006 and the Rules made there under as amended from time to time.
 - b. The Prevention of Foods Adulteration Act, 1954 and the Rules made there under as amended from time to time.

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

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

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

We further report that,

- the Board of Directors of the Company is constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors & Woman Director and the changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.
- Adequate notice is given to all directors to schedule the Board/ Committee Meetings, agenda and detailed notes on agenda

were sent at least seven days in advance and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

- As per the minutes of the meeting recorded and signed by the Chairman, the decisions of the Board were approved by majority and there were no dissenting views on any of the items transacted thereon.
- there are adequate systems and process in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

We further report that, during the audit period:

1. Dr. V Nagaraja Naidu, ceased to be director of the Company effective from conclusion of Annual General Meeting held on August 21, 2024.
2. Cessation of Dr. M Sambasiva Rao from the post of President (designated as CEO) of the Company effective from March 31, 2025.

3. Approved appointment of Dr. M Sambasiva Rao as an Additional Director effective from April 1, 2025.

4. Recommend for regularization of appointment of Dr. M Sambasiva Rao as Whole-time Director of the Company for a period of 5 (Five) years effective from April 1, 2025 subject to approval of Members being sought through Postal Balot.

For Ravi & Subramanyam
Company Secretaries
Peer Review No: 1349/2021

A. Ravi Shankar
Partner
M.No: F5335
C.P.No: 4318
UDIN: F005335G000261800

Place: Hyderabad
Date: May 3, 2025

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

Annexure- A To Secretarial Audit Report

To
The Members of,
HERITAGE FOODS LIMITED
CIN: L15209TG1992PLC014332
Regd Off: H.No.8-2-293/82/A/1286,
Plot No: 1286, Road No. 1 & 65,
Jubilee Hills, Hyderabad 500033
Telangana

Auditor's Responsibility

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

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

1. Maintenance of Secretarial record is the responsibility of management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.

2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on a test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
4. Wherever required, we have obtained Management representation about the compliance of laws, rules and regulations and happenings of events etc.
5. The Compliance of the provisions of Corporate and other applicable laws, rules and regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management conducted the affairs of the Company.

For Ravi & Subramanyam
Company Secretaries
Peer Review No: 1349/2021

A. Ravi Shankar
Partner
M.No: F5335
C.P.No: 4318
UDIN: F005335G000261800

Place: Hyderabad
Date: May 3, 2025

SECRETARIAL COMPLIANCE REPORT

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

HERITAGE FOODS LIMITED

CIN: L15209TG1992PLC014332

Regd Off: H.No.8-2-293/82/A/1286, Plot No: 1286, Road No. 1 & 65,
Jubilee Hills, Hyderabad, Telangana, 500033

We, A. Ravi Shankar, Partner of Ravi & Subramanyam, Company Secretaries having office at Hyderabad bearing(M.no: F5335 and C.P. No: 4318), have examined:

- (a) all the documents and records made available to us and explanation provided by M/s. Heritage Foods Limited
- (b) the filings/ submissions made by the listed entity to the stock exchanges,
- (c) website of the Company,
- (d) any other document/ filing, as may be relevant, which has been relied upon to make this certification,

for the year ended March 31, 2025 in respect of compliance with the provisions of:

- (i) the Securities and Exchange Board of India Act, 1992 ("SEBI Act") and the Regulations, circulars, guidelines issued thereunder; and
- (ii) the Securities Contracts (Regulation) Act, 1956 ("SCRA"), rules made thereunder and the Regulations, circulars, guidelines issued thereunder by the Securities and Exchange Board of India ("SEBI");

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

- (a) Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;

- (b) Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;
- (c) Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
- (d) Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018; : **Not Applicable for the year under review**
- (e) Securities and Exchange Board of India (Share based employee benefits and Sweat Equity) Regulations, 2021; **Not Applicable for the year under review**
- (f) Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021; **Not Applicable for the year under review**
- (g) Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
- (h) Securities and Exchange Board of India (Depositories and Participants) Regulations, 2018;

and based on the above examination, we hereby report that, during the Review Period:

- (a) The listed entity has complied with the provisions of the above regulations and circulars/ guidelines issued thereunder, except in respect of matters specified below:-

S. No	Compliance Requirement (Regulations/ circulars/ guidelines including specific clause)	Regulation/ Circular No.	Deviations	Action Taken by	Type of Action	Details of Violation	Fine Amount	Observations/Remarks of The Practicing Company Secretary	Management Response	Remarks
Nil										

- (b) The listed entity has taken the following actions to comply with the observations made in previous reports:

Sr. No.	Compliance Requirement (Regulations/circulars/ guidelines including specific clause)	Regulation/ Circular No.	Deviations	Action Taken by	Type of Action	Details of Violation	Fine Amount	Observations/Remarks of The Practicing Company Secretary	Management Response	Remarks
----- Not Applicable -----										

- (c) We hereby report that, during the review period the compliance status of the listed entity with the following requirements:

S. No.	Particulars	Compliance Status (Yes/NO/NA)	Observations/ Remarks by PCS
1.	Secretarial Standards: The compliances of the listed entity are in accordance with the applicable Secretarial Standards (SS) issued by the Institute of Company Secretaries India (ICSI)	Yes	None

S. No.	Particulars	Compliance Status (Yes/NO/NA)	Observations/ Remarks by PCS
2.	Adoption and timely updation of the Policies: - All applicable policies under SEBI Regulations are adopted with the approval of board of directors of the listed entities - All the policies are in conformity with SEBI Regulations and has been reviewed & timely updated as per the regulations/ circulars/ guidelines issued by SEBI.	Yes Yes	None None
3.	Maintenance and disclosures on Website: - The Listed entity is maintaining a functional website - Timely dissemination of the documents/ information under a separate section on the website - Web-links provided in annual corporate governance reports under Regulation 27(2) are accurate and specific which re-directs to the relevant document(s)/ section of the website	Yes Yes Yes	None None None
4.	<u>Disqualification of Director:</u> None of the Directors of the Company are disqualified under Section 164 of Companies Act, 2013	Yes	None
5.	<u>Disqualification of Director:</u> None of the Directors of the Company are disqualified under Section 164 of Companies Act, 2013	Yes	None
	<u>To examine details related to Subsidiaries of listed entities:</u> - Identification of material subsidiary companies - Requirements with respect to disclosure of material as well as other subsidiaries	NA Yes	The Listed Entity is not having any material subsidiary. However the Company has a wholly owned subsidiary namely Heritage Nutrivet Limited.
6.	<u>Preservation of Documents:</u> The listed entity is preserving and maintaining records as prescribed under SEBI Regulations and disposal of records as per Policy of Preservation of Documents and Archival policy prescribed under SEBI LODR Regulations, 2015.	Yes	None
7.	<u>Performance Evaluation:</u> The listed entity has conducted performance evaluation of the Board, Independent Directors and the Committees at the start of every financial year as prescribed in SEBI Regulations	Yes	None
8.	<u>Related Party Transactions:</u> - The listed entity has obtained prior approval of Audit Committee for all Related party transactions - In case no prior approval obtained, the listed entity shall provide detailed reasons along with confirmation whether the transactions were subsequently approved/ratified/ rejected by the Audit committee	Yes NA	All RPT Taken Prior Approval
9.	<u>Disclosure of events or information:</u> The listed entity has provided all the required disclosure(s) under Regulation 30 along with Schedule III of SEBI LODR Regulations, 2015 within the time limits prescribed thereunder.	Yes	None
10.	<u>Prohibition of Insider Trading:</u> The listed entity is in compliance with Regulation 3(5) & 3(6) SEBI (Prohibition of Insider Trading) Regulations, 2015	Yes	None
11.	<u>Actions taken by SEBI or Stock Exchange(s), if any:</u> No Actions taken against the listed entity/ its promoters/ directors/ subsidiaries either by SEBI or by Stock Exchanges (including under the Standard Operating Procedures issued by SEBI through various circulars) under SEBI Regulations and circulars/ guidelines issued thereunder	Yes	No Actions taken against the Company/ its promoters/ directors/ subsidiaries either by SEBI or by BSE & NSE under SEBI Regulations and circulars/ guidelines issued thereunder during the year under review.

S. No.	Particulars	Compliance Status (Yes/NO/NA)	Observations/ Remarks by PCS
12.	Resignation of statutory auditors from the listed entity or its material subsidiaries: In case of resignation of statutory auditor from the listed entity or any of its material subsidiaries during the financial year, the listed entity and / or its material subsidiary(ies) has / have complied with paragraph 6.1 and 6.2 of section V-D of chapter V of the Master Circular on compliance with the provisions of the LODR Regulations by listed entities.	NA	No such event occurred
13.	Additional Non-compliances, if any: No any additional non-compliance observed for all SEBI regulation/circular/guidance note etc.	Yes	No additional non-compliance was observed for any SEBI regulation/circular/guidance note etc. during the year under review.

For Ravi & Subramanyam
Company Secretaries
Peer Review No: 1349/2021

A. Ravi Shankar
Partner
M.No: F5335
C.P.No:4318
UDIN: F005335G000261811

Place: Hyderabad
Date: May 3, 2025

CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

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

To
The Members of,
HERITAGE FOODS LIMITED
CIN: L15209TG1992PLC014332
Regd Off: H.No.8-2-293/82/A/1286,
Plot No: 1286, Road No. 1 & 65,
Jubilee Hills, Hyderabad 500033
Telangana

We have examined the relevant registers, records, forms, returns and disclosures received from the Directors of Heritage Foods Limited having its registered office at #H.No.8-2-293/82/A/1286, Plot No: 1286, Road No. 1 & 65, Jubilee Hills, Hyderabad, Telangana, 500033 bearing CIN: L15209TG1992PLC014332 produced before us by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In our opinion and to the best of our information and according to the verifications (including Directors Identification Number (DIN) status at the portal www.mca.gov.in) as considered necessary and explanations furnished to us by the Company & its officers, we hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on March 31, 2025 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.

S. No.	#Name of the Directors	DIN	Date of appointment in Company
1.	Mr. Rajesh Thakur Ahuja	00371406	30.07.2021
2.	Mrs. Aparna Surabhi	01641633	01.04.2024
3.	Mr. Muthu Raju Paravasa Raju Vijay Kumar	05170323	01.11.2021
4.	Mrs. N Bhuvaneswari	00003741	01.04.2024
5.	Mrs. N Brahmani	02338940	01.04.2024
6.	Mr. A.V.Girija Kumar	02921377	01.06.2023

Details as on March 31, 2025 as per last appointment

During the year under review, Dr. Vadlamudi Nagaraja Naidu ceased to be Director of the Company effective from August 21, 2024.

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 Ravi & Subramanyam
Company Secretaries
Peer Review No: 1349/2021

A. Ravi Shankar
Partner
M.No: F5335
C.P.No: 4318
UDIN: F005335G000261844

Place: Hyderabad
Date: May 3, 2025

FORM No. MR-3

SECRETARIAL AUDIT REPORT

For the Financial year ended March 31, 2025

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

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

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

Based on my verification of the Company's, books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the company has during the audit period covering the financial year ended on March 31, 2025 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on March 31, 2025 according to the provisions of:

- (vii) The Companies Act, 2013 (the Act) and the rules made there under as amended from time to time;
- (viii) The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;
- (ix) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ("SEBI Act") to the extent applicable to the company:-
 - a. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011; Not Applicable
 - b. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015; Not Applicable
 - c. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009, as amended from time to time; Not Applicable
 - d. The Securities and Exchange Board of India (Share Based employee Benefits and Sweat Equity) Regulations, 2021; Not Applicable
 - e. The Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities), Regulations, 2021; Not Applicable

- f. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client; Not Applicable
- g. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021; Not Applicable
- h. The Securities and Exchange Board of India (Buy-back of Securities) Regulations, 2018; Not Applicable
- i. The Securities and Exchange Board of India (Listing Obligation & Disclosure Requirements) Regulations, 2015; Not Applicable
- (x) The other laws, as informed and certified by the management of the Company which are specifically applicable to the Company are:
 - The Andhra Pradesh Animal Feed (Regulation of Manufacture, Quality Control, Sale and Distribution) Act, 2020

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

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

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

- a) Maintenance of various statutory registers and documents and making necessary entries therein.
- b) Forms, returns, documents and resolutions required to be filed with the Registrar of Companies and the Central Government.
- c) The Annual General Meeting held on 16th August, 2024.
- d) Minutes of the proceedings of General meetings and of the Board Meetings.
- e) Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. During the year under review there was no change in the Composition of the Board of Directors.
- f) During the year under review the Board of Directors met 5 times, i.e May 22, 2024, July 19, 2024, October 18, 2024, January 17, 2025 and March 12, 2025. The time gap between the two Board meetings is within 120 days as per the Secretarial Standard-1.

- g) No Payment of remuneration was made to Directors including the Managing Director/Whole-time Directors except sitting fee paid to Non-Executive Directors.
- h) Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

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

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

For KLB & Associates

Khusboo Laxmi Bhagat

Practicing Company Secretary
M. No: 9376, CP No: 14703
UDIN: F009376G000265995

Place: Hyderabad
Date: May 5, 2025

ANNEXURE-A TO SECRETARIAL AUDIT REPORT

To,

The Members,

Heritage Nutrivet Limited

CIN: U15400TG2008PLC062054

Part-B of 3rd floor, H. No. 8-2-293/82/A/1286,

Plot No. 1286, Road No. 1 & 65, Jubilee Hills,
Hyderabad, Telangana, 500033

Auditor's Responsibility

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

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

- a) Maintenance of Secretarial record is the responsibility of management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
- b) We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The

verification was done on a test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices we followed provide a reasonable basis for our opinion.

- c) We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company`.
- d) Wherever required, we have obtained Management representation about the compliance of laws, rules and regulations and happenings of events etc.
- e) The Compliance of the provisions of Corporate and other applicable laws, rules and regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.
- f) The Secretarial Audit is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management conducted the affairs of the Company.

For KLB & Associates

Khusboo Laxmi Bhagat

Practicing Company Secretary
M. No: 9376, CP No: 14703
UDIN: F009376G000265995

Place: Hyderabad
Date: May 5, 2025

The Annual Report on CSR Initiatives

1. Brief outline on CSR Policy of the Company

The Board of Directors has adopted a CSR policy to enable the Company to carry out CSR initiatives in one or more activities mentioned in the Schedule VII to the Companies Act, 2013 as amended from time to time. The CSR initiatives of the Company are mainly focused on education, healthcare, environment, relief, disaster management etc. The projects undertaken during the Financial Year 2024-25 were within the broad framework of Schedule VII to the Companies Act, 2013. The CSR policy and details of the CSR Projects of the Company is available on the website of the Company at www.heritagefoods.in.

2. Composition of CSR Committee:

Sl. No.	Name of Director	Designation / Nature of Directorship	Number of meetings of CSR Committee held during the year	Number of meetings of CSR Committee attended during the year
1	Mr. Rajesh Thakur Ahuja	Chairperson	1	1
	Mr. AV. Girija Kumar	Member	1	1
4	Mrs. N Bhuvaneswari	Member	1	1

3. Provide the web-link(s) where Composition of CSR Committee, CSR Policy and CSR Projects approved by the board are disclosed on the website of the company.

Composition of CSR Committee: <https://www.heritagefoods.in/committee>

CSR Policy: https://www.heritagefoods.in/uploads/investors/pdf/17339086974CSR_Policy.pdf

CSR Projects: <https://www.heritagefoods.in/static/images/pdf/CSR-Activities-for-FY-2024-25.pdf>

4. Provide the executive summary along with web-link(s) of Impact Assessment of CSR Projects carried out in pursuance of sub-rule (3) of rule 8, if applicable.: Not Applicable

5. (a) Average net profit of the company as per sub-section (5) of section 135 : ₹ 1349.71 million for FY 2023-24
- (b) Two percent of average net profit of the Company as per section 135(5): ₹ 26.99 million
- (c) Surplus arising out of the CSR projects or programmes or activities of the previous financial years: Nil
- (d) Amount required to be set-off for the financial year, if any: Nil
- (e) Total CSR Obligation for the financial year (b+c-d): ₹ 26.99 million

6. (a) Amount spent on CSR Projects (both Ongoing Project and other than Ongoing Project):

(1)	(2)	(3)	(4)	(5)		(6)	(7)	(8)	(9)	(10)	(11)	
Sl. No.	Name of the Project	Item from the list of activities in Schedule VII to the Act	Local area (Yes/No)	Location of the project		Project duration	Amount allocated for the project (₹ in Mn)	Amount spent in The current financial Year (₹ in Mn)	Amount Transferred to Unspent CSR Account for the Project as per Section 135(6) (₹ in Mn).	Mode of implementation - Direct (Yes/No)	Mode of implementation - Through implementing agency	
				State	District						Name	CSR registration number
1	Health: Promoting health care including preventive health care through digitalization/ APP/ Technology, establish a Blood Bank and Making available of safe drinking water etc	Promoting health care including preventive health care Project	Yes	Andhra Pradesh	Vijayawada	3 year	26.99	Nil	26.99	No	NTR Memorial Trust	CSR00001602
2	Disaster management	Contributed to Andhra Pradesh Disaster management authorities	Yes	Andhra Pradesh	Vijayawada	1 year	10.00	10.00	-	Yes	-	-

(1)	(2)	(3)	(4)	(5)		(6)	(7)	(8)	(9)	(10)	(11)	
Sl. No.	Name of the Project	Item from the list of activities in Schedule VII to the Act	Local area (Yes/No)	Location of the project		Project duration	Amount allocated for the project (₹ in Mn)	Amount spent in The current financial Year (₹ In Mn)	Amount Transferred to Unspent CSR Account for the Project as per Section 135(6) (₹ In Mn).	Mode of implementation - Direct (Yes/No)	Mode of implementation - Through implementing agency	
				State	District						Name	CSR registration number
3	Disaster management	Contributed to Telangana disaster management authorities	Yes	Telangana	Hyderabad	1 year	10.00	10.00	-	Yes	-	-
4	Relief Activities	Distributed milk packets in the flood hit areas	Yes	Andhra Pradesh	Vijayawada	1 year	1.14	1.14	-	Yes	-	-
5	Relief Activities	Distributed milk packets in the flood hit areas	Yes	Telangana	Khammam	1 year	0.64	0.64	-	Yes	-	-
Total							48.77	21.78	26.99			

(b) Amount spent in Administrative Overheads : Nil

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

(d) Total amount allocated/spent for the Financial Year [(a)+(b)+(c)] : ₹ 48.77 million

(e) CSR amount spent or unspent for the financial year:

Total Amount Spent for the Financial Year 2024-25 (₹ In Mn)	Amount Unspent (₹ In Mn)				
	Total Amount transferred to Unspent CSR Account as per section 135(6)		Amount transferred to any fund specified under Schedule VII as per second proviso to section 135(5)		
	Amount	Date of Transfer	Name of the Fund	Amount	Date of Transfer
21.78	26.99	22.04.2025	NA	Nil	NA

The unspent amount of ₹ 26.99 million will be spent in accordance with the CSR Amendment Rules. Further, attention is invited to the notes given in serial no. 9 of this report.

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

Sl. No.	Particular	Amount (₹ In Mn)
i	Two percent of average net profit of the company as per section 135(5)	26.99
ii	Total amount allocated/spent for the Financial Year	48.77
iii	Excess amount spent for the financial year [(ii)-(i)]	21.78
iv	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	Nil
v	Amount available for set off in succeeding financial years [(iii)-(iv)]	21.78

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

1	2	3	4	5	6		7	8
Sl. No.	Preceding Financial Year	Amount Transferred to Unspent CSR Account under sub-section(6) of Section 135 (₹ In Mn)	Balance Amount in Unspent CSR Account under sub-section (6) of Section 135 (₹ In Mn)	Amount spent in the Financial Year (₹ In Mn)	Amount transferred to any fund specified under Schedule VII as per second proviso to sub-section(5) of section 135, if any		Amount Remaining to be spent in succeeding Financial years. (₹ In Mn)	Deficiency, if any
					Name of the Fund Amount (₹ In Mn)	Date of transfer.		
1	2021-22	11.58	11.58	11.58	-	-	-	NA
2	2022-23	11.12	11.12	11.12	-	-	-	NA
3	2023-24	31.42	1.42	30.00	-	-	1.42	NA

8. Details of capital assets created or acquired during the financial year:

Short particulars of the property or asset(s) [including complete address and location of the property]	Pin code of the property or asset(s)	Date of creation	Amount of CSR amount spent(In Mn)	CSR Registration Number, if applicable	Details of entity/ Authority/ beneficiary of the registered owner	
					Name	Registered Address
Land for consturction of Blood Bank at Vijayawada, Andhra Pradesh	520010	17-05-2024	30.00	CSR00001602	NTR Memorial Trust	Road No.2, Banjara Hills, Hyderabad, Telangana

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

During the financial year 2024-25, the CSR obligation for the Company was ₹26.99 million. However, the Company allocated a total of ₹48.77 million towards various CSR projects. The amount set apart for ongoing projects/multiyear projects was ₹26.99 million while the amount set apart for project otherthan ongoing project/multiyear project was ₹21.78 million. The company had spent ₹21.78 million for Disaster Management and Relief activities which are otherthan ongoing/multiyear projects during the year. The amount of ₹26.99 million earmarked for ongoing CSR project was not spent. Hence, in compliance with the CSR Amendment Rules, the unspent amount of ₹26.99 million has been transferred to the 'Unspent CSR Account' and will be utilized for the ongoing projects on or before March 31, 2028. Accordingly, the excess amount of ₹21.78 million spent over and above the mandated obligation shall be set off against the CSR requirements of the succeeding financial years, in accordance with Rule 7(3) of the Companies (CSR Policy) Rules, 2014.

Place : Hyderabad
Date: May 16, 2025

Rajesh Thakur Ahuja
Chairperson CSR Committee
DIN: 003714061

N Bhuvaneswari
Vice Chairperson & Managing Director
DIN: 00003741

PARTICULARS OF ENERGY CONSERVATION, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO

(Pursuant to Section 134(3)(m) of the Act 2013 read with Rule 8 of The Companies (Accounts) Rules, 2014)

A) Energy Conversation

(i) The steps taken or impact on conservation of energy;

Your Company uses the energy from clean renewable sources with the following objectives:

- ▶ Optimization of energy mix for achieving low Energy Cost
- ▶ Reducing CO2 emission

During the FY 2024-25, your Company achieved 32% share of renewable energy against total electricity consumption.

STEPS TAKEN FOR ENERGY CONSERVATION, REDUCTION OF ENERGY CONSUMPTION AND CARBON EMISSIONS

1. Adoption of Energy-Efficient Technologies:

Your Company is investing in state-of-the-art equipment and machinery designed to optimize energy usage. By utilizing energy-efficient systems, your Company has significantly reduced its overall energy consumption, thereby minimizing its carbon footprint.

(ii) The steps taken by the company for utilising alternate sources of energy;

The Company has RE projects at following locations:

Sl No	Type of Project(Solar and wind)	Capacity	Use (Commercial or Captive Consumption)
a)	Solar (at 14 Locations)	5.40 Megawatt	Captive Consumption
b)	Wind (at 3 Locations)	6.30 Megawatt	Captive Consumption

(Details of all RE Projects/initiatives implemented during the FY 2024-25 to be mentioned)

RE Projects implemented during the FY 2024-25

Sl No	Type of Project(Solar and wind)	Capacity	Use(Commercial or Captive Consumption)
a)	Solar (at 8 Locations)	0.44 Megawatt	Captive Consumption

(iii) The capital investment on energy conservation equipment;

During the year 2024-25, an investment of ₹ 59.3 million has been made to achieve efficiencies in power and fuel consumption at dairy locations.

The Company has incurred ₹ 30.4 million capital expenditure for installation of Solar energy projects at 8 locations during the year 2024-25 to increase the capacity from 5.40 Megawatt to 5.84 megawatt from Solar energy projects.

Company has projected for further investment of ~ ₹ 153.10 million in Renewable Energy during FY 2025-26 for increasing the share of renewable energy to 39% of its total electricity consumption.

B) Technology Absorption:

(i) The efforts made towards technology absorption:

Your Company has made significant efforts towards technology absorption in its operations. Here are some of the initiatives undertaken by Your Company to adopt and leverage technology:

1. **Modernization of Infrastructure:** Your Company has invested in modernizing its infrastructure and manufacturing facilities to incorporate advanced technology. This includes upgrading processing

2. **Employee Awareness and Engagement:** Your Company regularly conducts training programme and workshops to educate about energy conservation and practical energy-saving tips for daily operations.

3. **External Collaborations for Energy Efficiency:** Your Company actively seeks external partnerships and collaborations to further enhance its energy conservation endeavours. The company collaborates with energy consultants and experts to conduct energy audits, identify areas of improvement and implement innovative solutions to optimize energy usage across its facilities.

4. Recognition and Awards:

In recognition of Company's effort towards Energy conservation:

The company was awarded with **2nd Prize in the Dairy Sector at the National Energy Conservation Awards 2023** for the effective energy conservation methods implemented at the Dairy Plant at Bayyavaram (V), Kasimakota (M), Visakhapatnam District, Andhra Pradesh – 531031.

plants, cold storage facilities and distribution centres with state-of-the-art equipment and machinery.

Key Projects Executed during FY 2024-25 is as under;

- a) **Doodhpada Line Upgradation at Gokul Plant:** The upgradation of the Doodhpada production line at the Gokul Plant was completed in December 2024, resulting in an enhanced production capacity of 1.85 tonnes per day.
- b) **Refrigeration & Processing Enhancement at Gokul Plant:** Refrigeration enhancement works at the Gokul Plant were successfully completed in January 2025. These improvements ensure that milk temperatures remain consistently below 5°C until dispatch.
- c) **Ghee Granulation Room Capacity Enhancement at Gokul and Uppal:** The capacity enhancement of the ghee granulation rooms at both Gokul and Uppal facilities was completed in December 2024.
- d) **Curd Expansion at B.Kothakotta and Manor:** The curd production capacity at B.Kothakotta was expanded from 20 MT to 35 MT and at Manor from 30 MT to 40 MT.

- e) **Shamirpet Milk Processing Expansion:** The milk processing capacity at Shamirpet increased from 3.3 LLPD to 4.5 LLPD.
- f) **New Milk Collection Units (MCU) and Chilling Centres (CC):** New Milk Collection Units and Chilling Centres are being established at Pebbair, Brahmasagara and Bayyavaram to support expanded milk procurement and processing operations.
2. **Automated the Systems:** The company has embraced automation across various stages of its operations. Automated systems are employed for milk collection, processing, packaging and distribution, which not only improve efficiency but also ensure consistent quality and reduce human errors.
3. **Advanced Quality Control and Testing:** Your Company has implemented advanced quality control and testing methods to ensure the safety and quality of its products. The company utilizes technology-driven systems and instruments for rigorous testing of raw materials, finished products and packaging materials.
4. **Management of Supply Chain:** Technology plays a crucial role in your Company's supply chain management. The company employs sophisticated software systems for demand forecasting, inventory management, logistics optimization and route planning. These technologies help streamline operations, minimize wastage and enhance overall efficiency.
5. **Strengthening the IT Infrastructure and SAP Systems:** Your Company has invested in robust IT infrastructure and enterprise resource planning (ERP) systems. These systems enable efficient data management, integration of various business functions and real-time monitoring and reporting. They also support decision-making processes and facilitate smooth coordination between different departments.
6. **New R&D Initiatives:** Your Company has a dedicated research and development (R&D) division that focuses on product innovation and process improvement. The R&D team utilizes advanced technologies and techniques to develop new products, enhance existing ones and optimize production processes.
7. **Training and Skill Development:** Recognizing the importance of human resources in technology absorption, Your Company provides regular training and skill development programs to its employees. These initiatives aim to enhance their technical knowledge and proficiency in utilizing technology effectively. By adopting and absorbing technology in various aspects of its operations, Your Company strives to enhance productivity, improve product quality, optimize supply chain management and meet the changing demands of consumers.
- (ii) The benefits derived like product improvement, cost reduction, product development or import substitution; All the initiatives mentioned above in Point No.I- Key Projects Executed during FY 2024-25 have boosted innovation, improved product quality and production capacity, enhanced efficiency, and reduced labour dependency through automation and process de-skilling

Location	Improvement	Benefit
Gokul Plant	Doodhpeda production line upgraded to 1.85 tonnes/day	Increased output and consistency in traditional sweets
	Milk (Refrigeration) Enhanced refrigeration to maintain milk <5°C until dispatch	Improved milk quality, extended shelf life, reduced spoilage
	Ghee granulation room capacity enhanced	Better texture, uniform granulation, and increased batch efficiency
Uppal Plant	Ghee granulation room capacity enhanced	Enhanced product quality and operational efficiency
B. Kothakotta	Curd capacity increased from 20 MT to 35 MT	75% capacity growth, enabling broader market coverage
Manor	Curd capacity increased from 30 MT to 40 MT	33% growth, meeting higher demand for curd
Shamirpet	Milk (Processing) capacity increased from 3.3 LLPD to 4.5 LLPD	36% increase in processing, supports value-added products and productivity gains
Pebbair, Brahmasagara, Bayyavaram	New Milk Collection Units (MCUs) and Chilling Centres (CCs) being set up	Expanded milk procurement, freshness assurance, and reduced transport & spoilage losses

- iii) Company has not imported any technology during the last three years reckoned from the beginning of the financial year.
- (iv) The expenditure incurred on Research and Development. The Company invested ₹ 12.89 mn on Research and Development during FY 2024-25.

Particulars	Amount (in Mn)
Capital	0.30
Revenue	12.59
Total	12.89

C) Foreign Exchange Earnings and Outgo

During the year under review foreign exchange earnings was ₹ 19.74 Million (previous Year ₹ 15.65 Million) and foreign exchange outgo was ₹ 101.70 Million (Previous year ₹ 8.30 Million)

For and on behalf of the Board of Directors

Place : Hyderabad
Date: May 16, 2025

A V Girija Kumar
Chairperson
(DIN : 02921377)

Business Responsibility & Sustainability Report

Section A) General Disclosures

I. Details of the Listed Entity

1.	Corporate Identity Number (CIN) of the Company	L15209TG1992PLC014332
2.	Name of the Company	Heritage Foods Limited
3.	Year of incorporation	05-06-1992
4.	Registered office address	H.No.8-2-293/82/A/1286, Plot No: 1286, Road No. 1 & 65, Jubilee Hills, Hyderabad, Telangana - 500033, India
5.	Corporate office address	No.8-2-293/82/A/1286, Plot No: 1286, Road No. 1 & 65, Jubilee Hills, Hyderabad, Telangana - 500033, India
6.	E-mail id	hfl@heritagefoods.in
7.	Telephone	040-23391221
8.	Website	www.heritagefoods.in
9.	Financial year reported	2024-2025
10.	Name of the Stock Exchanges where shares are listed	1. BSE Limited, Mumbai 2. National Stock Exchange of India Limited, Mumbai
11.	Paid-up Capital	INR 46,39,80,000
12.	Name and contact details (telephone, email address) of the person who may be contacted in case of any queries on the BRSR report	Mr. Umakanta Barik Company Secretary & Compliance officer Tel: 040-23391221, 23391222 Email: umakanta@heritagefoods.in
13.	Reporting boundary - Are the disclosures under this report made on a standalone basis (i.e., only for the entity) or on a consolidated basis (i.e., for the entity and all the entities which form a part of its consolidated financial statements, taken together).	Standalone Basis
14.	Whether the company has undertaken reasonable assurance of the BRSR Core?	No
15.	Name of assurance provider	NA
16.	Type of assurance obtained	NA

II. Product & Services

17. Details of business activities (accounting for 90% of the turnover):

S No	Description of Main Activity	Description of Business Activity	% of turnover of the entity
1.	Processing, Manufacturing and sales	Milk procurement, processing, manufacturing of value-added dairy products for selling	99.79%

18. Products/Services sold by the entity (accounting for 90% of the entity's turnover)

S No	Product /Service	NIC Code	% of the total turnover contributed
1	Dairy (Milk procurement, processing, manufacturing of value-added dairy products)	1050	99.79%

III. Operations

19. Number of locations where plants/or operations/offices of the entity are situated

Location	Number of Plants	Supporting Operational Units	Number of Offices	Total
National	18	195	86	299
International	0	0	0	0

Plant Means: Processing and Packing stations

Supporting Operational Units: Chilling Centre, Mini Chilling Unit, Bulk Cooler, Ice Plant

Offices Includes: Registered Office, Regional Office, Sales Offices

20. Markets served by the entity:

a. Number of Locations

Locations	Number
National (No. of States)	17
International (No. of Countries)	0

b. What is the contribution of exports as a percentage of the total turnover of the entity? 0.05%

c. A brief on types of customers

Heritage Foods Limited operates in the Dairy sector with a consumer outreach of diverse mix of almost 1.5 million household consumers and other business entities and platforms. We engage consumers directly through multiple channels, including modern retail format, e-commerce platforms, quick commerce, heritage parlours Heritage and happiness centres, ensuring seamless access to our products. Our distributors, dealers and franchises play a crucial role in expanding market penetration, efficiently bridging the gap between our offerings and retailers. Retailers, positioned strategically, serve as key touch points, enhancing accessibility and consumer engagement. This integrated approach enables us to cater to over 10 million consumers daily, reinforcing our market presence and strengthening brand loyalty.

IV. Employees**21. Details at the end of Financial Year i.e., March 31, 2025**

a. Employees and workers (including differently abled):

SL No.	Particulars	Total	Male		Female		Others	
		(A)	No.(B)	%(B/A)	No.(C)	%(C/A)	No.(H)	%(H/A)
Employees								
1	Permanent(D)	3353	3279	97.79	74	2.21	0	0
2	Other than permanent (E)*	11	11	100	0	0	0	0
3	Total Employees (D+E)	3364	3290	97.80	74	2.20	0	0
Workers								
4	Permanent (F)	0	0	0	0	0	0	0
5	Other than permanent (G)	2861	2040	71.30	821	28.70	0	0
6	Total Workers (F+G)	2861	2040	71.30	821	28.70	0	0

* Other than permanent employee means – Employees who are on the rolls of the company having fixed term of employment

21. b Differently Abled Employees & Workers

SL No.	Particulars	Total (A)	Male		Female		Others	
			No. (B)	% (B/A)	No. (C)	% (C/A)	No.(H)	%(H/A)
Differently Abled Employees								
1	Permanent (D)	0	0	0	0	0	0	0
2	Other than permanent (E)	0	0	0	0	0	0	0
3	Total Employees (D+E)	0	0	0	0	0	0	0
Differently Abled Workers								
4	Permanent(F)	0	0	0	0	0	0	0
5	Other than permanent (G)	0	0	0	0	0	0	0
6	Total Workers (F+G)	0	0	0	0	0	0	0

22. Participation/Inclusion/Representation of Women

Particulars	Total (A)	No. and percentage of Females	
		No.(B)	% (B/A)
Board of directors	6	3	50.00%
Key Management Personnel*	6	2	33.33%

* Two KMP are also part of the Board of Directors

23. Turnover rate for permanent employees and workers.

(Disclose trends for the past 3 years)

	FY2025 (Turnover Rate in current FY)				FY2024 (Turnover Rate in previous FY)				FY2023 (Turnover Rate in the year prior to the previous FY)			
	Male	Female	Others	Total	Male	Female	Others	Total	Male	Female	Others	Total
Permanent Employees	15.98	0.33	0	16.31	18.62	0.28	0	18.91	22.30	1.20	0	23.50
Permanent Workers	0	0	0	0	0	0	0	0	0	0	0	0

V. Holding, Subsidiary and Associate Companies (Including joint ventures)

24. (a) Names of holding/subsidiary/associate companies/joint ventures

S. No.	Name of the holding / subsidiary / associate companies / joint ventures (A)	Indicate whether holding/ Subsidiary/ Associate/ Joint Venture	% of shares held by listed entity	Does the entity indicated at column A, participate in the Business Responsibility initiatives of the listed entity? (Yes/No)
1.	Heritage Nutrivet Limited	Wholly Owned Subsidiary	100%	No
2.	Skil Raigam Power (India) Limited	Associate	43.33%	No
3.	Heritage Novandie Foods Private Limited*	Joint Venture	50%	No

* Board approved to acquire 44.40% shares from the other shareholder, As a result of which the total holding is increased to 94.40% and hence HNFPL is now Subsidiary of the Company

VI. CSR Details

25.

- (i) Whether CSR is applicable as per section 135 of Companies Act, 2013: (Yes/No) - Yes
- (ii) Turnover - ₹ 40,804.81 Million
- (iii) Net worth - ₹ 9,471.20 Million

During the financial year 2024–25, the CSR obligation for the Company was ₹26.99 million. However, the Company allocated a total of ₹ 48.77 million towards various CSR projects. The amount set apart for ongoing projects/multiyear projects was ₹26.99 million while the amount set apart for project otherthan ongoing project/multiyear project was ₹21.78 million. The company had spent ₹21.78 million for Disaster Management and Relief activities which are otherthan ongoing/multiyear projects during the year. The amount of ₹26.99 million earmarked for ongoing CSR project was not spent. Hence, in compliance with the CSR Amendment Rules, the unspent amount of ₹26.99 million has been transferred to the 'Unspent CSR Account' and will be utilized for the ongoing projects on or before March 31, 2028. Accordingly, the excess amount of ₹21.78 million spent over and above the mandated obligation shall be set off against the CSR requirements of the succeeding financial years, in accordance with Rule 7(3) of the Companies (CSR Policy) Rules, 2014.

Initiatives like: Eradicating hunger, poverty and malnutrition, "promoting health care including preventive health care Project through mobile/digitalization App" and sanitation including contribution to the Swatch Bharat Kosh set-up by the Central Government for the promotion of sanitation and making available safe drinking water fall under ongoing/multiyear projects and Disaster Management and Relief Activities fall under otherthan ongoing projects.

VII. Transparency and Disclosures Compliance

26. Complaints/Grievances on any of the principles (Principles 1 to 9) under the National Guidelines on Responsible Business Conduct:

Stakeholder Group from whom complaint is received	Grievance Redressal Mechanism in Place. Yes/No (If Yes, then Provide web-link for grievance Redress policy)	FY2025 Current financial year			FY2024 Previous Financial Year		
		Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Remarks	Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Remarks
Communities	Yes, https://www.heritagefoods.in/contact-us	0	0		0	0	
Investors (Other than Shareholders)	Yes, Heritage Foods Limited has a grievance Redressal mechanism in place for all of its stakeholders. The processes are established internally and conveyed to the stakeholders	0	0	No complaints or grievances have been received so far under any of the principles of the NGRBC.	0	0	No complaints or grievances have been received so far under any of the principles of the NGRBC.

Stakeholder Group from whom complaint is received	Grievance Redressal Mechanism in Place. Yes/No (If Yes, then Provide web-link for grievance Redress policy)	FY2025 Current financial year			FY2024 Previous Financial Year		
		Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Remarks	Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Remarks
Shareholders	Yes, https://www.heritagefoods.in/investorgrievance and via email to E-mail: umakanta@heritagefoods.in	0	0		0	0	
Employees & Workers	Yes, Email ID of HR Department, ZOHO People Application	0	0		0	0	
Customers	Yes, https://www.heritagefoods.in/contact-us and email to customercare@heritagefoods.in , hfi@heritagefoods.in and toll free no: 1800-425-2931	944	0		342	0	
Value Chain Partners	Yes, https://www.heritagefoods.in/contact-us and mail Id of Concerned Department dealing with value chain partner	0	0		0	0	

Note : Investor Grievance can be addressed at <https://www.heritagefoods.in/investorgrievance> and via email to E-mail: umakanta@heritagefoods.in. For customer related grievances, refer link <https://www.heritagefoods.in/contact-us> and email to customercare@heritagefoods.in

27. Overview of the entity's material responsible business conduct issues

Material responsible business conduct and sustainability issues pertaining to environmental and social matters that present a risk or an opportunity to your business, the rationale for identifying the same, approach to adapt or mitigate the risk along with its financial implications, as per the following format

SL No	Material Issue Identified	Indicate whether Risk / Opportunity (R/O)	Rational for identifying risk or opportunity	In case of risk, approach to adapt or mitigate	Financial implication of risk or opportunity (Indicate positive or negative implications)
1	Raw Material Sourcing	Risk	The Company's raw materials are crucial to the kind of products it manufactures. These raw materials are specific to certain geographies. The changing climatic- conditions may pose a risk to the availability of these raw materials. Factors contributing to increased costs include excess wait time and detention costs, overpaying some haulers while underpaying others (resulting in hauler consolidation and higher rates), running outmoded, small, high-maintenance equipment, excess intake time and labour and moving milk and milk products further than necessary	To mitigate this risk, the Company is expanding sourcing to multiple geographies. Proposed and in progress strategies that can help mitigate these increased logistics costs, such as digitization and outsourcing of dairy scheduling and trading, plant-to-plant haul cost optimization, detailed farm-to-plant route cost modelling, intake benchmarking and optimization, plant design with 3D- simulation, use of AI and data analytics and sustainability measures. These strategies can help the dairy industry to mitigate the increased logistics costs associated with expanding raw material sourcing to multiple geographies,	Negative- The implications of this would be on higher logistics costs. The exact percentage will vary over periodic ebbs/ high. The exact percentage increase would depend on a variety of factors including the specific geographies involved, the extent of the climatic changes, the availability of alternative fodder or milk supply sources and the efficiency of the logistics and supply chain management systems in place

SL No	Material Issue Identified	Indicate whether Risk / Opportunity (R/O)	Rational for identifying risk or opportunity	In case of risk, approach to adapt or mitigate	Financial implication of risk or opportunity (Indicate positive or negative implications)
2.	Supply Chain Management	Opportunity	Setting up a resilient supply chain has assisted the Company in ensuring the continuity in adverse times. The supply chain has helped the Company to have competitive pricing and pass on its benefit to the consumers without any business disruptions.	The business continuity and risk management plan of the Company has covered all foreseeable risks in its supply chain with measures already underway to address those.	Positive + The Company has developed a resilient supply chain which has helped edit and fetch long- term results.
3.	Governance	Opportunity	This has helped the Company to strengthen the organisational strategy for championing success.	The Company is led by strong leadership and capable execution teams.	Positive + In transforming the business and levelling it up.
4.	Human Rights	Risk	Changing regulations related to human rights may pose a challenge. Adherence to Human impact Assessment under GRI400 deviation are not acceptable.	In its policy for Business responsibility, policy no.5 Human rights policy is now embedded. Company put in substantial efforts to ensure that no human right violations occur in the entire line of Company's business.	Positive + Awareness of GRI, ISO 45001 Occupational Health and Safety GRI 200 adherence and up-liftment of human due diligence process, embedded in the company business policies, above industry standards.
5.	Employee and Health Safety	Risk	This can lead to decreased productivity.	ISO14001 :2015 (Environ-mental Management System) has been implemented and rigorously ad- opted , along with regular EHS training for staff and workers during the year. This is now embedded in Policy No.3 Well being of all Employees in the Business Responsibility Policies which are adopted and published in the company website. Link	Positive + Any investment in employee health and safety will pay off in the long run.
6.	Data Privacy and Security	Risk	It is critical for the business operations to protect the security of data and the entire value chain, particularly customers. Any data breach may result in the release of critical company data, resulting in fraud, business disruption and continuity.	The Company has implemented a data security mechanism to prevent any possible cyberattack, data breach or any sabotage attempt to disrupt business processes. The Company has also developed a proper business continuity plan which includes building of redundancy for entire IT infrastructure and network.	Negative - The process of identification and quantification of the financial implications of the identified risks and opportunities is currently ongoing.
7.	Energy and emission management	Risk	Climate change mitigation necessitates a reduction in energy usage and emissions footprint through the deployment of carbon reduction initiatives.	The Company level policy on Energy Management acts as a guideline for managing and optimising energy consumption and emissions,in line with India's goal of being Net Zero. The mitigation is under progress.	Negative- The process of identification and quantification of the financial implications of the identified risks and opportunities is currently ongoing.
8.	Consumer Welfare	Opportunity	To position ourselves as market leaders and the most trusted consumer brand.	Heritage has built legacy brands while sustaining strong market connections to ensure consumer welfare.	Positive + Consumer goodwill will translate into product sales and long term customer loyalty for present, upcoming and future product lines.

SECTION B: Management and Process Disclosures

This section is aimed at demonstrating the company's structures, policies and processes for adopting the NGRBC Principles and Core Elements.

Disclosure Questions		P1	P2	P3	P4	P5	P6	P7	P8	P9
Policy and Management Processes										
1. a. Whether your entity's policy/policies cover each principle and its core elements of the NGRBCs. (Yes/No) = Yes all core elements of the BGRBCs are covered through policies										
	Policy On Determination of Materiality of Events	Yes	NA	NA	NA	NA	NA	NA	NA	NA
	Archival Policy	Yes	NA	NA	NA	NA	NA	NA	NA	NA
	Subsidiary Policy	Yes	NA	NA	NA	NA	NA	NA	NA	NA
	Risk Management Policy	NA	NA	NA	NA	NA	NA	NA	NA	Yes
	Business Responsibility Policy	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
	Preservation Of Documents	Yes	NA	NA	NA	NA	NA	NA	NA	NA
	Board Diversity Policy	Yes	NA	NA	NA	NA	NA	NA	NA	NA
	Prevention Of Sexual Harassment	NA	NA	Yes	NA	Yes	NA	NA	NA	NA
	Material Related Party Transaction Policy	Yes	NA	NA	NA	NA	NA	NA	NA	NA
	Corporate Social Responsibility Policy	NA	NA	NA	Yes	NA	NA	NA	Yes	NA
	Whistleblower Policy	Yes	NA	Yes	Yes	NA	NA	NA	NA	NA
	Code of Conduct & Ethics	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
	Code of Conduct to Monitor and Regulate Trading by Insiders	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
	Dividend Distribution Policy	NA	NA	NA	Yes	NA	NA	NA	NA	NA
	Policy And Procedure of Inquiry in Case of Leak or Suspected Leak of UPSI	Yes	NA	NA	NA	NA	NA	NA	NA	NA
	Code Of Fair Disclosure	Yes	NA	NA	NA	NA	NA	NA	NA	NA
	Nomination And Remuneration Policy	Yes	NA	NA	NA	NA	NA	NA	NA	NA
	Code For Fair Disclosure Of UPSI	Yes	NA	NA	NA	NA	NA	NA	NA	NA
	Anti-Bribery and Anti-Corruption Policy	Yes	NA	NA	NA	NA	NA	Yes	NA	NA
	Cyber Security Policy	NA	NA	NA	NA	NA	NA	NA	NA	Yes
	Policy On Environment and Climate Change	NA	Yes	NA	NA	NA	NA	NA	NA	NA
	Product Stewardship Policy	NA	Yes	NA	NA	NA	NA	NA	NA	Yes
	Supply Chain Management and Responsible Sourcing Policy	NA	Yes	Yes	Yes	Yes	Yes	NA	NA	NA
	Policy On Animal Protection and Welfare (Cattle)	NA	NA	NA	NA	NA	Yes	NA	NA	NA
	Health & Safety Policy	NA	Yes	Yes	NA	NA	NA	NA	NA	NA
	Equal Opportunity Policy	NA	NA	Yes	NA	Yes	NA	NA	NA	NA
	Policy On Human Rights, Diversity and Inclusion	NA	NA	Yes	Yes	Yes	NA	NA	NA	NA
	Policy On Stakeholders' Engagement	Yes	NA	NA	NA	NA	NA	Yes	NA	NA
b.	Has the policy been approved by the Board? (Yes/No)	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
c.	Web Link of the Policies, if available	https://www.heritagefoods.in/policy								
2. Whether the entity has translated the policy into procedures. (Yes / No)		Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Disclosure Questions		P1	P2	P3	P4	P5	P6	P7	P8	P9
3. Do the enlisted policies extend to value chain partners? (Yes/No)		Yes								
4. Name of the national and international codes/certifications/labels/ standards, adopted by the entity and mapped to each principle.										
	ISO 22000:2018 (Food Safety Management System)	NA	Yes	NA	NA	NA	NA	NA	NA	Yes
	ISO 9001:2015 (Quality Management System)	Yes	Yes	Yes	Yes	Yes	NA	Yes	Yes	Yes
	ISO 45001:2018 (Occupational Health & Safety	NA	NA	Yes	NA	NA	NA	NA	NA	NA
	ISO 14001:2015 (Environmental Management System)	NA	NA	NA	NA	NA	Yes	NA	NA	NA

Disclosure Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
ISO 50001:2018 (Energy Management System) – (Uppal & Gokul Plants)	NA	NA	NA	NA	NA	Yes	NA	NA	NA
EIC Certificate	NA	Yes	NA	NA	NA	NA	NA	NA	NA
FSSC 22000	NA	Yes	NA	NA	NA	NA	NA	NA	NA
Agmark	NA	Yes	NA	NA	NA	NA	NA	NA	NA

- 5. Specific commitments, goals and targets set by the entity with defined timelines, if any.** The entity has outlined its key commitments and goals in alignment with its strategic priorities. These typically include operational efficiency enhancements, sustainability improvements, digital adoption, customer-centric initiatives and compliance with applicable regulations. Timelines for each goal vary, generally spanning short-term (1 year), medium-term (3 years), or long-term (5 years) depending on the scope and nature of the commitment.

- 6. Performance of the entity against the specific commitments, goals and targets along-with reasons in case the same are not met.** The entity regularly tracks its progress against defined goals through internal performance reviews. Most targets are either on track or achieved within expected timelines. In instances where targets are unmet, reasons include external macroeconomic challenges, unforeseen operational constraints, or shifts in regulatory or market environments. Continuous improvement mechanisms are in place to address gaps and recalibrate efforts as required.

Governance, leadership and oversight

- 7. Statement by director responsible for the business responsibility report, highlighting ESG related challenges, targets and achievements (listed entity has flexibility regarding the placement of this disclosure)**

Refer Page 8 Letter from Vice Chairperson & Managing Director for ESG related statements

- 8. Details of the highest authority responsible for implementation and oversight of the Business Responsibility policy (ies).** Mrs. N Bhuvaneswari - Vice Chairperson & Managing Director and Mrs. N. Brahmani - Executive Director under the guidance of the Board of Directors and its Committees.

- 9. Does the entity have a specified Committee of the Board/ Director responsible for decision making on sustainability related issues? (Yes / No).**
If Yes, details.

Yes. The Board's CSR Committee oversees the implementation of ESG strategies and monitors performance to ensure alignment with the interests of the Company's stakeholders. This Committee assess the company's sustainability and CSR performance. Additionally, the Board reviews the Company's Business Responsibility (BR) performance to ensure continuous progress and accountability.

10. Details of Review of NGRBCs by the Company

Subject for Review	Indicate whether review was undertaken by Director/Committee of the Board/Any other Committee									Frequency (Annually / Half yearly /Quarterly/ Any other- please specify)								
	P1	P2	P3	P4	P5	P6	P7	P8	P9	P1	P2	P3	P4	P5	P6	P7	P8	P9
Performance against above policies and follow up action																		
Compliance with statutory requirements of relevance to the principles and rectification of any non-compliances																		

- 11. Has the entity carried out independent assessment/ evaluation of the working of its policies by an external agency? (Yes/No).**
- No
- However, all the policies and processes of the Company are internally evaluated in the Company from time to time.

12. If answer to question (1) above is “No” i.e. not all Principles are covered by a policy, reasons to be stated: Questions

Questions	P1 to P9
The entity does not consider the Principles material to its business (Yes/No)	
The entity is not at a stage where it is in a position to formulate and implement the policies on specified principles (Yes/No)	
The entity does not have the financial or/human and technical resources available for the task (Yes/No)	Not Applicable
It is planned to be done in the next financial year (Yes/No)	
Any other reason (please specify)	

Section C) Principle Wise Performance Disclosure**Principle 1**

Businesses should Conduct and Govern themselves with integrity and in a manner that is ethical, transparent and accountable.

Essential Indicators:**1. Percentage coverage by training and awareness programmes on any of the Principles during the financial year:**

Segment	Total Number of training and awareness programmes held	Topics / principles covered under the training and its impact	% of persons in respective category covered by the awareness programmes
Board of Directors (BoD)	3	Industry scenarios, key operational matters, risk management, financial performance, strategic planning, innovation, sustainability initiatives and regulatory changes.	100%
Key Managerial Personnel (KMP)			
Employees other than BoD and KMPs	233	Awareness and training sessions on Food Safety, Quality & Hygiene, Health, Safety & Environment, Operations & Maintenance, Process Improvement & Productivity, Sales, Marketing & Business Development, Data & Technology, Compliance - Legal & Financial, HR & Project Management and Dairy Industry Specific topics on Dairy Industries.	100%
Workers	92	Awareness and training sessions on Food Safety & Hygiene, Workplace & Industrial Safety, Seasonal Safety, Legal & Social Awareness and Security etc.	100%

2. Details of fines / penalties /punishment/ award/ compounding fees/ settlement amount paid in proceedings (by the entity or by directors / KMPs) with regulators/ law enforcement agencies/ judicial institutions, in the financial year, in the following format (Note: the entity shall make disclosures on the basis of materiality as specified in Regulation 30 of SEBI (Listing Obligations and Disclosure Obligations) Regulations, 2015 and as disclosed on the entity's website):**A. Monetary**

Particulars	NGRBC Principle	Name of the regulatory / Enforcement agencies/judicial institutions	Amount (In ₹)	Brief of the Case	Has an appeal been preferred ? (Yes/No)
Penalty/ Fine	P1	Telangana state GST authorities	29,900	Vehicle detention due to not carried the documents	No
	P1	Tamil Nadu state GST authorities	78,660	For not mentioning the customer GST Registration number on the Invoice issued by the company	No
	P6	Maharashtra Pollution Control Board (Regional Office - Pune)	5,00,000	Bank Guarantee was invoked by Department due to certain deviations in provisions of Water (Prevention and Control of Pollution) Act, 1974 and Air (Prevention and Control of Pollution) Act, 1981	No
	P9	District Consumer Disputes Redressal Commission III (DCDR III), Hyderabad, Telangana	10,000	Heritage Tuch App (an e-commerce application of the company) subscriber filed a complaint alleging non-refund of ₹ 1,887 and inadequate response from customer care. The District Commission, after review, directed the Company to refund the amount and pay ₹ 10,000 as compensation.	No

Particulars	NGRBC Principle	Name of the regulatory / Enforcement agencies/judicial institutions	Amount (In ₹)	Brief of the Case	Has an appeal been preferred ? (Yes/No)
Settlement	NIL	NIL	NIL	NIL	NIL
Compounding Fee	P2	Legal Metrology – Punjab	5,000	Matter overwritten on certain packets of cow Ghee	No
	P2	FSSAI - Maharashtra	25,000	Certain toned milk packets had less FAT	No
	P2	FSSAI - Maharashtra	25,000	Certain toned milk packets has less SNF	No
	P2	Legal Metrology	50,000	On certain Buffalo Ghee packets we mentioned the manufacturing temperature, even though there is no regulatory requirement to print this information.	No

B. Non Monetary

Particulars	NGRBC Principle	Name of the regulatory /Enforcement agencies/judicial institutions	Brief of the Case	Has an appeal been preferred ? Yes/No
Imprisonment		Nil		
Punishment		Nil		

3. Of the instances disclosed in Question 2 above, details of the Appeal/ Revision are preferred in cases where monetary or non-monetary action has been appealed.

Case Details	Name of the regulatory /enforcement agencies/judicial institutions
NA	NA

4. Does the entity have an anti-corruption or anti-bribery policy? If yes, provide the details in brief and if available, provide a web-link to the policy.

Yes, Heritage Foods Limited has instituted a comprehensive Anti-Bribery and Anti-Corruption Policy to reinforce its commitment to ethical business conduct. The policy aligns with national laws such as the Prevention of Corruption Act, Companies Act and other regulatory frameworks. With a Zero Tolerance stance on bribery and corruption, the company seeks to ensure that all employees and associated parties act with transparency, fairness and integrity in all business dealings.

https://www.heritagefoods.in/uploads/investors/pdf/169095716345-Anti_Bribery_and_Anti-Corruption_Policy.pdf

5. Number of Directors/KMPs/employees/workers against whom disciplinary action was taken by any law enforcement agency for the charges of bribery/ corruption:

	FY 2024-2025 (Current financial year)	FY 2023-2024 (Previous financial Year)
Directors	0	0
KMPs	0	0
Employees	0	0
Workers	0	0

6. Details of complaints with regard to conflict of interest

Particulars	FY 2024-2025 (Current financial year)		FY 2023-2024 (Previous financial Year)	
	Number	Remarks	Number	Remarks
Number of complaints received in relation to issues of Conflict of Interest of the Directors	0		0	
Number of complaints received in relation to issues of Conflict of Interest of the KMPs	0		0	

7. Details of any corrective action taken or underway on issues related to fines/penalties / action taken by regulators/ law enforcement agencies/ judicial institutions, on cases of corruption and conflicts of interest.

Not applicable as no complaints regarding corruption and conflicts of interest were received.

8. Number of days of accounts payables

	FY (2024-25)	PY (2023-24)
i) Accounts payable x 365 days (In ₹)	6,04,76,85,00,000	5,03,87,52,00,000
ii) Cost of goods/services procured (In ₹)	29,37,21,73,322	26,99,72,21,125
iii) Number of days of accounts payables	21	19

9. Open-ness of business: Provide details of concentration of purchases and sales with trading houses, dealers and related parties along-with loans and advances & investments, with related parties, in the following format

Parameter	Metrics	FY (2024-25)	FY (2023-24)
Concentration of Purchases	a. i) Purchases from trading houses	4,85,70,00,000	3,79,90,00,000
	ii) Total purchases	29,37,21,73,322	26,99,72,21,125
	iii) Purchases from trading houses as % of total purchases	16.54%	14.07%
	b. Number of trading houses where purchases are made	1684	1870
	c. i) Purchases from top 10 trading houses	17,26,50,000	12,80,50,000
	ii) Total purchases from trading houses	4,85,70,00,000	3,79,90,00,000
	iii) Purchases from top 10 trading houses as % of total purchases from trading houses	3.55%	3.37%
	a. i) Sales to dealer / distributors	40,55,64,76,621	37,10,68,11,724
	ii) Total Sales	40,79,86,35,990	37,33,49,98,245
Concentration of Sales	iii) Sales to dealer / distributors as % of total sales *	99.41%	99.39%
	b. Number of dealers / distributors to whom sales are made	7,374	6,661
	c. i) Sales to top 10 dealers / distributors	3,22,22,00,000	2,64,43,00,000
	ii) Total Sales to dealer / distributors	40,55,64,76,621	37,10,68,11,724
	iii) Sales to top 10 dealers / distributors as % of total sales to dealer / distributors	7.94%	7.13%
	a. i) Purchases (Purchases with related parties)	1,30,09,82,849	1,00,13,91,048
	ii) Total Purchases	29,37,21,71,322	26,99,72,21,125
	iii) Purchases (Purchases with related parties as % of Total Purchases)	4.43%	3.71%
	b. i) Sales (Sales to related parties)	2,50,14,616	1,93,78,090
Share of RPTs in	ii) Total Sales	40,80,48,10,000	37,34,34,50,000
	iii) Sales (Sales to related parties as % of Total Sales)	0.06%	0.05%
	c. i) Loans & advances given to related parties	0.00	0.00
	ii) Total loans & advances (given)	0.00	0.00
	iii) Loans & advances given to related parties as % of Total loans & advances	0.00	0.00
	d. i) Investments in related parties	7,55,00,000	9,80,00,000
	ii) Total Investments made	1,70,96,60,000	1,13,32,80,000
	iii) Investments in related parties as % of Total Investments made	4.42%	8.65%

- All sales are made through dealers and distributors except minor amount of direct sells

Leadership Indicators**1. Awareness programme conducted for value chain partners on any of the Principles during the financial year.**

Total number of awareness programmes held	Topics/principles covered under the training	% of value chain partners covered under the awareness programmes
31,696	Clean Milk Production Program Preventive Health Care Cattle nutrition importance & Cattle Insurance importance	55%

2. Does the entity have processes in place to avoid/ manage conflict of interests involving members of the Board? (Yes/No) If yes, details of the same.

Yes, the Company has a Code of Conduct for the Board and Senior Management, which includes areas of ethics, integrity and honesty and provides guidelines and processes on addressing unethical behaviour. The Code also details the processes in place to manage conflicts of interest involving board members, contributing to a culture of transparency and accountability. Refer Link published in the company's website: https://www.heritagefoods.in/uploads/investors/pdf/17339098640Code_of_Conduct_for_Senior_Management_and_Board.pdf

Principle 2

Businesses should provide goods and services in a manner that is sustainable and safe.

Essential Indicators:

1. **Percentage of R&D and capital expenditure (CAPEX) investments in specific technologies to improve the environmental and social impacts of product and processes to total R&D and capex investments made by the entity, respectively.**

Category	Current Financial Year 2024-25	Previous Financial Year 2023-24	Details of improvements in environmental and social impacts
R&D	50%	25.00%	- Invested in purchasing of the lab scale UHT machine, it enables to take small lab scale trials (3-5 Litres) against plant trials with capacity 3000-5000 litres. There we have reduced the burden on ETP and environmental footprint. - Developed multiple products with improved nutrition, diversification and inclusions. Eg. Livo Flavoured milk with vitamin A&D fortification, High Protein Yoghurts, Affordable Mango Drink with target MRP 10 INR, Healthy high protein Dairy spreads alternative to Mayonnaise and Probiotic drinks etc. - Developing the recyclable packaging solutions etc.
Capex	2.23%	8.44%	Environmental Impact: Upgraded Effluent Treatment Plant (ETP) with improved filtration, automation and increased capacity. Social Impact: - Supported female employees by providing safe childcare at the workplace. - Encouraged higher attendance and reduced absenteeism. - Reinforced the company's social responsibility and inclusivity efforts. - Improved onsite medical response and employee health monitoring. - Furnished and equipped for guest meetings, factory introductions and safety briefings before plant visits.

2. **Sustainable Sourcing**

- a. Does the entity have procedures in place for sustainable sourcing? (Yes/No)
 Yes the company has a responsible sourcing policy. Milk is a significant share of the company's raw material procurement and is sustainably sourced. The company empowers dairy farmers through training, technical support and advisory services, integrating them into an organised dairy value chain. Farmers receive weekly/fortnightly payments, ensuring financial stability. Additionally, the company upholds stringent quality standards for procured milk, reinforcing product stewardship and commitment to excellence.
- b. If yes, what percentage of inputs were sourced sustainably?
 Milk accounts for approximately 83.46% of the total raw material procurement, underscoring the criticality of this value chain.
 In addition, many capital goods, including dairy processing equipment and packaging materials, are sourced from reputed manufacturers who have embedded ESG principles into their operations. All packaging materials used are certified food-grade, ensuring safety and compliance while aligning with the company's sustainability objectives.

3. **Describe the processes in place to reclaim products for reusing, recycling and disposal at the end of life for**

- a. Plastics (Including Packaging)
 - b. E-Waste
 - c. Hazardous waste
 - d. other waste
- As part of its commitment to sustainable production, the Company has instituted various processes to reclaim and manage waste responsibly across categories such as plastics, e-waste, hazardous waste and other waste streams. Additionally, during the production process, effluent water is treated and reused for non-potable purposes, including washing milk storage tankers and crates and for gardening, thereby promoting circularity in resource utilization.
- a. **Plastics (including packaging):**
 Plastics are integral to ensuring product safety, preventing leakage and maintaining hygiene, particularly in the packaging of milk and value-added products. Despite their utility, plastic waste remains a significant environmental concern. The Company is pro-actively addressing this issue by participating in recycling efforts and is in the process of developing and adopting the following initiatives:
 Consumer Awareness Campaigns: Programs aimed at educating consumers on the importance of plastic recycling and providing guidance on the proper disposal of used plastic milk packets.

b. E-Waste:

While e-waste generation is minimal, the Company ensures that obsolete electronic equipment is disposed of through authorized e-waste recyclers in compliance with applicable environmental regulations.

c. Hazardous Waste:

If hazardous waste is generated, it is handled strictly in accordance with regulatory guidelines. It is stored, transported and disposed of through certified agencies to prevent environmental contamination and ensure worker safety.

d. Other Waste:

Other non-hazardous solid waste generated during operations is segregated at source and managed through recycling or sent to authorised waste handlers for appropriate disposal, minimising landfill use and enhancing material recovery.

4. Whether Extended Producer Responsibility (EPR) is applicable to the entity's activities (Yes / No). If yes, whether the waste collection plan is in line with the Extended Producer Responsibility (EPR) plan submitted to Pollution Control Boards? If not, steps taken to address the same.

Yes. The waste collection plan is in line with the Extended Producer Responsibility (EPR) plan submitted to Pollution Control Board (PCB)

Leadership Indicators

1. Has the entity conducted Life Cycle Perspective / Assessments (LCA) for any of its products (for manufacturing industry) or for its services (for service industry)? If yes, provide details in the following format? : No

NIC Code	Name of Product / Service	% of total Turnover contributed	Boundary for which the Life Cycle Perspective / Assessment was conducted	Whether conducted by independent external agency (Yes/No)	Results communicated in public domain (Yes/No) If yes, provide the web-link
Heritage Foods has not undertaken a formal Life Cycle Assessment (LCA) or Life Cycle Perspective study for its products as per globally accepted methodologies. However, the company remains deeply committed to environmental sustainability and has instituted measures to minimise environmental impacts across all stages of its product lifecycle—from raw material sourcing and processing to packaging, distribution and end-of-life. Various operational practices are aligned with this objective, including: Energy-efficient processing systems to reduce resource use during manufacturing. Sustainable sourcing practices to promote responsible procurement. Water conservation and waste treatment initiatives to mitigate ecological footprint. Eco-friendly packaging solutions to reduce plastic usage and enhance recyclability. Optimised logistics to reduce fuel consumption and associated emissions.					

2. If there are any significant social or environmental concerns and/or risks arising from production or disposal of your products / services, as identified in the Life Cycle Perspective / Assessments (LCA) or through any other means, briefly describe the same along-with action taken to mitigate the same. No

Name of Product / Service	Description of the risk / concern	Action Taken
As the products of the Company are dairy-based, there are no substantial social or environmental concerns and/or risks arising from the production or disposal of the same.		

3. Percentage of recycled or reused input material to total material (by value) used in production (for manufacturing industry) or providing services (for service industry).

Indicate input material	Recycled or re-used input material to total material	
	FY2025	FY2024
The company is in Dairy industry and the key ingredient is fresh milk, no input materials are recycled or reused in production		

4. Of the products and packaging reclaimed at end of life of products, amount (in metric tonnes) reused, recycled and safely disposed, as per the following format:

Particulars	FY2025			FY2024		
	Re-used	Re-cycled	Safely Disposed	Re-used	Re-cycled	Safely Disposed
Plastics (including packaging)	0	5037.53 MT	0	0	4540.55 MT	0
E-waste	0	0.10 MT	0	0	0.80 MT	0
Hazardous waste	0	39.51 MT	0	0	1.63 MT	0
Other waste	333.42 MT	0	0	260.93 MT	0	0
- (ETP Sludge)						

5. Reclaimed products and their packaging materials (as percentage of products sold) for each product category:

Indicate product category	Reclaimed products and their packaging materials as % of total products sold in respective category
	NA

Principle 3

Businesses should respect and promote the well-being of all employees, including those in their value chains

1.

a. Details of measures for the well-being of employees

Category	% of employees covered by										
	Total A	Health Insurance		Accident insurance		Maternity Benefits		Paternity Benefits		Day Care Facilities	
		Number B	% (B/A) (C/A)	Number C	%	Number D	% (D/A)	Number E	% (E/A)	Number F	% (F/A)
Permanent Employees											
Male	3279	3238	98.75%	3279	100.00%	0	0	3238	98.75%	0	0
Female	74	70	94.59%	74	100.00%	70	94.59%	0	0.00%	70	94.59%
Other	0	0	0.00%	0	0.00%	0	0.00%	0	0.00%	0	0.00%
Total	3353	3308	98.66%	3353	100.00%	70	2.09%	3238	96.57%	70	2.09%
Other than permanent employees											
Male	11	10	90.91%	11	100.00%	0	0	0	0	0	0
Female	0	0	0	0	0	0	0	0	0	0	0
Other	0	0	0	0	0	0	0	0	0	0	0
Total	11	10	90.91%	11	100.00%	0	0	0	0	0	0

b. Details of measures for the well-being of workers

Category	% of workers covered by										
	Total A	Health Insurance		Accident insurance		Maternity Benefits		Paternity Benefits		Day Care Facilities	
		Number B	% (B/A)	Number C	%	Number D	%	Number E	%	Number F	%
					(C/A)		(D/A)		(E/A)		(F/A)
Permanent Workers											
Male	0	0	0	0	0	0	0	0	0	0	0
Female	0	0	0	0	0	0	0	0	0	0	0
Other	0	0	0	0	0	0	0	0	0	0	0
Total	0	0	0	0	0	0	0	0	0	0	0
Other than permanent Workers											
Male	2040	2040	100.00%	2040	100.00%	0	0	0	0	2040	100.00%
Female	821	821	100.00%	821	100.00%	0	0	0	0	821	100.00%
Other	0	0	0	0	0	0	0	0	0	0	0
Total	2861	2861	100.00%	2861	100.00%	0	0	0	0	2861	100.00%

In case the entity desires to disclose any benefits other than those specified in this field, additional columns may be added for such disclosures.

c. Spending on measures towards well-being of employees and workers (including permanent and other than permanent) in the following format –

	FY 2025 Current Financial Year	FY 2024 Previous Financial Year
Cost incurred on well-being measures (well-being measures means well-being of employees and workers (including male, female, permanent and other than permanent employees and workers) (In ₹)	4,00,27,388	3,40,47,947
Total revenue of the company (In ₹)	40,80,48,10,000	37,34,30,00,000
Cost incurred on well-being measures as a % of total revenue of the company	0.10%	0.09%

2. Details of retirement benefits, for current FY and previous financial year

Benefits	FY 2025 Current Financial Year			FY2024 Previous Financial Year		
	Number of employees covered as % of total employees	Number of Workers covered as % of total employees	Deducted and deposited with the authority (Y/N/N.A)	Number of employees covered as % of total employees	Number of Workers covered as % of total employees	Deducted and deposited with the authority (Y/N/N.A)
PF	100%	0	Yes	100%	0	Yes
Gratuity	100%	0	Yes	100%	0	Yes
ESI	12.28%	0	Yes	18.38%	0	Yes
Others – specify	-	-	-	-	-	-

3. Accessibility of workplaces

Are the premises / offices of the entity accessible to differently abled employees and workers, as per the requirements of the Rights of Persons with Disabilities Act, 2016? If not, whether any steps are being taken by the entity in this regard.

Yes, the offices of the Company are accessible to all its employees including differently abled persons.

4. Does the entity have an equal opportunity policy as per the Rights of Persons with Disabilities Act, 2016? If so, provide a web-link to the policy.

Yes, maintaining an environment that promotes equality and fairness, the Company aims to create an inclusive workplace where all individuals, regardless of their race, colour, religion, sex, national origin, age, sexual orientation, or any other protected characteristic, are treated with dignity and respect. The Company prohibits any form of discrimination, harassment, or retaliation against individuals based on the aforementioned protected characteristics.

5. Return to work and Retention rates of permanent employees and workers that took parental leave.

Gender	Permanent Employees		Permanent Workers	
	Return to work Rate	Retention Rate	Return to work Rate	Retention rate
Male	100%	100%	0	0
Female	100%	100%	0	0
Other	0	0	0	0
Total	100%	100%	0	0

6. Is there a mechanism available to receive and redress grievances for the following categories of employees and worker? If yes, give details of the mechanism in brief.

Particulars	Yes/No (if yes then give details of the mechanism in brief)
Permanent Workers	No - The Company is not having any permanent workers
Other than Permanent Workers	Yes - At Heritage Foods all employee grievances are initially addressed to the respective senior managers or functional heads. In cases where either the workers or the functional head is unable to resolve the issue satisfactorily, the matter is escalated to the senior management. The senior management evaluates the concern and, where necessary, directs the Human Resources department to take appropriate steps to ensure fair and timely redressal. This multi-tiered approach ensures that grievances are handled transparently and efficiently, reinforcing the company's commitment to employee welfare.
Permanent Employees Other than permanent Employees	Yes - At Heritage Foods, all employees are encouraged to communicate any workplace concerns directly with their immediate supervisors or departmental heads. If the issue remains unresolved at this level, it is then brought to the attention of the senior management team. Upon review, senior management may involve the Human Resources department to take suitable action, ensuring the matter is addressed with fairness and within a reasonable timeframe. This structured grievance resolution process reflects the organization's commitment to maintaining an open, responsive and employee-centric work environment.

7. Membership of employees and worker in association(s) or Unions recognised by the listed entity:

Category	FY2025 Current financial Year			FY2024 Previous Financial Year		
	Total employees /workers in respective category (A)	Total employees/ workers in respective category, who are part of association (s) or Union (s) (B)	% (B/A)	Total employees /workers in respective category (A)	Total employees/ workers in respective category, who are part of association (s) or Union (s) (B)	% B/A
Total Permanent Employees	3353	0	0	3225	0	0
Male	3279	0	0	3163	0	0
Female	74	0	0	62	0	0
Others	0	0	0	0	0	0
Total Permanent Workers	0	0	0	0	0	0
Male	0	0	0	0	0	0
Female	0	0	0	0	0	0
Others	0	0	0	0	0	0

8. Details of Training imparted to the employees and workers on health & safety measures and on skill upgradation

Category	FY2025 Current financial Year					FY2024 Previous Financial Year				
	Total (A)	On health and safety Measures		On skill upgradation		Total (D)	On health and safety Measures		On skill upgradation	
		NO. B	% (B/A)	No.C	% (C/A)		No. (E)	% (E/D)	No.(F)	%(F/D)
Employees										
Male	3290	2630	79.94%	1972	59.94%	3163	2300	72.72%	2907	91.91%
Female	74	55	74.32%	12	16.22%	62	62	100.00%	62	100.00%
Other	0	0	0	0	0	0	0	0	0	0
Total	3364	2685	79.82%	1984	58.98%	3225	2362	73.24%	2969	92.06%
Workers										
Male	2040	1140	55.88%	1026	50.29%	2638	1989	75.40%	1674	63.46%
Female	821	590	71.86%	460	56.03%	625	498	79.68%	498	79.68%
Other	0	0	0	0	0	0	0	0	0	0
Total	2861	1730	60.47%	1486	51.94%	3263	2487	76.22%	2172	66.56%

9. Details of performance and career development reviews of employees and workers:

Category	FY2025 Current financial Year			FY2024 Previous Financial Year		
	Total (A)	No.(B)	% (B/A)	Total C	No.(D)	% (D/C)
Employees						
Male	3290	3145	95.59%	3163	2858	90.36%
Female	74	66	89.19%	62	53	85.48%
Other	0	0	0	0	0	0
Total	3364	3211	95.45%	3225	2911	90.26%
Workers						
Male	0	0	0	0	0	0
Female	0	0	0	0	0	0
Other	0	0	0	0	0	0
Total	0	0	0	0	0	0

10. Health and safety management system

- a. Whether an occupational health and safety management system has been implemented by the entity? (Yes/ No). If yes, the coverage such system?

Yes. The occupational health and safety (OHS) management system has been implemented. The system is overseen by designated Safety Officers and its coverage extends to all employees through the provision of safety guidelines and standard operating procedures.

b. What processes are used by the entity to identify work-related hazards and assess risks on a routine and non-routine basis?

At Heritage Foods, we regularly identify and assess work-related hazards to ensure the safety of our employees. For day-to-day operations, we carry out regular safety checks, workplace inspections and job safety assessments. For non-routine activities like equipment maintenance or special projects, we conduct specific risk assessments before starting the work. Our employees are encouraged to report any hazards or near-miss incidents and we discuss safety topics through regular team meetings. We also use checklists and safety tools to manage risks on the spot when needed. Safety is a key part of our planning and all employees receive regular training. We review and update our safety practices from time to time to keep them relevant and effective.

c. Whether you have processes for workers to report the work-related hazards and to remove themselves from such risks. (Y/N)

Yes, the Company has processes for workers to report the work-related hazards and to remove them from such risks.

d. Do the employees/workers of the entity have access to non-occupational medical and healthcare services? (Yes/ No)

Yes. All manufacturing facilities are equipped with first aid and primary healthcare infrastructure. In addition, the company regularly conducts medical camps focusing on various non-occupational health aspects to promote the overall well-being of its employees and workers.

11. Details of safety related incidents (At Work-place)

Safety Incident / Number	Category	FY2025 Current financial Year	FY2024 Previous Financial Year
Lost Time Injury Frequency Rate (LTIFR) Per One million -person hours worked	Employees	1	0.82
	Workers	0	0
Total recordable work-related injuries	Employees	8	6
	Workers	0	0
No of fatalities	Employees	1	0
	Workers	0	0
High consequence work-related injury or ill-health (excluding fatalities)	Employees	0	0
	Workers	0	0

12. Describe the measures taken by the entity to ensure a safe and healthy work-place.

The Company priorities include maintaining a safe and healthy workplace for all its employees and workers. The Company has started a Health Wellness programme where it offers a range of reliable self-help resources. Additionally, the Company engaged third party personalised help from professional counselors and dietitians supporting physical health and wellbeing. This ensures employees to balance their personal wellbeing with their professional responsibilities. The Company also conducts awareness sessions covering safety aspects. Trainings related to Hazard Analysis Critical Control Point (HACCP).

13. Number of complaints made by employees and workers

	FY2025 Current Financial Year			FY2024 Previous Financial Year		
	Filed during the year	Pending resolutions at the end of the year	Remarks	Filed during the year	Pending resolutions at the end of the year	Remarks
Working Conditions	0	0	NA	0	0	NA
Health & Safety	0	0	NA	0	0	NA

14. Assessments for the year

Particulars	% of plants and offices that were assessed (By entity or statutory authorities or third parties)
Health and safety practices	100%
Working Conditions	100%

15. Details of any corrective action taken or underway to address safety-related incidents (if any) and on significant risks / concerns arising from assessments of health & safety practices and working conditions.

During the reporting period, the Company reported 1 (One) fatality of an employee while on duty. The Company continued to adhere to OHSAS 18001 guidelines to ensure the health and well-being of its employees.

Leadership Indicators**1. Does the entity extend any life insurance or any compensatory package in the event of death of (A) Employees (Y/N) (B) Workers (Y/N).**

(A) Yes, (B) Yes

Yes, the Company provides term life insurance, personal accident coverages and other compensatory packages to the bereaved family members of the permanent employees and also providing personal accident coverages for workers.

2. Provide measures undertaken by the entity to ensure that statutory dues have been deducted and deposited by the value chain partners.

We have not encountered such situation.

3. Provide the number of employees / workers having suffered high consequence work-related injury / ill-health / fatalities (as reported in Q11 of Essential Indicators above), who have been are rehabilitated and placed in suitable employment or whose family members have been placed in suitable employment:

Category	Total Number of affected employees/workers		No. of employees/workers that are rehabilitated and placed in suitable employment or whose family members have been placed in suitable employment	
	FY 24-25	FY 23-24	FY 24-25	FY 23-24
Employees	0	0	0	0
Workers	0	0	0	0

4. Does the entity provide transition assistance programs to facilitate continued employability and the management of career endings resulting from retirement or termination of employment? (Yes/ No)

No, however depending upon the retiring employee health and other conditions, he/she may be engaged for further period.

5. Details of Assessment of value chain partners

Particulars	% of value chain partners (by the value of business done with such partners) that were assessed
Health & and safety practices	100%
Working conditions	100%

6. Provide details of any corrective actions taken or underway to address significant risks / concerns arising from assessments of health and safety practices and working conditions of value chain partners.

Heritage Foods, as a company involved in the food industry, prioritize the health and safety practices of farmers who contribute to their supply chain. Here are some key health and safety practices that Heritage Foods implement towards farmers:

- Heritage Foods provide comprehensive training and orientation programs to farmers, focusing on best practices for health and safety milch animals.
- The company conducts regular hazard assessments on the farms to identify potential risks and hazards that could affect the health and safety of farmers.
- Heritage Foods collaborated with healthcare professionals for providing regular health check-ups and screenings for farmers during the farmer outreach programs. This can help identify any occupational health issues early on and provide appropriate medical support and interventions.

Implementing these health and safety practices demonstrates the Company's commitment to the welfare of farmers.

Principle 4

Businesses should respect the interests of and be responsive to all its stakeholders.

Essential Indicators:

1. Describe the process for identification of key stakeholder groups of the entity.

At Heritage Foods, stakeholder identification is a critical component of our sustainable business strategy. We recognize that our long-term success depends on the interests and expectations of our stakeholders and we adopt a structured approach to identifying and engaging with them.

Stakeholder Group	Rationale for Identification	Relevance to Heritage Foods Limited
Farmers	Direct suppliers of raw milk; crucial for maintaining supply continuity.	Essential for securing high-quality milk procurement, ensuring product consistency and sustaining long-term supplier relationships.
Employees	The workforce is engaged in production, logistics, quality control and management.	Critical for operational efficiency, product quality, innovation and overall business growth.
Dealers & Distributors	Facilitate the movement of products from the company to the end market.	Key enablers in ensuring widespread product availability and efficient supply chain management.
Agents & Franchises	Retail partners managing Heritage-branded stores and distribution points.	Strengthen market reach, enhance brand visibility and ensure customer accessibility to products.

Stakeholder Group	Rationale for Identification	Relevance to Heritage Foods Limited
Consumers	End consumers who drive demand and brand reputation.	Directly influence sales, product development and market positioning through preferences and feedback.
Food Safety Authorities	Regulatory bodies overseeing dairy product safety and compliance.	Ensure adherence to hygiene, quality and safety standards, maintaining consumer trust and regulatory approval.
Statutory/ Market Regulators	Government agencies monitoring corporate governance and industry practices.	Influence business operations through policy frameworks, compliance requirements and fair market practices.
Media	Print, digital and broadcast platforms covering industry and company developments.	Shape public perception, brand reputation and consumer awareness through news coverage and corporate communications.
Industry Associations	Trade bodies and dairy industry groups are advocating sectoral interests.	Provide policy advocacy, industry best practices, networking opportunities and regulatory support.
Suppliers	Critical raw materials such as packaging materials, ingredients in the required quality, are supplied from empanelled suppliers	Since milk and VAPs are manufactured daily, a seamless supply of all the raw materials is essential to successful product distribution
Society	Society influences and is impacted by the company's operations, making it vital to engage responsibly, contribute to social welfare and ensure sustainable and inclusive growth in operational geographies	Heritage Foods' dairy and agri-based businesses directly engage with rural communities, necessitating strong social responsibility, rural development efforts and ethical sourcing to maintain goodwill, trust and long-term sustainability.

2. List stakeholder groups identified as key for your entity and the frequency of engagement with each stakeholder group.

Stakeholder Group	Identified as Vulnerable & Marginalized Group (Yes/No)	Channels of Communication	Frequency of Engagement	Purpose and Scope of Engagement
Employees	No	Emails, internal portals, meetings, training sessions, notice boards	Ongoing	Open-door policy, employee welfare, career development and workplace safety discussions.
Shareholder & Investors	No	Emails, newspapers, analyst calls, quarterly/annual results, press releases, stock exchanges, website	Ongoing	Provide updates on company performance, strategy and financial results.
Consumers	No	Advertisements, company website, digital platforms, consumer feedback channels	Ongoing	Engage with consumers, receive product feedback and improve product offerings.
Vendors & Suppliers	No	Emails, meetings, website, supplier engagement forums	Ongoing	Maintain supplier relationships, ensure supply chain efficiency and discuss procurement needs.
Farmers	No	Mobile app, SMS, outreach programs, vet-camps, training programs	Ongoing	Ensure timely payments, provide training on best farming practices, promote sustainable dairy farming vet-care.
Communities & NGOs	No	CSR initiatives, partnerships, awareness campaigns, local events	Ongoing	Support community development programs, sustainability initiatives and rural livelihood enhancement.
Regulatory Authorities	No	Emails, official submissions, industry forums, compliance reports	Ongoing	Ensure compliance with applicable laws, industry standards and regulatory requirements.

Leadership Indicators

1. Provide the processes for consultation between stakeholders and the Board on economic, environmental and social topics or if consultation is delegated, how is feedback from such consultations provided to the Board.

The Company maintains consistent and proactive engagement with our major stakeholders, that allows the Company to articulate the strategy and results. To align expectations, the Company encourages effective communication and participation. The Board is regularly updated on important developments and their feedback is solicited.

2. Whether stakeholder consultation is used to support the identification and management of environmental and social topics (Yes / No). If so, details of instances as to how the inputs received from stakeholders on these topics were incorporated into policies and activities of the entity.

Yes, Stakeholder consultation is an ongoing process at Heritage Foods and is critical to our business operations and sustainability strategy. We actively engage with key stakeholders to understand their expectations, concerns and recommendations, particularly on environmental, social and governance (ESG) topics. Management assesses highly material feedback and inputs and, based on their viability, incorporates relevant recommendations into company policies and initiatives. This structured approach ensures that stakeholder insights drive meaningful improvements in our business practices, sustainability commitments and overall value creation.

Stakeholder	How Feedback is Taken & Consultation Process
Farmers	Feedback on farming practices, milk pricing and sustainability concerns is collected through regular meetings, mobile app (Vet+) interactions and SMS surveys. The inputs are used to refine procurement policies and training programs.
Employees	Feedback is gathered through internal communication channels, employee surveys, townhall meetings, grievance redressal mechanisms and meetings. Inputs are incorporated into HR policies, workplace safety and training initiatives.
Consumers	Feedback is taken via consumer surveys, digital reviews, social media interactions and direct consumer service engagements. Insights are used to enhance product quality, packaging and consumer service initiatives, focus group discussions.
Vendors & Suppliers	Regular supplier interactions, procurement audits and digital communication channels are used to gather feedback on supply chain efficiency, sustainability and pricing concerns. Inputs are integrated into procurement and ESG policies.
Communities & NGOs	Consultations on social and environmental issues occur through CSR programs, stakeholder dialogues and partnerships with NGOs and Trusts. Feedback is incorporated into community development and sustainability initiatives through the company's CSR initiatives
Regulatory Authorities	Engagement occurs through official meetings, compliance submissions and industry consultations. Regulatory feedback is used to ensure alignment with evolving environmental and social policies.

3. Provide details of instances of engagement with and actions taken to, address the concerns of vulnerable/marginalized stakeholder groups.

The company has consistently demonstrated its commitment to supporting vulnerable and marginalized groups, particularly during times of crisis and adversity. Whether responding to natural disasters, health emergencies, or economic distress, the company has acted swiftly and empathetically, recognizing the disproportionate impact such events can have on those at the fringes of society.

A cornerstone of its approach lies in direct engagement and actionable support. By identifying critical needs on the ground—ranging from basic nourishment and medical assistance to systemic healthcare infrastructure—it has played a pivotal role in providing timely relief and fostering community resilience. Through its outreach, the company has offered essential items and healthcare support, enabling access to services that many in underserved regions struggle to receive.

Importantly, this engagement is not limited to reactive measures. The company has also adopted a proactive stance in addressing systemic challenges. Its initiatives include extending mobile veterinary facilities to rural and remote areas, enhancing local medical infrastructure and aligning efforts with reputable implementation partners to ensure last-mile delivery.

Moreover, in times of widespread public health challenges, the company has extended support across regions, collaborating with government entities and leveraging its network to mitigate risk and reinforce healthcare delivery. This multi-pronged response reflects a deep-seated ethos of stewardship and solidarity with society's most vulnerable members.

Through these sustained efforts, the company upholds its social responsibility by ensuring that empathy, equity and empowerment are embedded in its stakeholder engagement practices. It views the well-being of marginalised communities not as a peripheral concern, but as integral to its corporate purpose.

Principle 5

Businesses should respect and promote human rights.

Essential Indicators

- Employees and workers who have been provided training on human rights issues and policy(ies) of the entity, in the following format:

Category	FY2025 Current financial Year			FY2024 Previous Financial Year		
	Total (A)	Number of employees and workers covered (B)	% (B/A)	Total (C)	Number of employees and workers covered (D)	% (D/C)
Employees						
Permanent	3353	1440	42.95%	3214	1189	36.99%
Other than Permanent	11	11	100.00%	11	11	100.00%
Total Employees	3364	1451	43.13%	3225	1200	37.21%
Workers						
Permanent	0	0	0	0	0	0
Other than permanent	2861	1210	42.29%	3263	3263	100.00%
Total Workers	2861	1210	42.29%	3263	3263	100.00%

- Details of minimum wages paid to employees and workers, in the following format

Category	FY2025 Current financial Year					FY2024 Previous Financial Year				
	Total (A)	Equal to Minimum Wage		More than Minimum Wage		Total (D)	Equal Minimum Wage		More than minimum wage	
		No. (B)	% (B/A)	No. (C)	% (C/A)		No. (E)	% (E/D)	No. (F)	% (F/D)
Employees										
Permanent	3353	81	2.42%	3272	97.58%	3225	92	2.85%	3133	97.15%
Male	3279	81	2.47%	3198	97.53%	3163	92	2.91%	3071	97.09%
Female	74	0	0.00%	74	100.00%	62	0	0.00%	62	100.00%
Other	0	0	0	0	0	0	0	0	0	0
Other than Permanent	11	0	0.00%	11	100.00%	11	0	0.00%	11	100.00%
Male	11	0	0	11	100%	11	0	0	11	100%
Female	0	0	0	0	0	0	0	0	0	0
Other	0	0	0	0	0	0	0	0	0	0
Workers	0	0	0	0	0	0	0	0	0	0
Permanent	0	0	0	0	0	0	0	0	0	0
Male	0	0	0	0	0	0	0	0	0	0
Female	0	0	0	0	0	0	0	0	0	0
Other	0	0	0	0	0	0	0	0	0	0
Other than Permanent	2861	2661	93.01%	200	6.99%	3263	3024	92.68%	239	7.32%
Male	2040	1840	90.20%	200	9.80%	2638	2399	90.94%	239	9.06%
Female	821	821	100.00%	0	0.00%	625	625	100.00%	0	0.00%
Other	0	0	0	0	0	0	0	0	0	0

3. Details of remuneration/ salary/ wages (including differently abled)

a. Median Remuneration

Category	Male		Female		Others	
	Number	Median remuneration/ salary/ wages of respective category (In ₹)	Number	Median remuneration/ salary/ wages of respective category (In ₹)	Number	Median remuneration/ salary/ wages of respective category
Board of Directors*	3	10,70,000	3	10,57,06,834	0	0
Key Managerial Personal **	4	2,02,16,134	2	11,89,58,228	0	0
Employees other than BoD and KMP	3286	2,85,398	72	3,11,168	0	0
Workers	2040	1,98,062	821	1,98,062	0	0

* Includes salary, perquisite, performance/annual pay and sitting fees

** Including Whole-Time Directors

b. Gross wages paid to females as % of total wages paid by the entity, in the following format:

	FY2025 Current financial Year	FY2024 Previous Financial Year
Gross wages paid to females as % of total wages	4.67%	4.24%

4. Do you have a focal point (Individual/ Committee) responsible for addressing human rights impacts or issues caused or contributed to by the business? (Yes/No)

Yes, the Company has dedicated teams within Human Resources Department at the various operating facilities, which is tasked with addressing any human rights concerns that may arise.

5. Describe the internal mechanisms in place to redress grievances related to human rights issues.

At Heritage Foods internal complaints committees are constituted for redressing the issues related to human rights. The Company is committed to a workplace free of harassment, including sexual harassment at the workplace and has zero tolerance for such unacceptable conduct. The Company encourages reporting of any harassment concerns and responsive to complaints about harassment or other unwelcome or offensive conduct. The Internal complaints Committees are constituted across locations to enquire into complaints of sexual harassment and to recommend appropriate action, wherever required.

The Company also provides training and resources to employees on human rights and encourages a culture of respect and inclusion. Regular assessments and audits are also conducted to monitor compliance with our human rights policies and to identify any areas for improvement.

6. Disclosure of complaints made by employees and workers on sexual harassment, discrimination at workplace, Child Labour, Forced Labour/Involuntary Labour, Wages or other human rights related issues.

Category	FY2025 Current Financial Year			FY2024 Previous Financial Year		
	Filed during the day	Pending Resolution at the end of the year	Remarks	Filed During the Year	Pending Resolution at the end of the year	Remarks
Sexual Harassment	0	0		0	0	
Discrimination at workplace	0	0		0	0	
Forced Labour/Involuntary Labour	0	0		0	0	
Wages	0	0		0	0	
Other human right related issues	0	0		0	0	

7. Complaints filed under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013, in the following format:

	FY2025 Current Financial Year	FY 2024 Previous Financial Year
Total Complaints reported under Sexual Harassment on of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 (POSH)	0	0
Complaints on POSH as a % of female employees / workers	0	0
Complaints on POSH upheld	0	0

8. Mechanisms to prevent adverse consequences to the complainant in discrimination and harassment cases.

The Company is committed to a workplace free of harassment, including sexual harassment at the workplace and has zero tolerance for such unacceptable conduct. The Company encourages reporting of any harassment concerns and is responsive to complaints about harassment or other unwelcome or offensive conduct. Regular awareness and training sessions are conducted to ensure that the employees are fully aware of the aspects of sexual harassment and of the redressal mechanism. This is enshrined in the Business Responsibility and Code of Conduct.

The Company has been conducting workshops and awareness programmes at regular intervals to sensitise employees on the provisions of the POSH Act. Orientation programmes are also organised for the members of the Internal Committee, in accordance with the manner prescribed under the Act and the rules framed thereunder.

Information regarding the constitution of the Internal Complaints Committee (ICC), established under the POSH Act, along with the penal consequences of sexual harassment, is prominently displayed at conspicuous locations across all workplaces.

9. Do human rights requirements form part of your business agreements and contracts? (Yes/No)

Yes. Human rights requirements form a part of the Company's business agreements and contracts as and where relevant.

10. Assessments of the year

Category	% of plants and offices that were assessed (by the entity or by the statutory authorities or third parties)
Child Labour	100%
Forced/Involuntary Labour	100%
Sexual harassment	100%
Discrimination at workplace	100%
Wages	100%

11. Provide the details of any corrective actions taken or underway to address significant risks / concerns arising from the assessments at Question 9 above.

Not Applicable

Leadership Indicators**1. Details of a business process being modified/introduced as a result of addressing human rights grievances/complaints.**

Nil

2. Details of the scope and coverage of any Human rights due diligence conducted.

Nil

3. Is the premise/office of the entity accessible to differently abled visitors, as per the requirements of the Rights of Persons with Disabilities Act, 2016?

Yes, all premises and offices are accessible to differently abled visitors.

4. Details on assessment of value chain partners

Company has not conducted any such assessment of value chain partners. However, the Company has shared with the Value Chain Partners the "ESG Policy of the Company on Value Chain partner".

Particulars	% of value chain partners (by value of business done with such partners) that were assessed
Sexual Harassment	0
Discrimination at workplace	0
Child Labour	0
Forced labour/Involuntary Labour wages	0
Others – please specify	0

5. Provide details of any corrective actions taken or underway to address significant risks / concerns arising from the assessments at Question 4 above.

Nil

Businesses should respect and make efforts to protect and restore the environment.

1. Details of total energy consumption (in Joules or multiples) and energy intensity

Whether total energy consumption and energy intensity is applicable to the company?		Yes	
		FY (2024-25)	FY (2023-24)
Revenue from operations (in ₹)		40,80,48,10,000	37,34,34,50,000
Parameter	Units	FY2025 (Current financial Year)	FY2024 (Previous financial Year)
From renewable sources			
Total electricity consumption (A)	Gigajoule (GJ)	65,143	67,287.16
Total fuel consumption (B)	Gigajoule (GJ)	0	0
Energy consumption through other sources (C)	Gigajoule (GJ)	0	0
Total energy consumed from renewable resources (A+B+C)	Gigajoule (GJ)	65,143	67,287
From non-renewable sources			
Total electricity consumption (D)	Gigajoule (GJ)	164,142	1,65,053
Total fuel consumption (E) (Diesel)	Gigajoule (GJ)	14,226	12,675
Energy consumption through other sources (F) (Wood, Thermal FO, Briquettes)	Gigajoule (GJ)	564,567	490,846
Total energy consumed from non-renewable resources (D+E+F)	Gigajoule (GJ)	742,935	668,574
Total energy consumed. (A+B+C+D+E+F)	Gigajoule (GJ)	808,078	735,861
Energy intensity per rupee of turnover (Total energy consumption/ turnover in rupees)	Gigajoule (GJ)	0.0000198035	0.0000197052
Energy intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP)* (Total energy consumed / Revenue from operations adjusted for PPP)	Gigajoule (GJ)	0.0004091	0.0004071
Energy intensity in terms of physical output	GJ/MT	1.27	1.24
Energy intensity (optional) – the relevant metric may be selected by the entity	-	-	-

Note: The revenue from operations has been adjusted for PPP based on the latest PPP conversion factor published for the year 2025 by IMF which is 20.66 for India.

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency : No

2. Does the entity have any sites / facilities identified as designated consumers (DCs) under the Performance, Achieve and Trade (PAT) Scheme of the Government of India? (Y/N). If yes, disclose whether targets set under the PAT scheme have been achieved. In case targets have not been achieved, the remedial action taken, if any.

No

3. Provide details of the following disclosures related to water, in the following format

Parameter	FY2025 Current Financial Year	FY2024 (Previous financial Year)
Water Withdrawal by Source (In Kiloliters)		
(i) Surface water	0	0
(ii) Groundwater	997532.50	886674.82

Parameter	FY2025 Current Financial Year	FY2024 (Previous financial Year)
(iii) Third party water	31196.58	32968.25
(iv) Seawater / desalinated water	0	0
(v) Others	0	0
Total volume of water withdrawal (in kilolitres) (i + ii + iii + iv + v)	1028729.08	919643.07
Total volume of water consumption (in kilolitres)	1028729.08	919643.06
Water intensity per rupee of turnover (Water consumed / Revenue from operations)	0.00025211	0.00002463
Water intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP) (Total water consumption / Revenue from operations adjusted for PPP)	0.0005209	0.0005088
Water intensity in terms of physical output (KL/MT)	1.61	1.51
Water intensity (optional) – the relevant metric may be selected by the entity	-	-

Note: The revenue from operations has been adjusted for PPP based on the latest PPP conversion factor published for the year 2025 by IMF which is 20.66 for India.

Note - Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) . If yes, name of the external agency

No independent assessment was carried out by any agency

4. Provide the following details related to water discharge –

Parameter	FY 2025 (Current Financial Year)	FY 2024 (Previous Financial Year)
Water discharge by destination and level of treatment (in kilolitres)		
(i) To Surface water		
- No treatment	0	0
- With treatment – please specify level of treatment	82801.11	0
(ii) To Groundwater		
- No treatment	0	0
- With treatment – please specify level of treatment	864722.25	790232.54
(iii) To Seawater		
- No treatment	0	0
- With treatment – please specify level of treatment	0	0
(iv) Sent to third-parties		
- No treatment	0	0
- With treatment – please specify level of treatment	27867.98	0
(v) Others		
- No treatment	0	0
- With treatment – please specify level of treatment	0	0
Total water discharged (in kiloliters)	975391.34	790232.54

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency: No

5. Has the entity implemented a mechanism for Zero Liquid Discharge? If yes, provide details of its coverage and implementation.

Yes, the Company is committed to reduce its environmental impact and preserve the planet for future generations. That's why the Company has implemented a zero liquid discharge program, aimed at eliminating all liquid waste from our operations. Our program covers all aspects of our operations and is designed to minimize the release of harmful chemicals and other pollutants into the environment. The Company has invested in state-of-the-art effluent treatment plant and discharge systems and are constantly seeking new ways to improve our processes and reduce environmental impact. During our production process, the Company recycle effluent water used in our production facilities for washing milk storage tankers, crates, gardening etc.

6. Please provide the details of air emissions (other than GHG emissions) by the entity, in the following format -

Parameter	Please specify unit	FY2025 (Current financial Year)	FY2024 (Previous financial Year)
NOx	µg/m ³	28.05	22.14
Sox	µg/m ³	17.66	20.03
Particulate Mater	µg/m ³	44.24	61.29
Persistent organic pollutants (POP)	NA	0	0
Volatile organic compounds (VOC)	NA	0	0
Hazardous air pollutants (HAP)	NA	0	0
Others – please specify	NA	0	0

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

No independent assessment was carried out by any external agency.

7. Please provide the details of greenhouse gas emissions (Scope 1 and Scope 2 emissions) & their intensity

Parameter	Unit	FY2025 (Current financial Year)	FY2024 (Previous financial Year)
Total Scope 1 emissions	tCO ₂ e	6,672	5,766
Total Scope 2 emissions	tCO ₂ e	32,521	33,461
Total Scope 1 and Scope 2 emissions intensity per rupee of turnover (Total Scope 1 and Scope 2 GHG emissions / Revenue from operations)	tCO ₂ e	0.0000009605	0.0000010505
Total Scope 1 and Scope 2 emission intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP) (Total Scope 1 and Scope 2 GHG emissions / Revenue from operations adjusted for PPP)	tCO ₂ e	0.000019844	0.000021702
Total Scope 1 and Scope 2 emission intensity in terms of physical output	tCO ₂ e/MT	0.06151	0.06608
Total Scope 1 and Scope 2 emission intensity (optional) – the relevant metric may be selected by the entity	-	-	-

Note:

1. Scope 2 emissions have been estimated based on the total electricity purchased from the grid across the Packing Station, Chilling Center, and Head Office.

2. The revenue from operations has been adjusted for PPP based on the latest PPP conversion factor published for the year 2025 by IMF which is 20.66 for India.

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency : No

8. Does the entity have any project related to reducing Green House Gas emission? If yes, then provide the details.

Yes, The Company has rolled out several initiatives to increase energy efficiency and reduce emissions. Some of the initiatives implemented in FY 2024-25 are as follows:

- 1) Switchover to LED lights
- 2) Solar/wind power plant installation

9. Provide details related to waste management by entity , in the following format

Parameter	FY2025 (Current financial Year)	FY2024 (Previous financial Year)
Total Waste generated (in metric tonnes)		
Plastic waste (A)	5037.53	4066.90
E-waste (B)	0.10	0.80
Bio-medical waste (C)	0	0
Construction and demolition waste (D)	0	0
Battery waste (E)	0	0
Radioactive waste (F)	0	0
Other Hazardous waste (G). (waste oil Generation)	39.51	1.63
Other Non-hazardous waste generated (H) (Break-up by composition i.e by materials relevant to the sector) - ETP sludge generation	333.42	260.93
Total (A+B+C+D+E+F+G+H)	5410.56	4330.25
Waste intensity per rupee of Turnover (Total waste generated / Revenue from operations)	0.0000001326	0.000000116
Waste intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP)(Total waste generated / Revenue from operations adjusted for PPP)	0.0000027394	0.0000023957
Waste intensity in terms of physical output	0.00849	0.00729
Waste intensity (optional) –the relevant metric may be selected by the entity	-	-
For each category of waste generated, total waste recovered through recycling, re-using or other recovery operations (in metric tonnes)		
Category of waste		
i. Re-cycled	5037.63	4066.90
ii. Re-used	0	0
iii. Other recovery operations	0	0
Total	5037.63	4066.90
For each category of waste generated, total waste disposed by nature of disposal method (in metric tonnes)		
Category of Waste		
i. Incineration	0	0
ii. Landfilling	333.42	260.93
iii. Other disposal operations	39.51	1.63
Total	372.93	262.56

Note: The revenue from operations has been adjusted for PPP based on the latest PPP conversion factor published for the year 2025 by IMF which is 20.66 for India.

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) . If yes, name of the external agency: No

10. Briefly describe the details of waste management practices adopted in your establishments. Describe the strategy adopted by your company to reduce usage of hazardous and toxic chemicals in your products and processes and the practices adopted to manage such wastes.

Hazardous waste and chemicals are stored as per Hazardous Wastes (Management, Handling and Transboundary Movement) Rules, 2008.

11. If the entity has operations/offices if any in/around ecologically sensitive areas (such as national parks, wildlife sanctuaries, biosphere reserves, wetlands, biodiversity hotspots, forests, coastal regulation zones etc.) where environmental approvals / clearances are required,

S. No.	Location of operations/offices	Type of operations	Whether the conditions of environmental approval / clearance are being complied with? (Y/N) If no, the reasons thereof and corrective action taken, if any.
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NIL

12. Details of environmental impact assessments (EIA) of projects undertaken by the entity based on applicable laws, in the current financial year:

Name and brief details of project	EIA Notification No.	Date	Whether conducted by independent external agency (Yes / No)	Results communicated in public domain (Yes / No)	Relevant Web Link
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Nil

The Company has not conducted any environmental impact assessment in FY 2024-25

13. Is the entity compliant with the applicable environmental law/ regulations/ guidelines in India, such as the Water (Prevention and Control of Pollution) Act, Air (Prevention and Control of Pollution) Act, Environment protection act and rules thereunder (Y/N). If not, provide details of all such non-compliances, in the following format:

Yes. The company is compliant with all the applicable laws.

SL No	Specify the Law / regulation / guidelines which was not complied with	Provide details of the non-compliance	Any fines / penalties / action taken by regulatory agencies such as pollution control boards or by courts	Corrective action taken, if any
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NA

Leadership Indicators

1. Water withdrawal, consumption and discharge in areas of water stress (in kilolitres):

For each facility / plant located in areas of water stress, provide the following information:

- (i) Name of the area: NA
- (ii) Nature of operations: NA
- (iii) Water withdrawal, consumption and discharge in the following format

Parameter	FY2025 (Current financial Year)	FY2024 (Previous financial Year)
Water discharge by destination and level of treatment (in kilolitres)		
(i) To Surface water	0	0
- No treatment	0	0
- With treatment – please specify level of treatment	0	0
(ii) To Groundwater	0	0
- No treatment	0	0
- With treatment – please specify level of treatment	0	0
(iii) To Seawater	0	0
- No treatment	0	0
- With treatment – please specify level of treatment	0	0
(iv) Sent to third-parties	0	0
- No treatment	0	0
- With treatment – please specify level of treatment	0	0
(v) Others	0	0
- No treatment	0	0
- With treatment – please specify level of treatment	0	0
Total water discharged (in kilolitres)	0	0

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency: No

2. Please provide the details of total Scope 3 emissions & its intensity, in the following format

Parameter	Unit	FY2025 (Current financial Year)	FY2024 (Previous financial Year)
Total Scope 3 emissions (Break-up of the GHG into CO ₂ , CH ₄ , N ₂ O, HFCs, PFCs, SF ₆ , NF ₃ , if available)	MtCO ₂ e	16,464.79	15,891.76
Total Scope 3 emissions per rupee of turnover	MtCO ₂ e/₹	0.0000004035	0.0000004256
Total Scope 3 emission intensity (optional) – the relevant metric may be selected by the entity		-	-

The Scope 3 emissions have been estimated only for diesel consumption arising from upstream transportation activities only. Emission factor of 2.702 kg CO₂e per litre of diesel has been consistently applied across both FY23-24 and FY24-25 to determine the carbon footprint from indirect fuel based operations.

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency: No

3. With respect to the ecologically sensitive areas reported at Question 11 of Essential Indicators above, provide details of significant direct & indirect impact of the entity on biodiversity in such areas along-with prevention and remediation activities.

The Company does not have any operations in ecologically sensitive areas.

4. If the entity has undertaken any specific initiatives or used innovative technology or solutions to improve resource efficiency, or reduce impact due to emissions / effluent discharge / waste generated, details of the same as well as outcome of such initiatives.

Sl No.	Initiative undertaken	Details of the initiative (Web-link, if any, along-with summary)	Outcome of the initiative	Corrective Action Taken, if any
1.	All plants are operating effluent Treatment plants	During the production process, the Company recycles effluent water used in our production facilities for washing milk storage tankers and crates, gardening etc.	Saved water	

5. Does the entity have a business continuity and disaster management plan? Give details in 100 words/ web link.

Yes, the Company has implemented a robust risk management framework. This framework is designed to identify, assess and mitigate various risks that could potentially impact the Company's operations, reputation, or stakeholders. By proactively identifying potential hazards and vulnerabilities, the Company takes appropriate measures to minimize the likelihood and impact of detrimental events.

Refer to Link : <https://www.heritagefoods.in/static/images/pdf/policies/risk-management-policy.pdf>

The risk management framework encompasses a systematic approach to risk identification, analysis, evaluation and mitigation. It involves the active involvement of key stakeholders, the implementation of preventive measures and the establishment of contingency plans to address potential risks effectively. The company Heritage Foods Limited, risk management, disaster continuity and disaster management plan, are based on fundamental, underlying risk principles that are consistent with ISO 31000 (Risk Management – Principles & Guidelines) and the COSO Standard for Enterprise Risk Management.

6. Disclose any significant adverse impact to the environment, arising from the value chain of the entity. What mitigation or adaptation measures have been taken by the entity in this regard.

The Company's operations do not adversely impact the environment due to its responsible supply chain activities.

7. Percentage of value chain partners (by value of business done with such partners) that were assessed for environmental impacts.

0.00%

As of now, the Company does not have any formal assessment mechanism to monitor the environmental impact of its value chain partners' activities. All vehicles used in the transportation of milk and milk products comply with the emission norms of the concerned state.

8. How many Green Credits have been generated or procured:

a. By the listed entity	8533000
b. By the top ten (in terms of value of purchases and sales, respectively) value chain partners	0

Principle 7

Businesses, when engaging in influencing public and regulatory policy, should do so in a manner that is responsible and transparent.

Essential Indicators

1 a. Number of affiliations with trade and industry chambers/associations.

Company has associated with three industry chambers

- b. List the top 10 trade and industry chambers/associations (determined based on the total members of such body) the entity is a member of /affiliated to

SL No	Name of the trade industry chambers/associations	The reach of trade and industry chambers/associations (State/National)
1	The federation of Telangana and chambers of Commerce and Industry (FTCCI)	State
2	Confederation of Indian Industry (CII)	National
3	Indian Dairy Association	National

2. Provide Details of corrective action taken or underway on any issues related to anticompetitive conduct by the entity, based on adverse orders from regular authorities.

Name of authority	Brief of the case	Corrective actions taken
Not Applicable		

There are no incidences of corrective action taken or underway on concerns related to anti-competitive conduct by the Company in FY 2024-25

Leadership Indicators

1. Details of public policy positions advocated by the entity:

SL No.	Public policy advocated	Method resorted for such advocacy	Whether information available in public domain (Yes/No)	Frequency of review by Board (annually/half yearly /Quarterly / Others – Please specify	Weblink, if available
NIL					

Principle 8

Businesses should promote inclusive growth and equitable development

Essential Indicators

1. Details of social impact assessments (SIA) of projects undertaken by the entity based on applicable laws, in the current financial year.

Name and brief details of the project	SIA notification No.	Date of notification	Whether conducted by an Independent external agency (Yes/No)	Results communicated in public domain (Yes/ No)	Relevant weblink
Company has not undertaken any social impact assessment of its projects					

2. Information on project (s) for which ongoing rehabilitation and resettlement (R&R) is being undertaken by the entity, in the following format -

SL No	Name of project for which R&R is ongoing	State	District	No. of project-affected families	% of PAFs covered by R&R	Amount paid to PAFs in FY(In INR)
Nil						

3. Describe the mechanisms to receive and redress grievances of the community

The Company understands the importance of providing communities with accessible channels to report their grievances and concerns. It has established a comprehensive system that enables communities to voice their grievances through various communication channels. By actively listening to community concerns, following up on communications and maintaining transparent processes, the Company strives to build strong community relationships and foster a collaborative environment.

4. Percentage of input material (inputs to total inputs by value) sourced from suppliers

Particulars	FY2025 (Current Financial Year)	FY2024 (Previous Financial Year)
Directly sourced from MSMEs/small producers	34.79%	30.47%
Directly from within India	100%	100%

5. Job creation in smaller towns - Disclose wages paid to persons employed (including employees or workers employed on a permanent or non-permanent / on contract basis) in the following locations, as % of total wage cost:

	FY (2024-25)	PY (2023-24)
1. Rural		
i) Disclose wages paid to persons employed (including employees or workers employed on a permanent or non-permanent / on contract basis)	87,02,13,129	770023658
ii) Total Wage Cost	2,67,36,29,691	2187648698
iii) % of Job creation in Rural areas	32.55%	35.20%
2. Semi-urban		
i) Disclose wages paid to persons employed (including employees or workers employed on a permanent or non-permanent / on contract basis)	0	0
ii) Total Wage Cost	0	0
iii) % of Job creation in Semi-Urban areas	0	0
3. Urban		
i) Disclose wages paid to persons employed (including employees or workers employed on a permanent or non-permanent / on contract basis)	41,20,53,324	31,81,19,662
ii) Total Wage Cost	2,67,36,29,691	2,18,76,48,698
iii) % of Job creation in Urban areas	15.41%	14.54%
4. Metropolitan		
i) Disclose wages paid to persons employed (including employees or workers employed on a permanent or non-permanent / on contract basis)	1,39,13,63,237	1,09,95,05,379
ii) Total Wage Cost	2,67,36,29,691	2,18,76,48,698
iii) % of of Job creation in Metropolitan area	52.04%	50.26%

Leadership Indicators**1. Provide details of actions taken to mitigate any negative social impacts identified in the Social Impact Assessments (Reference: Question 1 of essential indicators above)**

Details of negative social impact identified	Corrective action taken
NIL	

2. Provide the following information on CSR projects undertaken by the entity in designated aspirational districts as identified by government bodies:

SL No.	State	Aspirational District	Amount Spent (In ₹)
NIL			

However during FY 2024-25, the Company has allocated/spent the following CSR amount:

Sl. No.	Name of the Project	Location of the project		Project duration	Amount allocated (₹ in Mn)	Amount spent (₹ In Mn)	Amount Transferred to Unspent CSR Account (₹ In Mn).
		State	District				
1	Promoting health care including preventive health care: Construction of Blood Bank	Andhra Pradesh	Vijayawada	3 year	26.99	0	26.99
2	Disaster Management: Contributed to Andhra Pradesh Disaster management authorities	Andhra Pradesh	Vijayawada	1 year	10.00	10.00	

Sl. No.	Name of the Project	Location of the project		Project duration	Amount allocated (₹ in Mn)	Amount spent (₹ In Mn)	Amount Transferred to Unspent CSR Account (₹ In Mn).
		State	District				
3	Disaster Management: Contributed to Telangana disaster management authorities	Telangana	Hyderabad	1 year	10.00	10.00	
4	Relief Activities: Distributed milk packets in the flood hit areas	Andhra Pradesh	Vijayawada	1 year	1.14	1.14	
5	Relief Activities: Distributed milk packets in the flood hit areas	Telangana	Khammam	1 year	0.64	0.64	
Total					48.77	21.78	26.99

The unspent amount of ₹ 26.99 million was transferred to unspent CSR account and will be spent on or before 31st March 2028 in accordance with the CSR Amendment Rules.

3.a. Do you have any preferential procurement policy where you give preference to purchase from suppliers comprises marginalized /vulnerable groups (Yes/No)

Yes. The company procures the raw milk from the small & marginal farmers, through its representatives.

b. From which marginalized /vulnerable groups do you procure?

Small/ Marginal Farmers

c. What percentage of total procurement (by value) does it constitute?

99% of milk procured directly from the farmers

4. Details of the benefits derived and shared from the intellectual properties owned or acquired by the entity (in the current financial year) based on traditional knowledge.

SI No.	Intellectual property based on traditional knowledge	Owned /acquired (Yes/ No)	Benefit shared (Yes/No)	Basis of calculating benefit share
		Nil		

5. Details of corrective actions taken or underway, based on any adverse order in intellectual property related disputes wherein usage of traditional knowledge is involved.

Name of the authority	Brief of the case	Corrective action taken
	Nil	

6. Details of the beneficiaries of CSR projects

SI NO.	CSR Projects	No. of persons benefitted from CSR Projects	% of beneficiaries from vulnerable and marginalised groups
		NA	

Company is having the initiatives like : Eradicating hunger, poverty and malnutrition, “promoting health care including preventive health care Project through mobile/digitalization App” and sanitation including contribution to the Swach Bharat Kosh set-up by the Central Government for the promotion of sanitation and making available safe drinking water.

Principle 9

Businesses should engage with and provide value to their consumers in a responsible manner.

Essential Indicators

1. Describe the mechanism in place to receive and respond to consumer complaints and feedback

The Company provides its consumers with the highest level of service and products. We take consumer complaints very seriously. Our commitment to listening to and addressing the concerns of our customers is unwavering.

Established a robust system for receiving and responding to consumer complaints, ensuring that all feedback is heard and acted upon in a timely manner. The dedicated customer service team is trained to handle any situation with professionalism and empathy and they work closely with our product teams to find solutions to any issues that may arise.

We believe that every customer deserves to have his/ her voice heard and We are committed to providing them with the support and attention they deserve. We are proud to have built a reputation for exceptional customer service and we shall continue to prioritize the satisfaction of our customers in all that we do.

As part of its commitment to customer satisfaction, the Company includes a toll-free number, customer care centre and an email address on its products, enabling customers to reach out in case of any grievances or queries. Link - <https://www.heritagefoods.in/contact-us>

2. Turnover of products and /services as a percentage of turnover from all products/service that carry information about

Particulars	As a % of total turnover
Environmental and social parameters relevant to the product	100%
Safe and responsible usage	On all our products, necessary regulatory information is disclosed. Information about FSSAI Certification is disclosed on all packaged products.
Recycling and/or safe disposal	0%

3. Number of consumer complaints in respect of the following

Particulars	FY2025 (Current financial year)			FY2024 (Previous Financial Year)		
	Received during the year	Pending resolution at end of year	Remarks	Received during the year	Pending resolution at end of year	Remarks
Data Privacy	0	0	0	0	0	0
Advertising	0	0	0	0	0	0
Cyber-security	0	0	0	0	0	0
Delivery of essential services	0	0	0	0	0	0
Restrictive Trade Practices	0	0	0	0	0	0
Unfair Trade Practices	0	0	0	0	0	0
Other (Complaint relating to the products)	944	0	The consumer's complaints are resolved within 48 hrs from receiving the complaint depending on availability of the consumer	342	0	The consumer's complaints are resolved within 48 hrs from receiving the complaint depending on availability of the consumer

4. Details of instances of product recalls on account of safety issues:

Particulars	Number	Reasons for recall
Voluntary recalls	0	NA
Forced recalls	0	NA

5. Does the entity have a Framework/ policy on cyber security and risks related to data privacy? (Yes/No) If available, web-link of the policy.

Yes .The Company has a policy in place for ensuring cyber security, the same is available at <https://www.heritagefoods.in/uploads/investors/pdf/17156925425HFL-Cyber-Security-Policy.pdf>

6. Provide Details of any corrective actions taken or underway on issues relating to advertising and delivery of essential services; cyber security and data privacy of customers; re-occurrence of instances of product recalls; penalty / action taken by regulatory authorities on safety of products / services.

No incidences reported

7. Provide the following information relating to data breaches:

- Number of instances of data breaches: 0
- Percentage of data breaches involving personally identifiable information of customers: 0
- Impact, if any, of the data breaches: NA

Leadership Indicators

1. Channels / platforms where information on products and services of the entity can be accessed (web link, if available).

The Company has focused on creation of digital platforms to strengthen direct connect with consumers and channel partners. The web-link from which information on the products and services of the Company can be accessed at:

<https://www.heritagefoods.in/>
<https://www.linkedin.com/company/hfited/>
<https://x.com/hfited>
<http://facebook.com/heritagefoodslimited>
<https://www.instagram.com/heritagefoodslimited/>
<https://www.youtube.com/channel/UCPH0y1j4tFk5HJFhIknehow>

2. Steps taken to inform and educate consumers about safe and responsible usage of products and/or services.

Heritage Foods places high importance on consumer safety and the responsible usage of its products. To ensure this, the company provides clear and accessible safety and usage information through both product packaging and paper inserts. The outer packaging is thoughtfully designed to display essential instructions, handling precautions, usage guidelines and statutory warnings in a manner that is easy to read and understand. Where necessary, standard safety symbols and pictograms are also used to aid comprehension across diverse consumer segments. Through these measures, Heritage Foods demonstrates its strong commitment to promoting informed and responsible consumption.

3. Mechanisms in place to inform consumers of any risk of disruption/discontinuation of essential services.

Not applicable

4. Does the entity display product information on the product over and above what is mandated as per local laws? (Yes/No/Not Applicable) If yes, details in brief. Did the entity carry out any survey with regard to consumer satisfaction relating to the major products / services of the entity, significant locations of operation of the entity or the entity as a whole? (Yes/No)

Yes, the entity demonstrates a strong commitment to adhering to local laws and regulations, particularly when it comes to providing accurate and comprehensive product information. As mandated by the relevant authorities, the entity ensures that all necessary product details, specifications and disclosures are prominently displayed for the benefit of consumers.

Did your entity carry out any survey with regard to consumer satisfaction relating to the major products/services of the entity, significant locations of operation of the entity or the entity as whole? (Yes/ No)

Yes

GRI Linkages

Section / Topic	Key BRSR Content	Mapped GRI Standards
General Disclosures (Section A I–VI)	Organizational details, activities, workforce, governance, product overview, CSR	GRI 2 (2-1 to 2-29), GRI 207
Management & Process Disclosures (Section B)	Policy commitments, material topics, governance oversight	GRI 2 (2-12 to 2-24), GRI 3 (3-1, 3-2)
Principle 1: Ethics	Business integrity, transparency, grievance redressal	GRI 205, 206, 2-16, 2-26, 2-27
Principle 2: Product Responsibility	Safe and sustainable products, labeling	GRI 416, 417, 418
Principle 3: Employee Well-being	Employee data, diversity, safety, learning	GRI 401, 403, 404, 405, 406
Principle 4: Stakeholder Engagement	Community initiatives, stakeholder involvement	GRI 413, 2-29
Principle 5: Human Rights	No child/forced labour, ethical sourcing	GRI 408, 409, 410, 411
Principle 6: Environment	Energy, emissions, water, waste, compliance	GRI 302, 303, 305, 306, 307
Principle 7: Policy Advocacy	Support for public and industry policy	GRI 415
Principle 8: Inclusive Growth	Local hiring, community investment	GRI 203, 413
Principle 9: Customer Value	Customer centricity, safety, privacy	GRI 416, 418

Management discussion and analysis

GLOBAL ECONOMY

In FY25, the global economy exhibited considerable resilience, achieving an approximate growth rate of approximately 3.2%. The growth within advanced economies is projected at 1.7% for FY25, with robust economic activity in the United States compensating for slower growth in other regions. Conversely, the Eurozone presents a less favourable outlook, with moderate growth anticipated to be only 0.8% in FY25. Meanwhile, China's economy experienced a growth rate of 4.8% in FY25, despite a decelerating growth trajectory.

Commodity price trends for FY25 portray a mixed outlook. An ample supply coupled with sluggish demand has resulted in relatively stable commodity prices during the latter half of the year. Oil prices have encountered persistent pressure in FY25, primarily due to a lacklustre forecast for global demand and an overabundance of supply.

Global inflation rates are decreasing more rapidly than previously anticipated across most regions, reaching a rate of 5.8% in FY25. This decline can be attributed to the resolution of supply-side issues and the implementation of restrictive monetary policies. In advanced economies, inflation rates have decreased to approximately 2%, aligning with targets established by central banks. This reduction has empowered significant central banks, including the Federal Reserve and the European Central Bank, to adopt more accommodative monetary policies, thereby promoting sustained economic growth.

Global trade, an essential driver of economic activity, is projected to grow 3.3% in FY25. Trade growth within advanced economies is expected to be modest at 2.1%, whereas emerging markets and developing economies (EMDEs) are predicted to expand at a more robust rate of 5.0%. This slowdown reflects challenges such as the rise in protectionism, trade distortions and the ramifications of geopolitical conflicts, which have disrupted supply chains and increased costs.

Financial markets continue to be dynamic, with US equities benefiting from business-friendly policies, while emerging markets are adapting to changing capital flows. The strengthening of the dollar persists in influencing global trade and investment patterns.

Although geopolitical and trade shifts present challenges, they simultaneously create opportunities for innovation and resilience, underscoring the necessity for forward-thinking strategies in an ever-evolving global landscape.

Regional Growth(%)	2025 **	2024	2023
World output	3.3	3.2	3.1
Advanced economies	1.9	1.7	1.69
Emerging and developing economies	4.2	4.2	4.1

** Projected

(Sources: IMF, World Bank)

Outlook

It is anticipated that global output will exhibit steady growth in 2025 and 2026, maintaining the same rate observed in FY25. The United States is expected to sustain significant momentum, while emerging economies will demonstrate substantial potential. In contrast, advanced economies, particularly those in Europe, are projected to experience moderate growth.

Forecasts indicate that global headline inflation will decrease to 4.4% in FY25 and further to 3.5% in FY26, with advanced economies achieving target levels of 2.1% by FY26. Correspondingly, crude oil prices are likely to experience a more pronounced decline in 2025. Nevertheless, non-fuel commodity prices are anticipated to rise by 2.5%, thereby bolstering growth in key resource-driven sectors.

Changes in economic policy and evolving trade dynamics are expected to compel businesses to adapt, innovate and compete within a rapidly transforming global market. The International Monetary Fund (IMF) emphasises the necessity of proactive policymaking to facilitate a smooth disinflation process and enhance market confidence. These factors cultivate a dynamic business environment, promoting strategic planning and resilience across various industries.

INDIAN ECONOMY

Once again, India has shown remarkable resilience. Defying global economic trends, the country's economy achieved a growth rate of 6.5% in FY25, following a substantial 9.2% increase in the prior fiscal year. Positive consumption patterns, a resurgence in rural demand, service expansion and a rising proportion of high-value manufacturing in exports drove this growth.

In FY25, annual inflation moderated to 4.7%, down from 5.4% the previous year. This decline was supported by favourable weather conditions, stable commodity prices, an improved supply chain and a significant drop in vegetable prices. As a result of this easing pressure, the Reserve Bank of India lowered the repo rate by 25 basis points, from 6.5% to 6.25%, marking the first cut in five years. Additionally, the urban unemployment rate remained unchanged until the third quarter of FY25.

In FY25, the agriculture sector experienced a growth of 3.8%, the industry sector expanded by 6.2% and the service sector increased by 7.2%. By January 2025, the core sector had grown by 4.6%. The HSBC India Manufacturing Purchasing Managers' Index (PMI) surged to 58.1 in March 2025, surpassing February's figure of 56.3, representing the highest point since July 2024. New orders and output witnessed their most significant increase in eight months, while purchasing levels reached a seven-month peak.

Nevertheless, the fast-moving consumer goods (FMCG) sector encountered demand challenges while the rural market provided crucial support. The net Goods and Services Tax (GST) collections rose by 8.6% to ₹19.56 trillion in the fiscal year 2025, reflecting an increase in economic activity despite global economic challenges.

Rising Foreign Direct Investment (FDI) and record foreign exchange reserves also bolstered India's overall economic performance; however, the depreciation of the rupee against the dollar has led to increased import costs and inflation. The Reserve Bank of India (RBI) has strengthened gold reserves as a hedge against global uncertainties, while corporate earnings have contributed to the resilience of stock markets. Nonetheless, global trade tensions and external risks have resulted in significant market declines by the conclusion of the fiscal year 2025.

	Q1 FY24-25	Q2 FY24-25	Q3 FY24-25 **	Q4 FY24-25
Real GDP growth(%)	6.7	5.4	6.2	6.5

IMF data showed that India's GDP was ₹ 1.8 lakh crore (US\$2.1 trillion) in 2015 (at current prices) and is expected to reach ₹ 3.6 lakh crore (US\$4.27 trillion) by 2025-end — a 100 per cent growth over the past 10 years!

Outlook

In the fiscal year 2026, the Indian economy is anticipated to exhibit moderate growth relative to the preceding financial year, with an anticipated real GDP growth ranging from 6.3% to 6.8%. However, this is from a significantly high baseline. Consequently, India is positioned to reinforce its status as one of the fastest-growing major economies, thereby substantially contributing to global GDP growth.

Nevertheless, external risks such as a global economic slowdown, geopolitical tensions and protectionist policies that lead to trade disruptions could adversely affect India's future economic prospects. Furthermore, a deceleration in urban consumption, an increase in food inflation and sluggish growth in capital formation are also likely to impact the growth trajectory.

Global dairy industry

Dairy products, including milk and other products, represent a timeless foundation of nutrition and delight globally, effectively merging tradition with contemporary preferences to enhance the quality of life daily. From the sheer simplicity of milk to the creamy attraction of cheese, the invigorating tang of yogurt and the opulent richness of butter, dairy provides a harmonious array of flavours and nutritional benefits that resonate through generations.

The global dairy food market comprises a diverse array of products, including milk, butter, cheese, dried and evaporated goods, as well as frozen desserts, all of which are widely regarded as essential staples. The distribution channels extend from traditional supermarkets to online platforms, thereby enabling dairy companies to broaden their reach and improve consumer access to their products.

An overview for 2024: In 2024, the global dairy industry saw uneven growth, with lower demand in mature markets (EU, U.S.) but steady gains in Asia and Africa. Supply chain disruptions (weather, trade barriers) and volatile prices squeezed margins, while sustainability pressures and alternative dairy products reshaped competition.

The European Union led the global dairy market with a 36% share, followed by Oceania at 27%, illustrating their prominence in dairy trade. New Zealand and India remained key exporters, though trade policies and geopolitical risks impacted flows. Innovation in functional dairy and precision fermentation emerged as long-term growth drivers amid shifting consumer preferences.

Off-trade channels accounted for 92% of the market in 2024, including supermarkets and online platforms, largely due to the influence of organised retail chains in China, India and Japan. Supermarkets and hypermarkets play a crucial role in this segment, enhancing product availability.

Evolving consumer preferences, urbanisation and technological advancements drove the global dairy market growth in 2024. Increasing health consciousness and demand for dairy-based snacks have shaped industry trends, while innovations in functional dairy products, fortified beverages and plant-based alternatives have diversified offerings. Supportive government policies and investments in supply chain infrastructure have further strengthened the sector.

Estimates for the future: The global dairy market attained a valuation of US\$ 991.5 billion in 2024 and is projected to experience a 4.75% CAGR, reaching an estimated US\$ 1,505.8 billion by 2033. The

primary factors contributing to this growth include rapid urbanisation, heightened health consciousness, technological advancements, increasing demand for dairy-based snacks, evolving dietary preferences and supportive government policies.

The Asia-Pacific dairy market is anticipated to grow from US\$ 202.8 billion in 2025 to US\$ 256.9 billion by 2030, propelled by a CAGR of 4.84% and a transition towards off-trade distribution channels.

Trends expected in 2025: Global dairy fundamentals are anticipated to remain largely balanced as we approach 2025. An increase in the production of milk and dairy products is expected, accompanied by an improvement in demand for these products in the year 2025.

Farmgate milk prices are on the rise, while stable feed costs and favourable availability have bolstered the margins of dairy farms, thereby creating conditions conducive to further industry expansion in 2025. Nonetheless, geopolitics, tariff disputes, disease outbreaks and weather conditions may impact trade and production.

Indian dairy industry

India, with 80 million+ smallholder farmers and over 300 million cattle, is leading the global milk production and it is transitioning from a volume-driven model to a more technology-integrated and value-focused ecosystem.

In India, dairy is more than an industry - it's a cherished legacy, fuelling households and cultures with its wholesome promise. As today's consumers seek health, sustainability and convenience, the Indian dairy industry rises to meet these demands, marrying age-old craftsmanship with cutting-edge innovation. This is a journey of passion and precision, where every product reflects a commitment to excellence, ensuring that each sip, bite and dollop brings satisfaction and trust to the table.

India produced more than 239 million metric tons of milk in the fiscal year 2024. The dairy sector has experienced an impressive 15% CAGR over the past 15 years. There are abundant investment opportunities in dairy farming, driven by innovation and expansion.

Liquid milk continues to dominate the market due to its essential role in daily nutrition. In contrast, A2 milk represents the fastest-growing category, propelled by consumer preference for its perceived superior digestibility and health benefits compared to standard milk.

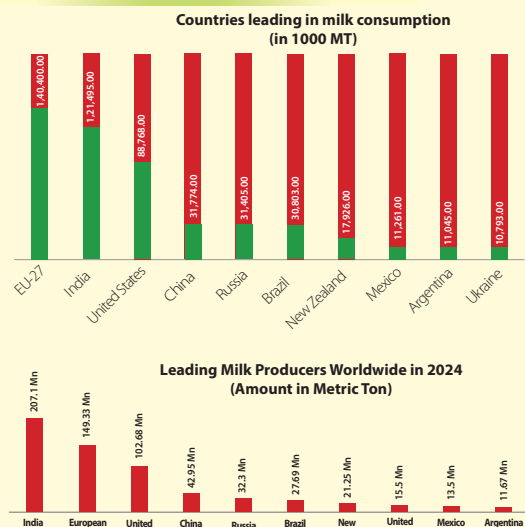
The dairy industry in India is undergoing significant evolution, with an increasing emphasis on enhancing health benefits by incorporating high-quality proteins, probiotics and prebiotics. These advancements support digestive health, immune function and cognitive well-being, encompassing mood, stress management and mental clarity.

According to the USDA Foreign Agricultural Service (FAS), fluid milk consumption is forecasted to reach 91 MMT in 2025, up from 89 MMT in 2024. Uttar Pradesh remains the leading milk-producing state, followed by Rajasthan, Madhya Pradesh, Gujarat and Andhra Pradesh.

During the fiscal year 2023-24, dairy exports totalled 63,738.47 metric tonnes, generating an income of US\$ 272.64 million. The key markets included the UAE, Saudi Arabia, the USA, Singapore and Bhutan.

The Indian dairy market is valued at ₹18,975 billion in 2024 and it is projected to reach ₹57,001.8 billion by 2033, growing at a CAGR of 12.35%. This sector is a crucial driver of India's economy, contributing 5% to the gross domestic product (GDP) and providing livelihoods to over eight crore farmers.

Milk Consumption Analysis



(Sources: The Bullvine, Statista, The Dairy Site, MARC, Indianxpress, Indusfood, Indian Investment Grid, Straits Research)

(<https://www.thebullvine.com/tag/dairy-industry-india/>)

(<https://www.statista.com/topics/5347/dairy-industry-in-india/#topicOverview>)

(<https://www.thedairysite.com/news/indias-milk-consumption-expected-to-rise-in-2025>)

(https://indianexpress.com/article/cities/delhi/indias-milk-production-goes-up-report-9691307/?utm_source=chatgpt.com)

(<https://indusfood.co.in/article/indias-dairy-market/>)

(<https://indiainvestmentgrid.gov.in/sectors/food-processing-and-agriculture/dairy-farming#:~:text=The%20dairy%20sector%20has%20exhibited,driven%20by%20innovation%20and%20growth>)

(<https://www.imarcgroup.com/dairy-industry-in-india>)

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(https://www.instagram.com/straits_research/p/DD6c1ktoT4V/)

DEMAND CATALYSTS FOR THE INDIAN DAIRY INDUSTRY

Rising Consumption: With a growing population of 1.44 billion, demand for dairy products continues to rise, driven by a large consumer base. Increasing incomes enable greater spending on nutritious foods, reinforcing dairy's role as a staple in Indian diets.

Growing health consciousness: Consumers are increasingly seeking dairy products for essential nutrients like protein, vitamins and minerals. This growing demand extends beyond traditional dairy, including value-added products such as flavoured yoghurts, fortified milk and probiotic drinks.

Large Vegetarian Community: India has a large vegetarian demography that depends on milk as a key protein source. This group consistently fuels the demand for milk and its products in different forms.

Evolving distribution network: New dairy startups are revolutionising the industry with subscription models, home delivery and digital supply chains, ensuring fresh and high-quality products. Focusing on premium and organic offerings.

New technologies in dairy processing: Technological advancements are reshaping India's dairy industry and improving farm management, milk processing, packaging and logistics. Automation enhances efficiency, product quality and safety, while better farm practices drive productivity and sustainability. Cold chain technologies ensure freshness and nutritional integrity during storage and transport.

Focus on value-added dairy products: The dairy industry is shifting towards value-added products like cheese, yoghurt, flavoured milk

and probiotic drinks. These offerings provide higher profit margins while meeting consumer health, convenience and variety demands.

Growing e-commerce & quick commerce: The rise of e-commerce and quick commerce is driving new trends, shipping challenges and food safety considerations. The Direct-to-Consumer (D2C) model is gaining traction, enabling dairy manufacturers to connect directly with consumers.

KEY FOCUS SEGMENTS WITHIN THE INDIAN DAIRY INDUSTRY

Liquid milk

India produced more than 239 million metric tons of milk in the FY25. A considerable national herd and advancements in production methodologies primarily propel this market growth. India has established an ambitious goal to notably enhance its milk production capacity over the forthcoming five years.

The United States Department of Agriculture (USDA) Foreign Agricultural Service has anticipated moderate growth within India's dairy sector for 2025, with the population of milking cows expected to reach 62 million. This expansion is supported by government interventions, elevated milk prices, favourable climatic conditions, consistent fodder availability and the absence of significant disease outbreaks.

The dairy sector is benefitting from an increasing herd size, the adoption of superior breeds, technological innovations and sustainable practices, with substantial support from government initiatives. As the demand for dairy products rises with a burgeoning population and a transforming economy, competition drives innovation, enhancing quality and variety. This evolution shapes a robust industry prepared to fulfil domestic requirements and to redefine its role in the global market.

UHT milk

The market for UHT (ultra-high temperature) milk in India is experiencing consistent growth, propelled by an increasing health awareness among the urban populace. With a shelf life ranging from six to nine months, UHT milk provides exceptional convenience while preserving high quality and nutritional value. A heightened consciousness regarding healthy dietary practices, in conjunction with a burgeoning population and rising income levels, further stimulates the demand within this market.

In 2024, the UHT milk market in India achieved a volume of 1,306.6 million litres. It is projected to expand to 3,927.4 million litres by 2033, demonstrating a CAGR of 12.36% from 2025 to 2033. The increasing demand for convenient, long-shelf-life dairy products contributes to UHT milk's rising favourability.

A2 milk

The A2 milk market is anticipated to expand from USD 15.4 billion in 2024 to USD 50.9 billion by 2033, reflecting a CAGR of 14.21% during the forecast period. The increasing prevalence of lactose intolerance and a heightened awareness of health and wellness are propelling the demand for A2 milk on a global scale. The numerous advantages associated with A2 milk, such as enhanced bone and dental health, improved muscle strength, regulation of blood pressure, promotion of tissue and cell growth and increased nutrient absorption, further contribute to the market's growth.

Skimmed milk powder

India's market for skimmed milk powder attained a value of ₹162.0 billion in 2024 and it is projected to expand at a CAGR of 9.1%, ultimately reaching ₹355.0 billion by the year 2033. A heightened awareness of health issues propels the growth of the market, an increasing preference for nutritious dietary options and the broadening adoption of e-commerce platforms.

Furthermore, the extensive utilisation of skimmed milk powder in various bakery products, dairy items and beverages- including but not limited to bread, cakes, chocolates, ice cream, cheese, yoghurt, soups and shakes- serves to bolster demand, particularly within restaurants and commercial food establishments.

Organic milk

Organic dairy farming in India is experiencing a significant increase in popularity as health-conscious consumers transition away from conventional milk due to various health-related concerns. The organic milk market in India was valued at ₹12,914.2 million in 2024 and is projected to reach ₹1,02,842.0 million by 2033, reflecting a CAGR of 24.63%.

The expansion of the organic milk market is attributed to a growing consumer preference for healthier alternatives, coinciding with the rising prevalence of diabetes, hypertension, cardiovascular diseases and obesity. Organic milk, devoid of antibiotics and chemicals, provides enhanced nutritional benefits, rich in omega-3 fatty acids and antioxidants, thus rendering it a preferred option among consumers.

GOVERNMENT INITIATIVES

RASHTRIYA GOKUL MISSION

The Rashtriya Gokul Mission (RGM) is designed to develop and conserve indigenous bovine breeds to augment milk production and farmers' income. It operates under the Rashtriya Pashudhan Vikas Yojna for the period spanning from 2021 to 2026, supported by a budget allocation of ₹ 2400 crore. The RGM is set to enhance the productivity of all cattle and buffaloes, thereby particularly benefiting small and marginal farmers. Furthermore, the Union Cabinet has sanctioned the Revised RGM to further strengthen the livestock sector, with an additional financial commitment of ₹1,000 crore.

NATIONAL PROGRAMME FOR DAIRY DEVELOPMENT (NPDD)

The National Programme for Dairy Development (NPDD), which was launched in February 2014, aims to enhance the infrastructure for the production, procurement, processing and marketing of high-quality milk through State Implementing Agencies or State Cooperative Dairy Federations. Recently, the Union Cabinet approved the Revised NPDD with an additional budget allocation of ₹1,000 crore.

DAIRY ENTREPRENEURSHIP DEVELOPMENT SCHEME (DEDS)

The Dairy Entrepreneurship Development Scheme (DEDS), overseen by the Department of Animal Husbandry, Dairying and Fisheries, is designed to foster self-employment within the dairy sector. Administered by the National Bank for Agriculture and Rural Development (NABARD), this scheme supports milk production, processing and marketing through back-ended capital subsidies for viable projects.

NATIONAL LIVESTOCK MISSION

The National Livestock Mission provides assistance to states and union territories in the organisation of training sessions, workshops and capacity-building initiatives for livestock farmers and breeding groups. It enhances awareness of animal husbandry through social media campaigns and demonstration projects, while fostering the adoption of advanced technologies, including artificial intelligence insemination.

LIVESTOCK HEALTH AND DISEASE CONTROL (LH&DC) SCHEME

The scheme comprises three components: the National Animal Disease Control Programme (NADCP), Livestock Health & Disease Control (LH&DC) and Pashu Aushadhi. The LH&DC further encompasses three sub-components: the Critical Animal Disease Control Programme (CADCP), the Establishment and Strengthening of Veterinary Hospitals and Dispensaries - Mobile Veterinary

Unit (ESVHD-MVU) and Assistance to States for Control of Animal Diseases (ASCAD). Notably, Pashu Aushadhi has been recently introduced. The anticipated total outlay amounts to ₹ 3,880 crore for the fiscal years 2024-25 and 2025-26, which includes ₹ 75 crore allocated for affordable generic veterinary medicine and for incentivising the sales of Pashu Aushadhi.

THE DEPARTMENT OF ANIMAL HUSBANDRY AND DAIRYING FUND (AHIDF)

The Department of Animal Husbandry and Dairying is in the process of implementing a fund amounting to ₹15,000 crore to enhance investments in dairy processing, meat processing, feed production, vaccine production, animal waste management and breed improvement.

For the fiscal year 2025-26, the Department of Animal Husbandry and Dairying, Government of India, is scheduled to receive an allocation of ₹ 4,840.40 crore. This allocation signifies a 26.08% increase from the revised estimated expenditure of ₹ 3,839.25 crore.

VALUE-ADDED PRODUCTS

Curd

Curd, also referred to as Dahi, constitutes an essential element of a balanced diet and is appropriate for individuals with lactose intolerance. Abundant in calcium, vitamin D, proteins and phosphorus, curd enhances bone health and aids in digestion. The Indian curd market reached ₹1,778.9 billion in 2024, influenced by various growth factors. Population growth, increasing disposable incomes, heightened health awareness and the product's affordability are significant contributors to this positive trajectory. The market is projected to achieve ₹5,421.9 billion by 2033, with a strong CAGR of 12.52% from 2025 to 2033.

Paneer

Paneer is a versatile type of Indian cottage cheese that is abundant in protein and calcium and is utilised in a variety of culinary dishes. Its soft texture allows it to absorb flavours effectively, contributing to its popularity. Paneer is rich in essential nutrients that aid in the development of robust bones and teeth and promote cardiovascular and neurological health. The demand for paneer has been on the rise due to an increase in calcium deficiency and associated bone disorders. In 2024, the market for paneer in India was valued at ₹648.1 billion. Fueled by strong demand and shifting consumer preferences, the market is anticipated to expand to ₹2,030.7 billion by 2033, demonstrating a notable compound annual growth rate (CAGR) of 12.85% from 2025 to 2033.

Cheese

India's cheese market is currently experiencing significant growth. The increasing influence of Western cuisines, coupled with rising disposable incomes, is facilitating a transition in consumer preferences from paneer to cheese, thereby elevating its demand across the nation. Furthermore, manufacturers are introducing a diverse array of flavoured cheese products to meet the evolving tastes and preferences of consumers. The market was valued at ₹107 billion in 2023 and is projected to attain a value of ₹593.5 billion by 2033, exhibiting a compound annual growth rate (CAGR) of 19.86%. This upward trajectory illustrates the escalating demand for both natural and processed cheese, thereby contributing to the market's burgeoning value and volume.

Buttermilk

Buttermilk, alternatively known as chaach, is produced through the churning of milk. It is characterised by its thicker consistency and sour taste compared to milk. Furthermore, it is a cost-effective option, convenient to obtain and is known to facilitate digestion, reduce blood pressure and enhance immune function. In 2024, the buttermilk market in India was valued at ₹193.3 billion and is

projected to reach ₹933.5 billion by 2033, reflecting a compound annual growth rate (CAGR) of 18.16% from 2025 to 2033. This growth is attributed to the increasing demand for healthy, natural beverages, their extensive availability through various distribution channels and a rising awareness among consumers regarding health matters.

Flavoured milk

Flavoured milk represents a widely consumed dairy beverage prepared by combining milk with sugar and flavours such as vanilla, chocolate and mango. It offers a palatable and healthier alternative to carbonated soft drinks, appealing to children and working adults. Furthermore, an increase in disposable incomes, a growing population and expanding distribution channels, including supermarkets and online platforms, contribute to the rising demand for flavoured milk in India. The pronounced growth of the market is fuelled by increasing health consciousness among consumers inclined to select dairy-based products. In 2024, the flavoured milk market in India was valued at ₹63.3 billion, experiencing a robust growth of 20.73% CAGR from 2025 to 2033, with projections indicating it will reach ₹374.1 billion by 2033.

Milkshake

A milkshake is a cold, blended dairy-based beverage available in various flavours with a multitude of toppings and additions, enhancing its attraction. The Indian milkshake market reached ₹ 7.6 billion in 2024 and it is poised to grow ₹ 34.2 billion by 2033, with a CAGR of 17.47% from 2025 to 2033. Key growth drivers include rising disposable incomes, shifting consumer preferences for convenient and indulgent beverages and growing demand among the youth demographic.

Lassi

Lassi enhances energy through its nutrient composition, which includes carbohydrates, proteins, vitamins and minerals. It also facilitates rapid hydration in elevated temperatures, thus rendering it a favoured beverage, particularly during the summer months. Its probiotic content supports the proliferation of beneficial gut bacteria, improving digestion and mitigating gastrointestinal issues. In conjunction with its refreshing characteristics, these advantages have catalysed an increase in demand and market development within India. The Indian lassi market is projected to attain a valuation of ₹56.0 billion in 2024, with a CAGR of 16.96% anticipated from 2025 to 2033. It is forecasted to reach ₹245.7 billion by 2033.

Ice-cream

The ice cream market in India is undergoing significant transformation, propelled by emerging startups that are introducing innovative flavours to accommodate the evolving preferences of consumers. There is a discernible increase in the demand for premium and artisanal ice creams crafted from high-quality, natural ingredients devoid of preservatives, particularly among Gen Z consumers who are in pursuit of distinctive experiences, as well as the upper middle class who display a readiness to invest more in premium products.

As of 2024, the valuation of India's ice cream market stood at ₹268.0 billion. Projections indicate that the market is anticipated to escalate to ₹1,078.0 billion by the year 2033, reflecting a CAGR of 16.7% from 2025 to 2033. The escalation in investor interest, coupled with the advancement of comprehensive cold chain systems featuring temperature-regulated storage facilities, is further contributing to the market's sustainable growth.

Fat products

Ghee, a concentrated form of clarified butter, is not only a culinary staple but also essential in traditional healing practices and spiritual ceremonies. Ghee is recognised as the second most popular dairy product subsequent to milk.

There is an escalating preference for organic ghee, driven by heightened health awareness and a demand for natural, additive-free products. Furthermore, the rapid proliferation of e-commerce platforms is augmenting market accessibility, providing consumers with an extensive array of ghee options, including premium and organic varieties. Additionally, the increasing consumption and cultural significance of ghee within Indian households further bolsters the market's sustained growth. The ghee market in India is projected to expand at a CAGR of 8.4% from 2025 to 2033, ultimately reaching ₹7,179.0 billion by 2033, up from ₹3,482.0 billion in 2024.

Butter India is emerging as a strong contender in the global butter trade, indicating a potential shift in international dairy dynamics. The expansion of India's organised dairy sector and increased farm-gate procurement are enhancing its appeal as a butter supplier to Middle Eastern, Asian and African markets. Competitive pricing, lower shipping costs and a growing focus on quality certifications are further boosting India's export prospects.

Butter is rich in niacin, calcium, phosphorus, riboflavin, antioxidants and vitamins A, E, B12 and K. When consumed in moderation, it enhances immune function, promotes cardiovascular health and safeguards cellular integrity while supporting bone development and warding off osteoporosis. The butter market in India is driven by increasing disposable incomes, evolving dietary trends towards Western cuisine and heightened awareness of its health advantages. The market is anticipated to experience a compound annual growth rate (CAGR) of 16.01% from 2025 to 2033. In 2024, the market was valued at ₹90.4 billion and is expected to reach ₹366.9 billion by 2033.

Company Overview

Heritage Foods Limited (HFL) stands as a prominent entity within India's dairy sector, specialising in the production of milk and value-added dairy products. With over three decades of extensive experience, the Company offers a diverse range of products, which include curd, paneer, ghee, butter, fresh cream, UHT milk, lassi, milkshakes, flavoured milk, buttermilk, ice creams and frozen desserts.

To enhance its operations, HFL has established 18 state-of-the-art milk processing facilities, thereby ensuring a robust presence across 17 states.

HFL's extensive product portfolio, strong focus on innovation and systematic growth strategies have positioned the Company at the forefront of the fast-moving consumer goods (FMCG) sector. This success is further supported by a comprehensive distribution network and a multi-channel market approach.

Additionally, HFL has forged long-term relationships with over 300,000 dairy farmers, ensuring a steady and reliable supply of milk. These strategic initiatives have reinforced its status as a leader in the industry.

OPERATIONAL REVIEW

During FY25, the Company demonstrated strong performance across regions and product lines, achieving market share growth and enhanced operating margins compared to the previous year.

(₹ in million)

Financial year	Revenue from operation	EBITDA*	PAT
2025	40,805	3,117	1,681
2024	37,343	1,989	910
2023	32,087	1,350	659
2022	26,429	1,781	1,015
2021	24,070	2,497	1,452

*Before exceptional items and other income.

Dairy Vertical

The dairy vertical is Heritage Foods' flagship business unit, accounting for 99.98% of the Company's total revenue. The five-year revenue trajectory for this segment is outlined below.

Dairy Revenue (₹ in million)

FY2025	FY2024	FY2023	FY2022	FY2021
40,799	37,335	32,080	26,413	24,065

Renewable energy vertical

Heritage Foods Limited has initiated a clean energy mission aimed at achieving a more sustainable environmental footprint through investments in renewable energy projects for captive consumption. The Company has strategically installed solar and wind power facilities across 25 locations, generating a total of 12.14 MW of renewable energy, comprising 6.30 MW from three wind power plants and 5.84 MW from twentytwo solar plants. This initiative emphasises the Company's dedication to environmental sustainability and operational efficiency.

In FY2025, revenue from operations amounted to ₹ 87.70 million, a decrease from ₹90.29 million in the preceding year, reflecting a (2.88)% year-on-year decline. Profit before tax (PBT) was ₹ 19.86 million, in contrast to ₹ 26.09 million in the prior year. Profit after tax (PAT) was ₹ 24.05 million a decrease from ₹32.41 million last year. EBITDA declined by 3.31% year-on-year to ₹ 60.58 million in FY2025, compared to ₹62.66 million in FY2024.

Heritage Nutrivet Limited

Heritage Nutrivet Limited (HNL), a wholly-owned subsidiary of Heritage Foods Limited, is committed to advancing animal nutrition through a comprehensive range of livestock feeds and supplements. The Company aims to enhance milk production and reproductive efficiency in dairy animals by promoting their overall health and strengthening their immunity.

HNL's product portfolio is meticulously crafted to address the diverse nutritional needs of various animals. In addition to offering high-quality nutritional solutions, HNL provides technical support and knowledge-sharing initiatives to dairy farmers, intending to boost milk yields and improve economic outcomes. Through the provision of cost-effective and sustainable options, HNL is dedicated to supporting the agricultural community and fostering the well-being of dairy animals.

Heritage Novandie Foods Private Limited

Heritage Foods Limited has established a 50:50 joint venture with Novandie, France, forming Heritage Novandie Foods Private Limited (HNFPL). This partnership is focused on producing and marketing a wide range of premium yoghurt variants in India. HNFPL began its commercial operations in February 2021, strategically targeting health-conscious Indian consumers who prioritise nutritious food choices. A standout feature of HNFPL is its introduction of the first French yoghurt in India, supported by state-of-the-art manufacturing facilities and rigorous quality control measures for both ingredients and processes.

Financial Overview

Net worth

The Net worth for the last five years is as follows ₹ in Mn

FY2025	FY2024	FY2023	FY2022	FY2021
9,471	8,035	7,367	6,605	5,938

Dividend

The dividend % declared in last five years.

FY2025	FY2024	FY2023	FY2022	FY2021
50%	50%	50%	100%	100%

Earnings per share

Earnings per share (EPS) for FY 2024-25 is ₹ 18.11/- .

Key financial highlights for FY 2024-25

Particulars	2024 - 25		2023 - 24		FY2025 vs FY2024 % of Growth
	₹ In Millions	% of Revenue	₹ In Millions	% of Revenue	
Net Sales	40,783.23	99.95	37,324.48	99.95	9.27
Other operating income	21.58	0.05	18.97	0.05	13.76
Total Revenue	40,804.81	100.00	37,343.45	100.00	9.27
Less: Total Expenditure	37,687.49	92.36	35,354.89	94.67	6.60
Add: Other Income	272.84	0.67	119.29	0.32	128.72
Profit before Interest, Depreciation and Tax	3,390.16	8.31	2,107.85	5.64	60.83
Less: Finance costs	150.23	0.37	81.64	0.22	84.02
Depreciation & Amortisation	671.57	1.65	584.32	1.56	14.93
Profit before tax and exceptional items	2,568.36	6.29	1,441.89	3.86	78.12
Less: Exceptional items	(234.85)	(0.58)	(167.95)	(0.45)	39.83
Profit before tax	2,333.51	5.72	1,273.94	3.41	83.17
Less: Provision for current taxation(Including taxation of earlier year)	625.11		356.68		75.26
Less: Provision for deferred taxation	27.58		6.88		300.87
Profit / (Loss) after tax	1,680.82	4.12	910.38	2.44	84.63

Standalone Segment results

Particulars	2024 - 25		2023 - 24		FY2025 vs FY2024 % of Growth
	₹ In Millions	% of Revenue	₹ In Millions	% of Revenue	
1. Total Revenue					
a. Dairy	40,798.66		37,334.99		9.28
b. Renewable energy	87.70		90.29		(2.87)
Total (a+b)	40,886.36		37,425.28		9.25
2. Inter-segment Revenue					
a. Dairy	-		-		
b. Renewable energy	81.55		81.83		(0.34)
Total (a+b)	81.55		81.83		(0.34)
3. External Revenue (Incl other operating income)					
a. Dairy	40,798.66		37,334.99		9.28
b. Renewable energy	6.15		8.46		(27.31)
Total (a+b)	40,804.81		37,343.45		9.27
4. Segment Results (Profit (+) / (Loss) (-) before tax and finance costs)					
a. Dairy	2,551.54	6.25	1,481.28	3.97	72.25
b. Renewable energy	24.03	27.40	29.00	32.12	-17.14
Total (a+b)	2,575.57	6.31	1,510.28	4.04	70.54
Less: Finance Cost	150.23		81.64		84.02
Unallocable expenses	261.84		199.37		31.33
Add: Interest income	4.79		3.56		34.55
Unallocable income	165.22		41.11		301.90
Total Profit before Tax	2,333.51	5.72	1,273.94	3.41	83.17

Segmentwise Revenue Break-up

(₹ in Millions)

Particulars	2024 - 25	2023 - 24
Dairy		
Finished goods sold		
Milk	23,281.55	22,190.44
Value Added Products	13,012.90	11,011.20
Fat Products	3,180.91	3,045.85
Skimmed Milk Powder	7.96	7.28
Total	39,483.32	36,254.77
Traded goods		
Feed & Others	1,247.88	986.40
Value Added Products	22.07	51.42
Other tradable goods	6.92	1.83
Total	1,276.87	1,039.64
Sale of Service	16.89	23.87
Other operating income	21.58	16.71
Total Dairy Revenue	40,798.66	37,334.99
Renewable Energy		
Finished goods sold	6.15	6.21
Other operating income	-	2.25
Total Renewable Energy Revenue	6.15	8.46
Total Revenue	40,804.81	37,343.45

CASH FLOW

1) Cash Inflows

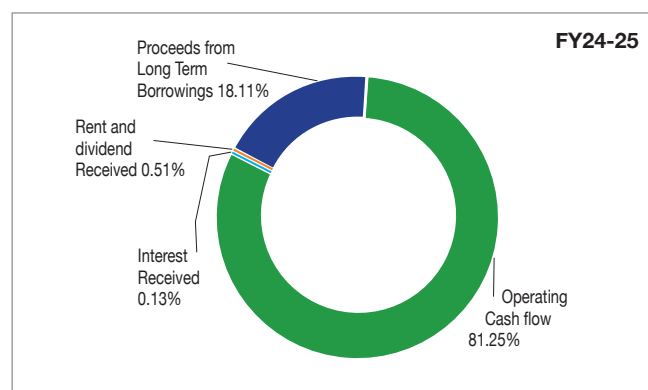
(₹ in Millions)

Particulars	2024 - 25	%	2023 - 24	%
Operating Cash flow	3,156.96	81.25	2,031.48	40.29
Change in working capital (net)	-	-	2,086.15	41.37
Interest and dividend received	5.11	0.13	3.30	0.07
Rent Received	19.93	0.51	13.68	0.27
Proceeds from Long Term Borrowings	703.45	18.11	908.00	18.00
Total	3,885.45	100.00	5,042.61	100.00

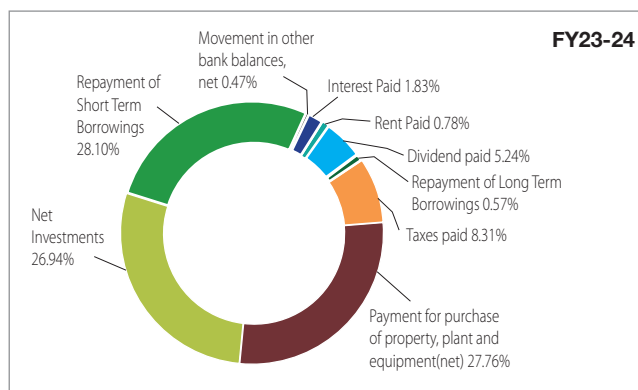
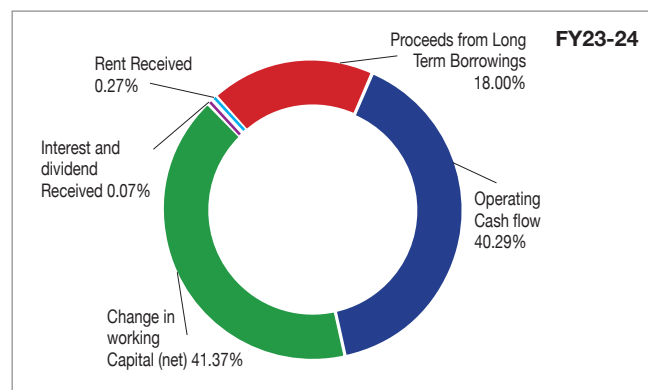
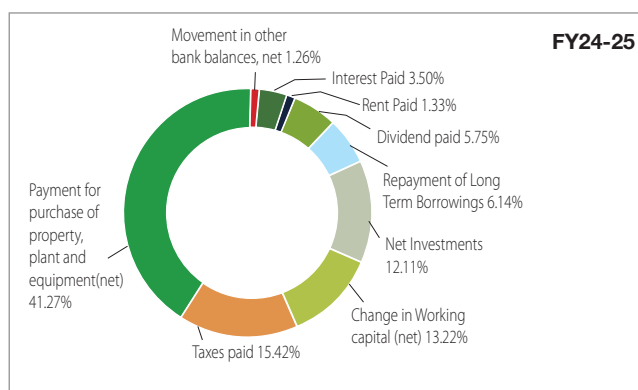
2) Cash Outflows

Particulars	2024 - 25	%	2023 - 24	%
Repayment of Long Term Borrowings	247.57	6.14	25.39	0.57
Change in Working capital (net)	533.14	13.22	-	0.00
Taxes paid	621.91	15.42	367.89	8.31
Payment for purchase of property, plant and equipment(net)	1,664.47	41.27	1,228.25	27.76
Net Investments	488.44	12.11	1,192.03	26.94
Repayment of Short Term Borrowings	-	-	1,243.58	28.10
Movement in other bank balances, net	50.91	1.26	20.63	0.47
Interest Paid	141.23	3.50	81.02	1.83
Rent Paid	53.52	1.33	34.51	0.78
Dividend paid	231.99	5.75	231.99	5.24
Total	4,033.18	100.00	4,425.29	100.00
Net increase /(decrease) in cash and cash equivalents	(147.73)		617.32	
Add: Opening Cash and Cash Equivalents	780.52		163.20	
Cash and cash equivalents at the end of the period	632.79		780.52	
Cash and cash equivalents include :				
Cash on hand	1.41		1.46	
Balances with banks in current accounts	631.38		779.06	

Cash Inflows



Cash Outflows



Key ratios

Particulars	FY25	FY24
Current ratio	1.78	1.70
Debt equity ratio	0.18	0.16
Debt Service coverage ratio	5.49	11.04
Return on equity ratio / return on investment ratio	19.20	11.82
Inventory turnover ratio	10.47	9.70
Trade receivables turnover ratio	123.28	131.98
Trade payables turnover ratio	20.63	28.47
Net capital turnover ratio	14.24	18.10
Net Profit Margin (%)	4.12%	2.44%
Return on capital employed	23.13	15.79

Internal control system and adequacy:

The Company implements internal control procedures suitable for its size, ensuring asset protection and efficiency through standardised processes. Its control and risk management system aligns with the corporate governance code, embedded in the organisational structure. Teams coordinate for effective responsibility execution. The Board of Directors offers strategic direction and oversight to Executive Directors and management, aided by monitoring and advisory committees.

GROWTH DRIVERS

- Sustained revenue growth is achieved by smart pricing and expanding into new markets to reach more consumers.
- Increased VAP contribution boosts revenue by selling high-margin premium products with better profitability.
- Rapid market penetration in 17 states expands the customer base and boosts brand visibility.
- Cost optimisation and supply chain efficiency maintain stable EBITDA margins.
- Launching high-margin premium dairy products targets growing consumer demand for high-quality items, boosting profitability by selling at higher prices.
- A stronger digital and omnichannel strategy uses online and offline platforms to engage customers better, providing a seamless shopping experience and increasing brand loyalty.
- Using renewable energy lowers operational costs and reduces environmental impact, making operations more cost-efficient.

HUMAN RESOURCES

Heritage Foods regards its human and intellectual capital as pivotal to its success, recognising employee satisfaction as a fundamental element. The organisation empowers its workforce, understanding that their development contributes significantly to organisational excellence. It cultivates a diverse and inclusive culture that nurtures personal growth and well-being. Its proficiency in attracting, developing and retaining talent has been essential to its growth trajectory. Collaboration and professional growth are integral to the Company's ethos. It invests in training and skill development to facilitate employee advancement. By promoting transparent communication, the organisation ensures an open dialogue between staff and leadership. These practices not only attract but also retain a talented workforce. As of 31st March 2025, the Company has 3,364 employees.

QUALITY, HEALTH AND SAFETY MEASURES

At Heritage, quality isn't just critical—it's non-negotiable for long-term success. By prioritising quality, Heritage Foods ensures the safety and health of its consumers, as dairy products are highly perishable and directly impact well-being. By delivering consistent, high-quality products, the Company has built its reputation and brand loyalty, enabling it to gain a competitive edge in a crowded market. Furthermore, maintaining rigorous quality standards ensures compliance with regulatory requirements, safeguarding the Company's reputation and future growth. The organisation places significant emphasis on milk

quality and possesses certifications in Safety and Health Management (ISO 45001:2018) and Environmental Management (ISO 14001:2015).

Ensuring personnel safety remains a primary objective. Factory managers supervise safety initiatives and undertake regular evaluations to uphold elevated occupational health and safety standards. Dedicated teams at each location promptly identify and rectify safety concerns. The organisation rigorously adheres to health and safety protocols and implements wellness programs to promote the mental well-being of employees.

RISK MANAGEMENT

A robust risk-management framework enables us to monitor risks arising from internal and external factors. This approach allows us to navigate industry challenges effectively, ensuring sustainable value creation for our stakeholders.

The Company operates within an organised framework with clear communication to prevent department conflicts. To ensure continuity, most departments have backups for functional heads. Efficient inventory management ensures the availability of raw materials, consumables, spares and tools, minimising production delays.

The Company employs continuous cost optimisation strategies, adapting to market changes to maintain efficiency and competitiveness. This approach enhances effectiveness, reduces disruptions and supports growth.

Our risk management process

- Identification and assessment approach
- Prevention and control strategy
- Monitoring and surveillance
- Review and reporting
- Forecasting and assessing the probability of occurrence, magnitude, category and rating of the risk
- Devising a plan of action to prevent risk and reduce the aftermath, while ensuring activation of the right strategy to capture potential upsides
- Gauging the potency of controls to improve risk identification, monitoring and surveillance
- Overseeing the risk process at regular intervals, especially spearheaded by the Board Risk Management Committee

Our risk mitigation plan

The Board takes the following steps as a part of its risk management and mitigation plan:

- Defines the roles and responsibilities of the Board Risk Management Committee
- Participates in major decisions affecting the organisation's risk profile
- Integrates risk-management reporting with the Board's overall reporting framework

POTENTIAL RISKS & MITIGATION MEASURES

1) RAW MATERIAL RISK

Fluctuations in the cost and availability of raw materials could negatively impact the dairy products business.

Mitigation measures: The Company's milk processing facilities are strategically located in proximity to significant milk-producing regions. The Company upholds strategic inventory buffers and optimises distribution routes across a network of 7,300+ distributors and agents. It has cultivated a proficient network comprising over 300,000+ farmers, ensuring a consistent and timely supply of high-quality raw materials. Furthermore, the Company employs dynamic pricing strategies to sustain competitiveness. It ensures stable pricing by procuring raw materials locally and minimising transportation costs.

2) CUSTOMER CONCENTRATION RISK

The revenue concentration from a specific customer base can affect margins.

Mitigation measures: The Company has diversified its geographical presence by expanding into new markets and introducing innovative products, thereby enhancing customer relationships.

3) COMPETITION RISK

As competition increases, companies often lower prices to maintain their market position, which can impact profit margins and lead to a decline in overall profitability.

Mitigation measures: To mitigate against risks associated with competition, the Company concentrates on product differentiation and developing high-margin Value-Added Products (VAPs) to enhance profitability. Additionally, geographic expansion and digital transformation broaden the customer base, while strategic partnerships improve market penetration. Continuous innovation facilitated by research and development (R&D) ensures that the Company remains responsive to evolving consumer preferences.

4) SUPPLY-CHAIN RISK

A robust and resilient supply is critical to reach raw milk to the factory and the dairy products to consuming markets with speed.

Mitigation measures: The Company ensures supply-chain resilience by diversifying milk sources, strengthening cold chain and transport systems, maintaining buffer stocks and using digital tracking of vehicles. Heritage CLapp is a free Android app developed by the company designed to streamline sales operations for Heritage customers and sales teams in real-time. We also develop alternate routes and conduct regular risk assessments to minimize disruptions and ensure timely delivery.

5) TECHNOLOGY RISK

Increasing digital and e-commerce presence exposes the Company to cybersecurity threats and data privacy concerns.

Mitigation measures: The Company has made substantial investments in advanced cybersecurity systems and data protection measures, concurrently updating digital platforms and applications to ensure the safeguarding of customer data. Furthermore, it conducts comprehensive employee training programs on cybersecurity to foster a secure digital environment.

6) REGULATORY RISK

Changes in regulations create a risk that can influence business operations.

Mitigation measures: The Company consistently revises its compliance protocols, performs internal audits and enforces waste minimisation and recycling initiatives, all while guaranteeing complete adherence to pollution control and emission regulations.

7) BRAND REPUTATION RISK

Negative publicity from product failures, unethical practices, socialmedia backlash, or supplier misconduct can erode customer trust and market share.

Mitigation measures: The Company has set strict quality checking measures to protect its brand reputation and monitor social media in real time for rapid response to issues.

8) PEOPLE ATTRITION RISK

Loss of critical talent increases recruitment costs, disrupts projects and weakens institutional memory.

Mitigation measures: The Company encourages its employees through continuous learning programmes and flexible work options to keep employees updated and maintain a work-life balance.

9) FUNDING RISK

Inability to refinance debt may stall operations and growth.

Mitigation measures: The Company has a low debt-equity ratio of 0.18 as on March 31, 2025. Moreover, a strong cash flow and prudent fund allocation strategy allow the Company to optimise debt and fund capital investments to strengthen business growth.

10) CARBON FOOTPRINT RISK

Rising carbon taxes, stricter emission disclosure mandates and customer preference for low-carbon brands could inflate costs and erode market share if greenhouse gas (GHG) intensity is not reduced.

Mitigation measures: The Company is committed to minimising its environmental impact while advocating for sustainable practices. With a renewable energy capacity of 12.14 MW designated for in-house consumption, the Company demonstrates a steadfast dedication to resource efficiency.

OUR SUSTAINABLE MODEL

The Company is unequivocally committed to minimising its environmental impact while advocating for sustainable practices. It places a high priority on energy conservation through the implementation of efficient energy utilisation strategies. With a renewable energy capacity of 12.14 MW designated for in-house consumption, the Company demonstrates a steadfast dedication to resource efficiency. Acknowledged for its exemplary sustainability initiatives, it was awarded the CII National Energy Conservation Awards in 2021 and 2023. Additionally, the Company holds certification under ISO 14001:2015, affirming its robust environmental management systems.

Packaging and plastic waste management: Plastic is crucial in safeguarding product safety and preventing leaks. As a responsible organisation, the Company acknowledges its environmental impact and is dedicated to promoting a more sustainable future by actively participating in plastic recycling initiatives and employing sustainable practices.

OUTLOOK

Heritage Foods is broadening its market presence by utilising its extensive distribution network and expanding its product range. The Company is gaining traction in metropolitan and Tier-1 and Tier-2 cities while solidifying its position through strategic brand development and focused customer engagement.

CAUTIONARY STATEMENT

THE STATEMENTS IN THE MANAGEMENT DISCUSSION AND ANALYSIS REGARDING THE COMPANY'S OBJECTIVES, PROJECTIONS, ESTIMATES, AND EXPECTATIONS MAY CONSTITUTE "FORWARD-LOOKING STATEMENTS" UNDER APPLICABLE SECURITIES LAWS AND REGULATIONS. ACTUAL RESULTS MAY DIFFER MATERIALLY FROM THOSE ANTICIPATED DUE TO VARIOUS FACTORS, INCLUDING ECONOMIC CONDITIONS IMPACTING DEMAND-SUPPLY DYNAMICS AND PRICING IN THE COMPANY'S MARKETS, CHANGES IN GOVERNMENT REGULATIONS, TAX LAWS, AND OTHER RELEVANT STATUTES, AS WELL AS OTHER UNFORESEEN FACTORS.

Report on Corporate Governance

The Directors of Heritage Foods Limited ("the Company") have pleasure in presenting the Company's Report on Corporate Governance for the Financial Year 2024-25 in pursuant to Regulation 34(3) read with Schedule V and other applicable provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('SEBI Listing Regulation').

1. COMPANY'S PHILOSOPHY ON CODE OF CORPORATE GOVERNANCE

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

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

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

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

Your Company's Corporate Governance Framework ensures that the company makes timely disclosures, shares accurate information regarding its financial and business performance. Your Company's Corporate Governance Philosophy is based on the following principles:

- Corporate Governance Standards should satisfy both the spirit of the law and the letter of the law
- Ensure transparency and maintain a high level of disclosure
- Clearly distinguish between personal conveniences and corporate resources
- Communicate externally and truthfully, about how the Company is run internally as permitted by the statute.
- Have a simple and transparent corporate structure driven solely by business needs

- The Management is the trustee of the members' capital and not the owner.

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

An effective Board is a pre-requisite of Good Corporate Governance practices. Well- Informed and Independent Board is essential to bring objectivity and transparency in the management and in the dealings of your Company. The Board of your company is committed to protect the long-term interests of all stakeholders and considering this, it provides objective and prudent guidance to the management. As on March 31, 2025, the Board consists of Six (6) members out of which two (2) are Executive/ Whole-time Women Directors, three (3) are Non-Executive Independent Directors and one (1) is Non-Executive Independent Woman Director.

Ethics/Governance Policies:

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

- Code of Conduct & Ethics for Board & Senior Management
- Whistle Blower Policy
- Risk Management Policy
- Corporate Social Responsibility Policy (CSR Policy)
- Policy on Materiality of Related Party Transaction
- Policy for Determining Material Subsidiaries
- Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information (UPSI),
- Policy on Legitimate Purpose
- Code of Conduct to Regulate, Monitor & Report Trading by Insiders as per SEBI (Prohibition of Insider Trading) Regulation 2015
- Policy on Prevention of Sexual Harassment
- Board Diversity and Nomination & Remuneration Policy
- Policy on Preservation of Documents
- Policy on determination of Materiality of Events
- Policy on dividend distribution
- Archival Policy
- Business Responsibility Policies
- Cyber Security Policy
- Policy and procedures for inquiry in case of leak of unpublished price sensitive information
- Anti Bribery and Anti-Corruption Policy
- Policy on Environment and Climate Change

- Product Stewardship Policy
- Supply Chain Management and Responsible Sourcing Policy
- Animal Welfare Policy
- Operational Health & Safety Policy
- Equal Opportunity Policy
- Policy on Human Rights, Diversity and Inclusion
- Stakeholders Engagement Policy

Appropriate Governance Structure with defined roles and responsibilities:

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

Board Leadership:

An enlightened Board consciously creates a culture of leadership to provide a long-term vision and policy approach to improve the quality of governance. The Board of Directors from time to time obtained a compliance report in respect to Corporate Legislation such as: Companies Act, 2013 and rules made thereunder and other applicable SEBI act and regulations and labour act and regulations. The Board's actions and decisions are aligned with the Company's best interests. It is committed to the goal of sustainably elevating the Company's value creation. Your Company has defined guidelines and an established framework for the meetings of the Board and its Committees. These guidelines seek to systematise the decision-making process at the meeting of the Board and its Committees in an informed and efficient manner.

The Board critically evaluates your Company's strategic direction, management policies and their effectiveness. The agenda for the Board reviews include strategic review from each of the Board committees, a detailed analysis and review of annual strategic and operating plans and capital allocation and budgets. Additionally, the Board reviews related party transactions if any, possible risks and risk mitigation measures, financial reports from the Chief Financial Officer (CFO) and business reports from the division heads. Frequent and detailed interaction sets the agenda and provides the strategic road map for the Company's future growth.

2. BOARD OF DIRECTORS

a) Composition and category of Directors

The Board of your company bears the ultimate responsibility for the organization and administration of your company. It is vital to have a well-balanced Board with a combination of Executive, Non-Executive and Independent, Woman Directors on the Board of the Company to ensure Board's independence and effective management. The Board Composition of your company is in conformity with the requirement of Section 149(4) of the Companies Act, 2013 ("the Act") and Regulation 17 of the SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015 as amended from time to time. As on March 31, 2025, the Board consists of Six (6) members, out of which Two (2) are Executive/Whole-time Women Directors, Three (3) are Non- Executive Independent Directors and one (1) is Non-Executive Independent Woman Director. The Board periodically evaluates the need for change in its composition and size.

None of the Independent Directors on the Board serve as an independent director in more than seven listed entities and none of the Directors on the Board is a member of more than 10 Committees excluding private limited companies, foreign companies and companies under Section 8 of the Companies Act, 2013 ("the Act") or Chairman of more than 5 Committees as specified in Regulation 26 of SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015, across all the Companies in which he/she is a Director. The Directors have made the necessary disclosures regarding Committee positions during the period under review. For the purpose of determination of limit of the Board Committees, Chairpersonship and Membership of the Audit Committee and Stakeholders' Relationship Committee has been considered as per Regulation 26(1)(b) of SEBI Listing Regulations.

Roles, Responsibilities and Duties of the Board

The role, responsibilities and duties of the Board of Directors are crucial in ensuring effective governance and the sustainable growth of a company. Under the Securities and Exchange Board of India SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015 and Section 166 of the Companies Act, 2013, the Board has specific obligations to fulfil.

The primary role of the Board is to act as a fiduciary for the company, representing the interests of its stakeholders. The Board is responsible for providing strategic guidance and setting the overall direction and objectives of the company. It must exercise independent judgment and act in the best interests of the company while considering the interests of all stakeholders.

The responsibilities of the Board include:

1. **Corporate Governance:** The Board is accountable for maintaining high standards of corporate governance, ensuring transparency and adhering to legal and regulatory requirements. It must establish and monitor systems of internal control and risk management to safeguard the company's assets and reputation.
2. **Strategy and Planning:** The Board plays a crucial role in formulating the company's strategic plans, assessing risks and identifying opportunities. It approves annual budgets, business plans and major investment decisions. It also monitors the implementation of strategies and evaluates their effectiveness.
3. **Oversight and Monitoring:** The Board has a duty to oversee the company's management, ensuring that it operates in a responsible and ethical manner. It appoints and evaluates the performance of key executives, including the CEO. The Board also reviews financial statements, internal audit reports and compliance with legal and regulatory obligations.
4. **Stakeholder Management:** The Board must consider the interests of various stakeholders, including shareholders, employees, customers, suppliers and the community. It should foster effective communication and engagement with stakeholders and address their concerns.
5. **Risk Management:** The Board is responsible for identifying and managing risks faced by the company. It should establish effective risk management policies and procedures, ensure appropriate insurance coverage and regularly review the effectiveness of risk mitigation measures.
6. **Compliance and Disclosures:** The Board ensures compliance with applicable laws, regulations and codes of conduct. It oversees the disclosure of accurate and timely information to shareholders and other stakeholders, maintaining transparency and fairness.

Under Section 166 of the Companies Act, 2013, the Board has a fiduciary duty to act in good faith, exercise due care and act in the best interests of the company. It should promote the company's objectives, preserve its assets and ensure its long-term success. The Act emphasizes the duty of directors to act honestly, responsibly and with reasonable diligence, using their skills and knowledge for the benefit of the company.

In conclusion, the Board of Directors plays a critical role in the governance and management of a company. It has various responsibilities and duties including strategic planning, oversight, risk management, compliance and stakeholder management. The SEBI (LO&DR) Regulations 2015 and Section 166 of the Companies Act, 2013, provide a framework for the Board to fulfill its obligations and ensure the company's sustainable growth and success.

Board Meeting Frequency and location:

The Board meets at least once a quarter to review the quarterly results and other items of the agenda. Whenever necessary, additional meetings are held. Committee meetings are held as stipulated in its charter or as prescribed in the Act and Listing Regulations, but at least one meeting of each committee is held in a financial year. In the case of business exigencies or urgency of matters, resolutions are passed by circulation. Video conferencing facility is provided to the Directors who are not able to attend the meetings, in person due to emergencies. The Board meetings venue is informed well in advance to all the Directors and invitees. Seven (7) Board meetings were held during the year ended March 31, 2025 and the gap between any two meetings did not exceed one hundred and twenty days. The said meetings were held on: May 29, 2024, July 23, 2024, September 18, 2024, October 23, 2024, November 15, 2024, January 22, 2025, March 11, 2025.

Agenda and relevant information to Directors:

The agenda for each Board / Committee meeting is circulated well in advance to the Directors. All material information is incorporated in the agenda facilitating meaningful and focused discussions in the meeting. Every Board / Committee Member is free to suggest items for inclusion in the agenda. Being a responsible environment friendly Company, agendas and other relevant documents / information to Board / Committee members are provided in secured electronic mode.

Board Meetings:

All divisions / departments of the Company are advised to schedule their work plans in advance, particularly with regard to matters requiring discussion / approval / decision of the Board meetings. All such matters are communicated to the Company Secretary in advance so that the same could be included in the Agenda for the Board / Committee meetings. Agendas for such meetings are finalized in discussion with the Vice-Chairperson & Managing Director and the Chairperson of the Company.

Presentations by management:

The Chief Financial Officer, President, Chief Executive Officer, Chief Operating Officer, Company Secretary and Internal Audit team coordinator updates the Board on their related matters through presentations / Board notes. Such presentations and Board notes cover finance, sales, marketing, major business segments and operations of the Company, including business opportunities, business plan, business strategy and risk management practices, internal audit observations, regulatory changes and their probable impact on the operations of the Company.

Availability of information to Board Members

The Board has unrestricted access to all Company related information including employees. All the relevant information placed before the

Board as required under the SEBI Listing Regulations and Companies Act, 2013 is placed before the Board for its consideration regular updates provided to the Board include:

- Annual operating plans and budgets, capital budgets and any updates thereon
- Quarterly results of the operating divisions or business segments
- Quarterly/Annually report on management Information System division wise.
- Monthly summary report of Internal Audit observations division wise
- The Board/Committee minutes of the Subsidiary/Associate Company/Joint Venture Company/Controlled Trust
- General notices of interest received from Directors, if any
- Dividend including IEPF data
- Minutes of meetings of previous Board & Committee Meetings, abstracts of Circular Resolutions passed and minutes of the Board and Committee meeting of Subsidiary/Associate/Joint Venture Company (if any) etc.
- Information on recruitment and remuneration of senior officers just below the Board level, including appointment or removal of the Key Managerial Personnel, if any.
- Materially important Show cause, demand, penalty/ prosecution notices, which are materially important.
- Fatal or serious accidents, dangerous occurrences, any material significant effluent or pollution problems.
- Any materially relevant defaults in financial obligations to and by us or substantial non-payment for goods sold by the Company.
- Any issue that involves possible public or product liability claims of a substantial nature
- Details of joint ventures or collaboration agreements, if any.
- Transactions that involve substantial payments toward goodwill, brand equity or Intellectual Property.
- Significant labour problems and their proposed solutions. Any significant development in Human Resources/
- Industrial Relations front like signing of wage agreement, implementation of Voluntary Retirement Scheme etc.
- Sale of investments, subsidiaries, assets which are material in nature and not in normal course of business.
- Details of foreign exchange exposures and the steps taken by management to limit the risks of adverse exchange rate movement.
- Non-compliance with any regulatory, statutory or listing requirements, as well as member services, such as non-payment of dividend and delays in share transfer etc.

Minutes of the Meeting:

The Company Secretary & Compliance Officer of the Company records the proceedings of the Meetings and circulates the draft Minutes to Board/Committee Members within 15 days from the date of conclusion of the Meeting. Suggestions of the Directors are properly incorporated in the Minutes. Final Minutes are entered in the Minutes Book within 30 days from the date of conclusion of the Meeting. Certified copies of the signed minutes are sent to the Directors within 15 days of sign by the Chairperson of the Board/Committee meeting.

Post Board Meeting Mechanism

All the Proceedings of the Board Meetings are recorded as per the requirements of the Companies Act, 2013 and SEBI Listing Regulations. All the decisions taken by the Board and its Committees are promptly communicated to the concerned departments or divisions. All the Post Board Meeting filings on the Stock Exchange / Registrar of Companies are done as per the requirement of the SEBI

Listing Regulations and Companies Act, 2013 and rules made there under as amended from time to time. Action taken/status reports on decisions of the previous meeting(s) are placed at the next meeting for information and further recommended actions, if any.

Selection of Independent Directors

Considering the requirement of skill sets on the Board, eminent people having an independent standing in their respective field/ profession and who can effectively contribute to the Company's business and policy decisions are considered by the Nomination and Remuneration Committee for appointment as Independent Director on the Board. The Committee, inter alia, considers positive attributes, area of expertise and number of Directorships and Memberships held in various committees of other Companies by such persons in accordance with the Company's Policy for Selection of Directors and determining Directors' independence. The Committee evaluates the skills, knowledge and experience on the Board and on the basis of such evaluation, prepare a description of the role and capabilities required of an independent director. The person recommended to the Board for appointment as an independent director shall have the capabilities identified in such description. The Board considers the Committee's recommendation and takes appropriate decision.

Meetings of Independent Directors

Pursuant to Schedule IV of the Companies Act, 2013 & Rules made there under and SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 as amended from time to time, the independent directors of the Company shall hold at least two meetings in a year, without the attendance of non-independent directors and members of the Management. The meeting shall review the performance of non-independent directors and the Board as a whole; review the performance of the Chairperson of the Board, taking into account the views of the executive directors and non-executive directors; assess the quality, quantity and timeliness of flow of information between the Management and the board that is necessary for it to effectively and reasonably perform its duties. Two meeting of Independent Directors was held during the year i.e. on May 29, 2024 and March 11, 2025.

Succession planning

The Nomination and Remuneration Committee works with the Board on the leadership succession plan and also prepares contingency plans for succession in case of any exigencies.

b) Attendance of each Director at the meeting of the Board of Directors and last Annual General Meeting:

Name	No. of Board Meetings		Attendance at last AGM 21 st August, 2024
	Held	Attended	
Independent Director			
Mr. A V Girijakumar	7	7	Yes
Mr. Rajesh Thakur Ahuja	7	7	Yes
Mrs. Aparna Surabhi	7	7	Yes
Mr. M P Vijay Kumar	7	7	Yes
Non-Executive Director			
Dr. V. Nagaraja Naidu*	7	1	Yes
Whole-time Director			
Mrs. N Bhuvaneswari	7	7	Yes
Mrs. N Brahmani	7	7	Yes

* Dr. V. Nagaraja Naidu retired as a Non-Executive Director w.e.f. 21.08.2024

Video conferencing facilities and other audio-visual means are provided to the Directors to participate in the meetings.

c) Name and number of other board of directors or committees in which a director is a member or chairperson as on March 31, 2025:

Name	No. of other Directorships* (Including Heritage Foods)	Committee Memberships^ (Including Heritage Foods)		Category of Directorship and name of the other listed Company(s) as on 31-03-2025
		Member	Chairperson	
Non-Executive Independent Director				
Mr. A V Girijakumar#	1	2	-	Nil
Mr. Rajesh Thakur Ahuja	2	2	-	Nil
Mrs. Aparna Surabhi	4	2	2	Non-Executive Independent Director in Medplus Health services Limited HBL Engineering Limited
Mr. M P Vijay Kumar	6	2	2	Non-Executive Independent Director in Wheels India Limited Life Insurance Cooperation of India
Whole-time Director				
Mrs. N Bhuvaneswari	3	1	-	Nil
Mrs. N Brahmani	3	-	-	Nil

* The directorships held by directors as mentioned above, does not include directorships in Foreign Companies.

[^] In accordance with Regulation 26 of the Listing Regulations, Membership(s) / Chairmanship(s) of only Audit Committees and Stakeholders' Relationship Committees in all Public Limited Companies have been considered.

d) Number of meetings of the Board of directors held and dates on which held:

Seven (7) Board meetings were held during the year ended March 31, 2025 and the gap between any of the two consecutive meetings was not exceeding one hundred and twenty days. The said meetings were held on: May 29, 2024, July 23, 2024, September 18, 2024, October 23, 2024, November 15, 2024, January 22, 2025, March 11, 2025. The necessary quorum was present for all the meetings.

The tentative dates for Board meetings in the ensuing financial year are decided in advance and published as part of the Annual Report. The Chairperson of the Board and the Company Secretary & Compliance Officer, drafts the agenda for each meeting, along with explanatory notes, in consultation with the Vice Chairperson & Managing Director and communicate these in advance to the Directors. Every Board member can suggest the inclusion of additional items in the agenda. The Board meets at least once a quarter to review the quarterly results and other items on the agenda. Additional meetings are held when necessary.

e) Disclosure of relationship between directors inter-se:

As on March 31, 2025, the Board consists of Six (6) members, out of which (2) are Executive/Whole-time Women Directors, three (3) are Non-Executive Independent Directors and one (1) is Non-Executive Independent Woman Director.

None of the Directors has relations with each other except Executive Director/Whole-time director of the Company. Mrs. N. Brahmani, Executive Director of the Company is the daughter-in-law of Mrs. N Bhuvaneshwari, Vice Chairperson & Managing director of the Company.

f) Number of shares and convertible instruments held by Non-executive Directors:

None of the Non-executive Directors of the Company are having any shares or convertible instruments as on March 31, 2025.

g) Familiarisation programmes for Board Members

On being introduced onto the board of the company, every Director is given an induction and is made aware about the organisations Vision, mission, Challenges, risk and opportunities. The Board members are provided with necessary documents/ brochures, reports and internal policies to enable them to familiarise with the Company's procedures and practices. Periodic presentations are made at the Board and its Committee Meetings, on business and performance updates of the Company and business strategy. Detailed presentations on the Company's business segments were made at the meetings of the Directors held during the year. Site visits to various plant locations are organized for the Directors to enable them to understand the operations of the Company. By apprising the Board with up-to-date information about the organisation and its business, your company ensures that the Board is updated about the regular workings of the company.

The details of familiarization programme attended by Independent Directors is available on the website of the Company <https://www.heritagefoods.in/uploads/investors/pdf/1557900118Familiarisation-programme.pdf>

The Statutory Auditors, Internal Auditors and Senior Management of the Company make presentations to the Board of Directors regarding regulatory changes from time to time while approving the Financial Results.

h) Skills/Expertise/Competencies of the Board of Directors

The following is the list of core skills/expertise/ competencies identified by the Board of Directors as required in the context of the Company's business(es) for it to function effectively and those available with the Board as a whole.

- i. Sales & Marketing: Experience in sales and marketing management based on understanding of the consumer & consumer goods industry, developing strategies to grow sales and market share, build brand equity awareness and enhance enterprise reputation.
- ii. General management / Governance and Compliance: Service on a company board to develop insights about maintaining board and management accountability, Strategic thinking, decision making, protecting member interests and observing appropriate governance practices. Ability to identify key risks to the organisation in a wide range of areas including legal and regulatory compliance and monitor risk and compliance management frameworks and systems.
- iii. Financial skills: Understanding the financial statements, financial controls, risk management, mergers and acquisition, etc. Management of the finance function of an enterprise, resulting in proficiency in complex financial management, capital allocation and financial reporting processes, or experience in actively supervising a financial officer, accounting officer, controller, auditor or person performing similar functions
- iv. Technical and professional skills / Policy Development: Ability to identify key issues and opportunities for the Company within the Dairy industry and develop appropriate policies to define the parameters within which the organisation should operate and knowledge including legal and regulatory aspects.
- v. Operational Skill/ Strategy planning, Mergers and Acquisitions: Experience in operating and managing on dairy business. Ability to think strategically and identify and critically assess strategic opportunities and threats and develop effective strategies in the context of the strategic objectives of the Company's relevant policies and priorities. Leading growth through acquisitions and other business combinations, with the ability to assess 'build or buy' decisions, analyze the fit of a target with the Company's strategy and culture, accurately value transactions and evaluate operational integration plan.
- vi. Leadership: Extended leadership experience for a significant enterprise, resulting in a practical understanding of organizations, processes, strategic planning and risk management. Demonstrated strengths in developing talent, planning succession and driving change and long-term growth. Oversee strategic human resource management including workforce planning, employee and industrial relations and oversee large scale organisational change.
- vii. Information Technology: A significant background in technology, resulting in knowledge of how to anticipate technological trends, generate disruptive innovation and extend or create new business models. Knowledge and experience in the strategic use and governance of information management and information technology within the organisation.

- viii. International Business: Knowledge of and experience in companies with operations outside of India. The Directors of your Company comprises of qualified individuals who collectively possess the above skills, competencies and experience across diverse fields that enable them to make effective contributions to the Board and its Committees. Given below is a list of core skills, expertise and competencies of the individual Directors:

Key Board Qualifications								
Director	Area of Expertise							
	Financial	Policy Development	Leadership	Information Technology	Strategy planning, Mergers & Acquisitions	Governance and Compliance	Sales & Marketing	International Business
Mr. A V Girijakumar	-	√	√	-	√	√	-	-
Mr. Rajesh Thakur Ahuja	√	√	√	√	√	√	√	√
Mrs. Aparna Surabhi	√	√	√	√	√	√	-	√
Mr. M P Vijay Kumar	√	√	√	√	√	√	-	-
*Dr. V. Nagaraja Naidu	√	√	√	-	√	√	√	-
Mrs. N Bhuvaneswari	√	√	√	-	√	√	√	-
Mrs. N Brahmani	√	√	√	√	√	√	√	√

*Dr. V. Nagaraja Naidu has retired as Non-Executive Director w.e.f. 21.08.2024

These skills/competencies are broad-based, encompassing several areas of expertise/experience. Each Director may possess varied combinations of skills/experience within the described set of parameters and it is not necessary that all Directors possess all skills/experience listed therein.

i) Declaration by Independent Directors

All the Independent Directors of the Company have given declarations and confirmed that they meet the criteria of Independence as provided under Section 149(6) of the Act and Regulation 16(1)(b) of the Listing Regulations and that they are not aware of any circumstance or situation, which exist or may be reasonably anticipated, that could impair or impact their ability to discharge their duties with an objective independent judgment and without any external influence. They also declare that apart from receiving director's remuneration (sitting fees) they did not have any pecuniary relationship or transactions with the company, its promoter, its directors, senior management and they are not a material supplier, service provider or a lessor or lessee of the company, which may affect their independence and was not a substantial member of the company i.e. holding securities of or interest of face value in excess of fifty lakh rupees or owning two percent or more of the paid-up share capital during the three immediately preceding financial years or during the current financial year.

j) Reason for resignation of an Independent Director

None of the Independent Director resigned from the Board during the period under review.

k) Policy for Prevention of Insider Trading

The Company has adopted a Policy for Prohibition of Insider Trading ('Policy/Code') for Regulating, Monitoring and Reporting of Trades by Designated Persons' ('the Code') in accordance with the SEBI (Prohibition of Insider Trading) Regulations, 2015 (The PIT Regulations).

The Company is having in place the required IT infrastructure for maintaining Digital Structural Database and for monitoring the insider trading activities as per the applicable Regulations of SEBI (Prohibition of Insider Trading) Regulations, 2015.

The Policy is applicable to Promoters, Member of Promoter's Group, all Directors, designated persons and third parties such as auditors, consultants etc. who are expected to have access to unpublished price sensitive information relating to the Company.

The trading window of the Company is closed from the first day of every quarter and it opens after the 48 hours of the declaration of financial results and on occurrence of any material events as per the code. The Audit Committee of the company shall review compliance with the provisions of these regulations at least once in a financial year and shall verify that the systems for internal control are adequate and are operating effectively.

The Company has also formulated 'The Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information (UPSI)' in compliance with the PIT Regulations. The company also has a whistle-blower policy to make employees aware of such policy to enable employees to report instances of leak of UPSI and a separate procedure for enquiry in case of leak of UPSI is also in place. The Code& policies are displayed on the Company's website viz. www.heritagefoods.in. All Directors and Senior Management of the Company have affirmed the compliance of all policies for the financial year ended March 31, 2025.

l) Appointment and Tenure of Directors

The Directors of the Company are appointed / reappointed by the Board on the recommendation of the Nomination and Remuneration Committee and approval of the members at the General Meetings. Independent Directors are appointed as per the applicable provisions of the Companies Act, 2013 and rules made thereof and SEBI (Listing Obligations and Disclosure Requirements), Regulations 2015.

The Vice-Chairperson & Managing Director is not liable to retire by rotation. In compliance with Section 152(6) of the Companies Act, 2013 and rules made thereunder Executive Director / Whole Time Director of the Company are liable to retire by rotation.

Mr. A V Girijakumar (DIN: 02921377) has been appointed as a Chairperson of the Company, in accordance with applicable provisions of the Companies Act, 2013, SEBI LODR, Secretarial Standard-1 & 2 and Articles of Association of the Company, with effect from October 18, 2023 till decided otherwise by the Board subject to a maximum period up to 31st May 2028 (being the end of his first term of 5 years).

The approval of members through special resolution was taken on March 14, 2024, for the re-appointment of Mrs. Aparna Surabhi (DIN: 01641633) as Non-Executive Independent Woman Director of the Company for second and final term with effect from April 1, 2024, to January 29, 2029.

The approval of members through special resolution was taken on March 14, 2024, for the re-appointment of Mrs. N. Bhuvaneswari (DIN: 00003741) as Whole-time Director designated as Vice-Chairperson and Managing Director (VC&MD) of the Company for a further period of 5 years commencing from April 1, 2024, to March 31, 2029.

The approval of members through special resolution was taken on March 14, 2024, for the re-appointment of Mrs. N. Brahmani (DIN: 02338940) as Whole-time Director designated as Executive Director of the Company for a further period of 5 years commencing from April 1, 2024 to March 31, 2029.

The Board in the meeting held on March 11, 2025 has also approved the appointment of Dr. M Sambasiva Rao as Whole Time Director w.e.f. April 1, 2025, to hold office for a tenure of 5 consecutive years reckoned from the date of appointment, subject to the approval of shareholders through postal ballot, which was approved by the shareholder vide Special resolution passed through postal Ballot on May 2, 2025.

Dr. V. Nagaraja Naidu, Non-Executive Director retired by rotation at the Annual General Meeting held on August 21, 2024.

m) **BOARD COMMITTEES**

The Board of Directors of the Company are having 6 (Six) Committees during the FY 2024-25 i.e.

- i. Audit Committee
- ii. Nomination & Remuneration Committee
- iii. Stakeholders Relationship Committee
- iv. CSR Committee
- v. Risk Management Committee
- vi. Management Committee

The quorum for committee meetings is as per the Companies Act and SEBI Listing Regulation. The Company Secretary of the company is acting as the Secretary in each Committee.

n) **Frequency and Length of Meeting of the Committees of the Board**

Each Committee meets as often as necessary subject to minimum number and frequency as stipulated in its charter or as prescribed in the Act and Listing Regulations. The agenda for the Committee meeting is shared with all the members of the Committee at least 7 days in advance.

3. **AUDIT COMMITTEE**

a) **Brief description and term of reference:**

The Committee composition meets with requirements of Section 177 of the Companies Act, 2013 and Regulation 18 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended from time to time. Members of the Audit Committee possess financial accounting expertise/exposure.

Terms of reference

The terms of reference of the Audit Committee are in alignment with the provisions of the SEBI (Listing Obligations and Disclosure

Requirements) Regulations, 2015 as amended from time to time, are as follows:

- I. Oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.
- II. Recommendation for appointment, remuneration and terms of appointment of auditors.
- III. Approval of payment to statutory auditors for any other services rendered by the statutory auditors.
- IV. Reviewing with the management, the quarterly/ annual financial results/statements and auditor's report thereon before submission to the Board for approval; -
- V. Reviewing with the management, the statement of uses/ application of funds raised through an issue, the statement of funds utilized for purposes other than those stated in offer documents/prospectus/ notice and the report submitted by the monitoring agency monitoring the utilization of proceeds of a public or rights issue and making appropriate recommendations to the board to take up steps in the matter.
- VI. Reviewing and monitoring the auditor's independence and performance and effectiveness of audit process.
- VII. Approval including omnibus approval or any subsequent modification of transactions of the Company with related parties.
- VIII. Scrutiny of inter-corporate loans and investments.
- IX. Valuation of undertakings or assets of the Company, wherever it is necessary.
- X. Evaluation of internal financial controls and risk management systems.
- XI. Reviewing with the management, performance of statutory and internal auditors, adequacy of the internal control systems.
- XII. Reviewing the adequacy of internal audit function and discussion with the internal auditors of any significant findings and follow up thereon.
- XIII. Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board;
- XIV. Discussion with the statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
- XV. To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, members and creditors;
- XVI. Review the functioning of whistle blower mechanism;
- XVII. Monitoring the Compliances as per the provisions of SEBI (PIT) Regulations, 2015;
- XVIII. Approval of appointment of Chief Financial Officer;
- XIX. Reviewing the utilization of loans and/or advances from/ investment by the holding company in the subsidiary exceeding ₹ 1,000 million or 10% of the asset size of the subsidiary, whichever is lower including existing loans/ advances/ investments existing as on the date of coming into force of this provision;
- XX. Consider and comment on rationale, cost-benefits and impact of schemes involving merger, demerger, amalgamation etc., on the listed entity and its shareholders.

b) Composition, name of the members and chairperson:

Composition of the Committee as on March 31, 2025:

Name	Designation	Category
Mrs. Aparna Surabhi	Chairperson	Non Executive Independent Women Director
Mr. A V Girijakumar	Member	Non Executive Independent Director
Mr. Rajesh Thakur Ahuja	Member	Non Executive Independent Director
Mr. M P Vijay Kumar	Member	Non Executive Independent Director

c) Meeting and attendance during the year:

Seven meetings of the Audit Committee were held during the financial year 2024-25, i.e. May 29, 2024, July 23, 2024, September 18, 2024, October 23, 2024, November 15, 2024, January 22, 2025 and March 11, 2025. The attendance details of the Committee Meeting are as follows:

Name	No. of Meetings	
	Held	Attended
Mrs. Aparna Surabhi	7	7
Mr. A V Girijakumar	7	7
Mr. Rajesh Thakur Ahuja	7	7
Mr. M P Vijay Kumar	7	7
Dr. V Nagaraja Naidu*	7	1

* Dr. V Nagaraja Naidu ceased to be a member of the committee w.e.f. August 21, 2024.

Mrs. N Bhuvaneswari, Vice Chairperson & Managing Director, Mrs. N. Brahmani, Executive Director, Dr. M. Sambasiva Rao, (President up to March 31, 2025, Whole Time Director w.e.f. April 1, 2025), Mr. A Prabhakara Naidu, Chief Financial Officer, Mr. Srideep N Kesavan, Chief Executive officer and Mr. J Samba Murthy, Chief Operating Officer of the Company are permanent invitees and Auditors are also invited to the Audit Committee Meeting, Mr. Umakanta Barik, Company Secretary & Compliance Officer is the Secretary to the Committee.

4. NOMINATION & REMUNERATION COMMITTEE

a) Brief description of terms of reference:

The terms of reference, constitution, powers, quorum and other matters in relation to the Nomination and Remuneration Committee (NRC) are as per of the Regulation 19 read with Part D of Schedule II of SEBI Listing Regulations, Section 178 of the Companies Act, 2013 as amended from time to time.

- Formulate the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board of Directors a policy relating to for remuneration for the directors, key managerial personnel and other employees;
- Formulation of criteria for evaluation of performance of Independent Directors and the board of directors;
- Devising a policy on diversity of board of Directors;
- Identifying persons who are qualified to become of Directors and who may be appointed in senior management in accordance with the criteria laid down and recommend to the Board of Directors their
- appointment and removal;

- Whether to extend or continue the term of appointment of the independent director, on the basis of the report of performance evaluation of Independent Directors;
- Recommend to the Board, all remuneration, in whatever form payable to senior management
- Evaluate the skills, knowledge and experience on the Board and on the basis of such evaluation, prepare a description of the role and capabilities required of an independent director. For the purpose of identifying suitable candidates, the Committee may:
 - use the services of an external agencies, if required;
 - consider candidates from a wide range of backgrounds, having due regard to diversity; and
 - consider the time commitments of the candidates.
- The committee shall review and discuss all matters pertaining to candidates and shall evaluate the candidates in accordance with a process that it sees fit, passing on the recommendations to the Board. The committee coordinates and oversees the annual self- evaluation of the Board and of individual directors. The Committee also review the performance and approve the revision of annual fixed salary & variable pay and promotions of all the Employees one level below the Board including the Functional Heads of the Company. The committee also regularly evaluate the usefulness of such performance parameters and make necessary amendments.

b) Composition, name of members and chairperson:

Composition of the Committee as on March 31, 2025:

Name	Designation	Category
Mr. M P Vijay Kumar*	Chairperson	Non-Executive Independent
Mr. A V Girijakumar	Member	Non-Executive Independent Director
Mr. Rajesh Thakur Ahuja	Member	Non-Executive Independent Director
Mrs. Aparna Surabhi**	Member	Non-Executive Independent Director Woman Director

*Mr. M P Vijay Kumar appointed as Chairperson of the committee w.e.f. July 23, 2024

**Mrs. Aparna Surabhi appointed as member of the committee w.e.f. July 23, 2024.

c) Meeting and attendance during the year:

The Nomination & Remuneration Committee held five meetings during the financial year 2024-25 i.e. on April 22, 2024, May 3, 2024, May 29, 2024, June 19, 2024 and March 11, 2025. The attendance details of the Committee Meetings are as follows:

Name	No. of Meetings	
	Held	Attended
Mr. M P Vijay Kumar*	5	5
Mr. A V Girijakumar	5	5
Mr. Rajesh Thakur Ahuja	5	5
Mrs. Aparna Surabhi**	5	5

*Mr. M P Vijay Kumar appointed as Chairperson of the committee w.e.f. July 23, 2024

**Mrs. Aparna Surabhi appointed as member of the committee w.e.f. July 23, 2024.

Mrs. N Brahmani, Executive Director, Dr. M Sambasiva Rao, President of the Company are invitees to the Committee Meeting and Mr. Umakanta Barik, Company Secretary & Compliance Officer is the Secretary to the Committee.

d) Performance evaluation criteria for directors:

One of the key functions of the Committee is to monitor and review the board evaluation framework. Your Board is committed to assessing its own performance as a Board in order to identify its strengths and areas in which it may improve its functioning. The Board works with the nomination and remuneration committee to lay down the evaluation criteria for the performance of executive / non-executive / independent directors. The questionnaire is a key part of the process of reviewing the functioning and effectiveness of the Board and for identifying possible paths for improvement. Each Board member is requested to evaluate the effectiveness of the Board dynamics and relationships, information flow, decision-making of the directors, relationship to stakeholders, company performance, company strategy and the effectiveness of the whole Board and its various committees on a scale of one to five. Feedback on each director is encouraged to be provided as part of the questionnaire. The Company has implemented a Digital platform/software for carrying out Board Evaluation.

5. STAKEHOLDERS RELATIONSHIP COMMITTEE

The Stakeholders Relationship Committee's (SRC) composition and the terms of reference meet with the requirements of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and as specified in Section 178 of the Companies Act, 2013 & rules made thereof as amended from time to time as follows.

- i. Resolving the grievances of the security holders of the Company including complaints related to transfer/transmission of shares, non-receipt of annual report, non-receipt of declared dividends, issue of new/duplicate certificates, general meetings, etc.
- ii. Review of measures taken for effective exercise of voting rights by members
- iii. Review of adherence to the service standards adopted by the Company in respect of various services being rendered by the Registrar and Share Transfer Agent
- iv. Review of various measures and initiatives taken by the listed entity for reducing the quantum of unclaimed dividends and ensuing timely receipt of dividend warrants/ annual reports/statutory notices by the members of the Company
- v. To approve, Sub- division, Consolidation and issue of new/duplicate share certificates, whenever requested for by the members of the company.

The Committee authorised Vice Chairperson & Managing Director and Executive Director of the Company to sign the Memorandum of Share Transfer/Transmissions submitted by Registrar of Transfer Agent and counter signed by Company Secretary & Compliance Officer of the company and same to be rectified by the Committee in subsequent meeting if any.

a) Name of non-executive director heading the committee:

Mrs. Aparna Surabhi- Non-Executive Independent Women Director

b) Name and designation of compliance officer:

Mr. Umakanta Barik, Company Secretary & Compliance Officer acts as the Secretary for the Committee, who is designated as

Compliance Officer in pursuant to SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 as amended from time to time.

c) Details of the Complaints/request during Financial Year 2024-25 as follows:

No of complaints/request received: NIL

No of complaints/request resolved: NIL

No of pending complaints/request: NIL

Composition, name of members and chairperson:

Composition of the Committee as on March 31, 2025:

Name	Designation	Category
Mrs. Aparna Surabhi*	Chairperson	Non-Executive Independent Women Director
Mr. A V Girija Kumar	Member	Non-Executive Independent Women Director
Mr. Rajesh Thakur Ahuja	Member	Non-Executive Independent Director
Mrs. N Bhuvaneswari	Member	Executive Director

*Mrs. Aparna Surabhi appointed to be a member of the committee w.e.f. July 23, 2024.

One Stakeholders Relationship Committee meeting was held during the financial year 2024-25 on May 29, 2024. The attendance details of the Committee Meeting are as follows:-

Stakeholders Relationship Committee Attendance:

Name	No. of Meetings	
	Held	Attended
Dr. V Nagaraja Naidu*	1	-
Mrs. Aparna Surabhi**	1	-
Mr. A V Girijakumar	1	1
Mr. Rajesh Thakur Ahuja	1	1
Mrs. N Bhuvaneswari	1	1

*Dr. V Nagaraja Naidu ceased to be a member of the committee w.e.f. August 21, 2024.

**Mrs. Aparna Surabhi appointed to be a member of the committee w.e.f. July 23, 2024.

5(A). Risk Management Committee

In accordance with the provisions of Regulation 21 of the SEBI (LODR) Regulations, the Board constituted Risk Management Committee. The Committee's prime responsibility is to implement, review and monitor the risk management plan and policy of the Company. The Committee shall be aware of the significant risk exposures of the Company and assess whether Management is responding appropriately towards them in timely manner.

The Committee's constitution and terms of reference meet with the requirements of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Companies Act, 2013, as amended from time to time.

Composition, name of members and chairperson:

Composition of the Committee as on March 31, 2025:

Name	Designation	Category
Mr. Rajesh Thakur Ahuja	Chairperson	Non-Executive Independent Director
Mr. A V Girijakumar	Member	Non-Executive Independent Director
Mrs. Aparna Surabhi	Member	Non-Executive Independent Woman Director
Mrs. N Bhuvaneswari	Member	Executive Director

Two (2) Risk Management committee meetings were held during the financial year 2024-25 i.e. on July 23, 2024 and January 22, 2025.

Risk Management committee Attendance:

Name	No. of Meetings	
	Held	Attended
Mr. Rajesh Thakur Ahuja	2	2
Mr. A V Girijakumar	2	2
Mrs. Aparna Surabhi	2	2
Mrs. N Bhuvaneswari	2	2

Mrs. N. Brahmani, Executive Director, Dr. M. Sambasiva Rao, (President up to March 31, 2025, Whole Time Director wef. April 1, 2025), Mr. A Prabhakara Naidu, Chief Financial Officer and Mr. Srideep N Kesavan, Chief Executive officer of the Company are invitees and Mr. Umakanta Barik, Company Secretary & Compliance Officer is the Secretary to the Committee.

- 5(B). Senior management:** Particulars of senior management including the changes therein since the close of the previous financial year.

During the year under review there was no changes in Senior Management of the Company.

5(C). Corporate Social Responsibility (CSR) Committee

The Corporate Social Responsibility Committee is constituted in pursuance to the Provision of Section 135 of the Companies Act, 2013 and the rules made there under as amended from time to time. The Committee's prime responsibility is to assist the Board in discharging its social responsibilities by way of formulating and monitoring implementation of the framework of 'Corporate Social Responsibility policy' observe good practices at all levels and to suggest remedial measures wherever necessary.

The Committee's constitution and terms of reference meet with the requirements of the Companies Act, 2013 and rules made thereof as amended from time to time.

Composition, name of members and chairperson:

Composition of the Committee as on March 31, 2025:

Name	Designation	Category
Mr. Rajesh Thakur Ahuja	Chairperson	Non-Executive Independent Director
Mr. A V Girijakumar	Member	Non-Executive Independent Director
Mrs. N Bhuvaneswari	Member	Executive Director

The committee shall be overseeing the activities/ functioning with regards to Company's project/ works of implementing partners, being an external agency for implementation of the CSR activities of the Company and identifying the areas of CSR activities, programs and execution of initiatives as per predefined guidelines/policy.

One (1) CSR Committee meeting was held during the financial year 2024-25 on July 23, 2024. The attendance details of the Committee Meeting are as follows:

Name	No. of Meetings	
	Held	Attended
Mr. Rajesh Thakur Ahuja	1	1
Mr. A V Girijakumar	1	1
Mrs. N Bhuvaneswari	1	1

Mrs. N Brahmani, Executive Director, Dr. M Sambasiva Rao, (President up to March 31, 2025, Whole Time Director wef. April 1, 2025) and Mr. A Prabhakara Naidu Chief Financial Officer of the Company are permanent invitees to the Committee Meeting. Mr. Umakanta Barik Company Secretary & Compliance Officer of the Company is the Secretary to the Committee.

5(D). Management Committee

The terms of reference of the Management Committee is to consider and dispose off any day to day matters, with a view to ensuring smooth operations and timely action/ compliances. The Committee meets at frequent intervals and disposes matters which are of urgent in nature without having to wait for the next Board Meeting and those items are not statutory requiring for the approval of the Board.

Composition, name of members and chairperson:

Composition of the Committee as on March 31, 2025

Name	Designation	Category
Mrs. N Bhuvaneswari	Chairperson	Executive Director
Mr. A V Girijakumar	Member	Non-Executive Independent Director
Mr. Aparna Surabhi	Member	Non-Executive Independent women Director
Mr. M P Vijay Kumar	Member	Non-Executive Independent Director

No Management Committee meeting was held during the financial year 2024-25.

Mrs. N Brahmani, Executive Director, Dr. M. Sambasiva Rao, (President up to March 31, 2025, Whole Time Director wef. April 1, 2025), Mr. A. Prabhakara Naidu Chief Financial Officer, Mr. Srideep N Kesavan, Chief Executive Officer and Mr. J Samba Murthy, Chief Operating Officer of the Company are permanent invitees to the Committee Meeting, Mr. Umakanta Barik Company Secretary & Compliance Officer is the Secretary to the Committee.

6. REMUNERATION OF DIRECTORS

The Nomination and Remuneration Committee determines and recommends to the Board the compensation payable to director(s). All Board-level compensation shall be approved by the members and disclosed separately in the financial statements. Remuneration for the Vice- Chairperson & Managing Director and Executive Director consists of fixed component and variable component.

The compensation payable to the Independent/ Non-Executive Directors is limited to sitting fees and reimbursement of actual conveyance, travelling and other expenses for attending the Board & Committee meeting(s), as approved by the Board and members, as per the provisions of the Companies Act, 2013 and SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 as amended from time to time.

a) All pecuniary relationship or transactions of the Non-Executive Directors:

There are no pecuniary relationship or transactions between the company and Non-Executive Independent Directors except the sitting fees they are getting for attending the board/committee meeting.

b) Criteria of making payments to Non-Executive Directors:

The Non-Executive Directors are paid remuneration by way of Sitting Fees and reimbursement of actual expenses for attending the Board/ Committee Meeting. The Non- Executive Directors/ Independent Directors do not have any material pecuniary relationship or transactions with the Company. The Proforma appointment letter of the Non-Executive Director including the payment thereof is available in the website of the Company i.e. https://www.heritagefoods.in/uploads/investors/pdf/15861534467Draft_Appointment_Letter-_Non-Executive_Independent_Director.pdf The details of the amount paid to all Directors are disclosed in point no. 6(c)(i) of the Corporate Governance Report section in the Annual Report.

c) Other disclosures with respect to remuneration:**i. All elements of remuneration of individual directors summarized under major groups such as salary, benefits, bonuses, stock options, pensions etc:**

The Details of remuneration paid/payable for the year ended March 31, 2025 is as follows:

(₹ in Millions)

Name	Sitting Fees	Remuneration	Perquisites/Perks	Performance /Annual Pay	Total
Independent Directors					
Mr. A V Girijakumar	1.07	-	-	-	1.07
Mr. Rajesh Thakur Ahuja	1.07	-	-	-	1.07
Mrs. Aparna Surabhi	1.01	-	-	-	1.01
Mr. M P Vijay Kumar	0.95	-	-	-	0.95
Non-Executive Directors					
Dr. V Nagaraja Naidu*	0.10	-	-	-	0.10
Whole-time Directors					
Mrs. N Bhuvaneswari	-	27.00	0.94	104.27	132.21
Mrs. N Brahmani	-	13.50	-	92.21	105.71

* Dr. V Nagaraja Naidu ceased to be a Director w.e.f. August 21, 2024.

ii. Details of fixed component and performance linked incentives, along with the performance criteria:

The Non-Executive Directors of the Company were paid only sitting fees and reimbursement of actual expenses for attending the Board/ Committee meetings. Two Executive Directors/Whole-time Directors are entitled for Performance Linked Incentive as determined by the Nomination & Remuneration Committee, Board of Directors at their meeting held on January 29, 2024 and approved by the members of the Company through postal ballot on March 14, 2024.

iii. Service contracts, notice period, severance fees:

The Company has entered service contract/issued appointment letter with Executive Directors having a 3 months' notice period either side and there are no severance fees involved for any of its directors of the Company. The Company has issued appointment letter to non-executive independent Director(s) as prescribed by the companies Act and applicable regulations.

iv. Stock option details, if any and whether issued at a discount as well as the period over which accrued and over which exercisable:

The Company has not granted any stock option to any of its directors. Mrs. N Bhuvaneswari and Mrs. N Brahmani Executive/ Whole-time Directors of the Company are holding 2,26,11,525 and 4,30,952 equity shares of face value of ₹5 each of the Company respectively as on March 31, 2025.

Besides dividend on equity shares, if any, held by the Directors and payments as mentioned above, no other payments have been made nor have the Directors of the company entered into any transactions of pecuniary nature.

7. GENERAL BODY MEETINGS**a) Location and time, where the last three annual general meeting held:**

The date & time of Annual General Meetings for the last three Financial Year i.e. 2021-22 & 2022-23, 2023-24 are as follows:

Financial year ended	Date and time (IST)	Venue
March 31, 2024	August 21, 2024 at 10:00 a.m.	Through Video Conferencing ("VC") / Other Audio Visual Means ("OAVM") without physical presence of the members at a common venue, in compliance with the circulars issued by Ministry of Corporate Affairs and Securities & Exchange Board of India. The deemed venue was the Registered Office of the Company.
March 31, 2023	August 22, 2023 at 10.00 am	
March 31, 2022	July 29, 2022 at 10.00 am	

b) Whether any special resolutions passed in the previous three annual general meeting:

Special resolutions passed in the previous three annual general meeting, are as follows:

Financial year ended	Date and time	Venue
March 31, 2024	August 21, 2024 at 10:00 a.m.	Nil
March 31, 2023	August 22, 2023 at 10.00 am	To appoint Mr. A V Girijakumar (DIN:02921377) as a Non-Executive Independent Director of the company for a term of 5 (five) consecutive years with effect from June 01, 2023 to May 31, 2028
March 31, 2022	July 29, 2022 at 10.00 am	Nil

c) Postal ballot:

During the financial year 2024-25, members of the company approved the special resolutions, stated in the below table, by means of Postal ballot, including Electronic Voting (e-voting). The Postal Ballot Notice dated March 11, 2025 was sent on April 1, 2025 through electronic mode to the members whose e-mail addresses were registered with the Company/ respective Depository Participants as on cut-off date i.e. March 28, 2025 and the hard copies of the Postal Ballot Notice is being sent through courier to other members whose e-mail was not registered with the Company or with their Depository Participants as on April 1, 2025.

The Company had published a notice in the newspaper on April 2, 2025, in Financial Express (all edition) and Andhra Prabha (Hyderabad edition) in compliance with the provisions of the Companies Act, 2013 and Secretarial Standard – 2.

The voting period commenced from at from 9:00 am April 2, 2025 and ended at 5:00 p.m. on May 1, 2025. The voting rights of members were reckoned on the paid-up value of shares registered in the name of member/ beneficial owner (in case of electronic shareholding) as March 28, 2025. The resolutions were approved by requisite majority on May 1, 2025. The result of the Postal Ballot conducted through E-voting for the Special Resolutions is as under:

SI No	Particulars of the Resolution	Postal Ballots Results						
		Total e-voting received	No of Votes in Favor		No of Votes Against		No of Votes Abstain	No of Less Votes
			Votes	%	Votes	%		
1	Appointment of Dr. Muddana Sambasiva Rao (DIN:01887410) as a Director of the Company	5,73,43,071	5,72,62,287	99.86	80,256	0.14	302	226
2	Appointment of Dr. Muddana Sambasiva Rao, (DIN:01887410) as a Whole-time Director of the Company for a term of 5 consecutive years commencing from April 1, 2025 and payment of remuneration	5,73,43,071	5,72,70,612	99.87	71,855	0.13	202	402

d) Person who conducted the postal ballot exercise:

The Board had appointed Mr. A Ravi Shankar (M No:FCS-5335, CP No: 4318) Partner of M/s. Ravi & Subramanyam a firm of Practising Company Secretaries, Hyderabad-500063 as the Scrutiniser for conducting the above postal ballot processes in a fair and transparent manner and had engaged the services of M/s. KFin Technologies Limited as the agency for the purpose of providing e-voting facility. Mr. A Ravi Shankar, submitted his reports on the postal Ballot to the Chairperson on May 02, 2025.

e) Whether any special resolution is proposed to be conducted through postal ballot:

There is no immediate proposal for passing any resolution through Postal Ballot.

f) Procedure for postal ballot:

In compliance with Sections 108 and 110 and other applicable provisions of the Companies Act, 2013, read with the related Rules and read with MCA circulars, the Company provides electronic voting (e-voting) facility, to all its members. For this purpose, the Company has engaged the services of M/s. Kfin Technologies Limited.

The postal ballot notices were sent by email to all the members who have registered their email-id and hard copies sent through courier to other members whose e-mail was not registered. The Company also publishes a notice in the newspaper declaring

the details and requirements as mandated by the Act and applicable rules.

Voting rights are reckoned on the paid-up value of the shares registered in the names of the members as on the cut-off date.

The scrutinizer completes his/her scrutiny and submits his/ her report to the Chairperson of the Company and the consolidated results of the voting are announced by the Chairperson / authorized officer. The results are also displayed on the Company website, www.heritagefoods.in, besides being communicated to the stock exchanges and registrar and share transfer agent.

8. Means of Communication

a) Financial Results:

The Quarterly/Half-yearly/Annual Un-Audited/ Audited Financial Results (Standalone & Consolidated) along with the Limited Review Report from Statutory Auditors are submitted to the Stock Exchanges and uploaded on the website of the Company as per the applicable provisions of the SEBI (LO&DR) Regulations, 2015 as amended from time to time.

The members are provided with the necessary information with notices sent for the Annual General Meeting / Extraordinary General Meeting. Any other information sought by members is being provided on request.

b) News Paper where results normally published:

The quarterly/annual financial results are published in English newspaper namely i.e. Financial express all editions and vernacular language newspaper namely i.e. Andhra Prabha, Hyderabad edition.

c) Website:

Your Company committed to maintaining transparency and providing timely disclosures to our stakeholders. The website i.e. www.heritagefoods.in of your Company serves as a comprehensive source of information, enabling investors, analysts and other interested parties to access relevant details about our operations, financial performance, corporate governance practices as prescribed under regulation 46 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015 as amended from time to time.

Our Investor Relations section provides up-to-date financial reports, annual reports, quarterly results and presentations, offering a comprehensive view of our company's performance. We prioritize transparency and adhere to SEBI guidelines, ensuring the timely dissemination of material information, including board meeting updates, insider trading disclosures and other regulatory filings.

The Corporate Governance section outlines our commitment to ethical business practices, robust internal control systems and compliance with applicable laws and regulations. Here, you will find information about our board of directors, committees, their composition and their roles and responsibilities.

To foster effective communication, our website also includes a dedicated section for shareholders, where they can find information about dividends, shareholding patterns and investor FAQs. Additionally, we provide contact details for our investor relations team, allowing shareholders to connect with us directly.

We believe in responsible business practices and aim to create long-term value for our stakeholders while considering the impact on society and the environment. Here, you will find information about our sustainability initiatives, policies and achievements.

We understand the importance of maintaining a strong relationship with our customers and partners. The Products and Services section provides an overview of our offerings, highlighting their features, benefits and unique selling points. We also offer customer support contact details, ensuring a seamless experience for our valued clients.

we value feedback and encourage open communication. Our Contact Us page includes contact information for various departments, allowing visitors to reach out to us with their queries, feedback, or business opportunities. We invite you to explore the various sections to gain a deeper understanding of our company and its commitment to growth, transparency and responsible business practices.

d) News Releases, Presentations etc:

The Quarterly results, Shareholding Patterns, Official News releases, analysis and information to investors, etc. are displayed on the company's website: www.heritagefoods.in as well as the website of the Stock Exchanges where the shares of the Company are listed. On quarterly basis, the investor presentation and transcript of the conference call was sent to all the members of the Company through e-mail and also uploaded in the Company's website and intimated to Stock Exchanges, where shares of the Company are listed.

e) Presentations to institutional investors/analysts:

Detailed presentations are made to institutional investors and financial analysts on the Company's unaudited quarterly as well as audited annual financial results. These presentations are also uploaded on the Company's website www.heritagefoods.in and the website of the Stock Exchanges where the shares of the Company are listed.

Annual Report:

The Annual Report containing inter- alia Notice of the 33rd Annual General Meeting, Directors' Report including Annexure thereto, Secretarial Audit Report, Business Responsibility & Sustainability Report, Management Discussion and Analysis, Report on Corporate Governance, Auditors Report, Audited Annual Accounts (Standalone & Consolidated) and other important information is circulated to Members and others entitled thereto.

Reminder to Investors:

Reminders for unclaimed/ unpaid dividend and shares thereof are sent to members as per records every year.

NSE Electronic Application Processing System (NEAPS) (Scrip Code: HERITGFOOD):

The NEAPS is a web-based application designed by National Stock Exchange of India Limited (NSE), Mumbai for Corporates. All periodical compliance filings like shareholding pattern, corporate governance report, media releases, among others are filed electronically on NEAPS.

BSE Corporate Compliance & Listing Centre (the 'Listing Centre') (Scrip Code: 519552):

BSE's Listing Centre is a web-based application Centre: BSE's Listing Centre is a web-based application designed for Corporates. All periodical compliance filings like shareholding pattern, corporate governance report, media releases, among others are also filed electronically on the Listing Centre.

Online Resolution of Disputes (ODR): SEBI has introduced a common Online Dispute Resolution Portal ('ODRP') which harnesses online conciliation and online arbitration.

In case a member is not satisfied with the resolution provided by the company/RTA, then the online dispute resolution process can be initiated through the ODR portal. SEBI vide its Circular SEBI/HO/MIRSD/MIRSD-PoD-1/P/ CIR/2023/72 dated 08 June 2023, advised RTA to create an online mechanism where investors can Register, Login via OTP and raise complaints or service requests. Hence, members are hereby notified that our RTA launched an online application that can be accessed at <https://ris.kfintech.com/default.aspx#>

Members are requested to register/signup, using the Name, PAN, Mobile and email ID. Post registration, user can login via OTP and execute activities like, raising Service Request, Query, Complaints, check for status, KYC details, Dividend, Interest, Redemptions, e-Meeting and e-Voting details.

In compliance with SEBI guidelines, the Company had sent communication intimating about the said Dispute Resolution Mechanism to all the Members.

SEBI's Mobile App on Personal Finance for investors: The Market Regulator, SEBI has launched a latest mobile app, 'Sarathi 2.0', designed to help investors manage their personal finances. The app is packed with tools to make complex financial concepts easier to understand.

Users can explore different modules to learn about various financial instruments and market procedures.. The "Sarathi" app is now downloadable from both the Google Play Store and iOS App Store. Members are requested to register/signup and use the app.

The Company placed the link of the app on the website of the company at [https:// www.heritagefoods.in/](https://www.heritagefoods.in/)

9. GENERAL SHAREHOLDER INFORMATION

a)	Company Identification No (CIN)	L15209TG1992PLC014332
	Annual General Meeting-Date and Time	Thursday, July 31, 2025, at 10:00 a.m. (IST)
	Venue	The Company will conduct the 33 rd AGM for FY 2024-25 through Video Conferencing ("VC") / Other Audio-Visual Means ("OAVM") without the physical presence of the Members. The deemed venue shall be the Registered Office of the Company.
(b)	Financial year	April 01 to March 31
	Financial Calendar (tentative) Results for the quarter ending	June 30, 2025 – Last week of July, 2025 September 30, 2025 – Last week of October, 2025 December 31, 2025 - Last week of January, 2026 March 31, 2026 - Last week of May, 2026 Annual General Meeting - July, 2026
	Date of Book Closure	July 24, 2025 to July 31, 2025 (both days inclusive)
(c)	Dividend Payment Date	The dividend, if declared, shall be paid/credited to the respective bank account of members on Thursday, August 7, 2025 subject to deduction of applicable taxes. The dispatch of dividend warrants/ demand drafts will be completed on same day.
(d)	Listing on Stock Exchanges	BSE Limited (BSE) Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai - 400001 National Stock Exchange of India Limited (NSE), "Exchange Plaza", Bandra-Kurla Complex, Bandra (E), Mumbai – 400051
	Payment of Listing Fee	Annual listing fee for the year 2024-25 has been paid by the Company to BSE and NSE.
(e)	ISIN Number	INE978A01027

- g) During the year under review the shares of your Company are not suspended from trading by any of the stock exchange where the shares are listed.

h) Registrar to an issue and share transfer agent:

KFin Technologies Limited

Selenium Building, Tower-B, Plot No 31 & 32, Financial District, Nanakramguda, Serilingampally, Hyderabad, Rangareddy, Telangana, India - 500032.
Tel No: +9140-67162222 / 79611000
Toll Free No.: 18003094001;
Fax: +91-40-23114087

i) Share transfer system:

SEBI vide its notification No. SEBI/LAD-NRO/ GN/2018/24 dated June 08, 2019, notified that except in case of transmission

or transposition of securities, requests for effecting transfer of securities shall not be processed unless the securities are held in dematerialized form with a depository and came into effect from April 01, 2019. The Board has delegated the authority for approving transmission, etc. of the Company's securities to the Vice Chairperson & Managing Director/Executive Director. A summary of transmission of securities of the Company so approved by the Vice Chairperson & Managing Director/ Executive Director are placed at every Stakeholder's Relationship Committee.

The Company obtains from a Company Secretary in Practice yearly certificate of compliance with the share transfer formalities as required under Regulation 40(9) of SEBI (Listing Obligations & Disclosure Requirement) Regulations 2015 and files a copy of the said certificate with Stock Exchanges.

j) Distribution of Shareholding as on March 31, 2025

Category Code	Category of Shareholder	Number of Shareholders	Total number of Shares	As a percentage of (A+B+C)
(A)	Promoters and Promoter Group			
1	Indian	6	3,83,27,742	41.30
2	Foreign	-	-	-
	Total (A)	6	3,83,27,742	41.30
(B)	Public Shareholding			
1	Institutions	122	97,15,437	10.47
2	Non-institutions	1,35,532	4,47,52,821	48.23
	Total (B)	1,35,641	5,44,68,258	58.7
(C)	Shares held by Custodians and against which Depository Receipts have been issued	-	-	-
1	Promoter and Promoter Group	-	-	-
2	Public	-	-	-
	Total (A+B+C)	1,35,660	9,27,96,000	100.00

* The number of shareholders were arrived after clubbing the same PAN

Reclassification of Promoters group:

For the financial year ended on March 31, 2025, the Promoters re-classified to the Public shareholders have submitted the Annual declaration stating that they have complied with the provisions as prescribed under Regulation 31(4) of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015.

Shareholding Pattern by Size as on March 31, 2025

Category (No. of Shares)	No. of Shareholders	No. of Shares	% of Total Shares
Up to 500	1,33,805	1,12,72,425	12.15
501 - 1000	1,920	28,40,469	3.06
1001 - 2000	1,000	28,70,832	3.09
2001 - 3000	325	15,91,260	1.71
3001 - 4000	188	13,25,847	1.43
4001 - 5000	128	11,78,302	1.27
5001 - 10000	224	32,19,786	3.47
10001 - Above	246	6,84,97,079	73.81
TOTAL	1,37,836	9,27,96,000	100.00

Geographical Distribution of shareholders as on 31.03.2025

Sl No	City	No of Share- holders	% to Total	No of Shares	% to Total
1	Ahmedabad	1,602	1.16	5,02,712	0.54
2	Bangalore	6,609	4.79	20,91,589	2.25
3	Bhavnagar	165	0.12	1,16,632	0.13
4	Bhubaneswar	147	0.11	19,889	0.02
5	Chandigarh	338	0.25	37,803	0.04
6	Chennai	5,931	4.30	17,19,792	1.85
7	Coimbatore	496	0.36	1,70,256	0.18
8	Guntur	1,005	0.73	3,26,250	0.35
9	Guwahati	748	0.54	37,594	0.04
10	Hyderabad	12,982	9.42	5,42,71,880	58.49
11	Indore	1,489	1.08	1,54,164	0.17
12	Jaipur	4,121	2.99	5,35,397	0.58
13	Kanpur	2,816	2.04	3,53,518	0.38
14	Kolkatta	4,669	3.39	12,55,989	1.35
15	Mumbai	10,787	7.83	1,66,32,088	17.92
16	Nagpur	551	0.40	80,449	0.09
17	New Delhi	5,158	3.74	22,83,226	2.46
18	Patna	1,697	1.23	93,163	0.10
19	Pune	1,289	0.94	4,67,417	0.50
20	Surat	857	0.62	2,35,244	0.25
21	Tirupathi	754	0.55	1,81,590	0.20
22	Trivandrum	278	0.20	41,150	0.04
23	Vadodara	1,248	0.91	4,33,387	0.47
24	Vijayawada	1,568	1.14	6,94,509	0.75
25	Visakhapatnam	1,391	1.01	1,97,072	0.21
26	Others	69,140	50.16	98,63,240	10.63
Total		1,37,836	100.00	9,27,96,000	100.00

l) Dematerialization of shares and liquidity:

Total Shares in Demat and Physical form as on March 31, 2025

Sl. No	Category	Total Shares	% To Equity
1	Physical	4,57,068	0.49
2	NSDL	7,68,10,297	82.77
3	CDSL	1,55,28,635	16.74
Total		9,27,96,000	100.00

Dematerialisation of Shares

99.51% of the Company's paid-up Equity share capital has been dematerialised as on March 31, 2025. The total holdings of shares of promoters/PAC are in Demat form. The trading of the Equity shares of the company is permitted only in dematerialised form as per the notification issued by SEBI.

The Company has complied the Regulation 31(2) of SEBI (Listing Obligation & Disclosure Requirement) Regulation 2015, as follows:

Category of Shareholder	Total		Shares In Demat Form	
	No of Share- holders	Number of shares Held	No of Shares	% of Respective Sharehold- ing
Promoters & Promoters Group	6	3,83,27,742	3,83,27,742	100.00%
Public	1,35,654	5,44,68,258	5,40,11,190	99.16%
Total:	1,35,660	9,27,96,000	9,23,38,932	99.51%

* The number of shareholders were arrived after clubbing the same PAN.

To enable us to serve our investors better, we request shareholders whose shares are in the physical mode to dematerialize their shares and update their bank accounts with the respective depository participants.

- m) The Company has not issued any ADRs/GDRs/Warrants or any convertible instruments during the year under review.

n) Commodity price risk or foreign exchange risk and hedging activities:

The Company is subject to the Commodity price risk due to fluctuation price of Dairy Commodities. During the year Company has exported very less amount of Dairy products all receivables are in US Dollars and it is subject to the foreign exchange risk. The risks are tracked and monitored on regular basis.

o) Major Plant Locations:**B. Kothakota**

Bering (V), Sankarapuram (Post), Kothakota (M), Chittoor Dist. Pin-517370, Andhra Pradesh, India

Bayyavaram

Bayyavaram (V), Kasimakota, (M), Visakhapatnam Dist. Pin-531031. Andhra Pradesh, India

Bengaluru

Yadavanhalli (V) Neraluru Post, Attibele Hobli Anekal Taluk Bengaluru South, Pin-562107, Karnataka, India

Bobbili

Mettavalasa (V), Growth Center, Bobbili, Vizianagaram Dist. Pin-535558, Andhra Pradesh, India

Gokul

Kasipentala (V), Chamdragiri (M), Chittoor Dist. Pin-517101
Andhra Pradesh, India

Kalluru

Koralagudam (V) Kalluru (M), Khammam Dist. Pin-507209
Telangana, India

Manor

Survey No. 13/1 & 13/2, Village Durves, Near Manor, Palghar
Taluk, Dist. Pin-401403, Thane, Maharashtra, India

Narketpalli

Cheruguttu (V), Narketpalli (M), Nalgonda Dist. Pin-508254
Telangana, India

Pamaru

Yendagandi (V), K. Gangavaram (M), East Godavari Dist.
Pin-533305 Andhra Pradesh, India

Rai

D No.497, Food Park, Phase 1, Sector-38, Industrial Estate-
HSIIDC, Rai, Sonipat Dist. Pin-131029. Haryana, India

Sangvi

Milakt No. 892. AT/Post - Sangavi, Phaltan taluka, Satara
Dist. Pin-415523, Maharashtra, India

Shameerpet

Survey No 174,198, 203, Sampanbole Village, Shamirpet
Mandal, Medchal Dist. Pin-500078, Telangana, India

Uppal

C- 10 Raoad No 7, IDA Uppal, Hyderabad, Pin-500039,
Telangana, India

Vadamadurai

MorePatti (V), Vadamadurai, Dindigul Dist. Pin-624802,
Tamilnadu, India

p) Address for Correspondence

**To Registrar and Share Transfer Agent
KFin Technologies Limited**

Karvy Selenium Tower B, 6th Floor,
Plot 31-32, Gachibowli, Financial District,
Nanakramguda, Hyderabad – 500 032
Tel: +91-40-67161566,
Toll Free No.: 1800 309 4001
Email id - einward.ris@kfintech.com
Website: www.kfintech.com

To Heritage Foods Limited

Mr. Umakanta Barik
Company Secretary & Compliance Officer
Heritage Foods Limited,
H.No.8-2-293/82/A/1286, Plot No: 1286,
Road No. 1 & 65, Jubilee Hills, Hyderabad,
Telangana, 500033. India
Tel: +91-40-23391221. E-mail: hfl@heritagefoods.in
Website: www.heritagefoods.in

q) Credit Rating:

The details of the credit rating are as follows:

- h) **Credit rating obtained by the company:** In respect of Debt Instrument/facilities of the Company
- i) **Name of the credit rating agency:** Credit Rating Information Services of India Limited (CRISIL)
- j) **Ratings:**
 - i. Long term Rating: CRISIL A+/Positive
 - ii. Short term Rating: CRISIL A1+

- k) **Date on which the credit rating was obtained:** March 29, 2025 (valid up to March 31, 2026)

- l) **Revision in the credit rating:** During the period under review no revision in the credit rating in Short term Rating. CRISIL Ratings Limited has enhanced the rating from CRISIL A+/Stable to CRISIL A+/Positive in respect of Long-term rating.

- m) **Reasons provided by the rating agency for a downward revision:** Not Applicable

Pursuant to Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("the Regulation"), your Company has intimated such to the stock exchanges, where the shares of the Company are listed.

10. OTHER DISCLOSURES

- a) **Disclosure in materiality significant related party transactions: Regulation 23 of the SEBI Listing Regulations and as defined under the Act**

During the period under review, there have been no materially significant related party transactions, monetary transactions or relationships between the Company and directors, the Management, Key Managerial Personnel, Subsidiaries or relatives, except for those disclosed in the Notes on Accounts, forming part of the Annual Report. The policy on Related Party Transactions is hosted on the website of the Company under the web link: <https://www.heritagefoods.in/policy>

- b) **Details of non-compliance by the listed entity, penalties, strictures imposed on the listed entity by the stock exchange(s) or the board or any statutory authority, on any matter related to capital market, during the last three years: [Schedule V (C) 10(b) to the SEBI Listing Regulations]**

There was no non-compliance during the last three years by the Company on any matter related to Capital Market. There were no penalties imposed nor strictures passed on the Company by Stock Exchanges, SEBI or any Statutory Authority.

- c) **Details of establishment of vigil mechanism, whistle blower policy and affirmation that no personnel have been denied access to the audit committee: (Regulation 22 of the SEBI Listing Regulations)**

The Board of Directors of the Company had adopted the Whistle Blower Policy. A mechanism has been established for employees to report concerns about unethical behaviour, actual or suspected fraud, or violation of Code of Conduct and Ethics. It also provides for adequate safeguards against the victimization of employees who avail of the mechanism and allows direct access to the Chairperson of the Audit Committee in exceptional cases. The Audit Committee reviews periodically the functioning of whistle blower mechanism. There is no complaint received during the Financial Year ended March 31, 2025.

No personnel have been denied access to the Audit Committee. The Whistle Blower Policy has been disclosed on the Company's website under the web link: <https://www.heritagefoods.in/policy>

- d) **Details of compliance with mandatory requirements and adoption of the non-mandatory requirements:**

Schedule II Part E of the SEBI Listing Regulations

The Company has complied with all mandatory requirements SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 as amended from time to time. The Company has adopted following non-mandatory requirements SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015:

With regard to the discretionary requirements, the Company has adopted the clauses relating to the following:

The Board: The Company has Non-Executive Independent Director as a Chairperson

Communication to Members: Quarterly/ Half yearly/Annual Financial statements are published in the Newspapers and uploaded in the Company's website and intimated to the Stock Exchanges. On quarterly basis, the investor presentation and transcript of the conference call was sent to all the members of the Company through e-mail and also uploaded in the Company's website and intimated to Stock Exchanges, where shares of the Company are listed.

Audit Qualification: The Company is in the regime of unqualified financial statements (Standalone & Consolidated).

Reporting of Internal Auditors: The Internal Auditors make presentations to the Audit Committee on their reports on a regular basis. They are submitting the Internal Audit Report with observations, reviews, comments and recommendations through presentations which they have observed during their Audit along with follow up actions taken by the management.

e) web link where policy for determining 'material' subsidiaries is disclosed: Regulation 16(1)(c) of the SEBI Listing Regulations

The Audit Committee reviews the Standalone & Consolidated financial statements of the Company and the investments made in the unlisted subsidiary company. The minutes of the Board Meetings along with a report on significant developments of the unlisted subsidiary company are periodically placed before the Board of Directors of the Company. The Company does not have any material unlisted subsidiary company. The Company has a policy of determining 'material' subsidiaries which is hosted on the website at <https://www.heritagefoods.in/policy>

f) Web link where policy for dealing with related party transactions is disclosed:

The URL of policy on dealing with related party transaction is <https://www.heritagefoods.in/policy>

g) Disclosure for commodity price risks and commodity hedging activities:

The Company is subject to the Commodity price risk due to fluctuation price of Dairy products. During the year Company has exported its product worth of ₹ 15.65 mn.

h) The Company has not made any preferential allotment or qualified institutions placement during the year under review.

i) A certificate obtained from Mr. A. Ravi Shankar (M No: FCS-5335, CP No: 4318), Partner of M/s. Ravi & Subramanyam, Company Secretaries, Practicing Company Secretary, Hyderabad - 500063, Telangana stating that none of the directors on the Board of the Company have been debarred or disqualified from being appointed or continuing as directors of companies by SEBI/Ministry of Corporate Affairs or any such statutory authority which forms part of the Annual Report [Annexure-3(ii) in the Board's Report].

j) During the year there were no instances where Board had not accepted any recommendation of any Committee of the Board which is mandatorily required.

k) Remuneration/Fees of Statutory Auditor:

During the year under review your Company and its Subsidiary/ Joint Venture Company paid the following remuneration/fees to the Statutory Auditor namely M/s. Walker Chandio & Co. LLP, Chartered Accountants (FRN 001076N/500013).

(₹ in Mn)

Particulars	Heritage Foods Limited	Heritage Nutrivet Limited	Heritage Novandie Foods Private Limited
Statutory Audit fee	6.02	0.74	0.90
Limited review fee	2.66	-	-
Certification fee	0.59	0.04	-
Tax audit fee	1.06	0.41	-
Reimbursement of Expenses	0.52	0.04	-
Total	10.85	1.23	0.90

Skil Raigam Power (India) Limited, the Associate Company of the Company has obtained the Dormant Status from Registrar of Companies vide SRN: T42936765 dated September 22, 2021. The Skil Raigam Power (India) Limited has filed the form MSC-3 after obtaining the signed financials for FY 2024-25 from the M/s. PHSK & Associates, Chartered Accountant in Practice (F No:014784S) with a certification fee of ₹ 5,000/-.

l) Disclosures in relation to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 as amended from time to time:

The Company is committed to providing a safe and conducive work environment to all its employees and associates. Your Company has constituted an Internal Complaints Committee under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and has a policy and framework for employees to report sexual harassment cases at workplace. The Company's process ensures complete anonymity and confidentiality of information. Adequate workshops and awareness programmes against sexual harassment are conducted across the organization.

The below table provides details of complaints received/ disposed during the financial year 2024-25:

- No. of complaints filed during the financial year: Nil
- No. of complaints disposed of during the financial year: Nil
- No. of complaints pending as on end of the financial year: Nil

As per the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013, your Company follows calendar year for annual filling with statutory authority.

m) Disclosure by listed entity and its subsidiaries of 'Loans and advances' - in the nature of loans to firms/companies in which directors are interested by name and amount:

There have been no loans or advances extended by the Company or its subsidiaries, which bear resemblance to loans, to any firms or companies where the Directors of the Company hold an interest.

n) Details of material subsidiaries of the listed entity; including the date and place of incorporation and the name and date of appointment of the statutory auditors of such subsidiaries.

The Listed Entity is not having any material subsidiary.

o) Disclosures regarding the appointment or reappointment of independent directors:

The Companies Act, 2013 and Rules made thereof as amended from time to time provides for the appointment of independent directors. Sub-section (10) of Section 149 of the Companies

Act, 2013 provides that independent directors shall hold office for a term of up to five consecutive years on the board of a company; and shall be eligible for reappointment on the passing of a Special Resolution by the members of the Company. Accordingly, all independent directors were appointed by the members at the general meeting as required under Section 149(10).

Further, Section 149(11) states that no independent director shall be eligible to serve on the Board for more than two consecutive terms of five years each. Section 149(13) states that the provisions of retirement by rotation as defined in Sub-sections (6) and (7) of Section 152 of the Act shall not apply to such independent directors.

The Company has issued letter of appointment to all the Independent Directors on their appointment inter-alia explaining their roles, responsibilities, code of conduct, their functions and duties as directors of the Company. The terms and conditions of the appointment of Independent Directors have been uploaded on the website of the Company and can be accessed at <https://www.heritagefoods.in/policy>.

p) Preservation of Documents

The Company has adopted the policy on preservation of documents in accordance with Regulation 9 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015. The Documents Preservation Policy is available on the website of the Company at <https://www.heritagefoods.in/policy>.

q) Policy on Determination of Materiality of events and information for Disclosures: Regulation 30 of SEBI Listing Regulations:

The Company has adopted a Policy on Determination of Materiality for Disclosures. The URL of policy is <https://www.heritagefoods.in/policy>

r) Policy on Archival and Preservation of Documents: Regulation 9 of SEBI Listing Regulations

The Company has adopted a Policy on Archival and Preservation of Documents. The URL of the policy is at <https://www.heritagefoods.in/policy>

s) Code of Conduct: Regulation 17 of the SEBI Listing Regulations

The members of the Board and Senior Management Personnel have affirmed compliance with the Code of Conduct applicable to them during the year ended March 31, 2025. The Annual Report of the Company contains a certificate by the Vice Chairperson and Managing Director, on the compliance declarations received from Independent Directors, Non-Executive Directors and Senior Management. The weblink is <https://www.heritagefoods.in/policy>

t) During FY 2024-25, information as mentioned in Part A of Schedule II of SEBI Listing Regulations, has been placed before the Board for its consideration. The Board periodically reviews the compliance reports of all laws applicable to the Company.

11. The Company has complied with all the requirements of Schedule V of Corporate Governance Report as stated under sub-para (2) to (10) of section (C) of Schedule V of the SEBI Listing Regulations.

12. During FY 2024-25, information as mentioned in Part E of Schedule II of the SEBI Listing Regulations, has been placed before the Board for its consideration.

13. The Disclosure of the compliance with corporate governance requirements specified in regulation 17 to 27 and clauses (b) to (i) of sub-regulation (2) of Regulation 46 of Listing Regulations are as follows:

Sr. No.	Particulars	Regulation	Compliance Status Yes/ No/NA
1	Board of Directors	17	Yes
2	Maximum Number of Directorships	17A	Yes
3	Audit Committee	18	Yes
4	Nomination and Remuneration Committee	19	Yes
5	Stakeholders Relationship Committee	20	Yes
6	Risk Management Committee	21	Yes
7	Vigil Mechanism	22	Yes
8	Related Party Transaction	23	Yes
9	Subsidiaries of the Company	24	Yes
10	Secretarial Audit and Secretarial Compliance Report	24A	Yes
11	Obligations with respect to Independent Directors	25	Yes
12	Obligations with respect to employees including Senior Management, Key Managerial Personnel, Directors and Promoters	26	Yes
13	Other Corporate Governance requirements	27	Yes
14	Website	46(2)(b) to (i)	Yes

14. CEO and CFO Certification

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

15. Compliance Certificate from the Auditors

Certificate from Statutory Auditors of the Company namely, M/s. Walker Chandiok & Co. LLP, Chartered Accountants (FRN:001076N/N500013), Hyderabad, Telangana confirming Compliance with the conditions of Corporate Governance as stipulated under SEBI (Listing Obligation & Disclosure Requirements) Regulations, 2015 is forming part of the Annual Report.

16. Disclosure with respect to Demat suspense account/ unclaimed suspense account

In accordance with the requirement of Clause F of Schedule V of SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015, the Company reports the following details as of March 31, 2025:

Particulars	No. of Shareholders	No. of equity shares
Aggregate number of shareholders and the outstanding shares in the suspense account lying at the beginning of the year i.e., April 01, 2024	42	3,857
Number of shareholders who approached listed entity for transfer of shares from suspense account during the year	42	3,857
Number of shareholders to whom shares were transferred from suspense account during the year	42	3,857
Transferred to Investor Education and Protection fund Authority	Nil	Nil
Aggregate number of shareholders and the outstanding shares in the suspense account lying at the end of the year i.e. March 31, 2025	Nil	Nil

As on March 31, 2025, there are Nil outstanding shares lying in the suspense account.

17. Disclosure under clause 5A of paragraph A of Part A of Schedule III of Listing Regulations.

There are no agreements entered into by the shareholders or promoters or promoter group entities or related parties or directors or key managerial personnel or employees of the Company or its subsidiaries which either directly or indirectly or has a potential to impact the management or control of the Company by imposing any restrictions or creating any liability upon the Company as specified in Clause 5 A of Paragraph A of Part A of Schedule III of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

18. Transfer of unpaid/unclaimed amounts to Investor Education and Protection Fund

During the year under review, the Company has transferred ₹ 27,54,800/- (Twenty seven lakh fifty four thousand eight hundred Only) towards the unclaimed/unpaid dividend amount for the financial year 2016-17 to the Investor Education and Protection Fund (IEPF) pursuant to Section 124(5) of the Companies Act, 2013 [Section 205C (2) of the Companies Act, 1956] read with the Investor Education and Protection Fund (awareness and protection of Investors) Rules, 2001 as amended from time to time.

In compliance with the provisions of Section 124 of the Companies Act, 2013, the Company has transferred the 1,22,541 (One lakh twenty two thousand five hundred forty one only) equity shares belonging to 14 members of the company to the Investor Education and Protection fund Authority (IEPF) Vide Corporate Action to Demat account of IEPF Authority dated 16-10-2024, of those members who have not claimed the dividends for a continuous period of 7 years.

Pursuant to Section 124(5) of the Companies Act, 2013 [Section 205C (2) of the Companies Act, 1956] read with the Investor Education and Protection Fund (awareness and protection of Investors) Rules, 2001 as amended from time to time the unclaimed/ unpaid dividend and the shares thereof pertaining for the financial year 2017-18 shall be transferred to the Investor Education and Protection Fund during the financial year 2025-26.

19. Secretarial Audit

A qualified practicing Company Secretary has carried out Secretarial Audit every quarter to reconcile the total admitted capital with National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) and physical share with the total issued and listed capital. The audit confirms that the total issued/ paid up capital is in agreement with the aggregate total number of shares in physical form and the total number of dematerialised shares held with NSDL and CDSL.

In terms of the amended SEBI (Listing Obligation and Disclosure Requirements) Regulation, 2015 the Company has obtained the Secretarial Compliance Report (UDIN: F005335G000261811) dated May 3, 2025 from M/s. Ravi & Subramanyam, Company Secretaries, Practicing Company Secretary, Hyderabad - 500063, Telangana, which forms part of the Annual Report and the same was also intimated to the Stock Exchanges where the shares of the Company are listed.

As per Section 204 of the Companies Act, 2013 and the Rules made thereof, the Board of Directors of the Company appointed Mr. A. Ravi Shankar (M No: FCS-5335, CP No: 4318), Partner of M/s. Ravi & Subramanyam, Company Secretaries, Practicing Company Secretary, Hyderabad - 500063, Telangana. The Secretarial Audit Report (UDIN: F005335G000261800) dated May 3, 2025 for the financial year ended March 31, 2025, is forming part of the Annual Report.

In terms of Section 204 of the Companies Act, 2013 read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and Regulation 24A of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2025 the Board of Directors appointed Mr. A Ravi Shankar, (M No: FCS-5335, CP No: 4318), Partner of M/s. Ravi & Subramanyam a firm of Practicing Company Secretaries, Hyderabad-500063 as the Secretarial Auditor of the Company for the financial year 2025-26, subject to approval of the Shareholders in the 33rd Annual General Meeting of the Company to be held on July 31, 2025.

20. No Disqualification Certificate from Practicing Company Secretary:

Certificate (UDIN: F005335G000261844) Dated May 3, 2025 from Mr. A Ravi Shankar, (M No: FCS- 5335, CP No: 4318), Partner of M/s. Ravi & Subramanyam Company Secretaries Hyderabad , Telangana, confirming that none of the Directors on the Board of the Company have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs, or any such other Statutory Authority, as stipulated under Regulation 34 of the Listing Regulations, is attached to this Report.

21. Management Discussion and Analysis (MDA) :

MDA forms part of the Directors' Report and is presented in the Annual Report under a separate heading.

22. Any query on the Annual Report

Mr. Umakanta Barik

Company Secretary & Compliance Officer
Heritage Foods Limited,
H.No.8-2-293/82/A/1286, Plot No: 1286, Road No. 1 & 65,
Jubilee Hills, Hyderabad, Telangana, 500033
Tel: +91-40-23391221
E-mail: hfl@heritagefoods.in

23. Code of Conduct

In compliance with SEBI (Listing Obligation & Disclosure Requirements) Regulation, 2015 and the Companies Act, 2013, the Company has framed and adopted a Code of Conduct and Ethics ('the Code'). The Code is applicable to the members of the Board, the executive officers and all employees of the Company and its subsidiaries. The Code is available in the Company website i.e. www.heritagefoods.in.

24. Compliance with the corporate governance codes

We have always believed in maximum fiscal transparency and benchmarked our disclosures against a host of national and international guidelines and regulations. Some of the notable ones among them are as follows: The SEBI (LO&DR) Regulations, 2015: The SEBI (LO&DR) Regulations, 2015 prescribe various corporate governance recommendations in line with the corporate governance committee constituted by SEBI. We comply with the corporate governance requirements under the SEBI (LO&DR) Regulations, 2015 and specifically to the requirements under Regulation 17 to 27 and clauses (b) to (i) of sub-regulation (2) of Regulation 46.

Compliance with discretionary requirements

The Company has also ensured the implementation of non-mandatory items such as :

- Unmodified audit opinions / reporting
- The internal auditor reporting directly to the audit committee.

25. Disclosure of Accounting Treatment in preparation of Financial Statements

The Company adopted Indian Accounting Standards ("Ind AS"), accordingly, the financial statements (Standalone & Consolidated) have been prepared in accordance with Ind AS as per the Companies (Indian Accounting Standards) Rules, 2015, as amended and notified under Section 133 of the Act and other relevant provisions of the Act.

The Company is using SAP S/4HANA accounting software for maintaining its books of account which has a feature of recording audit trail (edit log) facility and the same has been operated throughout the year for all relevant transactions recorded in the software, except that audit trail feature is not enabled at the database level for the accounting software to log any direct data changes. There is no instance of tampering was noted in respect of the software where audit trail has been enabled.

26. Certificate on Compliance with Code of Conduct

In terms of Regulation 26 read with Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, We hereby confirm that all the Members of the Board and Senior Management Personnel of the Company have affirmed the compliance of the Company's Code of Conduct for the Board of Directors and Senior Management for the financial year 2024-25.

For and on behalf of
HERITAGE FOODS LIMITED

Place : Hyderabad
Date: May 16, 2025

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

N. BRAHMANI
Executive Director
(DIN : 02338940)

CEO & CFO Certification

(As per Regulation 17(8) of SEBI (LO&DR) Regulation, 2015)

To

The Board of Directors,
Heritage Foods Limited
CIN:L15209TG1992PLC014332
H.No.8-2-293/82/A/1286, Plot No: 1286,
Road No. 1 & 65, Jubilee Hills, Hyderabad,
Telangana, 500033. India

We, Srideep Madhavan Nair, Kesavan, Chief Executive Officer and A. Prabhakara Naidu, Chief Financial Officer of Heritage Foods Limited ("the Company") to the best of our knowledge and belief certify that

- a. We have reviewed the Financial Statements and the Cash Flow Statements for the financial year ended March 31, 2025 and based on our knowledge and belief, we state that:
 - i. These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading.
 - ii. These statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- b. We further state that to the best of our knowledge and belief, there are no transactions entered into by the Company during the year, which are fraudulent, illegal or violates the Company's code of conduct.
- c. We are responsible for establishing and maintaining internal controls and for evaluating the effectiveness of the same over the financial reporting of the Company and have disclosed to the Auditors and the Audit Committee, deficiencies in the design or operation of internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
- d. We have indicated, based on our most recent evaluation, wherever applicable, to the auditors and the Audit Committee
 - i. Significant changes, if any, in the internal controls over financial reporting during the year;
 - ii. Significant changes, if any, in the accounting policies made during the year and that the same has been disclosed in the notes to the financial statements; and
 - iii. Instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having significant role in the Company's internal control system over financial reporting.

For and on behalf of
Heritage Foods Limited

Date : May 16, 2025
Place: Hyderabad

Srideep M Kesavan
Chief Executive Officer

A. Prabhakara Naidu
Chief Financial Officer

Independent Auditor's Certificate on Corporate Governance

To

The Members of **Heritage Foods Limited**

1. This certificate is issued in accordance with the terms of our engagement letter dated May 9, 2025.
2. We have examined the compliance of conditions of corporate governance by Heritage Foods Limited ('the Company') for the year ended on 31 March 2025, as stipulated in Regulations 17 to 27, clauses (b) to (i) of Regulation 46(2) and paragraphs C, D and E of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations').

Management's Responsibility

3. The compliance of conditions of corporate governance is the responsibility of the management. This responsibility includes the designing, implementing and maintaining operating effectiveness of internal control to ensure compliance with the conditions of corporate governance as stipulated in the Listing Regulations.

Auditor's Responsibility

4. Pursuant to the requirements of the Listing Regulations, our responsibility is to express a reasonable assurance in the form of an opinion as to whether the Company has complied with the conditions of corporate governance as stated in paragraph 2 above. Our responsibility is limited to examining the procedures and implementation thereof, adopted by the Company for ensuring the compliance with the conditions of corporate governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.
5. We have examined the relevant records of the Company in accordance with the applicable Generally Accepted Auditing Standards in India, the Guidance Note on Certification of Corporate Governance issued by the Institute of Chartered Accountants of India ('ICAI') and Guidance Note on Reports or Certificates for Special Purposes issued by the ICAI which requires that we comply with the ethical requirements of the Code of Ethics issued by the ICAI.
6. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information and Other Assurance and Related Services Engagements.

Opinion

7. Based on the procedures performed by us and to the best of our information and according to the explanations provided to us, in our opinion, the Company has complied, in all material respects, with the conditions of corporate governance as stipulated in the Listing Regulations during the year ended 31 March 2025.

We state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

Restriction on use

8. This certificate is issued solely for the purpose of complying with the aforesaid regulations and may not be suitable for any other purpose.

For Walker Chandiok & Co LLP

Chartered Accountants
Firm Registration No. 001076N/N500013

Sumesh E S

Partner

M. No. 206931

UDIN: 25206931BMNRAD8534

Place: Hyderabad
Date : May 16, 2025

Independent Auditor's Report

To the Members of **Heritage Foods Limited**

Report on the Audit of the Standalone Financial Statements

Opinion

1. We have audited the accompanying standalone financial statements of Heritage Foods Limited ('the Company'), which comprise the Standalone Balance Sheet as at 31 March 2025, the Standalone Statement of Profit and Loss (including Other Comprehensive Income), the Standalone Statement of Cash Flow and the Standalone Statement of Changes in Equity for the year then ended, and notes to the standalone financial statements, including material accounting policy information and other explanatory information.
2. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ('the Act') in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards ('Ind AS') specified under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015 and other accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2025, and its profit (including other comprehensive income), its cash flows and the changes in equity for the year ended on that date.

Basis for Opinion

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

Key Audit Matter

4. Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements of the current period. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.
5. We have determined the matters described below to be the key audit matters to be communicated in our report.

Key audit matters	How our audit addressed the key audit matters
Revenue recognition Refer Note 3(c) to the accompanying standalone financial statements for material accounting policy information on revenue recognition and Note 24 for details of revenue from operations. Revenue from sale of goods is recognised in accordance with the principles of Ind AS 115, "Revenue from Contracts with Customers" ('Ind AS 115'), at a point in time when control of the products being sold is transferred to the customer and when there are no longer any unfulfilled obligations. The Company also focuses on revenue as a key performance measure, which could create an incentive for overstating revenue resulting from the pressure on management to achieve performance targets at the reporting period end. Considering the significance of amount, multiplicity of Company's products, volume of transactions including discounts offered, size of distribution network, nature of customers and significant attention required from us, revenue recognition is determined to be an area involving significant risk in line with the requirements of Standards on Auditing and has been determined as a key audit matter for the current year audit.	Our audit procedures relating to revenue recognition included, but was not limited to, the following: • Understood the process of revenue recognition and assessed the appropriateness of the revenue recognition accounting policies adopted by the management in accordance with Ind AS 115; • Evaluated the design, integrity of the general information and technology control environment and tested the operating effectiveness of Company's manual and IT application controls in respect of revenue recognition, including discounts; • Performed substantive testing on a sample of revenue transactions recorded during the year by verifying the underlying documents, such as customer acknowledged invoices and shipping documents, as appropriate to ensure the accuracy of revenue recorded during the year; • Performed substantive testing on a sample of discount transactions recorded during the year by verifying the terms and conditions of the underlying approved scheme and credit notes, basis which the discount was granted; • Performed analytical procedures such as customer group analysis, price volume variance analysis, geographical area analysis, sales made during the specific period before the year end etc. for the revenue recorded considering both qualitative and quantitative factors to identify any unusual trends or any unusual items; and • Evaluated adequacy and appropriateness of disclosures made in the standalone financial statements in accordance with applicable accounting standards.

Key audit matters	How our audit addressed the key audit matters
(b) Impairment assessment of investment in Joint venture (Heritage Novandie Foods Private Limited) Refer Note 3(j) to the accompanying standalone financial statements for material accounting policy information on impairment assessment and Note 35 for financial disclosures. As described in Note 9, the Company has an investment amounting to INR 498.85 million in a joint venture, Heritage Novandie Foods Private Limited ("HNFPL"). The joint venture has been incurring losses year on year, leading to substantial erosion of its net worth, which has been identified as an impairment indicator by the management in accordance with the principles of Ind AS 36, Impairment of Assets ('Ind AS 36'). In view of above, the management of the Company, during the current year ended 31 March 2025, has carried out an impairment assessment to assess recoverability of the aforesaid investment in accordance with Ind AS 36 by estimating the recoverable amount of investment in HNFPL. Further, in the Board Meeting of HNFPL held on 24 March 2025, the Board evaluated various options given the limited market potential for the joint venture's operations and financial non-viability. Accordingly, the Board of HNFPL has approved a proposal, subject to execution of necessary agreements and required approvals, allowing the Company to obtain controlling stake by acquiring equity shares from the other shareholders and restructure / repurpose the business operations of HNFPL. Subsequently in May 2025, the Board of the Company approved a proposal to acquire majority stake from the other shareholder of HNFPL for consideration of INR 85 million, with the intention to restructure/ repurpose the business operations of HNFPL. Accordingly, the recoverable value of the investment as at 31 March 2025 has been determined by using the fair value less cost of disposal. Fair value is considered on the basis of the agreed sales consideration for the proposed stake purchase in HNFPL, which has resulted in recognition of impairment loss of INR 234.85 million in the standalone statement of profit and loss, during the year ended 31 March 2025. Management's assessment of recoverable value involves judgment to conclude that agreed sales price as mentioned above represents the fair value of HNFPL from market participants point of view as required under Ind AS 113, Fair Value Measurement (Ind AS 113) read with Ind AS 36. Considering the materiality of investment in HNFPL, aforementioned judgment involved and significance of the impairment charge on the standalone financial statements, impairment assessment of such investment has been determined as a key audit matter for the current year audit.	Our audit procedures relating to impairment assessment of investment in joint venture included, but was not limited to, the following: • Evaluated the design and tested the operating effectiveness of controls over the management's assessment of the impairment indicators and the impairment testing performed; • Held discussions with the members of the Board of Directors and Management and understood the nature of the proposed transaction and business rationale for acquisition of controlling stake in HNFPL; • Enquired with the management the reasons for their judgement to use fair value less costs of disposal as the recoverable amount for the impairment and understood the value in use computed by the management approximate the aforesaid fair value. Further, we assessed the reasonableness of aforesaid management judgement in accordance with the requirements of Ind AS 36 and Ind AS 113; • Assessed the appropriateness of accounting policies and relevant Ind AS and tested the completeness and accuracy of the information used in computation of recorded impairment; and • Assessed the appropriateness and adequacy of the disclosures made by the management in the standalone financial statements, in accordance with applicable accounting standards.

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

6. The Company's Board of Directors are responsible for the other information. The other information comprises the information included in the Annual Report, but does not include the standalone financial statements and our auditor's report thereon.

Our opinion on the standalone financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have

performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Standalone Financial Statements

7. The accompanying standalone financial statements have been approved by the Company's Board of Directors. The Company's Board of Directors are responsible for the matters stated in Section 134(5) of the Act with respect to the preparation and presentation of these standalone financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, changes in equity and cash flows of the Company in accordance with the Ind AS specified under Section 133 of the Act and other accounting principles generally accepted in India. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of

the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

8. In preparing the standalone financial statements, the Board of Directors is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.
9. The Board of Directors is also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Standalone Financial Statements

10. Our objectives are to obtain reasonable assurance about whether the standalone financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these standalone financial statements.
11. As part of an audit in accordance with Standards on Auditing, specified under Section 143(10) of the Act we exercise professional judgment and maintain professional skepticism throughout the audit. We also:
 - Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
 - Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3) (i) of the Act we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls;
 - Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management;
 - Conclude on the appropriateness of Board of Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material

uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern; and

- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
12. We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.
 13. We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.
 14. From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

15. As required by Section 197(16) of the Act, based on our audit, we report that the Company has paid remuneration to its directors during the year in accordance with the provisions of and limits laid down under Section 197 read with Schedule V to the Act.
16. As required by the Companies (Auditor's Report) Order, 2020 ('the Order') issued by the Central Government of India in terms of Section 143(11) of the Act we give in the **Annexure A**, a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
17. Further to our comments in Annexure A, as required by Section 143(3) of the Act based on our audit, we report, to the extent applicable, that:
 - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit of the accompanying standalone financial statements;
 - b) Except for the matters stated in paragraph 17(h)(vi) below on reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014 (as amended), in our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
 - c) The standalone financial statements dealt with by this report are in agreement with the books of account;

- d) In our opinion, the aforesaid standalone financial statements comply with Ind AS specified under Section 133 of the Act;
- e) On the basis of the written representations received from the directors and taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2025 from being appointed as a director in terms of Section 164(2) of the Act;
- f) The qualification relating to the maintenance of accounts and other matters connected therewith are as stated in paragraph 17(b) above on reporting under section 143(3)(b) of the Act and paragraph 17(h)(vi) below on reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014 (as amended);
- g) With respect to the adequacy of the internal financial controls with reference to financial statements of the Company as on 31 March 2025 and the operating effectiveness of such controls, refer to our separate report in **Annexure B** wherein we have expressed an unmodified opinion; and
- h) With respect to the other matters to be included in the Auditor's Report in accordance with rule 11 of the Companies (Audit and Auditors) Rules, 2014 (as amended), in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company, as detailed in note 42(b) to the standalone financial statements, has disclosed the impact of pending litigations on its financial position as at 31 March 2025;
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses as at 31 March 2025;
 - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company during the year ended 31 March 2025;
 - iv.
 - a. The management has represented that, to the best of its knowledge and belief, as disclosed in note 34(i) to the standalone financial statements, no funds have been advanced or loaned or invested (either from borrowed funds or securities premium or any other sources or kind of funds) by the Company to or in any person(s) or entity(ies), including foreign entities ('the intermediaries'), with the understanding, whether recorded in writing or otherwise, that the intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ('the Ultimate Beneficiaries') or provide any guarantee, security or the like on behalf the Ultimate Beneficiaries;
 - b. The management has represented that, to the best of its knowledge and belief, as disclosed in note 34(ii) to the standalone financial statements, no funds have been received by the Company from any person(s) or entity(ies), including foreign entities ('the Funding Parties'), with the understanding,

whether recorded in writing or otherwise, that the Company shall, whether directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ('Ultimate Beneficiaries') or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and

- c. Based on such audit procedures performed as considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the management representations under sub-clauses (a) and (b) above contain any material misstatement.
- v. As stated in note 33 to the accompanying standalone financial statements, the final dividend paid by the Company during the year ended 31 March 2025 in respect of such dividend declared for the previous year is in accordance with Section 123 of the Act to the extent it applies to payment of dividend. The Board of Directors of the Company have proposed final dividend for the year ended 31 March 2025 which is subject to the approval of the members at the ensuing Annual General Meeting. The dividend declared is in accordance with Section 123 of the Act to the extent it applies to declaration of dividend.
- vi. Based on our examination which included test checks, the Company, in respect of financial year commencing on 1 April 2024, has used an accounting software for maintaining its books of account which has a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the software except that audit trail feature was not enabled at the database level for the accounting software to log any direct data changes, as described in note 49 to the standalone financial statements. Further, during the course of our audit we did not come across any instance of audit trail feature being tampered with in respect of the accounting software where such feature is enabled. Furthermore, the audit trail has been preserved by the Company as per the statutory requirements for record retention.

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

Sumesh E S
Partner

Place: Hyderabad
Date: 16 May 2025

Membership No.: 206931
UDIN: 25206931BMNRAF8480

Annexure A referred to in Paragraph 16 of the Independent Auditor's Report of even date to the members of Heritage Foods Limited on the standalone financial statements for the year ended 31 March 2025

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

- (i) (a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of property, plant and equipment, capital work-in-progress, investment property and relevant details of right-of-use assets.
- (B) The Company has maintained proper records showing full particulars of intangible assets.
- (b) The property, plant and equipment, capital work-in-progress, investment property and relevant details of right-of-use assets have been physically verified by the management during the year and no material discrepancies were noticed on such verification. In our opinion, the frequency of physical verification programme adopted by the Company, is reasonable having regard to the size of the Company and the nature of its assets.
- (c) The title deeds of all the immovable properties (including investment properties) held by the Company (other than properties where the Company is the lessee and the lease agreements are duly executed in favour of the lessee), disclosed in Note 6 and 8 to the standalone financial statements, are held in the name of the Company.
- (d) The Company has adopted cost model for its Property, Plant and Equipment (including right-of-use assets) and intangible assets. Accordingly, reporting under clause 3(i) (d) of the Order is not applicable to the Company.
- (e) No proceedings have been initiated or are pending against the Company for holding any benami property under the Prohibition of Benami Property Transactions Act, 1988 (as amended) and rules made thereunder.
- (ii) (a) The management has conducted physical verification of inventory at reasonable intervals during the year, except for inventory lying with third parties. In our opinion, the coverage and procedure of such verification by the management is appropriate and no discrepancies of 10% or more in the aggregate for each class of inventory were noticed as compared to book records. In respect of inventory lying with third parties, these have been confirmed by the third parties.
- (b) As disclosed in Note 18(iii) to the standalone financial statements, the Company has been sanctioned a working capital limit in excess of Rs. 5 crores, by banks based on the security of current assets. The quarterly statements, in respect of the working capital limits have been filed by the Company with such banks and such statements are in agreement with the books of account of the Company for the respective periods, which were not subject to audit.
- (iii) The Company has not made any investment in or provided any guarantee to firms, Limited Liability Partnerships (LLPs) during the year. The Company has also not provided any security or granted any loans to companies, firms, limited liability partnerships or any other parties during the year. Further, the Company has made investment in and has provided guarantee to companies during the year, in respect of which:

- (a) The Company has provided guarantee to Joint Venture during the year as per details given below:

(Amounts in ₹ million)

Particulars	Guarantees
Aggregate amount provided during the year (₹):	
- Joint Venture	50.00
Balance outstanding as at balance sheet date in respect of above cases (₹):	
- Joint Venture	220.00

- (b) In our opinion, and according to the information and explanations given to us, the investments made and guarantees provided are, prima facie, not prejudicial to the interest of the Company.
- (c) The Company does not have any outstanding loans and advances in the nature of loans at the beginning of the current year nor has granted any loans or advances in the nature of loans during the year. Accordingly, reporting under clauses 3(iii)(c), 3(iii)(d), 3(iii)(e) and 3(iii)(f) of the Order is not applicable to the Company.
- (iv) In our opinion, and according to the information and explanations given to us, the Company has complied with the provisions of Section 186 of the Act in respect of investments made and guarantees given, as applicable. Further, the Company has not entered into any transaction covered under Section 186 of the Act in respect of loans granted and security provided by it and has not entered into any transaction covered under Section 185 of the Act.
- (v) In our opinion, and according to the information and explanations given to us, the Company has not accepted any deposits or there are no amounts which have been deemed to be deposits within the meaning of Sections 73 to 76 of the Act and the Companies (Acceptance of Deposits) Rules, 2014 (as amended). Accordingly, reporting under clause 3(v) of the Order is not applicable to the Company.
- (vi) The Central Government has specified maintenance of cost records under sub-section (1) of Section 148 of the Act in respect of the products of the Company. We have broadly reviewed the books of account maintained by the Company pursuant to the rules made by the Central Government for the maintenance of cost records and are of the opinion that, prima facie, the prescribed accounts and records have been made and maintained. However, we have not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.
- (vii) (a) In our opinion and according to the information and explanations given to us, the Company is regular in depositing undisputed statutory dues including goods and services tax, provident fund, employees' state insurance, income-tax and other material statutory dues, as applicable, with the appropriate authorities. Further, no undisputed amounts payable in respect thereof were outstanding at the year-end for a period of more than six months from the date they became payable.

- (b) According to the information and explanations given to us, we report that there are no statutory dues referred in sub-clause (a) which have not been deposited with the appropriate authorities on account of any dispute except for the following:

Name of the statute	Nature of dues	Gross Amount (₹ millions)	Amount paid under Protest (₹ millions)	Period to which the amount relates	Forum where dispute is pending
Andhra Pradesh General Sales Tax Act, 1957	Purchase Tax	9.51	1.14	2001-02	The High Court of Judicature at Hyderabad for the State of Telangana
	Sales Tax/ VAT	4.69	-	2008-09	
The Central Sales Tax Act, 1956	Sales Tax/ VAT	1.59	1.59	2010-11	Joint Commissioner of commercial taxes (Appeals), Bengaluru
		2.15	1.58	2011-12	
		0.73	0.73	2012-13	
Telangana Tax on Entry of Goods into Local Areas Act, 2001	Entry tax	0.41	0.10	2011-12	The High Court of Judicature at Hyderabad for the State of Telangana
		2.72	0.68	2012-13	
		3.82	0.95	2013-14	
		0.29	0.07	2014-15	
		0.41	0.10	2015-16	
		2.70	0.68	2016-17	
		0.02	0.01	2017-18	
Andhra Pradesh Tax on Entry of Goods into Local Areas Act, 2001	Entry tax	0.86	0.22	2014-15	The High Court of Judicature at Amaravati for the State of Andhra Pradesh
		1.55	0.39	2015-16	
		1.36	0.34	2016-17	
		0.00	-	2017-18	
Income Tax Act, 1961	Initiation of penalty proceedings u/s 271D	2.24	-	2020-21	Commissioner of Income Tax (Appeals)
	Disallowance of expenses	5.19	0.48	2017-18 and 2020-21	
Central GST Act, 2017	Short payment of GST on flavored milk	10.05	5.03	July 2017 to March 2021	Assistant Commissioner CGST, Bengaluru

- (viii) According to the information and explanations given to us, we report that no transactions were surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (43 of 1961) which have not been previously recorded in the books of accounts.
- (ix) (a) In our opinion and according to the information and explanations given to us, the Company has not defaulted in repayment of its loans or borrowings or in the payment of interest thereon to any lender.
- (b) According to the information and explanations given to us including representation received from the management of the Company, and on the basis of our audit procedures, we report that the Company has not been declared a willful defaulter by any bank or financial institution or government or any government authority.
- (c) In our opinion and according to the information and explanations given to us, money raised by way of term loans were applied for the purposes for which these were obtained.
- (d) In our opinion and according to the information and explanations given to us, and on an overall examination of the financial statements of the Company, funds raised by the Company on short term basis have, prima facie, not been utilised for long term purposes.
- (e) According to the information and explanations given to us and on an overall examination of the financial statements of the Company, the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiary, associate or joint venture.
- (f) According to the information and explanations given to us, the Company has not raised any loans during the year on the pledge of securities held in its subsidiary, joint venture or associate.
- (x) (a) The Company has not raised any money by way of initial public offer or further public offer (including debt instruments), during the year. Accordingly, reporting under clause 3(x)(a) of the Order is not applicable to the Company.
- (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or (fully, partially or optionally) convertible debentures during the year. Accordingly, reporting under clause 3(x)(b) of the Order is not applicable to the Company.
- (xi) (a) To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company or no fraud on the Company has been noticed or reported during the period covered by our audit.
- (b) According to the information and explanations given to us including the representation made to us by the management of the Company, no report under sub-section 12 of Section 143 of the Act has been filed by the auditors in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014, with the Central Government for the period covered by our audit.
- (c) According to the information and explanations given to us including the representation made to us by the

management of the Company, there are no whistle-blower complaints received by the Company during the year.

- (xii) The Company is not a Nidhi Company and the Nidhi Rules, 2014 are not applicable to it. Accordingly, reporting under clause 3(xii) of the Order is not applicable to the Company.
- (xiii) In our opinion and according to the information and explanations given to us, all transactions entered into by the Company with the related parties are in compliance with Sections 177 and 188 of the Act, where applicable. Further, the details of such related party transactions have been disclosed in the standalone financial statements, as required under Indian Accounting Standard (Ind AS) 24, Related Party Disclosures specified in Companies (Indian Accounting Standards) Rules 2015 as prescribed under Section 133 of the Act.
- (xiv) (a) In our opinion and according to the information and explanations given to us, the Company has an internal audit system which is commensurate with the size and nature of its business as required under the provisions of Section 138 of the Act.
(b) We have considered the reports issued by the Internal Auditors of the Company till date for the period under audit.
- (xv) According to the information and explanation given to us, the Company has not entered into any non-cash transactions with its directors or persons connected with its directors and accordingly, reporting under clause 3(xv) of the Order with respect to compliance with the provisions of Section 192 of the Act are not applicable to the Company.
- (xvi) (a) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, reporting under clauses 3(xvi)(a), (b) and (c) of the Order are not applicable to the Company.
(d) Based on the information and explanations given to us and as represented by the management of the Company, the Group (as defined in Core Investment Companies (Reserve Bank) Directions, 2016) does not have any CIC.
- (xvii) The Company has not incurred any cash losses in the current financial year as well as the immediately preceding financial year.
- (xviii) There has been no resignation of the statutory auditors during the year. Accordingly, reporting under clause 3(xviii) of the Order is not applicable to the Company.

- (xix) According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information in the standalone financial statements, our knowledge of the plans of the Board of Directors and management and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report indicating that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the company as and when they fall due.
- (xx) (a) According to the information and explanations given to us, there are no unspent amounts towards Corporate Social Responsibility pertaining to other than ongoing projects as at end of the current financial year. Accordingly, reporting under clause 3(xx)(a) of the Order is not applicable to the Company.
(b) According to the information and explanations given to us, the Company has transferred the remaining unspent amounts towards Corporate Social Responsibility (CSR) under sub-section (5) of Section 135 of the Act, in respect of ongoing project, within a period of 30 days from the end of financial year to a special account in compliance with the provision of sub-section (6) of Section 135 of the Act.
- (xxi) The reporting under clause 3(xxi) of the Order is not applicable in respect of audit of standalone financial statements of the Company. Accordingly, no comment has been included in respect of said clause under this report.

For **Walker Chandiok & Co LLP**

Chartered Accountants

Firm's Registration No.: 001076N/N500013

Sumesh E S

Partner

Place: Hyderabad

Date: May 16, 2025

Membership No.: 206931

UDIN: 25206931BMNRAF8480

Annexure B to the Independent Auditor's Report of even date to the members of Heritage Foods Limited on the standalone financial statements for the year ended 31 March 2025

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

1. In conjunction with our audit of the standalone financial statements of Heritage Foods Limited ('the Company') as at and for the year ended 31 March 2025, we have audited the internal financial controls with reference to financial statements of the Company as at that date.

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

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

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

3. Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the ICAI prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to financial statements, and the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting ('the Guidance Note') issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements were established and maintained and if such controls operated effectively in all material respects.
4. Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements includes obtaining an understanding of such internal financial controls, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.
5. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls with reference to financial statements.

Meaning of Internal Financial Controls with Reference to Financial Statements

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

Inherent Limitations of Internal Financial Controls with Reference to Financial Statements

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

Opinion

8. In our opinion, the Company has, in all material respects, adequate internal financial controls with reference to financial statements and such controls were operating effectively as at 31 March 2025, based on the internal financial controls with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the ICAI.

For Walker Chandio & Co LLP

Chartered Accountants

Firm's Registration No.: 001076N/N500013

Sumesh E S

Partner

Place: Hyderabad

Date: May 16, 2025

Membership No.: 206931

UDIN: 25206931BMNRAF8480

Standalone Balance Sheet as at 31 March 2025

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

Particulars	Notes	As at	
		31 March 2025	31 March 2024
ASSETS			
Non-current assets			
(a) Property, plant and equipment	6	6,670.11	6,235.90
(b) Right of use assets	6	328.76	349.97
(c) Capital work-in-progress	6(a)	679.56	200.63
(d) Investment property	8	40.96	42.04
(e) Other intangible assets	7	20.67	30.04
(f) Financial assets			
(i) Investment in subsidiary, joint venture and associate	9	422.75	582.10
(ii) Other investments	10	3.13	3.20
(iii) Other financial assets	11	154.24	108.41
(g) Other non-current assets	12	319.98	24.55
Total non-current assets		8,640.16	7,576.84
Current assets			
(a) Inventories	13	3,421.02	2,492.18
(b) Financial assets			
(i) Investments	10	1,706.56	1,130.11
(ii) Trade receivables	14	375.19	286.82
(iii) Cash and cash equivalents	15(a)	632.79	780.52
(iv) Bank balances other than (iii) above	15(b)	51.91	53.14
(v) Loans	11(a)	-	0.24
(vi) Other financial assets	11	131.96	126.64
(c) Current tax assets (net)		43.05	46.25
(d) Other current assets	12	177.46	104.76
Total current assets		6,539.94	5,020.66
Total assets		15,180.10	12,597.50
EQUITY AND LIABILITIES			
Equity			
(a) Equity share capital	16	463.98	463.98
(b) Other equity	17	9,007.22	7,571.00
Total equity		9,471.20	8,034.98
Liabilities			
Non-current liabilities			
(a) Financial liabilities			
(i) Borrowings	18	1,089.18	735.53
(ia) Lease liabilities	43	336.45	329.13
(ii) Other financial liabilities	19	1.97	3.67
(b) Government grant	48	66.07	72.81
(c) Provisions	20	275.64	222.81
(d) Deferred tax liabilities (net)	21	264.94	241.59
Total non-current liabilities		2,034.25	1,605.54
Current liabilities			
(a) Financial liabilities			
(i) Borrowings	18	252.76	155.51
(ia) Lease liabilities	43	29.34	49.09
(ii) Trade payables	23		
- total outstanding dues of micro and small enterprises;		98.51	83.03
- total outstanding dues of creditors other than micro and small enterprises		1,558.39	1,297.45
(iii) Other financial liabilities	19	1,350.92	1,019.15
(b) Other current liabilities	22	247.63	241.99
(c) Government grant	48	6.74	6.73
(d) Provisions	20	130.36	104.03
Total current liabilities		3,674.65	2,956.98
Total equity and liabilities		15,180.10	12,597.50

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

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

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

Sumesh E S
Partner
Membership No: 206931

For and on behalf of Board of Directors of
Heritage Foods Limited

N Bhuvaneswari
Vice Chairperson and
Managing Director
DIN: 00003741

N Brahmani
Executive Director
DIN: 02338940

M Sambasiva Rao
Whole Time Director
DIN: 01887410

Srideep Madhavan Nair Kesavan
Chief Executive Officer

A Prabhakara Naidu
Chief Financial Officer
M.No.FCA 200974

Umakanta Barik
Company Secretary &
Compliance Officer
M.No. FCS 6317

Place : Hyderabad
Date : May 16, 2025

Place : Hyderabad
Date : May 16, 2025

Standalone Statement of Profit and Loss for the Year Ended 31 March 2025

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

	Notes	For the Year Ended	
		31 March 2025	31 March 2024
Income			
Revenue from operations	24	40,804.81	37,343.45
Other income	25	272.84	119.29
Total income		41,077.65	37,462.74
Expenses			
Cost of materials consumed	26	29,981.81	28,019.36
Purchase of stock-in-trade		1,554.96	1,094.29
Changes in inventories of finished goods, semi finished goods, stock-in- trade and work-in-progress	27	(589.62)	720.49
Employee benefit expenses	28	3,019.09	2,479.98
Finance costs	29	150.23	81.64
Depreciation and amortisation expense	6, 7 & 8	671.57	584.32
Impairment losses	6	6.74	6.68
Other expenses	30	3,714.51	3,034.09
Total expenses		38,509.29	36,020.85
Profit before exceptional items and tax		2,568.36	1,441.89
Exceptional Items	9 & 35	(234.85)	(167.95)
Profit before tax		2,333.51	1,273.94
Tax expense	31		
Current tax expense		625.11	356.68
Deferred tax expense		27.58	6.88
Profit for the year		1,680.82	910.38
Other comprehensive income / (loss) ("OCI")			
Items that will not be reclassified to profit or loss			
(i) Re-measurement loss on defined benefit plan, net of tax		(12.54)	(10.57)
(ii) Net gain/(loss) on FVTOCI equity securities		(0.07)	0.18
Items that will be reclassified to profit or loss		-	-
Total other comprehensive loss for the year		(12.61)	(10.39)
Total comprehensive income for the year		1,668.21	899.99
Earnings per equity share [EPES]	32		
Face value per equity share (in ₹ terms)		5.00	5.00
Basic and Diluted EPES (in ₹ terms)		18.11	9.81

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

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

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

Sumesh E S
Partner
Membership No: 206931

Place : Hyderabad
Date : May 16, 2025

For and on behalf of Board of Directors of
Heritage Foods Limited

N Bhuvaneswari
Vice Chairperson and
Managing Director
DIN: 00003741

Srideep Madhavan Nair Kesavan
Chief Executive Officer

Place : Hyderabad
Date : May 16, 2025

N Brahmani
Executive Director
DIN: 02338940

A Prabhakara Naidu
Chief Financial Officer
M.No.FCA 200974

M Sambasiva Rao
Whole Time Director
DIN: 01887410

Umakanta Barik
Company Secretary &
Compliance Officer
M.No. FCS 6317

Standalone Statement of Cash Flow for the Year Ended 31 March 2025

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

	Notes	For the Year Ended	
		31 March 2025	31 March 2024
Cash flow from operating activities			
Profit before tax		2,333.51	1,273.94
Adjustments:			
Depreciation and amortization expense	6, 7 & 8	671.57	584.32
Impairment losses on assets	6	6.74	6.68
Impairment losses on investments	9 & 35	234.85	167.95
Provision for doubtful advances	30	0.15	-
Provision for doubtful debts and bad debts written off	30	6.37	9.86
Advances written off	30	1.55	0.96
Profit on sale of Property, plant and equipment ("PPE")	25	(32.95)	(26.83)
Gain on investments	25	(163.01)	(35.55)
Provisions no longer required/ credit balances written back	25	(20.62)	(10.24)
Interest income	25	(4.79)	(3.55)
Interest expenses	29	144.67	75.73
Guarantee income	25	(2.20)	(5.55)
Property, plant and equipment written off	30	7.96	12.93
Amortisation of government grants	25	(6.73)	(6.74)
Lease rental income	25	(20.10)	(12.42)
Dividend income on long term investments	25	(0.01)	(0.01)
Operating profits before working capital changes		3,156.96	2,031.48
Movements in working capital:			
Changes in inventories		(928.84)	1,168.80
Changes in trade receivables		(94.74)	(17.59)
Changes in loans		0.24	0.07
Changes in other assets		(74.60)	20.04
Changes in other financial assets		(50.57)	(44.87)
Changes in trade payables		276.42	642.96
Changes in provisions		62.40	47.03
Changes in other financial liabilities		270.91	244.50
Changes in other liabilities		5.64	25.21
Cash generated from operating activities		2,623.82	4,117.63
Income tax paid, net		(621.91)	(367.89)

Standalone Statement of Cash Flow for the Year Ended 31 March 2025

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

	Notes	For the Year Ended	
		31 March 2025	31 March 2024
Net cash generated from operating activities (A)		2,001.91	3,749.74
Cash flow from investing activities			
Purchase of PPE and other intangible assets, including CWIP and intangible assets under development		(1,712.53)	(1,267.38)
Proceeds from sale of PPE		48.06	39.13
Investment in a joint venture		(75.00)	(97.50)
Purchase of investments		(2,730.00)	(2,300.00)
Proceeds from sale of investments		2,316.56	1,205.47
Interest received		5.10	3.29
Movement in other bank balances, net		(50.91)	(20.63)
Rent received		19.93	13.68
Dividend income received		0.01	0.01
Net cash used in investing activities (B)		(2,178.78)	(2,423.93)
Cash flow from financing activities			
Proceeds from long term borrowings		703.45	908.00
Repayments of long term borrowings		(247.57)	(25.39)
Repayments of short term borrowings, net		-	(1,243.58)
Interest paid		(141.23)	(81.02)
Lease rentals paid		(53.52)	(34.51)
Dividend paid	43	(231.99)	(231.99)
Net cash generated from / (used in) financing activities (C)	33	29.14	(708.49)
Net Change in cash and cash equivalents during the year (A + B + C)		(147.73)	617.32
Cash and cash equivalents at the beginning of the year		780.52	163.20
Cash and cash equivalents at the end of the year (Note 1)		632.79	780.52
Note 1:			
Cash and cash equivalents include:			
Cash on hand	15(a)	1.41	1.46
Balances with banks in current accounts		631.38	779.06
		632.79	780.52

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

This is the Standalone Statement of Cash Flow referred to in our report of even date.

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

Sumesh E S
Partner
Membership No: 206931

Place : Hyderabad
Date : May 16, 2025

For and on behalf of Board of Directors of
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Vice Chairperson and
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Company Secretary &
Compliance Officer
M.No. FCS 6317

Standalone Statement of Changes in Equity for the year ended 31 March 2025

A. Equity Share Capital (All amounts in ₹ millions, except share data and where otherwise stated)

	Notes	Number of shares	Amount
As at 1 April 2023		92,796,000	463.98
Changes in equity share capital	16	-	-
As at 31 March 2024		92,796,000	463.98
Changes in equity share capital	16	-	-
As at 31 March 2025		92,796,000	463.98

B. Other equity (refer note 17)

	Reserves and Surplus						OCI		Total
	Capital reserve	Capital redemption reserve	Securities premium	Warrants money appropriated	General reserve	Retained earnings	Changes in fair value of equity instruments		
Balance as at 1 April 2023	12.11	8.10	368.62	31.87	842.74	5,640.02	(0.46)	6,903.00	
Profit for the year	-	-	-	-	-	910.38	-	910.38	
Payment of dividend (₹2.5 per equity share)	-	-	-	-	-	(231.99)	-	(231.99)	
Other comprehensive income/ (loss), net of taxes	-	-	-	-	-	(10.57)	0.18	(10.39)	
Balance as at 31 March 2024	12.11	8.10	368.62	31.87	842.74	6,307.84	(0.28)	7,571.00	
Profit for the year	-	-	-	-	-	1,680.82	-	1,680.82	
Payment of dividend (₹2.5 per equity share)	-	-	-	-	-	(231.99)	-	(231.99)	
Other comprehensive loss, net of taxes	-	-	-	-	-	(12.54)	(0.07)	(12.61)	
Balance as at 31 March 2025	12.11	8.10	368.62	31.87	842.74	7,744.13	(0.35)	9,007.22	

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

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

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

Sumesh E S
Partner
Membership No: 206931

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Summary of the material accounting policies and other explanatory information

1. Corporate information

Heritage Foods Limited ("Heritage" or "the Company") is one of the leading Indian dairy Company, headquartered and having its registered office at #H.No. 8-2-293/82/A/1286, Plot No: 1286, Road No. 1 & 65, Jubilee Hills, Hyderabad – 500033, Telangana, India. The Company operates through its two business divisions Dairy and Renewable Energy. The Company's equity shares are listed and traded on the Indian Stock Exchanges viz., BSE Limited and the National Stock Exchange of India.

2. Basis of preparation of the standalone financial statements

The standalone financial statements of the Company have been prepared in accordance with accounting principles generally accepted in India, Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013 ("the Act"), read with the Companies (Indian Accounting Standards) Rules, 2015, as amended from time to time and presentation requirement of Division II of Schedule III to the Act, including the amendments to Schedule III notified by the Ministry of Corporate Affairs ("MCA") vide its notification dated 24 March 2021 and guidelines issued by the Securities Exchange Board of India ("SEBI").

These standalone financial statements have been prepared by the Company as a going concern on the basis of relevant Ind-AS that are effective or elected for early adoption at the Company's annual reporting date, 31 March 2025. These standalone financial statements were authorised for issuance by the Company's Board of Directors on 16 May 2025.

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

- Financial assets are measured at either at fair value or at amortised cost depending upon the classification.
- Employee defined benefits assets / (liability) are recognised as the net total of the fair value of plan assets, plus actuarial losses, less actuarial gains and the present value of the defined benefit obligations.
- Long-term borrowings are measured at amortised cost using the effective interest rate method; and
- Right-of-use assets are recognised at present value of lease payments, that are not paid at that date, adjusted for any lease payments made at or before the commencement date, lease incentives received and initial direct cost incurred, if any.

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

3. Summary of material accounting policies

a. Current versus non-current classification

The Company presents assets and liabilities in the standalone balance sheet based on current/ non-current classification.

An asset is treated as current when it is:

- Expected to be realised or intended to be sold or consumed in normal operating cycle

- Held primarily for the purpose of trading
- Expected to be realised within twelve months after the reporting period, or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in normal operating cycle
- It is held primarily for the purpose of trading
- It is due to be settled within twelve months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

All other liabilities are classified as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

The operating cycle is the time between the acquisition of assets for processing and their realisation in cash and cash equivalents. The Company has identified twelve months as its operating cycle.

b. Fair value measurement

The Company measures financial instruments at fair value at each balance sheet date.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible by the Company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the standalone financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 - Quoted (unadjusted) market prices in active markets for identical assets or liabilities

- Level 2 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognised in the standalone financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

At each reporting date, the management analyses the movements in the values of assets and liabilities which are required to be re-measured or re-assessed as per the Company's accounting policies. For this analysis, the management verifies the major inputs applied in the latest valuation by agreeing the information in the valuation computation to contracts and other relevant documents.

For the purpose of fair value disclosures, the Company has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

c. Revenue recognition

The Company derives revenues primarily from sale of milk and dairy products. It is also engaged in generation of power and trading of dairy and food commodities.

Revenue is recognized on satisfaction of performance obligation upon transfer of control of promised products or services to customers in an amount that reflects the consideration the Company expects to receive in exchange for those products or services ("transaction price").

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

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

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

- The customer simultaneously receives and consumes the benefits provided by the Company's performance as the Company performs; or
- The Company's performance creates or enhances an asset that the customer controls as the asset is created or enhanced; or
- The Company's performance does not create an asset with an alternative use to the Company and

an entity has an enforceable right to payment for performance completed to date.

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

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

d. Government grants

Government grants are recognised where there is reasonable assurance that the grant will be received and all attached conditions will be complied with. When the grant relates to an expense item, it is recognised as income on a systematic basis over the periods that the related costs, for which it is intended to compensate, are expensed. When the grant relates to an asset, it is recognised as income in equal amounts over the expected useful life of the related asset.

On receipt of grants of non-monetary assets, the asset and the grant are recorded at fair value amounts and released to the standalone statement of profit and loss over the expected useful life in a pattern of consumption of the benefit of the underlying asset i.e. by equal annual instalments. When loans or similar assistance are provided by governments or related institutions, with an interest rate below the current applicable market rate, the effect of this favourable interest is regarded as a government grant. The loan or assistance is initially recognised and measured at fair value and the government grant is measured as the difference between the initial carrying value of the loan and the proceeds received. The loan is subsequently measured as per the accounting policy applicable to financial liabilities.

e. Taxes

Current income tax

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

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

Deferred tax

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

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

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable

profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised, except when the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax is recognised in the standalone statement of profit and loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the deferred tax is also recognised in other comprehensive income or directly in equity, respectively.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

f. Property, plant and equipment and Capital work-in-progress

Freehold land is carried at historical cost. Property, plant and equipment are stated at cost net of accumulated depreciation and accumulated impairment losses, if any. The cost comprises purchase price, the cost of replacing the part of plant and equipment and borrowing costs if capitalization criteria are met and any attributable cost of bringing the asset to its working condition and location for the intended use. Capital work in progress includes cost of property, plant and equipment under installation/ under development as at the balance sheet date net of accumulated impairment loss, if any. Property, plant and equipment under installation or under construction as at balance sheet are shown as capital work-in-progress and the related advances are shown as capital advances.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognised when replaced.

When significant parts of plant and equipment are required to be replaced at intervals, the Company depreciates them separately based on their specific useful lives. Likewise, when a major inspection is performed, its cost is recognised in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognised in the standalone statement of profit and loss as incurred. The present value of the expected cost for

the decommissioning of an asset after its use is included in the cost of the respective asset if the recognition criteria for a provision are met.

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

Depreciation is provided on the basis of straight-line method at the useful life and in the manner prescribed in Schedule II of the Companies Act, 2013 except in respect of the following assets, based on technical assessment made by technical expert and /or internal evaluation. Management believes that these estimated useful lives are realistic and reflect fair approximation of the period over which the assets are likely to be used.

The useful life provided for different asset classes under schedule II of the Act and considered by the management are as follows:

Asset class	Useful life considered by management (in years)	Useful life prescribed under the Act (in years)
Buildings (including investment property)	3 – 30	30
Plant and machinery	1 – 20	15
Furniture and Fixtures	1 – 15	10
Vehicles	2 – 10	8
Office Equipment	1 – 20	5

- Depreciation on Improvements to leasehold property is provided over the period of lease.
- Depreciation in respect of its Renewable Energy business is provided on straight line method and at rates/ methodology prescribed under the relevant Central Electricity Regulatory Commission (CERC) regulations.

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

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

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

g. Borrowing cost

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the asset. All other borrowing costs are expensed

in the period in which they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

h. Leases

The Company as a lessee

The Company's lease asset classes primarily consist of leases for land, buildings and plant and equipment. The Company assesses whether a contract contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether: (i) the contract involves the use of an identified asset (ii) the Company has substantially all of the economic benefits from use of the asset through the period of the lease and (iii) the Company has the right to direct the use of the asset.

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

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

The Company measures the lease liability at the present value of the lease payments that are not paid at the commencement date of the lease. The lease payments are discounted using the interest rate implicit in the lease, if that rate can be readily determined. If that rate cannot be readily determined, the Company uses incremental borrowing rate. For leases with reasonably

similar characteristics, the Company, on a lease by lease basis, may adopt either the incremental borrowing rate specific to the lease or the incremental borrowing rate for the portfolio as a whole. The lease payments shall include fixed payments, variable lease payments, residual value guarantees, exercise price of a purchase option where the Company is reasonably certain to exercise that option and payments of penalties for terminating the lease, if the lease term reflects the lessee exercising an option to terminate the lease. The lease liability is subsequently remeasured by increasing the carrying amount to reflect interest on the lease liability, reducing the carrying amount to reflect the lease payments made and remeasuring the carrying amount to reflect any reassessment or lease modifications or to reflect revised in-substance fixed lease payments. The Company recognises the amount of the re-measurement of lease liability due to modification as an adjustment to the Right-of-use asset and Standalone Statement of Profit and Loss depending upon the nature of modification. Where the carrying amount of the Right-of-use asset is reduced to zero and there is a further reduction in the measurement of the lease liability, the Company recognises any remaining amount of the re-measurement in the Standalone Statement of Profit and Loss.

The Company as a lessor

Leases for which the Company is a lessor is classified as a finance or operating lease. Whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee, the contract is classified as a finance lease. All other leases are classified as operating leases. For operating leases, rental income is recognized on a straight-line basis over the term of the relevant lease.

Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income.

i. Inventories

All inventories except stores, spares, consumables, semi-finished goods and packaging material, are valued at lower of cost and net realisable value. Stores, spares and consumables, semi-finished goods and packing material held for use in the production of finished products are not written down below cost except in cases where material prices have declined and it is estimated that the cost of the finished products will exceed their net realisable value. Costs for all categories of inventories have been ascertained using weighted average cost method.

Cost of inventories comprises of the following:

- Raw material, stock-in-trade, semi-finished goods, packaging materials and stores, spares and consumables: Cost includes purchase price, import duties and other taxes excluding taxes those are subsequently recoverable from the concerned authorities, freight inwards and other expenditure incurred in bringing such inventories to their present location and condition.
- Finished goods and work in progress: Cost comprises cost of direct material, direct labour and appropriate proportion of variable and fixed overhead expenditure, the latter being allocated

on the basis of normal operating capacity, but excluding borrowing costs.

Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

j. Impairment of assets

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

When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. Impairment losses of continuing operations, including impairment on inventories, are recognised in the standalone statement of profit and loss.

For assets excluding goodwill, an assessment is made at each reporting date to determine whether there is an indication that previously recognised impairment losses no longer exist or have decreased. If such indication exists, the Company estimates the asset's or CGU's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years.

k. Provision and contingencies

Provisions

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

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

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

Contingencies

Contingent liabilities are identified and disclosed with respect to following:

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

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

l. Employee benefits

Short term benefits

Short Term Employee Benefits are accounted for in the period during which the services have been rendered.

Post-employment benefits and other long-term employee benefits

Provident Fund: Retirement benefit in the form of provident fund is a defined contribution scheme. The contributions to the provident fund administered by the Central Government under the Provident Fund Act, 1952, are charged to the standalone statement of profit and loss for the year in which the contributions are due. The company has no obligation, other than the contribution payable to the provident fund. If the contribution payable to the scheme for service received before the standalone balance sheet date exceeds the contribution already paid, the deficit payable to the scheme is recognized as a liability after deducting the contribution already paid. If the contribution already paid exceeds the contribution due for services received before the standalone balance sheet date, then excess is recognized as an asset to the extent that the pre-payment will lead to a reduction in future payment.

Gratuity: The Company operates a defined benefit gratuity plan in India, which requires contributions to be made to a separately administered fund. The cost of providing benefits under the defined benefit plan is determined using the projected unit credit method.

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

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

m. Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Financial assets**Initial recognition and measurement**

All financial assets, excluding trade receivables are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset. Trade receivables that do not contain a significant financing component are measured at transaction price.

Subsequent measurement

For purposes of subsequent measurement, financial assets are classified in four categories:

- ▶ Debt instruments at amortised cost
- ▶ Debt instruments and equity instruments at fair value through profit or loss (FVTPL)
- ▶ Equity instruments measured at FVTOCI and FVTPL

Debt instruments at amortised cost

A 'debt instrument' is measured at the amortised cost if both the following conditions are met:

- a) The asset is held within a business model, whose objective is to hold assets for collecting contractual cash flows, and
- b) Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance income in the standalone statement of profit and loss. The losses arising from impairment are recognised in the standalone statement of profit and loss.

Debt instrument at FVTPL

FVTPL is a residual category for debt instruments. Any debt instrument, which does not meet the criteria for categorization as at amortized cost or as FVTOCI, is classified as at FVTPL.

Debt instruments included within the FVTPL category are measured at fair value with all changes recognized in the standalone statement of profit and loss.

Equity instruments

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

If the Company decides to classify an equity instrument as at FVTOCI, then all fair value changes on the instrument, excluding dividends, are recognized in the OCI. There

is no recycling of the amounts from OCI to standalone statement of profit and loss, even on sale of investment. However, the Company transfers the cumulative gain or loss within equity.

De-recognition

A financial asset is primarily derecognised when:

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

When the Company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the company continues to recognise the transferred asset to the extent of the company's continuing involvement. In that case, the company also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

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

Impairment of financial assets

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

- ▶ Financial assets that are debt instruments, and are measured at amortised cost e.g., loans, debt securities, deposits, trade receivables and bank balances
- ▶ Financial guarantee contracts which are not measured at FVTPL
- ▶ Lease receivables under Ind AS 116

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

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

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

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

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

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

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

Financial liabilities

Initial recognition and measurement

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

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

The Company's financial liabilities include trade and other payables, loans and borrowings including financial guarantee contracts and derivative financial instruments.

Subsequent measurement

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

Loans and borrowings

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

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

This category generally applies to borrowings from banks.

Trade and other payables

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

De-recognition

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

Offsetting of financial instruments

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

n. Earnings per share

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders (after deducting preference dividends, if any, and attributable taxes) by the weighted average number of equity shares outstanding during the period.

For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the year are adjusted for the effects of all dilutive potential equity shares.

o. Cash flow statement

The standalone cash flow statement is prepared in accordance with the Indirect method. Standalone cash flow statement presents the cash flows by operating, financing and investing activities of the Company. Operating cash flows are arrived by adjusting profit or loss before tax for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments, and items of income or expense associated with investing or financing cash flows.

For the purpose of the standalone cash flow statement, cash and cash equivalents consist of cash at banks and on hand and deposits, as defined above, net of outstanding loans repayable on demand from banks as they are considered an integral part of the Company's cash management.

p. Cash and cash equivalents

Cash and cash equivalent in the standalone balance sheet comprise cash at banks and on hand and short-

term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

q. Cash dividends to equity holders

Annual dividend distribution to the shareholders is recognised as a liability in the period in which the dividend is approved by the shareholders. Any interim dividend paid is recognised on approval by Board of Directors. Dividend payable / paid is recognised directly in equity.

r. Investments in subsidiary, joint venture and associate

The Company has elected to recognise its investments in equity instruments in subsidiary, joint venture and associate at cost in accordance with the option available in Ind AS 27, 'Separate Financial Statements'.

4. Key accounting estimates, judgements and assumptions

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

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

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

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

b. Useful lives of depreciable and amortisable assets

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

c. Leases

Ind AS 116 requires lessees to determine the lease term as the non-cancellable period of a lease adjusted with any option to extend or terminate the lease, if the use of such option is reasonably certain. The Company makes an assessment on the expected lease term on a lease-by-lease basis and thereby assesses whether it is reasonably certain that any options to extend or terminate the contract will be exercised. In evaluating the lease term, the Company considers factors such as any significant leasehold improvements undertaken over the lease term, costs relating to the termination of the lease and the importance of the underlying asset to

Company's operations taking into account the location of the underlying asset and the availability of suitable alternatives.

d. Impairment of assets

The impairment provisions for Financial Assets are based on assumptions about risk of default and expected cash loss rates. The Company uses judgement in making these assumptions and selecting the inputs to the impairment calculation, based on Company's past history, existing market conditions as well as forward-looking estimates at the end of each reporting period.

In case of non-financial assets, assessment of impairment indicators involves consideration of future risks. Further, the company estimates asset's recoverable amount, which is higher of an asset's or Cash Generating Units (CGU's) fair value less costs of disposal and its value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using 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.

5. Standards and recent pronouncements issued but not yet effective

Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. The Company applied following amendments for the first-time during the current year which are effective from 1 April 2024:

a) Introduction of Ind AS 117

MCA notified Ind AS 117, a comprehensive standard that prescribe, recognition, measurement and disclosure requirements, to avoid diversities in practice for accounting insurance contracts and it applies to all companies i.e., to all "insurance contracts" regardless of the issuer. However, Ind AS 117 is not applicable to the entities which are insurance companies registered with IRDAI.

The Company has reviewed the new pronouncements and based on its evaluation has determined that these amendments do not have an impact on the Standalone Financial Statements.

Summary of the material accounting policies and other explanatory information

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

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

	Land	Buildings	Leasehold improvements	Plant and Equipment	Furniture and fixtures	Office equipment	Vehicles	Total	Right-of-use assets
Gross Block									
Balance as at 1 April 2023	497.02	1,861.98	75.89	4,640.26	48.13	147.56	69.61	7,340.45	405.18
Additions during the year	6.80	246.00	1.86	1,061.69	8.14	26.71	8.51	1,359.71	100.36
Disposals/transfers during the year	0.29	5.14	-	141.90	1.06	9.32	0.31	158.02	8.46
Balance as at 31 March 2024	503.53	2,102.84	77.75	5,560.05	55.21	164.95	77.81	8,542.14	497.08
Additions during the year	66.68	149.95	-	790.31	15.01	30.63	9.51	1,062.09	34.45
Disposals/transfers during the year	0.38	0.66	-	140.33	0.87	10.66	14.74	167.64	3.87
Balance as at 31 March 2025	569.83	2,252.13	77.75	6,210.03	69.35	184.92	72.58	9,436.59	527.66

Accumulated depreciation

Up to 1 April 2023	-	328.86	1.59	1,491.66	14.02	49.79	27.68	1,913.60	99.34
Depreciation charge for the year	-	79.71	4.88	396.83	6.68	19.84	9.31	517.25	56.23
Adjustment for disposals/transfers	-	1.39	-	121.19	0.86	7.70	0.15	131.29	8.46
Impairment loss	-	-	-	5.96	0.11	0.61	-	6.68	-
Up to 31 March 2024	-	407.18	6.47	1,773.26	19.95	62.54	36.84	2,306.24	147.11
Depreciation charge for the year	-	90.84	4.93	464.91	6.87	21.47	9.05	598.07	62.30
Adjustment for disposals/transfers	-	0.18	-	121.68	0.73	8.87	13.11	144.57	10.51
Impairment loss	-	-	-	6.59	-	0.15	-	6.74	-
Up to 31 March 2025	-	497.84	11.40	2,123.08	26.09	75.29	32.78	2,766.48	198.90

Net carrying value

As at 31 March 2024	503.53	1,695.66	71.28	3,786.79	35.26	102.41	40.97	6,235.90	349.97
As at 31 March 2025	569.83	1,754.29	66.35	4,086.95	43.26	109.63	39.80	6,670.11	328.76

Notes:

- For details of assets pledged as security, refer note 18(a).
- The title deeds of all the immovable properties including investment properties held by the Company (other than properties where the Company is the lessee and the lease agreements are duly executed in favour of the lessee), are held in the name of the Company.
- The company has recognised impairment loss on account of physical wear and tear of assets.

Summary of the material accounting policies and other explanatory information

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

6(a) Capital Work-in-Progress:

	As at	
	31 March 2025	31 March 2024
(i) Ageing schedule of capital work-in-progress (CWIP)		
Projects in progress		
< 1 Year	677.46	195.23
1-2 Years	2.10	5.40
>2 Years	-	-
Projects in progress (total)	679.56	200.63
Projects temporarily suspended	-	-
(ii) The Company does not have any material CWIP which is overdue or has exceeded its cost compared to its original plan and hence the disclosure of CWIP completion schedule is not applicable.		
(iii) CWIP movement schedule:		
		Total
Opening as at 1 April 2023		199.33
Additions during the year *		1,354.21
Capitalisations during the year		(1,352.91)
Closing as at 31 March 2024		200.63
Additions during the year *		1,474.34
Capitalisations during the year		(995.41)
Closing as at 31 March 2025		679.56

*includes borrowing cost capitalised aggregating to ₹0.16 (31 March 2024: ₹6.64)

7. Other intangible assets

	Computer Software	Brand	Non-compete	Procurement network	Distribution Network	Total
Gross Block						
As at 1 April 2023	94.54	74.55	32.18	43.76	50.69	295.72
Additions during the year	5.28	-	-	-	-	5.28
As at 31 March 2024	99.82	74.55	32.18	43.76	50.69	301.00
Additions during the year	0.57	-	-	-	-	0.57
Disposals/transfers during the year	(3.81)	-	-	-	-	(3.81)
As at 31 March 2025	104.20	74.55	32.18	43.76	50.69	305.38
Accumulated amortization						
Up to 1 April 2023	60.75	74.55	32.18	43.35	50.37	261.20
Amortization charge for the year	9.44	-	-	0.18	0.14	9.76
Up to 31 March 2024	70.19	74.55	32.18	43.53	50.51	270.96
Amortization charge for the year	9.81	-	-	0.17	0.14	10.12
Adjustment for disposals/transfers	(3.63)	-	-	-	-	(3.63)
Up to 31 March 2025	83.63	74.55	32.18	43.70	50.65	284.71
Net carrying amount						
As at 31 March 2024	29.63	-	-	0.23	0.18	30.04
As at 31 March 2025	20.57	-	-	0.06	0.04	20.67

Summary of the material accounting policies and other explanatory information

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

8. Investment property

	Land	Building	Total
Gross Block			
As at 1 April 2023	23.30	26.67	49.97
Additions / transfers during the year	-	-	-
As at 31 March 2024	23.30	26.67	49.97
Additions / transfers during the year	-	-	-
As at 31 March 2025	23.30	26.67	49.97
Accumulated depreciation			
Up to 1 April 2023	-	6.85	6.85
Depreciation charge for the year	-	1.08	1.08
Up to 31 March 2024	-	7.93	7.93
Depreciation charge for the year	-	1.08	1.08
Up to 31 March 2025	-	9.01	9.01
Net carrying amount			
As at 31 March 2024	23.30	18.74	42.04
As at 31 March 2025	23.30	17.66	40.96

(a) Information of net income derived from Investment property

	For the year ended	
	31 March 2025	31 March 2024
Lease rental income	17.22	9.41
Less: Depreciation	(1.08)	(1.08)
Net income derived from Investment property	16.14	8.33

(b) Description of valuation technique and key assumptions used

	31 March 2025		31 March 2024	
	Land	Building	Land	Building
Valuation technique: Discounted Cash Flow ("DCF") method				
Estimated rental value per month (in absolute ₹ terms)	78,750	NA	75,000	NA
Estimated rental value per square feet per month (in absolute ₹ terms)	NA	30	NA	28
Rental growth per annum	5%	5%	5%	5%
Discount rate	6.50%	6.50%	6.50%	6.50%

(c) Changes in fair value of Investment property is shown below:

	Amount
Fair value as on 31 March 2023	349.84
Increase in fair value of an existing Investment property	-
Fair value as on 31 March 2024	349.84
Increase in fair value of an existing Investment property	24.69
Fair value as on 31 March 2025	374.53

Note:

The disclosed fair value of investment property is derived based on the valuation by a registered valuer as defined under rule 2 of Companies (Registered Valuers and Valuation) Rules, 2017.

Summary of the material accounting policies and other explanatory information

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

9. Investment in subsidiary, joint venture and associate

	As at	
	31 March 2025	31 March 2024
Unquoted		
Investment in a subsidiary		
3,709,464 (31 March 2024: 3,709,464) equity shares of ₹10 each fully paid held in Heritage Nutrivet Limited	326.70	326.70
	326.70	326.70
Investment in an associate*		
650,000 (31 March 2024: 650,000) equity shares of ₹10 each fully paid held in SKIL Raigam Power (India) Limited	6.50	6.50
Less: Impairment of investment	(6.50)	(6.50)
	-	-
* SKIL Raigam Power (India) Limited has been declared as Dormant Company as per Section 455(2) of Companies Act, 2013		
Investment in a joint venture		
79,95,339 (31 March 2024: 6,464,727) equity shares of ₹10 each fully paid held in Heritage Novandie Foods Private Limited	498.85	423.35
Less: Impairment of investment #	(402.80)	(167.95)
	96.05	255.40
	422.75	582.10
Aggregate amount of unquoted investments	422.75	582.10
Aggregate amount of impairment in value of investments	409.30	174.45

(#) The impairment loss provided is presented as an exceptional item in the standalone statement of profit and loss for the year ended 31 March 2025.

Refer note 35 on disclosures related to the impairment loss.

10. Investments

	As at	
	31 March 2025	31 March 2024
Non current		
Investments at fair value through other comprehensive income ("FVTOCI")		
Investments in equity instruments		
117 (31 March 2024: 117) quoted equity shares of ₹10 each fully paid held in Union Bank of India Limited	0.01	0.02
1,740 (31 March 2024: 1,740) quoted equity shares of ₹2 each fully paid held in Bank of Baroda Limited	0.40	0.46
200,000 (31 March 2024: 200,000) unquoted equity shares of ₹10 each fully paid held in Heritage Finlease Limited	2.60	2.60
	3.01	3.08
Investments at amortized cost		
Investments in government securities	0.12	0.12
	0.12	0.12
	3.13	3.20
Aggregate market value of quoted investments	0.41	0.48
Aggregate value of unquoted investments	2.72	2.72
Aggregate amount of impairment in value of investments	-	-

Summary of the material accounting policies and other explanatory information

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

	As at	
	31 March 2025	31 March 2024
Current		
Investment in Mutual Funds (measured at FVTPL)		
696,122 (31 March 2024: 1,066,838) units held in Aditya Birla Sun Life Liquid Fund Growth	288.11	411.44
Nil (31 March 2024: 53,189) units held in Kotak Liquid Fund Regular Plan Growth	-	257.43
14,714,150 (31 March 2024: 9,050,680) units held in Kotak Equity Arbitrage Fund Regular Plan Growth	542.71	310.49
18,408,829 (31 March 2024: 6,184,722) units held in Aditya Birla Sun Life Arbitrage Fund Growth	481.07	150.72
11,866,642 (31 March 2024: Nil) units held in SBI Arbitrage Opportunities Fund Regular Growth	394.64	-
Total	1,706.53	1,130.08
Investments at amortized cost		
Investments in government securities	0.03	0.03
	1,706.56	1,130.11
Aggregate market value of quoted investments	1,706.53	1,130.08
Aggregate value of unquoted investments	0.03	0.03
Aggregate amount of impairment in value of investments	-	-

11. Other financial assets

	As at	
	31 March 2025	31 March 2024
Non-current		
Unsecured, Considered good		
Interest accrued but not due on bank deposits	0.03	-
Margin money deposits with banks	0.79	0.07
Security deposits	153.42	108.34
	154.24	108.41
Current		
Unsecured, Considered good		
Interest accrued but not due on bank deposits	0.44	0.78
Rent receivable	1.94	1.77
Security deposits	47.86	34.79
Others	81.72	89.30
	131.96	126.64

11(a). Loans

	As at	
	31 March 2025	31 March 2024
Current		
Unsecured, considered good		
Other advances	-	0.24
	-	0.24

Summary of the material accounting policies and other explanatory information

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

12. Other assets

	As at	
	31 March 2025	31 March 2024
Non-current		
Unsecured, Considered good		
Capital advances	318.76	23.53
Prepaid expenses	1.22	1.02
	319.98	24.55
Unsecured, Considered doubtful		
Capital advances	1.25	1.25
Less: Allowance for doubtful capital advances	(1.25)	(1.25)
	-	-
	319.98	24.55
Current		
Unsecured, Considered good		
Balance with Statutory authorities	24.70	14.88
Prepaid expenses	79.41	55.98
Advances to suppliers and others	73.35	33.90
	177.46	104.76
Unsecured, Considered doubtful		
Other advances	7.77	7.77
Less: Provision for doubtful advances	(7.77)	(7.77)
	-	-
	177.46	104.76

No advances are due from directors or other officers of the Company either severally or jointly with any other person or amounts due by firms or private companies respectively in which any director is a partner or a director or a member. Refer note 41 for dues from related parties.

13. Inventories

	As at	
	31 March 2025	31 March 2024
Raw materials	580.04	258.26
Work-in-progress	19.72	17.79
Semi finished goods	1,597.88	1,179.94
Finished goods	922.73	798.63
Stock-in-trade	114.73	69.08
Packing materials	112.07	114.01
Stores, spares and consumables	73.85	54.47
	3,421.02	2,492.18

Note:

The write down of inventories to net realisable value during the year ended 31 March 2025 aggregated to ₹19.45 (31 March 2024: ₹57.11). This write down is included in the changes in inventories of finished goods, semi finished goods, stock-in-trade and work-in-progress in the statement of profit and loss.

Summary of the material accounting policies and other explanatory information

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

14. Trade receivables

	As at	
	31 March 2025	31 March 2024
Unsecured, considered good	385.92	295.20
Unsecured, credit impaired	71.25	72.72
	457.17	367.92
Less: Allowance for credit loss	(81.98)	(81.10)
	375.19	286.82

The movement in the allowance for credit loss and expected credit loss for the year ended 31 March 2025 and 31 March 2024 is as follows:

	For the year ended	
	March 31, 2025	March 31, 2024
Opening balance at beginning of the year	81.10	74.65
Add: Provision made during the year	6.37	9.86
Less: Amount recovered during the year	(2.90)	-
Less: Bad debts written off during the year	(2.59)	(3.41)
Closing balance at end of the year	81.98	81.10

Trade Receivables ageing schedule as on 31 March 2025

Particulars	Outstanding for following periods from due date of payment					Total
	Less than 6 months	6 months - 1year	1-2 years	2-3 years	More than 3 years	
Undisputed						
Considered good	385.92	-	-	-	-	385.92
Credit impaired	-	1.35	-	3.04	63.41	67.80
Disputed						
Considered good	-	-	-	-	-	-
Credit impaired	-	-	-	-	3.45	3.45

Trade Receivables ageing schedule as on 31 March 2024

Particulars	Outstanding for following periods from due date of payment					Total
	Less than 6 months	6 months - 1year	1-2 years	2-3 years	More than 3 years	
Undisputed						
Considered good	295.20	-	-	-	-	295.20
Credit impaired	-	3.82	2.04	63.41	-	69.27
Disputed						
Considered good	-	-	-	-	-	-
Credit impaired	-	-	-	-	3.45	3.45

Trade receivables include dues aggregating to ₹0.84 (31 March 2024: ₹0.26) receivable from Heritage Novandie Foods Private Limited, in which Director of the Company is a Director.

Summary of the material accounting policies and other explanatory information

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

15. Cash and Bank Balances

	As at	
	31 March 2025	31 March 2024
(a) Cash and cash equivalents		
Balances with banks in current accounts	631.38	779.06
Cash on hand	1.41	1.46
	632.79	780.52
(b) Other bank balances		
Earmarked balances with banks		
Unpaid dividend	12.47	13.89
CSR unspent money	28.41	31.42
Margin money deposits with banks	11.03	7.83
	51.91	53.14

16. Equity share capital**i. Authorised share capital**

	31 March 2025		31 March 2024	
	Number	Amount	Number	Amount
Equity shares of ₹ 5 each	9,60,00,000	480.00	9,60,00,000	480.00
Preference shares of ₹ 10 each	20,00,000	20.00	20,00,000	20.00
		500.00		500.00

ii. Issued, subscribed and fully paid up

	31 March 2025		31 March 2024	
	Number	Amount	Number	Amount
Equity shares of ₹ 5 each	9,27,96,000	463.98	9,27,96,000	463.98
	9,27,96,000	463.98	9,27,96,000	463.98

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

	31 March 2025		31 March 2024	
	Number	Amount	Number	Amount
Equity shares				
At the beginning of the year	9,27,96,000	463.98	9,27,96,000	463.98
Add: Issues during the year	-	-	-	-
At the end of the year	9,27,96,000	463.98	9,27,96,000	463.98

iv. Rights, preferences and restrictions attached to equity shares

The Company has only one class of issued, subscribed and paid up equity shares having a par value of ₹5 each per share. Each holder of equity shares is entitled to one vote per share. The Company declares and pays dividend in Indian rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the Annual General Meeting.

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the share holders.

Summary of the material accounting policies and other explanatory information

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

v. Details of shareholders holding more than 5% equity shares in the Company

Name of the equity shareholders	31 March 2025		31 March 2024	
	Number	% holding	Number	% holding
N Bhuvaneswari	2,26,11,525	24.37%	2,26,11,525	24.37%
Nirvana Holdings Private Limited	1,09,13,107	11.76%	1,09,13,107	11.76%
Nara Lokesh	1,00,37,453	10.82%	1,00,37,453	10.82%
Megabid Finance & Investment Private Limited	51,90,937	5.59%	51,90,937	5.59%
DSP Small Cap Fund	-	-	48,61,036	5.24%

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

vii. Shareholding of Promoters as at 31 March 2025

Name of the promoter *	As at 31 March 2025		As at 31 March 2024		% Change during the year
	No. of Shares	% of total shares	No. of Shares	% of total shares	
N Bhuvaneswari	2,26,11,525	24.37%	2,26,11,525	24.37%	-
Nara Lokesh	1,00,37,453	10.82%	1,00,37,453	10.82%	-
Megabid Finance & Investment Private Limited	51,90,937	5.59%	51,90,937	5.59%	-
N Brahmani	4,30,952	0.46%	4,30,952	0.46%	-
N Devaansh	56,075	0.06%	56,075	0.06%	-
Ramakrishna Nandamuri	800	0.00%	800	0.00%	-

viii. Shareholding of Promoters as at 31 March 2024

Name of the promoter *	As at 31 March 2024		As at 31 March 2023		% Change during the year
	No. of Shares	% of total shares	No. of Shares	% of total shares	
N Bhuvaneswari	2,26,11,525	24.37%	2,26,11,525	24.37%	-
Nara Lokesh	1,00,37,453	10.82%	1,00,37,453	10.82%	-
Megabid Finance & Investment Private Limited	51,90,937	5.59%	51,90,937	5.59%	-
N Brahmani	4,30,952	0.46%	4,30,952	0.46%	-
N Devaansh	56,075	0.06%	56,075	0.06%	-
Ramakrishna Nandamuri	800	0.00%	800	0.00%	-
N P Ramakrishna	-	-	1,16,971	0.13%	(0.13%)
Durga Ramakrishna N P	-	-	71,590	0.08%	(0.08%)
Neelima N P	-	-	64,950	0.07%	(0.07%)

* Details of promoters are identified based on information submitted with the stock exchanges as per SEBI (LODR) Regulations, 2015 (as amended) and the Annual Returns filed in accordance with the provisions of Section 92 of the Act.

Summary of the material accounting policies and other explanatory information

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

17. Other equity

	As at	
	31 March 2025	31 March 2024
Reserves and Surplus		
Capital reserve	12.11	12.11
Capital redemption reserve	8.10	8.10
Securities premium	368.62	368.62
Warrants money appropriated	31.87	31.87
General reserve	842.74	842.74
Retained earnings	7,744.13	6,307.84
	9,007.57	7,571.28
Item of OCI		
Changes in fair value of equity instruments	(0.35)	(0.28)
	(0.35)	(0.28)
	9,007.22	7,571.00

Nature and purpose of reserves**Securities premium**

The amount received in excess of face value of the equity shares, net off issue expenses, is recognised in the securities premium. This reserve will be utilised in accordance with the provisions of Section 52 of the Companies Act, 2013 ("the Act").

Capital reserve

The excess of net assets taken, over the consideration paid, as part of the business combinations have been recorded under the capital reserve during the earlier years.

Capital redemption reserve

Capital redemption reserve was created on buy back of equity shares in the earlier years. The Company uses capital redemption reserve in accordance with the provisions of the Act.

Warrants money appropriated

Warrants money appropriated represents forfeiture of share application money made during the earlier years.

General reserve

The reserve has arisen on transfer of a portion of the net profit pursuant to the provisions of the erstwhile Companies Act, 1956. Mandatory transfer to general reserve is not required under the Act.

Changes in fair value of equity instruments

This represents the cumulative gains and losses arising on the fair valuation of equity instruments measured at FVTOCI, under an irrevocable option, net of amounts reclassified to retained earnings when such assets are disposed off.

Retained earnings

Retained earnings are the profits that the Company has earned till date, less any transfers to general reserve, dividends or other distribution to the shareholders.

Summary of the material accounting policies and other explanatory information

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

18. Borrowings

	As at	
	31 March 2025	31 March 2024
Non-current		
Secured		
Term loans from banks [refer note 18(a)]	1,089.18	735.53
	1,089.18	735.53
Current		
Secured		
Current maturities of Long term borrowings [refer note 18(a)]	252.76	147.74
Current maturities of Deferred payment liabilities [refer note 18(iv)]	-	7.77
Loans repayable on demand from banks [refer note 18(b)]	-	-
	252.76	155.51

(i) Reconciliation of liabilities arising from financial activities*

	For the year ended	
	31 March 2025	31 March 2024
Balance at beginning of the year	891.04	21.11
Proceeds from long term borrowings	703.45	908.00
Repayments of long term borrowings	(247.57)	(25.39)
Others	(4.98)	(12.68)
Balance at end of the year	1,341.94	891.04

*Includes only current and non-current portions of long-term borrowings

(ii) Reconciliation of interest accrued but not due on term loans from banks

	For the year ended	
	31 March 2025	31 March 2024
Balance at beginning of the year	-	-
Interest expense for the year	107.06	20.52
Interest paid during the year	106.39	20.52
Balance at end of the year	0.67	-

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

(iv) Deferred Payment Liabilities represents sales tax collected under deferment scheme which the Company is obligated to repay in 14 yearly instalments starting from September 2011 and ending by September 2024 in case of its Gokul plant and in 14 yearly instalments starting from November 2010 and ending by November 2023 for its Bayyavaram plant. The Company has created a charge on its specified fixed assets. The company has repaid the balance amount during the year.

Summary of the material accounting policies and other explanatory information

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

18(a) Terms and conditions of term loans from banks

Name	Interest rate (%)	Terms of repayment	Type of security	Outstanding balance as on*	
				31 March 2025	31 March 2024
Bank of Baroda	One year MCLR +0.25% per annum	Repayable in 24 quarterly instalments commencing from March 31, 2024	Mortgage of Shamirpet plant and charge on plant and machinery of Shamirpet plant	228.39	276.35
ICICI Bank	One year MCLR +0.10% per annum	Repayable in 24 quarterly instalments commencing from Jun 30, 2024	- First charge by way of equitable mortgage over the identified immovable fixed assets of Borrower. - First charge by way of hypothecation of movable fixed assets of above identified immovable fixed assets of Borrower.	999.98	606.92
HDFC Bank	One month Repo rate + spread of 1.75%	Repayable in 24 quarterly instalments commencing from May 15, 2026	- Movable fixed assets first pari passu charge on plant and machinery at Shamirpet plant - Immovable fixed assets first pari passu charge on land and buildings at Shamirpet plant	113.57	-
				1,341.94	883.27

*including current maturities of term loans from banks.

18(b) Terms and conditions of loans repayable on demand from banks

Name	Interest rate (%)	Type of security	Outstanding balance as on	
			31 March 2025	31 March 2024
ICICI Bank	Six months MCLR + 0.50% per annum	First pari passu charge on current assets and second pari passu charge on fixed assets of the Company, excluding project specific assets.	-	-
Bank of Baroda	One year MCLR + 0.25% per annum		-	-
Union Bank of India	One year MCLR + 0.10% per annum		-	-
Kotak Mahindra Bank	Six Months MCLR + 0.30% per annum		-	-
HDFC Bank	One Month Repo rate + 2.50% per annum		-	-
			-	-

19. Other financial liabilities

	As at	
	31 March 2025	31 March 2024
Non-current		
Financial guarantee	1.97	3.67
	1.97	3.67
Current		
Current maturities of financial guarantee	2.16	2.16
Interest accrued but not due on borrowings	0.67	-
Capital creditors	302.11	177.80
Employee related payables	469.11	338.30
Security deposits	530.88	446.89
Unpaid dividend	12.47	13.89
Other payables	33.52	40.11
	1,350.92	1,019.15

Summary of the material accounting policies and other explanatory information

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

20. Provisions

	As at	
	31 March 2025	31 March 2024
Non-current		
Compensated absences	275.64	222.81
	275.64	222.81
Current		
Gratuity (refer note a below)	7.45	-
Compensated absences	122.91	104.03
	130.36	104.03

(a) Gratuity

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

(i) Change in projected benefit obligation

	As at	
	31 March 2025	31 March 2024
Projected benefit obligation at the beginning of the year	201.03	164.24
Service cost	25.38	20.65
Interest cost	13.54	11.35
Actuarial loss - experience assumptions	10.75	11.75
Actuarial loss - demographic assumptions	-	-
Actuarial gain - financial assumptions	5.82	1.90
Benefits paid	(9.51)	(8.87)
Projected benefit obligation at the end of the year	247.01	201.03

(ii) Change in fair value of plan assets

	As at	
	31 March 2025	31 March 2024
Fair value of plan assets at the beginning of the year	203.96	169.45
Interest income	14.79	12.82
Contribution made	30.51	31.03
Return on plan assets greater / (lesser) than discount rate	(0.19)	(0.47)
Benefits paid	(9.51)	(8.87)
Fair value of plan assets at the end of the year	239.56	203.96

(iii) Reconciliation of present value of projected benefit obligation and fair value of plan assets

	As at	
	31 March 2025	31 March 2024
Present value of projected benefit obligation	247.01	201.03
Funded status of plan assets	239.56	203.96
Net liability / (asset) recognised in the balance sheet	7.45	(2.93)

Summary of the material accounting policies and other explanatory information

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

(iv) Expense recognized in the Statement of Profit and Loss

	For the year ended	
	31 March 2025	31 March 2024
Interest cost	13.54	11.35
Service cost	25.38	20.65
Interest income	(14.79)	(12.82)
	24.13	19.18

(v) Expense recognized in OCI

	For the year ended	
	31 March 2025	31 March 2024
Actuarial loss, net	16.76	14.12
	16.76	14.12

(vi) Key actuarial assumptions

	As at	
	31 March 2025	31 March 2024
Discount rate	6.40%	6.90%
Salary escalation rate	8.00%	8.00%
Attrition rate	15.00%	15.00%
Mortality rate	Indian Assured Lives Mortality (2006-08) Ult.	Indian Assured Lives Mortality (2006-08) Ult.

(vii) Sensitivity analysis

Reasonably possible changes as at 31 March 2025 to one of the relevant actuarial assumptions, holding other assumptions constant, can affect the defined benefit obligation by the amounts shown below.

	As at 31 March 2025	
	Increase	Decrease
Discount rate (1% movement)	11.36	12.56
Salary escalation rate (1% movement)	11.69	10.85
Attrition rate (1% movement)	1.45	1.55

(viii) The Company expects to contribute ₹7.45 as its contribution to gratuity within one year from the year ended 31 March 2025.

(ix) Maturity analysis of Gratuity as on 31 March 2025 is as follows:

	31 March 2025	31 March 2024
Weighted average duration of the defined benefit obligation	5 Years	5 Years
Maximum gratuity contribution per person	2.00	2.00
Expected cash flows over the years (valued on undiscounted basis):		
Within one year	44.88	36.71
2 to 5 years	122.65	100.96
More than 5 years	97.30	94.13
	264.83	231.80

Summary of the material accounting policies and other explanatory information

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

21. Deferred tax liabilities (net)

	As at	
	31 March 2025	31 March 2024
Deferred tax liabilities arising on account of:		
Property, Plant and Equipment	411.28	386.02
	411.28	386.02
Deferred tax assets arising on account of:		
Provision for employee benefits	(103.99)	(85.75)
Receipt of government grant	(17.91)	(19.59)
Interest on GST liability	(8.69)	(8.69)
Others		
Provision for trade receivables & advances	(22.90)	(22.68)
Revaluation of investments at FVTOCI to fair value	16.47	(0.62)
Right-of-use assets	(9.32)	(7.10)
	(146.34)	(144.43)
	264.94	241.59

Movement in deferred tax liabilities, net

	Property, plant and equipment	Provision for employee benefits	Receipt of government grant	Interest on GST liability	Others	Total
As at 1 April 2023	364.47	(70.12)	(21.25)	(8.69)	(26.15)	238.26
Charged						
- to Statement of Profit and Loss	21.55	(12.07)	1.66	-	(4.25)	6.89
- to OCI	-	(3.56)	-	-	-	(3.56)
As at 31 March 2024	386.02	(85.75)	(19.59)	(8.69)	(30.40)	241.59
Charged						
- to Statement of Profit and Loss	25.26	(14.02)	1.68	-	14.65	27.57
- to OCI	-	(4.22)	-	-	-	(4.22)
As at 31 March 2025	411.28	(103.99)	(17.91)	(8.69)	(15.75)	264.94

22. Other liabilities

	As at	
	31 March 2025	31 March 2024
Current		
Advances from customers*	107.31	111.95
Statutory dues payable	140.32	130.04
	247.63	241.99

*represents contract liabilities against which the Company has recognized a revenue of ₹111.95 (31 March 2024: ₹124.96) from the amounts included under advances from customers at the beginning of the year.

23. Trade payables

	As at	
	31 March 2025	31 March 2024
Total outstanding dues of micro and small enterprises	98.51	83.03
Total outstanding dues of creditors other than micro and small enterprises	1,558.39	1,297.45
	1,656.90	1,380.48

Summary of the material accounting policies and other explanatory information

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

Trade payables ageing schedule as on 31 March 2025

Particulars	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) MSME	98.51	-	-	-	98.51
(ii) Others	1,557.57	0.82	-	-	1,558.39
	1,656.08	0.82	-	-	1,656.90

Trade payables ageing schedule as on 31 March 2024

Particulars	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) MSME	83.03	-	-	-	83.03
(ii) Others	1,296.91	0.21	0.14	0.19	1,297.45
	1,379.94	0.21	0.14	0.19	1,380.48

Note: There are no disputed dues payables outstanding as at 31 March 2025 and 31 March 2024.**24. Revenue from operations**

	For the year ended	
	31 March 2025	31 March 2024
Sale of products	40,766.34	37,300.61
Sale of services	16.89	23.87
Other operating income		
- Scrap sales and others	21.58	18.97
	40,804.81	37,343.45

(i) Reconciliation of revenue from sale of products with the contracted price

	For the year ended	
	31 March 2025	31 March 2024
Revenue as per contracted price	42,302.65	38,765.59
Adjusted for:		
Discounts	(1,459.83)	(1,400.79)
Sales returns	(38.02)	(21.35)
Total revenue from contracts with customers	40,804.81	37,343.45

(ii) Revenue disaggregation geography wise is as follows:

	For the year ended	
	31 March 2025	31 March 2024
India	40,785.07	37,327.80
Other than India	19.74	15.65
	40,804.81	37,343.45

Notes:

- (a) The Company has no single customer from whom the revenue is more than 10% of the revenue from operations for the year ended 31 March 2025 and 31 March 2024.
- (b) Revenue from goods or services is transferred to customers at a point in time basis.

Summary of the material accounting policies and other explanatory information

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

25. Other income

	For the year ended	
	31 March 2025	31 March 2024
Interest income from bank and other deposits	4.79	3.55
Guarantee income	2.20	5.55
Dividend income on long term investments	0.01	0.01
Subsidy transferred from deferred government grant (under capital subsidy scheme)	6.73	6.74
Lease rental income	20.10	12.42
Provisions no longer required/ credit balances written back	20.62	10.24
Gain on foreign exchange fluctuations, net	0.12	0.03
Gain on sale of Property, plant and equipment (net)	32.95	26.83
Gain on investments (net)	163.01	35.55
Other non operating income	22.31	18.37
	272.84	119.29

26. Cost of materials consumed

	For the year ended	
	31 March 2025	31 March 2024
Raw Material*		
Opening stock	258.26	711.58
Add: Purchases during the year	28,772.24	26,273.28
Less: Closing stock	580.04	258.26
	28,450.46	26,726.60
Packing Material*		
Opening stock	114.01	105.37
Add: Purchases during the year	1,529.41	1,301.40
Less: Closing stock	112.07	114.01
	1,531.35	1,292.76
	29,981.81	28,019.36

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

27. Changes in inventories of finished goods, semi finished goods, stock-in-trade and work-in-progress

	For the year ended	
	31 March 2025	31 March 2024
Opening balance		
- Finished goods	798.63	1,246.11
- Semi finished goods	1,179.94	1,457.42
- Work-in-progress	17.79	12.03
- Stock-in-trade	69.08	70.37
	2,065.44	2,785.93
Closing balance		
- Finished goods	922.73	798.63
- Semi finished goods	1,597.88	1,179.94
- Work-in-progress	19.72	17.79
- Stock-in-trade	114.73	69.08
	2,655.06	2,065.44
	(589.62)	720.49

Summary of the material accounting policies and other explanatory information

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

28. Employee benefit expenses

	For the year ended	
	31 March 2025	31 March 2024
Salaries and wages	2,673.63	2,187.65
Contribution to provident and other funds (refer note a below)	121.24	104.85
Gratuity expense (refer note 20(a)(iv))	24.13	19.18
Compensated absences expense	128.03	107.93
Staff welfare expenses	72.06	60.37
	3,019.09	2,479.98

(a) The amount recognized as an expense towards contribution to provident fund and employee state insurance schemes for the year ended 31 March 2025 amounts to ₹121.24 (31 March 2024: ₹104.85).

29. Finance costs

	For the year ended	
	31 March 2025	31 March 2024
Interest on borrowings calculated using effective interest method	109.75	43.30
Interest on income tax	0.19	-
Interest on lease liabilities	34.92	32.43
Other borrowing costs	5.37	5.91
	150.23	81.64

30. Other expenses

	For the year ended	
	31 March 2025	31 March 2024
Consumption of stores, spares and consumables	380.22	315.44
Power and fuel	595.08	513.14
Rent	265.02	176.34
Repairs and maintenance		
- Buildings	45.84	17.25
- Plant and equipment	53.38	42.09
- Others	96.85	98.84
Insurance	36.43	39.16
Electricity charges	33.19	26.05
Rates and taxes, excluding taxes on income	63.37	39.03
Freight outwards	1,134.18	966.17
Communication	25.58	24.57
Office maintenance	8.12	6.84
Travelling and conveyance	75.12	66.53
Legal and professional fees	174.14	144.59
Property, plant and equipment written off	7.96	12.93
Payment to auditors (refer note (i) below)	10.85	10.11
Corporate social responsibility (CSR) expenditure (refer note (ii) below)	26.99	31.42
Selling and distribution expenses	513.67	362.35
Provision for doubtful advances	0.15	-
Advances written off	1.55	0.96
Provision towards doubtful debts and bad debts written off	6.37	9.86
Bank charges	16.18	3.99

Summary of the material accounting policies and other explanatory information

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

	For the year ended	
	31 March 2025	31 March 2024
Advertisement expenses	1.63	1.85
Security charges	80.08	71.57
Printing and stationery	12.56	12.36
Directors sitting fees	4.20	3.66
Miscellaneous expenses	45.80	36.99
	3,714.51	3,034.09

(i) Details of payments to auditors :

	For the year ended	
	31 March 2025	31 March 2024
As auditor:		
- Statutory audit fee	6.02	5.73
- Tax audit fee	1.06	1.01
- Limited review fee	2.66	2.53
In other capacities:		
- Certification fees	0.59	0.57
- Reimbursement of expenses	0.52	0.27
	10.85	10.11

Note: Amounts reported is inclusive of goods and service tax

(ii) Details of CSR expenditure :

	For the year ended	
	31 March 2025	31 March 2024
(a) Gross amount required to be spent during the year	26.99	31.42
(b) Amount spent during the year		
(i) Construction/ acquisition of asset	30.00	3.88
(ii) On purposes other than (i) above	-	7.24
(c) Shortfall at the end of the year	28.41	31.42
(d) Total of previous years shortfall	-	-
(e) Reason for shortfall	Note: 1	Note: 1
(f) Nature of CSR activities	Health and Education support	Health and Education support
(g) Details of related party transactions	Refer note 41	Refer note 41
(h) Movements in the provision during the year (Refer Note: 1)		
Opening provision	31.42	11.12
Add: Amount required to be spent during the year	26.99	31.42
Less: Amount spent during the year	(30.00)	(11.12)
Closing provision (refer note 1)	28.41	31.42

Note: 1

As the selected projects for CSR spent are long-term in nature, the balance amount of ₹28.41 as at 31 March 2025 will be spent during the financial year 2025-26. In accordance with the provisions of Section 135(6) of the Act, the Company has transferred the unspent amount to a separate bank account and the unspent amount has been provided in the accompanying financial statements. Further, the company has spent an amount of ₹21.78 million over and above the mandated obligation which shall be set off against the CSR requirements of the succeeding financial years, in accordance with Rule 7(3) of the Companies (CSR Policy) Rules, 2014. The amount has been shown as prepaid expenses under note 12.

Summary of the material accounting policies and other explanatory information

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

31. Income tax expense

	For the year ended	
	31 March 2025	31 March 2024
(a) Income tax expense reported in the Statement of Profit and Loss		
Tax expense comprises of:		
Current tax expense	625.11	356.68
Deferred tax expense	27.58	6.88
	652.69	363.56

The major components of income tax expense and the reconciliation of expected tax expense based on the domestic effective tax rate of the Company at 25.168% (31 March 2024: 25.168%) and the reported tax expense in the Standalone Statement of Profit and Loss is as follows:

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

	For the year ended	
	31 March 2025	31 March 2024
Profit before tax	2,333.51	1,273.94
Expected tax expense at the Indian tax rate 25.168% (31 March 2024: 25.168%)	587.30	320.63
Tax effect of amounts which are not deductible/taxable in calculating taxable income:		
Effect of deductions allowed under Chapter VI-A of the Income Tax Act, 1961 ("IT Act, 1961")	(5.04)	(3.90)
Effect of expenses not deductible under the IT Act, 1961	69.60	50.18
Effect of income not subject to tax under the IT Act, 1961	(0.55)	(1.40)
Effect of income subject to tax under the IT Act, 1961	2.40	1.82
Others	(1.02)	(3.77)
Income tax expense	652.69	363.56

32. Earnings per equity share

	For the year ended	
	31 March 2025	31 March 2024
Profit for the year	1,680.82	910.38
Weighted average number of equity shares outstanding during the year	92,796,000	92,796,000
Earnings per equity share (EPES) (in absolute ₹ terms)		
Face value per share equity share	5.00	5.00
Basic and Diluted EPES	18.11	9.81

The Company did not have any potential dilutive equity shares as on 31 March 2025 and 31 March 2024.

33. Dividend proposed before approval or issue of the financial statements

The dividend amount per equity share proposed or declared in accordance with the provisions of Section 123 of the Act is as follows:

	For the year ended	
	31 March 2025	31 March 2024
Proposed final dividend on equity shares of ₹5 each *		
Per equity share (in absolute ₹ terms)	2.50	2.50
Amount	231.99	231.99

The proposed final dividend, is subject to the approval of shareholders in the ensuing Annual General Meeting of the Company and accordingly not recognized as a liability in accordance with the applicable accounting principles.

Note: The Company has paid a dividend of ₹2.50 per share during the year ended 31 March 2025 (31 March 2024: ₹2.50 per share) amounting to ₹231.99 (31 March 2024: ₹231.99).

Summary of the material accounting policies and other explanatory information

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

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

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

35. Impairment loss on investment in Joint venture

In view of the limited market potential and continuous losses from operations reported by its Joint Venture, Heritage Novandie Foods Private Limited ("HNFPL"), the Board of HNFPL in its meeting held during March 2025 has approved a proposal, subject to execution of necessary agreements and required approvals, allowing the Company to obtain controlling stake by acquiring equity shares from the other shareholders and restructure / repurpose the business operations of HNFPL.

Subsequently in the month of May 2025, the Company has entered into a Share Purchase Agreement (SPA) for acquiring 71,00,000 equity shares of ₹10 each in HNFPL from the other joint venture partner for a consideration of ₹85.00. The proposed acquisition is subject to satisfaction of certain conditions precedent as stipulated in the SPA.

The recoverable value of the investment in HNFPL is determined using the fair value on the basis of the above agreed sales consideration, which has resulted in recognition of impairment of ₹402.80, including ₹234.85 recognized during the year ended 31 March 2025, which has been classified as exceptional items.

36 Fair value hierarchy

(i) Financial assets and financial liabilities at fair value on a recurring basis as of the reporting dates are as follows:

	As at	
	31 March 2025	31 March 2024
Financial assets		
Fair value hierarchy (Level 1)		
Quoted equity shares	0.41	0.48
Fair value hierarchy (Level 2)		
Investment in mutual funds	1,706.53	1,130.08
Fair value hierarchy (Level 3)		
Unquoted equity shares	2.60	2.60

There are no transfers between levels during the current and previous year ended 31 March 2025 and 31 March 2024 respectively. The Company's policy is to recognise transfers into and transfers out of fair value hierarchy levels at the end of the reporting period.

(ii) Valuation technique and inputs used for level 3 instruments:

The fair value of the level 3 instruments has been estimated using the discounted cash flow model. The valuation requires management to make certain assumptions about the model inputs, including forecasting of cash flows, discount rate, credit risk and volatility. The probabilities of the various estimates within the range can be reasonably assessed and are used in the management's estimate of the fair value for these level 3 instruments.

The significant unobservable inputs used in the fair value measurement categorised within Level 3 of the fair value hierarchy as at 31 March 2025 and 31 March 2024 are as shown below.

Significant unobservable inputs	Assumption made
Future growth rate	3%
Discount rate	20%
Discount for lack of marketability	15%

Summary of the material accounting policies and other explanatory information

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

(iii) Reconciliation of level 3 fair value measurement:

	Amount
As at 1 April 2023	2.60
Changes during the year	-
As at 31 March 2024	2.60
Changes during the year	-
As at 31 March 2025	2.60

37. Categories of Financial instruments and their fair values

The carrying amount of all financial assets and financial liabilities appearing in the financial statements are reasonable approximation of their fair values, except for deferred payment liabilities whose fair value amounts to Nil and ₹19.67 as on 31 March 2025 and 31 March 2024 respectively.

Categories of financial instruments

	31 March 2025			31 March 2024		
	FVTPL	FVTOCI	Amortised cost	FVTPL	FVTOCI	Amortised cost
Financial assets*						
Quoted equity shares	-	0.41	-	-	0.48	-
Unquoted equity shares	-	2.60	-	-	2.60	-
Investment in government securities	-	-	0.15	-	-	0.15
Investments in mutual funds	1,706.53	-	-	1,130.08	-	-
Trade receivables	-	-	375.19	-	-	286.82
Cash and cash equivalents	-	-	632.79	-	-	780.52
Other bank balances	-	-	51.91	-	-	53.14
Loans	-	-	-	-	-	0.24
Other financial assets	-	-	286.20	-	-	235.05
	1,706.53	3.01	1,346.24	1,130.08	3.08	1,355.92

(*) excludes the investment in subsidiary, joint venture and associate, which is carried at cost.

	31 March 2025			31 March 2024		
	FVTPL	FVTOCI	Amortised cost	FVTPL	FVTOCI	Amortised cost
Financial liabilities						
Deferred payment liabilities	-	-	-	-	-	7.77
Borrowings	-	-	1,341.94	-	-	883.27
Lease liabilities	-	-	365.79	-	-	378.22
Trade payables	-	-	1,656.90	-	-	1,380.48
Other financial liabilities	-	-	1,352.89	-	-	1,022.82
	-	-	4,717.52	-	-	3,672.56

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

38. Financial risk management objectives and policies**Financial Risk Management Framework**

The Company's Board of Directors has an overall responsibility for the establishment and oversight of the Company's risk management framework. The Board of Directors has established Risk Management Committee, which is responsible for developing and monitoring the Company's risk management policies. The Committee reports regularly to the Board of Directors on its activities.

Summary of the material accounting policies and other explanatory information

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

The Company's principal financial liabilities, comprises of borrowings, trade and other payables. The main purpose of these financial liabilities is to finance the Company's operations. The Company's principal financial assets include trade and other receivables, and cash and cash equivalents that the Company derives directly from its operations.

The Company is exposed primarily to Credit risk, Liquidity risk and Market risk (fluctuations in interest rates, foreign currency rates, and prices of equity instruments), which may adversely impact the fair value of its financial instruments. The Company assesses the unpredictability of the financial environment and seeks to mitigate potential adverse effects on the financial performance of the Company.

A. Credit risk

Credit risk is the risk that the counterparty shall not meet its obligations under a financial instrument or customer contract, leading to a financial loss. Credit risk encompasses of both, the direct risk of default and the risk of deterioration of the creditworthiness as well as concentration of risks. Credit risk arises primarily from financial assets such as trade receivables, investment in equity shares, balances with banks, loans and other receivables.

Credit risk is controlled by analyzing credit limits and creditworthiness of the customers on a continuous basis to whom credits have been granted after obtaining necessary approvals. Financial instruments that are subject to concentration of credit risk principally consist of trade receivables, investments, cash and cash equivalents, bank deposits and other financial assets. None of the financial instruments of the Company result in material concentration of credit risk.

Exposure to credit risk

The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk was ₹3,055.78 and ₹2,489.08 as of 31 March 2025 and 31 March 2024 respectively, representing carrying amount of all financial assets with the Company.

Financial assets that are neither past due nor impaired

None of the Company's cash equivalents, including fixed deposits, were either past due or impaired as at 31 March 2025 and 31 March 2024. The Company has diversified its portfolio of investment in cash and cash equivalents and term deposits with various banks which have secure credit ratings hence the risk is reduced. Concentration of exposures are actively monitored by the finance department of the Company.

Financial assets that are past due but not impaired

The Company's credit period for customers generally ranges from 0 - 30 days. The aging of trade receivables, net of those provided for in the books of account, is given below:

	As at	
	31 March 2025	31 March 2024
Number of days		
0-30 days	352.92	263.46
31-60 days	22.27	23.01
61-90 days	-	0.35
Greater than 90 days	-	-
	375.19	286.82

Ind AS requires expected credit losses to be measured through a loss allowance. The Company assesses at each date of Balance Sheet whether a financial asset or a group of financial assets are impaired. Expected credit losses are measured at an amount equal to 12 months expected credit losses or at an amount equal to the life time expected credit losses if the credit risk on the financial assets have increased significantly since the initial recognition. The Company has used a practical expedient by computing the expected credit loss allowance for trade receivables based on a provision matrix. The provision matrix takes into account historical credit loss experience and is adjusted for forward-looking information. Based on such data, loss on collection of receivable is not material.

Summary of the material accounting policies and other explanatory information

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

B. Liquidity risk

Liquidity risk refers to the risk that the Company cannot meet its financial obligations as and when they become due. The objective of liquidity risk management is to maintain sufficient liquidity and to ensure that funds are available for meeting due obligations of the Company. The Company manages liquidity risk by maintaining adequate reserves, banking facilities, continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of the financial assets and financial liabilities.

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

Particulars	As at 31 March 2025				As at 31 March 2024			
	On demand	Up to 1 year	More than 1 year	Total	On demand	Up to 1 year	More than 1 year	Total
Financial guarantees #	35.41	-	-	35.41	63.55	-	-	63.55
Borrowings	-	252.76	1,089.18	1,341.94	-	155.51	735.53	891.04
Lease liabilities	-	76.35	518.84	595.19	-	79.10	560.41	639.51
Trade payables	-	1,656.90	-	1,656.90	-	1,380.48	-	1,380.48
Other financial liabilities	-	1,348.76	-	1,348.76	-	1,016.99	-	1,016.99
	35.41	3,334.77	1,608.02	4,978.20	63.55	2,632.08	1,295.94	3,991.57

Represents loan amount outstanding to the bankers by the entities, against which financial guarantees were extended by the Company as at 31 March 2025 and 31 March 2024.

38. Financial risk management objectives and policies (continued)

C. Market risk

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

i. Interest risk:

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

ii. Foreign currency risk:

Foreign currency risk is the risk that the fair value or future cash flows of an exposure shall fluctuate because of changes in foreign exchange rates. The Company's exposure to the risk of changes in foreign exchange rates relates primarily to the Company's operating and investing activities (when revenue or expense including capital expenditure is denominated in a foreign currency). The exposure of foreign currency risk to the Company is low as it enters very limited transactions in foreign currencies and accordingly any impact on account of change in the exchange rate is not considered as significant.

iii. Equity price risk:

The Company's listed and non-listed equity securities are susceptible to market price risk arising from uncertainties about future values of the investment securities. The Company manages the equity price risk through diversification and by placing limits on individual and total equity instruments. Reports on the equity portfolio are submitted to the Company's senior management on a regular basis. The Company's Board of Directors reviews and approves all equity investment decisions.

At the reporting date, the exposure to unlisted equity securities at fair value was ₹2.60 (31 March 2024: ₹2.60). The impact on account of change in the assumptions are not considered as significant.

Summary of the material accounting policies and other explanatory information

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

39. Capital risk management

For the purpose of the Company's capital management, capital includes issued equity capital, share premium and all other reserves attributable to the equity holders. The primary objective of the Company's capital management is to maximise the shareholder value.

The Company manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. To maintain or adjust the capital structure, the Company may adjust the dividend payments to shareholders, return capital to shareholders or issue new shares. The Company monitors capital using a gearing ratio, which is net debt divided by total equity plus net debt. The Company's policy is to keep the gearing ratio up to 35%. The Company includes within net debt, borrowings from banks less cash and cash equivalents. Borrowings from banks comprise of term loans and loans repayable on demand.

	31 March 2025	31 March 2024
Borrowings from banks	1,341.94	883.27
Less: Cash and cash equivalents	(632.79)	(780.52)
Net debt (A)	709.15	102.75
Total equity (B)	9,471.20	8,034.98
Net debt and total equity (A) + (B)	10,180.35	8,137.73
Gearing ratio (%)	6.97%	1.26%

In order to achieve this overall objective, the Company's capital management, amongst other things, aims to ensure that it meets financial covenants attached to the borrowings. Breaches in meeting the financial covenants would permit the lenders to immediately call back the borrowings. There was no breach in the financial covenants of any borrowings during the year ended 31 March 2025 and 31 March 2024.

No changes were made in the objectives, policies or processes for managing capital during the years ended 31 March 2025 and 31 March 2024.

40. Disclosure of Interest in subsidiary, joint venture and associate:

	Nature of relationship	Country of Incorporation	Ownership interest (%)	
			31 March 2025	31 March 2024
Heritage Nutrivet Limited	Subsidiary	India	100.00%	100.00%
SKIL Raigam Power (India) Limited	Associate	India	43.33%	43.33%
Heritage Novandie Foods Private Limited	Joint venture	India	50.00%	50.00%

41. Related party disclosures

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

Names of related parties	Nature of relationship
Heritage Nutrivet Limited ("HNL")	Subsidiary Company
Heritage Novandie Foods Private Limited ("HNFPL")	Joint Venture
SKIL Raigam Power (India) Limited	Associate
Heritage Finlease Limited	Enterprise over which Vice - Chairperson and Managing Director, Executive Director and Whole-Time Director of the Company exercise significant influence
Nirvana Holdings Private Limited	Enterprise over which Vice - Chairperson and Managing Director and Executive Director of the Company exercise significant influence
NTR Memorial Trust	Enterprise over which Vice - Chairperson and Managing Director and Executive Director of the Company exercise significant influence
N Devaansh	Relative of Executive Director and Vice-Chairperson & Managing Director
N Bhuvaneshwari (Vice Chairperson and Managing Director)	Key Managerial Personnel (KMP)
N Brahmani (Executive Director)	
M Sambasiva Rao (President) (Whole-Time Director w.e.f 01.04.2025)	
Srideep Madhavan Nair Kesavan (Chief Executive Officer)	
A Prabhakara Naidu (Chief Financial Officer)	
Umakanta Barik (Company Secretary & Compliance Officer)	

Summary of the material accounting policies and other explanatory information

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

Names of related parties	Nature of relationship
Srivishnu Raju Nandyala (upto 21.10.2023)	Non-Executive Independent Directors
Rajesh Thakur Ahuja	
Aparna Surabhi	
Muthu Raju Paravasa Raju Vijay Kumar	
A V Girijakumar (w.e.f 01.06.2023)	
Dr. Nagaraja Naidu Vadlamudi (upto 21.08.2024)	Non-Executive Director

(b) Transactions with related parties

	For the year ended	
	31 March 2025	31 March 2024
Heritage Nutrivet Limited		
Investment made (including financial guarantee)	-	1.18
Sale of products	7.14	6.88
Financial guarantee income	-	3.35
Purchases	1,300.98	998.96
Expenditure incurred on behalf of HNL	2.26	1.87
Brand income	3.50	1.46
Heritage Novandie Foods Private Limited		
Investment made (including financial guarantee)	75.50	98.00
Sale of products	17.87	10.87
Financial guarantee income	2.20	2.20
Lease rental income	1.39	1.25
Expenditure incurred on behalf of HNFPL	9.03	8.08
Heritage Finlease Limited		
Remittance of loan proceeds collected on behalf of Heritage Finlease Limited	1881.58	1823.36
Cattle loan facilitation charges	3.98	3.95
Deposit paid	12.63	15.58
Lease rental expenses	106.25	81.93
Others	-	0.80
NTR Memorial Trust		
CSR expenditure	30.00	11.12
Sale of products	-	1.63
N Bhuvaneswari		
Short-term employee benefits	132.21	77.62
Post-employment benefits	1.46	0.97
Other long-term benefits	1.30	0.87
N Brahmani		
Short-term employee benefits	105.71	62.10
Post-employment benefits	0.73	0.49
Lease rentals	12.25	11.67
N Devaansh		
Lease rentals	12.25	11.67
M Sambasiva Rao		
Short-term employee benefits	43.39	30.92
Post-employment benefits	0.98	0.89
Srideep Madhavan Nair Kesavan		
Short-term employee benefits	28.06	17.51
Post-employment benefits	1.00	0.95

Summary of the material accounting policies and other explanatory information

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

		For the year ended	
		31 March 2025	31 March 2024
A Prabhakara Naidu			
Short-term employee benefits		12.37	10.08
Post-employment benefits		0.61	0.54
Other long-term benefits		1.10	0.50
Umakanta Barik			
Short-term employee benefits		5.70	4.68
Post-employment benefits		0.28	0.25
Other long-term benefits		0.44	-
Sitting fees			
Srivishnu Raju Nandyala		-	0.40
Rajesh Thakur Ahuja		1.07	0.85
Aparna Surabhi		1.01	0.76
Muthu Raju Paravasa Raju Vijay Kumar		0.95	0.70
AV Girija Kumar		1.07	0.39
Dr. Nagaraja Naidu Vadlamudi		0.10	0.56
		As at	
		31 March 2025	31 March 2024
(c)	Balances receivable/(payable)		
	Heritage Nutrivet Limited		
	Trade payables	(27.19)	(20.21)
	Heritage Finlease Limited		
	Security deposits	54.76	42.13
	Lease rent payable	(4.89)	(2.22)
	Other payables	(62.21)	(49.03)
	Other receivables	0.37	0.31
	Heritage Novandie Foods Private Limited		
	Trade receivables	0.84	0.26
	Rent receivable	0.13	0.12
	Security deposits	(0.45)	(0.45)
	Other receivables	0.82	0.80
	N Bhuvaneswari		
	Employee related payables	(104.27)	(59.62)
	N Brahmani		
	Employee related payables	(92.21)	(53.10)
	Security deposits	5.74	5.74
	Lease rent payable	(1.14)	(1.08)
	M Sambasiva Rao		
	Employee related payables	(25.16)	(14.50)
	Srideep Madhavan Nair Kesavan		
	Employee related payables	-	(0.04)
	N Devaansh		
	Security deposits	5.74	5.74
	Lease rent payable	(1.03)	(1.08)
(d)	Guarantees outstanding		
	Value of guarantees extended during the year		
	Heritage Nutrivet Limited	-	80.00
	Heritage Novandie Foods Private Limited	50.00	50.00

Summary of the material accounting policies and other explanatory information

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

	As at	
	31 March 2025	31 March 2024
Guarantees outstanding as at balance sheet date		
Heritage Nutrivet Limited	-	-
Heritage Novandie Foods Private Limited	220.00	220.00
Borrowings outstanding as at balance sheet date, against which guarantee is extended		
Heritage Nutrivet Limited	-	-
Heritage Novandie Foods Private Limited	35.41	63.55

Notes:

- (a) The sales to and purchases from related parties are made on terms equivalent to those that prevail in arm's length transactions. Outstanding balances at the year-end are unsecured and interest free and settlement occurs in cash. There have been no guarantees provided or received for any related party receivables or payables. For the year ended 31 March 2025, the Company has not recorded any impairment of receivables relating to amounts owed by related parties (31 March 2024: Nil). This assessment is undertaken each financial year through examining the financial position of the related parties and the market in which such parties operates.
- (b) Post-employment and other long-term benefits, disclosed above, does not include those benefits which are computed for the Company as a whole.

42. Contingent liabilities and commitments

	As at	
	31 March 2025	31 March 2024
(a) Commitments		
(i) Estimated amount of contracts remaining to be executed on capital account and not provided for	2,044.96	221.60
(ii) Other commitments		
Investment in the Joint venture entity, Heritage Novandie Foods Private Limited	85.00	75.00

	As at			
	31 March 2025		31 March 2024	
(b) Contingent liabilities, not provided for	Contingent Liability	Paid under protest*	Contingent Liability	Paid under protest*
In respect of income tax matters [refer (i) below]	7.43	0.48	7.43	0.48
In respect of sales tax / value added tax matters [refer (ii) below]	18.67	5.04	18.67	5.04
In respect of other matters [refer (iii) below]	21.75	3.55	80.93	42.21

(*) forms part of "balances with statutory authorities" under "other current assets"

- (i) The Company had received following demand orders from the income tax authorities for:
- (a) the assessment year 2020-21 in relation to the initiation of penalty proceedings u/s 271D and;
- (b) the assessment years 2017-18 and 2020-21 in relation to the inadmissibility of expenditure claimed under Section 80G of the Income Tax Act, 1961.

The management, on the basis of its internal assessment of the facts of the case, the underlying nature of transactions, is of the view that the probability of the case being settled against the Company is remote and accordingly do not foresee any adjustment to these standalone financial statements in this regard. The litigation is currently pending with the Commissioner of Income Tax (Appeals) ("CIT(A)"). The Company has received a favourable order for the assessment year 2018-19 in relation to point (b) above.

Summary of the material accounting policies and other explanatory information

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

		As at	
		31 March 2025	31 March 2024
(ii)	- Disputed purchase tax levied under Andhra Pradesh Value Added Tax Act, 2005 on purchase of milk @	9.51	9.51
	- Disputed Input tax credit disallowed under Andhra Pradesh Value Added Tax Act, 2005 @	4.69	4.69
	- Disputed Input tax credit disallowed under The Central Sales Tax, 1956 #	4.47	4.47
	@ litigation pending with Hon'ble High Court of Telangana; # litigation pending with Joint Commissioner of commercial Taxes (Appeals), Bangalore.		
(iii)	- Disputed entry tax levied under Andhra Pradesh Tax on Entry of Goods into Local Areas Act, 2001 on interstate purchases \$	3.77	3.77
	- Disputed entry tax levied under Telangana Tax on Entry of Goods into Local Areas Act, 2001 on interstate purchases @	10.37	10.37
	- Disputed amount levied under Central GST Act, 2017 on classification of flavored milk product &	-	35.28
	- Disputed milk cess levied on installed capacity under the Haryana Murrah Buffalo and other Milch Animal Breed Act, 2001 ^	-	28.93
	- Disputed amount levied under Karnataka Central GST Act, 2017 on classification of flavored milk product #	5.03	-
	- Disputed RPPO (Renewable power purchase obligation) charges demand levied by the APERC (Andhra Pradesh Electricity Regulatory Authority)	2.58	2.58

\$ Pending with Honorable High Court of Andhra Pradesh; & The Honorable High court of Andhra Pradesh has disposed the writ petition filed by the Company with respect to Flavoured Milk classification and issued favourable order dated 29-01-2025 with a direction to file refund application for the differential tax already paid. As per the directions of Honorable High Court the refund application has been filed.; ^ The litigation was closed during FY 2024-25. The payment has been made by the company under "Vivadon Se Samadhan" scheme announced by Government of Haryana during FY 2024-25.; # Pending with Assistant Commissioner CGST, Bengaluru.

Based on the internal assessment, the Management is confident that, for the aforesaid mentioned contingent liabilities under paragraph (ii) and (iii) above, no further provision is required to be made as at 31 March 2025..

42. Contingent liabilities and commitments

		As at	
		31 March 2025	31 March 2024
(c)	Guarantees excluding financial guarantees	8.10	2.93
(d)	Others		
	Duty including interest liability in case of export obligation if not fulfilled as per EPCG scheme	128.47	129.81

43. Leases

Company as lessee

The Company has lease arrangements for its office premises located in Hyderabad and various Heritage Distribution centers / Parlours / Sales offices located across India. These leases typically have original lease terms not exceeding 21 years and generally contain multiyear renewal options. The agreements entered into by the Company have, rent escalation upto 10%. There are no residual value guarantees provided by the third parties. The carrying amount for such right-of-use assets as at 31 March 2025 amounts to ₹255.82 (31 March 2024: ₹273.31)

The Company has also leased solar panels for a period of five years and has an option to purchase the asset at the end of the lease term. The carrying amount for such right-of-use assets as at 31 March 2025 amounts to ₹72.94 (31 March 2024: ₹76.66).

Summary of the material accounting policies and other explanatory information

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

The Company leases certain plant and equipments comprising of freezers, coolers, etc., with contract terms upto five years. These leases are short-term and/or leases of low-value items. The Company has elected not to recognise right-of-use assets and lease liabilities for these leases.

The movement in lease liabilities is as follows:

Particulars	For the year ended	
	31 March 2025	31 March 2024
Balance at the beginning of the year	378.22	320.83
Additions during the year	34.45	100.36
Adjustment for disposals/transfers	6.64	(8.46)
Finance cost accrued during the year	34.92	32.43
Payment of interest on lease liabilities	(34.92)	(32.43)
Payment of principal portion of lease liabilities	(53.52)	(34.51)
Lease liabilities at the end of the year	365.79	378.22
Current lease liabilities	29.34	49.09
Non-current lease liabilities	336.45	329.13

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

Particulars	As at	
	31 March 2025	31 March 2024
Less than one year	76.35	79.10
One to five years	239.23	247.15
More than five years	279.61	313.26
Total	595.19	639.51

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

Rental expense recorded for short-term leases and low value leases for the year ended 31 March 2025 is ₹265.02 (31 March 2024: ₹176.34). Leases not yet commenced to which the Company is committed aggregated to ₹Nil as on 31 March 2025.

Depreciation expenses and Lease rentals paid for the year ended 31 March 2025 are ₹62.30 and ₹ 88.44 (31 March 2024: ₹56.23 and ₹66.94) respectively.

Company as lessor

The Company has leased its land and buildings located in Manor and Chennai regions. These leases typically range between 5 to 30 years and generally contain multiyear renewal options. The agreements entered into by the Company have, rent escalation upto 5%.

Future minimum rentals receivable under non-cancellable operating lease is as follows:

Particulars	As at	
	31 March 2025	31 March 2024
Less than one year	18.07	12.86
One to five years	6.48	16.20
More than five years	44.75	46.20
Total	69.30	75.26

44. Segment reporting

In accordance with Ind AS 108 - 'Operating segments', segment information has been given in the consolidated financial statements of the Company and therefore no separate disclosure on segment information is given in these standalone financial statements.

Summary of the material accounting policies and other explanatory information

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

45. Key Ratios

	Note	31 March 2025	31 March 2024	Change %
Current ratio = Current assets / current liabilities		1.78	1.70	4.82%
Debt equity ratio = (Long-term borrowings + short term borrowings + lease liabilities) / Equity		0.18	0.16	14.14%
Debt Service coverage ratio = (Net profit + depreciation + finance cost + gain on sale of PPE) / (finance cost + lease payments + principal repayments)	(i)	5.49	11.04	-50.27%
Return on equity ratio / return on investment ratio = net profit after tax / average equity	(i)	19.20	11.82	62.44%
Inventory turnover ratio = cost of goods sold divided by average inventory @		10.47	9.70	7.94%
Trade receivables turnover ratio = revenue from operations / average trade receivables		123.28	131.98	-6.59%
Trade payables turnover ratio = cost of goods sold / average trade payables	(ii)	20.63	28.47	-27.54%
Net capital turnover ratio = Revenue from operations / (current assets minus current liabilities)		14.24	18.10	-21.30%
Net Profit Margin (%) = (PAT / Revenue from operations)	(i)	4.12%	2.44%	68.97%
Return on capital employed = (earnings before finance cost, other income, taxes and exceptional items) / average capital employed #	(i)	23.13	15.79	46.51%

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

capital employed = total assets - current liabilities

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

- (i) Principal reason for change in the debt service coverage ratio / return on equity ratio / net profit margin / return on capital employed is attributed to the increase in revenue from operations and decrease in raw material prices resulting in increase in profits reported during the year ended 31 March 2025 compared to the year ended 31 March 2024.
- (ii) Principal reason for change in the trade payables turnover ratio is attributed to the timing of payments to milk vendors. In the previous year, payments were completed before 31 March, whereas in the current year, the final cycle was settled shortly after 31 March 2025 inline with regular payment terms, resulting in a higher closing trade payables balance.

46. Research and development expenses

	For the year ended	
	31 March 2025	31 March 2024
Capital expenditure	0.30	0.82
Revenue expenditure	12.59	12.22
Total	12.89	13.04

Summary of the material accounting policies and other explanatory information

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

47. Disclosure under Micro, Small and Medium Enterprises Development Act, 2006

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

	As at	
	31 March 2025	31 March 2024
(i) The principal amount remaining unpaid as at the end of the year.	98.51	83.03
(ii) The amount of interest accrued and remaining unpaid on (i) above.	-	-
(iii) Amount of interest paid by the Company in terms of Section 16, of the MSMED Act, 2006 along with the amounts of payments made beyond the appointed date during the year.	-	-
(iv) The amount of interest due and payable for the period (where the principal has been paid but interest under the MSMED Act, 2006 not paid)	-	-
(v) The amount of further interest remaining due and payable in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprises for the purpose of disallowance as a deductible expenditure under Section 23 of the MSMED Act, 2006.	-	-

Notes:

Explanation - The terms 'appointed day', 'buyer', 'enterprise', 'micro enterprise', 'small enterprise' and 'supplier' shall have the same meaning as assigned to them under clauses (b),(d),(e), (h), (m) and (n) respectively of section 2 of the Micro, Small and Medium Enterprises Development Act, 2006.

48. Government grant

	For the year ended	
	31 March 2025	31 March 2024
Opening liability	79.54	86.28
Received during the year	-	-
Released to the statement of profit and loss	(6.73)	(6.74)
Closing liability	72.81	79.54
Current	6.74	6.73
Non-current	66.07	72.81

Note: Government grant has been received for purchase of certain items of Property, plant and equipment. There are no unfulfilled conditions or contingencies attached to these grants.

49. Audit Trail

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

The Company uses an accounting software for maintaining its books of account. The audit trail (edit log) feature was enabled at application level and the same operated throughout the current and previous year. However, the Company did not enable the feature for recording audit trails (edit logs) at the database level to log any direct data changes, as this consumes storage space on the disk and can significantly impact database performance. The users of the Company, except for authorized personnel, do not have access to database IDs with Data Manipulation Language (DML) authority, which can make direct data changes (create, change, delete) at the database level. Furthermore, the audit trail has been preserved by the Company as per the statutory requirements for record retention.

Summary of the material accounting policies and other explanatory information

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

50. Additional disclosures

- (a) No proceeding have been initiated on or is pending against the Company for holding benami property under the Benami Transactions Prohibition) Act, 1988 (45 of 1988) and Rules made thereunder.
- (b) The Company has not been declared wilful defaulter by any bank or financial Institution or other lender.
- (c) No transactions are carried out with companies struck off under section 248 of the Act or section 560 of Companies Act, 1956.
- (d) No charges or satisfaction yet to be registered with ROC beyond the statutory period.
- (e) The Company has complied with the number of layers prescribed under clause (87) of section 2 of the Act read with Companies (Restriction on number of Layers) Rules, 2017.
- (f) No Scheme of Arrangements has been approved by the Competent Authority in terms of sections 230 to 237 of the Act.
- (g) There is no income surrendered or disclosed as income during the current or previous year in the tax assessments under the Income Tax Act, 1961, that has not been recorded in the books of account.
- (h) The Company has not traded or invested in crypto currency or virtual currency during the current or previous year.
- (i) There was no revaluation of Property, plant and equipment (including right -of-use assets) and Intangible assets carried out by the Company during the respective reporting periods.

This is the summary of material accounting policies
and other explanatory information referred to in our
report of even date.

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

Sumesh E S
Partner
Membership No: 206931

Place : Hyderabad
Date : May 16, 2025

For and on behalf of Board of Directors of
Heritage Foods Limited

N Bhuvaneswari
Vice Chairperson and
Managing Director
DIN: 00003741

Srideep Madhavan Nair Kesavan
Chief Executive Officer

Place : Hyderabad
Date : May 16, 2025

N Brahmani
Executive Director
DIN: 02338940

A Prabhakara Naidu
Chief Financial Officer
M.No.FCA 200974

M Sambasiva Rao
Whole Time Director
DIN: 01887410

Umakanta Barik
Company Secretary &
Compliance Officer
M.No. FCS 6317

Independent Auditor's Report

To the Members of **Heritage Foods Limited**

Report on the Audit of the Consolidated Financial Statements

Opinion

1. We have audited the accompanying consolidated financial statements of Heritage Foods Limited ('the Holding Company') and its subsidiary (the Holding Company and its subsidiary together referred to as 'the Group'), its associate and joint venture, as listed in **Annexure 1**, which comprise the Consolidated Balance Sheet as at 31 March 2025, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Cash Flow Statement and the Consolidated Statement of Changes in Equity for the year then ended, and notes to the consolidated financial statements, including material accounting policy information and other explanatory information.
2. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 ('the Act') in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards ('Ind AS') specified under Section 133 of the Act, read with the Companies (Indian Accounting Standards) Rules, 2015, and other accounting principles generally accepted in India of the consolidated state of affairs of the Group, its associate and joint venture, as at 31 March 2025, and their consolidated profit (including other comprehensive income), consolidated cash flows and the consolidated changes in equity for the year ended on that date.

Basis for Opinion

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

Key Audit Matters

4. Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.
5. We have determined the matters described below to be the key audit matters to be communicated in our report.

Key audit matters	How our audit addressed the key audit matters
Revenue recognition Refer Note 3(d) to the accompanying consolidated financial statements for material accounting policy information on revenue recognition and Note 24 for details of revenue from operations. Revenue from sale of goods is recognised in accordance with the principles of Ind AS 115, "Revenue from Contracts with Customers" ('Ind AS 115'), at a point in time when control of the products being sold is transferred to the customer and when there are no longer any unfulfilled obligations. The Holding Company also focuses on revenue as a key performance measure, which could create an incentive for overstating revenue resulting from the pressure on management to achieve performance targets at the reporting period end. Considering the significance of amount, multiplicity of Holding Company's products, volume of transactions including discounts offered, size of distribution network, nature of customers and significant attention required from us, revenue recognition is determined to be an area involving significant risk in line with the requirements of Standards on Auditing and has been determined as a key audit matter for the current year audit.	Our audit procedures relating to revenue recognition included, but was not limited to, the following: • Understood the process of revenue recognition and assessed the appropriateness of the revenue recognition accounting policies adopted by the management in accordance with Ind AS 115; • Evaluated the design, integrity of the general information and technology control environment and tested the operating effectiveness of Holding Company's manual and IT application controls in respect of revenue recognition, including discounts; • Performed substantive testing on a sample of revenue transactions recorded during the year by verifying the underlying documents, such as customer approved invoices and shipping documents, as appropriate to ensure the accuracy of revenue recorded during the year; • Performed substantive testing on a sample of discount transactions recorded during the year by verifying the terms and conditions of the underlying approved scheme and credit notes, basis which the discount was granted; • Performed analytical procedures such as customer group ratio, price volume variance analysis, geographical area analysis, sales made during the specific period before the year end etc. for the revenue recorded considering both qualitative and quantitative factors to identify any unusual trends or any unusual items; and • Evaluated adequacy and appropriateness of disclosures made in the consolidated financial statements in accordance with applicable accounting standards.

Key audit matters	How our audit addressed the key audit matters
(b) Impairment assessment of investment in Joint venture (Heritage Novandie Foods Private Limited) Refer Note 3(k) to the accompanying consolidated financial statements for material accounting policy information on impairment assessment and Note 46(e) for financial disclosures. As described in Note 9, the Holding Company has an investment amounting to INR 498.85 million in a joint venture, Heritage Novandie Foods Private Limited (“HNFPL”). The joint venture has been incurring losses year on year, leading to substantial erosion of its net worth, which has been identified as an impairment indicator by the management in accordance with the principles of Ind AS 36, Impairment of Assets (‘Ind AS 36’). In view of above, the management of the Holding Company, during the current year ended 31 March 2025, has carried out an impairment assessment to assess recoverability of the aforesaid investment in accordance with Ind AS 36 by estimating the recoverable amount of investment in HNFPL. Further, in the Board Meeting of HNFPL held on 24 March 2025, the Board evaluated various options given the limited market potential for the joint venture’s operations and financial non-viability. Accordingly, the Board of HNFPL has approved a proposal, subject to execution of necessary agreements and required approvals, allowing the Holding Company to obtain controlling stake by acquiring equity shares from the other shareholders and restructure / repurpose the business operations of HNFPL. Subsequently in May 2025, the Board of the Holding Company approved a proposal to acquire majority stake from the other shareholder of HNFPL for consideration of INR 85 million, with the intention to restructure/repurpose the business operations of HNFPL. Accordingly, the recoverable value of the investment as at 31 March 2025 has been determined by using the fair value less cost of disposal. Fair value is considered on the basis of the agreed sales consideration for the proposed stake purchase in HNFPL, which has resulted in recognition of impairment loss in the consolidated statement of profit and loss, during the year ended 31 March 2025. Management’s assessment of recoverable value involves judgment to conclude that agreed sales price as mentioned above represents the fair value of HNFPL from market participants point of view as required under Ind AS 113, Fair Value Measurement (Ind AS 113) read with Ind AS 36. Considering the materiality of investment in HNFPL, aforementioned judgment involved and significance of the impairment charge on the consolidated financial statements, impairment assessment of such investment has been determined as a key audit matter for the current year audit.	Our audit procedures relating to impairment assessment of investment in joint venture included, but was not limited to, the following: • Evaluated the design and tested the operating effectiveness of controls over the management’s assessment of the impairment indicators and the impairment testing performed; • Held discussions with the members of the Board of Directors and Management and understood the nature of the proposed transaction and business rationale for acquisition of controlling stake in HNFPL; • Enquired with the management the reasons for their judgement to use fair value less costs of disposal as the recoverable amount for the impairment and understood the value in use computed by the management approximate the aforesaid fair value. Further, we assessed the reasonableness of aforesaid management judgement in accordance with the requirements of Ind AS 36 and Ind AS 113; • Assessed the appropriateness of accounting policies and relevant Ind AS and tested the completeness and accuracy of the information used in computation of recorded impairment; and • Assessed the appropriateness and adequacy of the disclosures made by the management in the consolidated financial statements, in accordance with applicable accounting standards.

Information other than the Consolidated Financial Statements and Auditor’s Report thereon

6. The Holding Company’s Board of Directors are responsible for the other information. The other information comprises the information included in the Annual Report, but does not include the consolidated financial statements and our auditor’s report thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

7. The accompanying consolidated financial statements have been approved by the Holding Company's Board of Directors. The Holding Company's Board of Directors are responsible for the matters stated in section 134(5) of the Act with respect to the preparation and presentation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive income, consolidated changes in equity and consolidated cash flows of the Group including its associate and joint venture in accordance with the Ind AS specified under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, and other accounting principles generally accepted in India. The respective Board of Directors of the companies included in the Group and its associate and joint venture are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Group and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Board of Directors of the Holding Company, as aforesaid.
8. In preparing the consolidated financial statements, the respective Board of Directors of the companies included in the Group and of its associate and joint venture are responsible for assessing the ability of the Group and of its associate and joint venture to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intend to liquidate the Group or to cease operations, or has no realistic alternative but to do so.
9. Those respective Board of Directors are also responsible for overseeing the financial reporting process of the companies included in the Group and of its associate and joint venture.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

10. Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.
11. As part of an audit in accordance with Standards on Auditing specified under Section 143(10) of the Act we exercise professional judgment and maintain professional skepticism throughout the audit. We also:
 - Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures

responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3) (i) of the Act we are also responsible for expressing our opinion on whether the Holding Company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls;
 - Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management;
 - Conclude on the appropriateness of Board of Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group and its associate and joint venture 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 consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group and its associate and joint venture to cease to continue as a going concern;
 - Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation; and
 - Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group, and its associate and joint venture, to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of financial statements of such entities included in the consolidated financial statements, of which we are the independent auditors.
12. We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.
 13. We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.
 14. From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law

or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other Matter

15. The consolidated financial statements also include the Group's share of net loss (including other comprehensive loss) of ₹ Nil for the year ended 31 March 2025 in respect of an associate, whose financial information has not been audited by us. This financial information is unaudited and has been furnished to us by the management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of the aforesaid associate, is based solely on such unaudited financial information. In our opinion and according to the information and explanations given to us by the management, this financial information is not material to the Group.

Our opinion above on the consolidated financial statements, and our report on other legal and regulatory requirements below, are not modified in respect of the above matter with respect to our reliance on the financial information certified by the management.

Report on Other Legal and Regulatory Requirements

16. As required by Section 197(16) of the Act, based on our audit, we report that the Holding Company incorporated in India whose financial statements have been audited under the Act have paid remuneration to their respective directors during the year in accordance with the provisions of and limits laid down under Section 197 read with Schedule V to the Act. Further, we report that a subsidiary company incorporated in India whose financial statements have been audited under the Act have not paid or provided for any managerial remuneration during the year, and accordingly, reporting under Section 197(16) of the Act is not applicable in respect of such subsidiary company. Further, we report that the provisions of Section 197 read with Schedule V to the Act are not applicable to the joint venture company incorporated in India whose financial statements have been audited under the Act, since the joint venture is not a public company as defined under Section 2(71) of the Act.
17. As required by clause (xxi) of paragraph 3 of Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government of India in terms of Section 143(11) of the Act based on the consideration of the Order reports issued, of companies included in the consolidated financial statements and covered under the Act we report that there are no qualifications or adverse remarks reported in the respective Order reports of such companies.
18. As required by Section 143(3) of the Act, based on our audit, we report, to the extent applicable, that:
 - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit of the aforesaid consolidated financial statements;
 - b) Except for the matters stated in paragraph 18(h)(vi) below on reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014 (as amended), in our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books;

- c) The consolidated financial statements dealt with by this report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements;
- d) In our opinion, the aforesaid consolidated financial statements comply with Ind AS specified under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015;
- e) On the basis of the written representations received from the directors of the Holding Company, its subsidiary and joint venture and taken on record by the Board of Directors of the Holding Company, its subsidiary and joint venture, respectively, covered under the Act, none of the directors of the Holding Company, its subsidiary and joint venture, are disqualified as on 31 March 2025 from being appointed as a director in terms of Section 164(2) of the Act.
- f) The qualification relating to the maintenance of accounts and other matters connected therewith with respect to the consolidated financial statements are as stated in paragraph 18(b) above on reporting under Section 143(3) (b) of the Act and paragraph 18(h)(vi) below on reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014 (as amended);
- g) With respect to the adequacy of the internal financial controls with reference to financial statements of the Holding Company, its subsidiary and associate covered under the Act, and the operating effectiveness of such controls, refer to our separate report in 'Annexure A' wherein we have expressed an unmodified opinion; and
- h) With respect to the other matters to be included in the Auditor's Report in accordance with rule 11 of the Companies (Audit and Auditors) Rules, 2014 (as amended), in our opinion and to the best of our information and according to the explanations given to us:
 - i. The consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group, its associate and joint venture as detailed in Note 42(b) to the consolidated financial statements;
 - ii. The Holding Company, its subsidiary and joint venture did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses as at 31 March 2025;
 - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding Company. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the subsidiary company and joint venture company covered under the Act, during the year ended 31 March 2025;
 - iv.
 - a. The respective managements of the Holding Company, its subsidiary company and joint ventures incorporated in India whose financial statements have been audited under the Act have represented to us, to the best of their knowledge and belief, as disclosed in note 34(i) to the consolidated financial statements, no funds have been advanced

or loaned or invested (either from borrowed funds or securities premium or any other sources or kind of funds) by the Holding Company or its subsidiary and joint venture to or in any person(s) or entity(ies), including foreign entities ('the intermediaries'), with the understanding, whether recorded in writing or otherwise, that the intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Holding Company, or any such subsidiary and joint venture ('the Ultimate Beneficiaries') or provide any guarantee, security or the like on behalf the Ultimate Beneficiaries;

- b. The respective managements of the Holding Company and its subsidiary and joint venture incorporated in India whose financial statements have been audited under the Act have represented to us, to the best of their knowledge and belief, as disclosed in the note 34(ii) to the accompanying consolidated financial statements, no funds have been received by the Holding Company or its subsidiary and joint venture from any person(s) or entity(ies), including foreign entities ('the Funding Parties'), with the understanding, whether recorded in writing or otherwise, that the Holding Company, or any such subsidiary and joint venture shall, whether directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ('Ultimate Beneficiaries') or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and
- c. Based on such audit procedures performed by us, as considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the management representations under sub-clauses (a) and (b) above contain any material misstatement.
- v. The subsidiary company and joint venture company have not declared or paid any dividend during the year ended 31 March 2025. As stated in note 33 to the accompanying consolidated financial statements, the final dividend paid by the Holding Company during the year ended 31 March 2025 in respect of such dividend declared for the previous year is in accordance with Section 123 of the Act to the extent it applies to payment of dividend. The Board of Directors of the Holding Company have proposed final dividend for the year ended 31 March 2025 which is subject to the approval of the members at the ensuing Annual General Meeting. The dividend declared is in accordance with Section 123 of the Act to the extent it applies to declaration of dividend.
- vi. As stated in note 50 to the consolidated financial statements and based on our examination which included test checks, except for the instances mentioned below, the subsidiary and joint venture, which are companies incorporated in India and audited under the Act, the Holding Company, its

subsidiary and joint venture, in respect of financial year commencing on 1 April 2024, have used an accounting software for maintaining their books of account which have a feature of recording audit trail (edit log) facility and the same have been operated throughout the year for all relevant transactions recorded in the software. Further, during the course of our audit we did not come across any instance of audit trail feature being tampered with, other than the consequential impact of the exceptions given below:

- a. The audit trail feature was not enabled at the database level for the accounting software to log any direct data changes, used for maintenance of all accounting records by the Holding Company and its subsidiary.
- b. The joint venture has used an accounting software operated by a third-party software service provider for maintaining its books of account which has a feature of recording audit trail facility and the same has been operated throughout the year for all relevant transactions recorded in the software at the application level. In absence of an 'Independent Service Auditor's Assurance Report on the Description of Controls, their Design and Operating Effectiveness' ('Type 2 report' issued in accordance with SAE 3402, Assurance Reports on Controls at a Service Organization), we are unable to comment on whether audit trail feature of the said software was enabled and operated throughout the year for all relevant transactions or whether there were any instances of audit trail feature being tampered with at the database level.

Furthermore, the audit trails have been preserved by the Holding Company and above referred subsidiary and joint venture at application level as per the statutory requirements for record retention.

For Walker Chandiok & Co LLP
Chartered Accountants

Firm's Registration No.: 001076N/N500013

Sumesh E S
Partner

Place: Hyderabad
Date: May 16, 2025

Membership No.: 206931
UDIN: 25206931BMNRAH1972

Annexure 1

List of entities included in the Consolidated Financial Statements

Subsidiary:

1. Heritage Nutrivet Limited

Associate:

1. SKIL Raigam Power (India) Limited

Joint venture:

1. Heritage Novandie Foods Private Limited

Annexure A to the Independent Auditor's Report of even date to the members of Heritage Foods Limited on the consolidated financial statements for the year ended 31 March 2025

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

1. In conjunction with our audit of the consolidated financial statements of Heritage Foods Limited ('the Holding Company') and its subsidiary (the Holding Company and its subsidiary together referred to as 'the Group'), its associate and joint venture as at and for the year ended 31 March 2025, we have audited the internal financial controls with reference to financial statements of the Holding Company, its subsidiary company and its associate company, which are companies covered under the Act, as at that date.

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

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

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

3. Our responsibility is to express an opinion on the internal financial controls with reference to financial statements of the Holding Company, its subsidiary company and its associate company, as aforesaid, based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India ('ICAI') prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to financial statements, and the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting ('the Guidance Note') issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements were established and maintained and if such controls operated effectively in all material respects.
4. Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements includes obtaining an understanding of such internal financial controls, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based

on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

5. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls with reference to financial statements of the Holding Company, its subsidiary company and its associate company as aforesaid.

Meaning of Internal Financial Controls with Reference to Financial Statements

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

Inherent Limitations of Internal Financial Controls with Reference to Financial Statements

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

Opinion

8. In our opinion, the Holding Company, its subsidiary company and its associate company, which are companies covered under the Act, have in all material respects, adequate internal financial controls with reference to financial statements and such controls were operating effectively as at 31 March 2025, based on the internal financial controls with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India.

Other Matter

9. We did not audit the internal financial controls with reference to financial statements in so far as it relates to an associate company, which is a company covered under the Act, in respect of which, the Group's share of net loss (including other comprehensive loss) of ₹ Nil for the year ended 31 March 2025 has been considered in the consolidated financial statements. The internal financial controls with reference to financial statements of this associate company, which is a company covered under the Act, are unaudited and our opinion under Section 143(3)(i) of the Act on adequacy and operating effectiveness of the internal financial controls with reference to financial statements insofar as it relates to the aforesaid associate company, which is a company covered under the Act, is solely based on the corresponding internal financial controls with reference to financial statements report certified by the management of such company. In our opinion and according to the information and explanations given to us by the management, these financial statements are not material to the Group. Our opinion is not modified in respect of the above matter with respect to our reliance on the internal financial controls with reference to financial statements report certified by the management.

For **Walker Chandiok & Co LLP**

Chartered Accountants

Firm's Registration No.: 001076N/N500013

Sumesh E S

Partner

Place: Hyderabad

Date: May 16, 2025

Membership No.: 206931

UDIN: 25206931BMNRAH1972



Consolidated Balance Sheet as at 31 March 2025

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

	Notes	As at	
		31 March 2025	31 March 2024
ASSETS			
Non-current assets			
(a) Property, plant and equipment	6	7,069.18	6,604.42
(b) Right of use assets	6	341.58	363.80
(c) Capital work-in-progress	6(a)	679.56	200.63
(d) Investment property	8	40.96	42.04
(e) Other intangible assets	7	24.06	34.40
(f) Investment in associate and joint venture	9	96.05	176.71
(g) Financial assets			
(i) Other investments	10	3.13	3.20
(ii) Other financial assets	11	157.26	111.46
(h) Other non-current assets	12	319.98	24.55
Total non-current assets		8,731.76	7,561.21
Current assets			
(a) Inventories	13	3,552.10	2,619.13
(b) Financial assets			
(i) Investments	10	1,862.16	1,221.86
(ii) Trade receivables	14	380.46	287.06
(iii) Cash and cash equivalents	15 (i)	644.76	785.08
(iv) Bank balances other than (iii) above	15 (ii)	51.92	53.15
(v) Loans	11 (a)	-	0.24
(vi) Other financial assets	11	132.74	127.38
(c) Current tax assets (net)		43.91	46.77
(d) Other current assets	12	183.59	109.11
Total current assets		6,851.64	5,249.78
Total assets		15,583.40	12,810.99
EQUITY AND LIABILITIES			
Equity			
(a) Equity share capital	16	463.98	463.98
(b) Other equity	17	9,255.62	7,617.61
Equity attributable to the owners of the Company		9,719.60	8,081.59
(c) Non-controlling interest		-	-
Total equity		9,719.60	8,081.59
Liabilities			
Non-current liabilities			
(a) Financial liabilities			
(i) Borrowings	18	1,110.26	751.47
(ia) Lease liabilities	43	351.14	343.90
(ii) Other financial liabilities	19	1.97	3.67
(b) Government grant		67.07	72.81
(c) Provisions	20	280.58	225.47
(d) Deferred tax liabilities (net)	21	287.12	261.33
Total non-current liabilities		2,098.14	1,658.65
Current liabilities			
(a) Financial liabilities			
(i) Borrowings	18	253.68	176.76
(ia) Lease liabilities	45	29.73	49.54
(ii) Trade payables	23		
- total outstanding dues of micro and small enterprises;		113.13	91.03
- total outstanding dues of creditors other than micro and small enterprises		1,602.02	1,358.80
(iii) Other financial liabilities	19	1,370.27	1,034.24
(b) Other current liabilities	22	254.16	245.80
(c) Government grant		6.82	6.73
(d) Provisions	20	135.85	107.85
Total current liabilities		3,765.66	3,070.75
Total equity and liabilities		15,583.40	12,810.99

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

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

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

For and on behalf of Board of Directors of
Heritage Foods Limited

Sumesh E S
Partner
Membership No: 206931

N Bhuvaneswari
Vice Chairperson and
Managing Director
DIN: 00003741

N Brahmani
Executive Director
DIN: 02338940

M Sambasiva Rao
Whole Time Director
DIN: 01887410

Srideep Madhavan Nair Kesavan
Chief Executive Officer

A Prabhakara Naidu
Chief Financial Officer
M.No.FCA 200974

Umakanta Barik
Company Secretary &
Compliance Officer
M.No. FCS 6317

Place : Hyderabad
Date : May 16, 2025

Place : Hyderabad
Date : May 16, 2025

Consolidated Statement of Profit and Loss for the Year Ended 31 March 2025

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

	Notes	For the year ended	
		31 March 2025	31 March 2024
Income			
Revenue from operations	24	41,345.95	37,939.04
Other income	25	278.73	119.65
Total income		41,624.68	38,058.69
Expenses			
Cost of materials consumed	26	30,868.50	28,942.88
Purchase of stock-in-trade		745.80	416.09
Changes in inventories of finished goods, semi finished goods, stock-in-trade and work-in-progress	27	(600.08)	712.97
Employee benefits expenses	28	3,131.91	2,575.49
Finance costs	29	154.32	90.60
Depreciation and amortisation expense	6, 7 & 8	695.56	608.19
Impairment losses	6	6.74	6.68
Other expenses	30	3,883.39	3,189.49
Total expenses		38,886.14	36,542.39
Profit before share of loss of an associate and a joint venture		2,738.54	1,516.30
Share of loss of an associate and a joint venture		(69.09)	(65.43)
Profit before exceptional items and tax		2,669.45	1,450.87
Exceptional items	46(e)	(87.07)	-
Profit before tax		2,582.38	1,450.87
Tax expense	31		
Current tax expense		674.04	375.21
Deferred tax expense		25.54	10.17
Profit for the year		1,882.80	1,065.49
Other comprehensive income / (loss)			
Items that will not be reclassified to profit or loss			
(i) Re-measurement loss on defined benefit plan, net of taxes		(12.73)	(10.76)
(ii) Net gain on FVTOCI equity securities		(0.07)	0.18
Items that will be reclassified to profit or loss		-	-
Total other comprehensive loss for the year		(12.80)	(10.58)
Total comprehensive income for the year		1,870.00	1,054.91
Profit/(loss) for the year, attributed to Owners of the Company:			
- Total profit		1,882.80	1,065.49
- Other comprehensive loss		(12.80)	(10.58)
- Total comprehensive income		1,870.00	1,054.91
Earnings per equity share [EPES] (in absolute ₹ terms)	32		
Face value per equity share		5.00	5.00
Basic and Diluted EPES		20.29	11.48

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

This is the Consolidated Statement of

Profit and Loss referred to in our report

of even date.

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

Sumesh E S
Partner
Membership No: 206931

Place : Hyderabad
Date : May 16, 2025

For and on behalf of Board of Directors of
Heritage Foods Limited

N Bhuvaneswari
Vice Chairperson and
Managing Director
DIN: 00003741

Srideep Madhavan Nair Kesavan
Chief Executive Officer

Place : Hyderabad
Date : May 16, 2025

N Brahmani
Executive Director
DIN: 02338940

A Prabhakara Naidu
Chief Financial Officer
M.No.FCA 200974

M Sambasiva Rao
Whole Time Director
DIN: 01887410

Umakanta Barik
Company Secretary &
Compliance Officer
M.No. FCS 6317

Consolidated Statement of Cash Flow for the Year Ended 31 March 2025

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

	Notes	For the year ended	
		31 March 2025	31 March 2024
Cash flow from operating activities			
Profit before tax		2,582.38	1,450.87
Adjustments:			
Depreciation and amortization expense	6, 7 & 8	695.56	608.19
Impairment losses on assets	6	6.74	6.68
Impairment losses on investments	46(e)	87.07	-
Provision for doubtful advances	30	0.15	-
Share of loss of an associate and a joint venture		69.09	65.43
Provision for doubtful debts and bad debts written off	30	6.37	9.86
Guarantee income	25	(2.20)	(2.20)
Amortisation of government grants	25	(7.65)	(6.74)
Property, plant and equipment written off	30	9.41	13.16
Profit on sale of Property, plant and equipment ("PPE")	25	(32.95)	(26.64)
Provisions no longer required/credit balances written back	25	(20.73)	(14.20)
Gain on investments	25	(169.03)	(37.61)
Interest income	25	(4.99)	(4.71)
Interest expenses	29	148.33	84.69
Advances written off	30	1.55	0.96
Dividend income	25	(0.01)	(0.01)
Lease rental income	25	(18.93)	(11.67)
Operating profits before working capital changes		3,350.16	2,136.06
Changes in inventories		(932.97)	1,170.32
Changes in trade receivables		(99.77)	(16.86)
Changes in loans		0.24	0.07
Changes in other assets		(121.43)	(2.54)
Changes in other financial assets		(5.52)	(22.43)
Changes in trade payables		265.32	679.34
Changes in provisions		66.10	48.03
Changes in other financial liabilities		275.43	260.05
Changes in other liabilities		8.36	25.19
Cash generated from operating activities		2,805.92	4,277.23
Income tax paid, net		(666.65)	(378.48)
Net cash generated from operating activities (A)		2,139.27	3,898.75
Cash flows from investing activities			
Purchase of PPE and other intangible assets including CWIP and intangible assets under development		(1,764.46)	(1,272.77)
Proceeds from sale of PPE		48.01	39.38
Investment in a joint venture		(75.00)	(97.50)
Purchase of investments		(2,930.00)	(2,460.00)
Proceeds from sale of investments		2,458.73	1,275.78

Consolidated Statement of Cash Flow for the Year Ended 31 March 2025

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

	Notes	For the year ended	
		31 March 2025	31 March 2024
Interest received		5.29	4.59
Movement in other bank balances, net		(50.91)	(20.15)
Rent received		18.76	12.93
Dividend received		0.01	0.01
Net cash used in investing activities (B)		(2,289.57)	(2,517.73)
Cash flows from financing activities			
Proceeds from long term borrowings		725.45	908.00
Repayment of long term borrowings		(284.76)	(46.64)
Repayment of short term borrowings, net		-	(1,263.96)
Interest paid		(145.06)	(90.13)
Lease rentals paid	43	(53.66)	(34.58)
Dividend paid	33	(231.99)	(231.99)
Net cash generated from / (used in) financing activities (C)		9.98	(759.30)
Net Change in cash and cash equivalents during the year (A + B + C)		(140.32)	621.72
Cash and cash equivalents at the beginning of the year		785.08	163.36
Cash and cash equivalents at the end of the year		644.76	785.08
Note 1:			
Cash and cash equivalents include:			
- Included in cash and cash equivalents	15(i)		
Cash on hand		1.41	1.46
Balances with banks in current account		643.35	783.62
		644.76	785.08

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

This is the Consolidated Statement of Cash Flow referred to in our report of even date.

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

Sumesh E S
Partner
Membership No: 206931

Place : Hyderabad
Date : May 16, 2025

For and on behalf of Board of Directors of
Heritage Foods Limited

N Bhuvaneswari
Vice Chairperson and
Managing Director
DIN: 00003741

Srideep Madhavan Nair Kesavan
Chief Executive Officer

Place : Hyderabad
Date : May 16, 2025

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Executive Director
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Chief Financial Officer
M.No.FCA 200974

M Sambasiva Rao
Whole Time Director
DIN: 01887410

Umakanta Barik
Company Secretary &
Compliance Officer
M.No. FCS 6317

Consolidated Statement of Changes in Equity for the year ended 31 March 2025

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

(All amounts in ₹ millions, except share data and where otherwise stated)									
A Equity Share Capital		Notes	Number of shares	Amount					
As at 1 April 2023			9,27,96,000	463.98					
Changes in equity share capital		16	-	-					
As at 31 March 2024			9,27,96,000	463.98					
Changes in equity share capital		16	-	-					
As at 31 March 2025			9,27,96,000	463.98					
B Other equity (refer note 17)									
Reserves and Surplus					OCI				
	Capital reserve	Capital redemption reserve	Securities premium	Warrants appropriated	General reserve	Retained earnings	Changes in fair value of equity instruments	Non-controlling interest	Total
Balance as at 1 April 2023	(14.97)	8.10	368.62	31.87	842.74	5,558.79	(0.46)	-	6,794.69
Profit for the year	-	-	-	-	-	1,065.49	-	-	1,065.49
Payment of dividend (₹2.50 per equity share)	-	-	-	-	-	(231.99)	-	-	(231.99)
Other comprehensive income / (loss), net of taxes						(10.76)	0.18		(10.58)
Balance as at 31 March 2024	(14.97)	8.10	368.62	31.87	842.74	6,381.53	(0.28)	-	7,617.61
Profit for the year	-	-	-	-	-	1,882.80	-	-	1,882.80
Payment of dividend (₹2.50 per equity share)	-	-	-	-	-	(231.99)	-	-	(231.99)
Other comprehensive loss, net of taxes	-	-	-	-	-	(12.73)	(0.07)	-	(12.80)
Balance as at 31 March 2025	(14.97)	8.10	368.62	31.87	842.74	8,019.61	(0.35)	-	9,255.62

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

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

Sumesh E S
Partner
Membership No: 206931

Place : Hyderabad
Date : May 16, 2025

For and on behalf of Board of Directors of
Heritage Foods Limited

N Bhuvaneshwari
Vice Chairperson and
Managing Director
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Chief Executive Officer

A Prabhakara Naidu
Chief Financial Officer
M.No.FCA 200974

Umakanta Barik
Company Secretary &
Compliance Officer
M.No. FCS 6317

Summary of the material accounting policies and other explanatory information

1. Corporate information

Heritage Foods Limited (“the Company” or “Parent Company” or “Holding Company”) together with its subsidiary (collectively referred as “the Group”), a joint venture and an associate, is a leading India based Dairy Company, headquartered, and having its registered office at #H.No. 8-2-293/82/A/1286, Plot No: 1286, Road No. 1 & 65, Jubilee Hills, Hyderabad – 500033, Telangana, India. The Group operates through its three business divisions (a) Dairy, (b) Renewable Energy and (c) Animal Feed Products. The Parent Company’s shares are listed and traded on the Indian Stock Exchanges viz., BSE Limited and the National Stock Exchange of India.

2. Basis of preparation of the consolidated financial statements

The consolidated financial statements of the Company have been prepared in accordance with accounting principles generally accepted in India, Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013, read with the Companies (Indian Accounting Standards) Rules, 2015, as amended from time to time and presentation requirement of Division II of Schedule III to the Act, including the amendments to Schedule III notified by the Ministry of Corporate Affairs (“MCA”) vide its notification dated 24 March 2021 and guidelines issued by the Securities Exchange Board of India (“SEBI”).

These consolidated financial statements have been prepared by the Company as a going concern on the basis of relevant Ind-AS that are effective or elected for early adoption at the Parent Company’s annual reporting date, 31 March 2025. These consolidated financial statements were authorised for issuance by the Company’s Board of Directors on 16 May 2025.

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

- Financial assets are measured at either at fair value or at amortised cost depending upon the classification.
- Employee defined benefits assets / (liability) are recognised as the net total of the fair value of plan assets, plus actuarial losses, less actuarial gains and the present value of the defined benefit obligations.
- Long-term borrowings are measured at amortised cost using the effective interest rate method; and
- Right-of-use assets are recognised at present value of lease payments, that are not paid at that date, adjusted for any lease payments made at or before the commencement date, lease incentives received and initial direct cost incurred, if any.

The Group has uniformly applied the accounting policies during the periods presented. The consolidated financial statements are presented in Indian Rupees (₹) and all values are rounded to the nearest millions, except when otherwise indicated.

3. Summary of material accounting policies

a. Basis of consolidation

Subsidiaries

Subsidiaries are all entities (including special purpose entities) that are controlled by the Parent Company. Control exists when the Parent Company is exposed to or has rights to variable returns from its involvement with the entity and has the ability to affect those returns through power over the entity. In assessing

control, potential voting rights are considered only if the rights are substantive. The financial statements of subsidiaries are included in these consolidated financial statements from the date that control commences until the date that control ceases. Non-controlling interests in the results and equity of subsidiaries are shown separately in the consolidated statement of profit and loss, consolidated statement of changes in equity and consolidated balance sheet, respectively. For the purpose of preparing these consolidated financial statements, the accounting policies of subsidiaries have been changed where necessary to align them with the policies adopted by the Parent Company.

Consolidation procedure:

- Combine like items of assets, liabilities, equity, income, expenses and cash flows of the Parent Company with those of its subsidiaries.
- Offset (eliminate) the carrying amount of the Parent Company’s investment in each subsidiary and the Parent Company’s portion of equity of each subsidiary.
- Eliminate in full intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between entities of the Group (profits or losses resulting from intragroup transactions that are recognised in assets, such as inventory and Property, plant and equipment are eliminated in full). Intragroup losses may indicate an impairment that requires recognition in the consolidated financial statements. Ind AS12 Income Taxes applies to temporary differences that arise from the elimination of profits and losses resulting from intragroup transactions.

Profit or loss and each component of other comprehensive income (OCI) are attributed to the equity holders of the Parent Company and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance.

Joint arrangements (equity accounted investees)

Investments in joint ventures are accounted for using the equity method and are initially recognised at cost. The carrying value of the Company’s investment includes goodwill identified on acquisition, net of any accumulated impairment losses. The Company does not consolidate entities where the non-controlling interest (“NCI”) holders have certain significant participating rights that provide for effective involvement in significant decisions in the ordinary course of business of such entities. Investments in such entities are accounted by the equity method of accounting. When the Company’s share of losses exceeds its interest in an equity accounted investee, the carrying amount of that interest (including any long-term investments) is reduced to zero and the recognition of further losses is discontinued except to the extent that the Company has an obligation or has made payments on behalf of the investee.

For the purpose of preparing these consolidated financial statements, the accounting policies of joint venture has been changed where necessary to align them with the policies adopted by the Parent Company. Furthermore, the financial statements of the joint venture is prepared for the same reporting period as of the Parent Company.

Unrealised gains or losses arising from transactions with equity accounted investees are eliminated against the investment to the extent of the Parent Company’s interest in the investee.

Associate

An associate is an entity over which the Parent Company has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee, but is not control or joint control over those policies. Investment in an associate is accounted for using the equity method and the investment is initially recognised at cost.

Changes in ownership interests

Acquisition of some or all of the NCI is accounted for as a transaction with equity holders in their capacity as equity holders. Consequently, the difference arising between the fair value of the purchase consideration paid and the carrying value of the NCI is recorded as an adjustment to retained earnings that is attributable to the Parent company. The associated

cash flows are classified as financing activities. No goodwill is recognised as a result of such transactions.

Loss of Control

Upon loss of control, the Parent Company derecognises the assets and liabilities of the subsidiary, any NCIs and the other components of equity related to the subsidiary. Any surplus or deficit arising on the loss of control is recognised in the consolidated statement of profit and loss. If the Company retains any interest in the previous subsidiary, then such interest is measured at fair value at the date that control is lost. Subsequently, depending on the level of influence retained, it is accounted for as an equity-accounted investee or as an investment measured at fair value through other comprehensive income ("FVTOCI") or fair value through profit or loss ("FVTPL") under Ind AS 109, "Financial Instruments".

List of entities included in the consolidated financial statements is as under:

Name of the entity	Relationship	Country of incorporation	Proportion of ownership interest as at	
			31 March 2025	31 March 2024
Heritage Nutrivet Limited ("HNL")	Subsidiary	India	100%	100%
Heritage Novandie Foods Private Limited	Joint venture	India	50%	50%
SKIL Raigam Power (India) Limited*	Associate	India	43.33%	43.33%

*Declared as Dormant Company as per Section 455(2) of Companies Act, 2013 vide SRN No T42936765 dated 22 September 2021.

b. Current versus non-current classification

The Group presents assets and liabilities in the consolidated balance sheet based on current/ non-current classification.

An asset is treated as current when it is:

- Expected to be realised or intended to be sold or consumed in normal operating cycle
- Held primarily for the purpose of trading
- Expected to be realised within twelve months after the reporting period, or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in normal operating cycle
- It is held primarily for the purpose of trading
- It is due to be settled within twelve months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

All other liabilities are classified as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

The operating cycle is the time between the acquisition of assets for processing and their realisation in cash and cash equivalents. The Group has identified twelve months as its operating cycle.

c. Fair value measurement

The Group measures financial instruments at fair value at each consolidated balance sheet date.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible by the Group.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the consolidated financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 - Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognised in the consolidated financial statements on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

At each reporting date, the management analyses the movements in the values of assets and liabilities which are required to be re-measured or re-assessed as per the Group's accounting policies. For this analysis, the management verifies the major inputs applied in the latest valuation by agreeing the

information in the valuation computation to contracts and other relevant documents.

For the purpose of fair value disclosures, the Group has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

d. Revenue recognition

The Group derives revenues primarily from sale of milk, dairy products and feed products. It is also engaged in generation of power and trading of dairy and food commodities.

Revenue is recognized on satisfaction of performance obligation upon transfer of control of promised products or services to customers in an amount that reflects the consideration the Group expects to receive in exchange for those products or services ("transaction price").

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

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

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

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

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

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

e. Government grants

Government grants are recognised where there is reasonable assurance that the grant will be received and all attached conditions will be complied with. When the grant relates to an expense item, it is recognised as income on a systematic basis over the periods that the related costs, for which it is intended to compensate, are expensed. When the grant relates to an asset, it is initially recognised as deferred income at fair value and subsequently are recognised in statement of profit and loss as other income on a systematic basis over the expected useful life of the related asset.

On receipt of grants of non-monetary assets, the asset and the grant are recorded at fair value amounts and released to the consolidated statement of profit and loss over the expected useful life in a pattern of consumption of the benefit of the underlying asset i.e. by equal annual instalments. When loans or similar assistance are provided by governments or related institutions, with an interest rate below the current applicable market rate, the effect of this favourable interest is regarded as a government grant. The loan or assistance is initially recognised and measured at fair value and the government

grant is measured as the difference between the initial carrying value of the loan and the proceeds received. The loan is subsequently measured as per the accounting policy applicable to financial liabilities.

f. Taxes

Current income tax

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

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

Deferred tax

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

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

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised, except when the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.

In respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future. In respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax is recognised in the consolidated statement of profit and loss, except to the extent that it relates to items

recognised in other comprehensive income or directly in equity. In this case, the deferred tax is also recognised in other comprehensive income or directly in equity, respectively.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

g. **Property, plant and equipment and Capital work-in-progress**

Freehold land is carried at historical cost. Property, plant and equipment are stated at cost net of accumulated depreciation and accumulated impairment losses, if any. The cost comprises purchase price, the cost of replacing the part of plant and equipment and borrowing costs if capitalization criteria are met and any attributable cost of bringing the asset to its working condition and location for the intended use. Capital work in progress includes cost of property, plant and equipment under installation/under development as at the balance sheet date net of accumulated impairment loss, if any. Property, plant and equipment under installation or under construction as at balance sheet are shown as capital work-in-progress and the related advances are shown as capital advances.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognised when replaced.

When significant parts of plant and equipment are required to be replaced at intervals, the Company depreciates them separately based on their specific useful lives. Likewise, when a major inspection is performed, its cost is recognised in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognised in the consolidated statement of profit and loss as incurred. The present value of the expected cost for the decommissioning of an asset after its use is included in the cost of the respective asset if the recognition criteria for a provision are met.

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

Depreciation is provided on the basis of straight-line method at the useful life and in the manner prescribed in Schedule II of the Companies Act, 2013 except in respect of the following assets, based on technical assessment made by technical expert and /or internal evaluation. Management believes that these estimated useful lives are realistic and reflect fair approximation of the period over which the assets are likely to be used.

The useful life provided for different asset classes under schedule II of the Act and considered by the management are as follows:

Asset class	Useful life considered by management (in years)	Useful life prescribed under the Act (in years)
Buildings (including investment property)	5 – 30	30
Plant and machinery	1 – 20	15
Furniture and Fixtures	1 – 15	10
Vehicles	2 – 10	8
Office Equipment	1 – 20	5

- i) Depreciation on Improvements to leasehold property is provided over the period of lease.

- ii) Depreciation in respect of its Renewable Energy business is provided on straight line method and at rates/ methodology prescribed under the relevant Central Electricity Regulatory Commission (CERC) regulations.

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

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

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

h. **Borrowing cost**

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

i. **Leases**

The Group as a lessee

The Group's lease asset classes primarily consist of leases for land, buildings and plant and equipment. The Group assesses whether a contract contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Group assesses whether: (i) the contract involves the use of an identified asset (ii) the Group has substantially all of the economic benefits from use of the asset through the period of the lease and (iii) the Group has the right to direct the use of the asset.

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

Certain lease arrangements include the options to extend or terminate the lease before the end of the lease term. ROU assets and lease liabilities includes these options when it is reasonably certain that they will be exercised. The ROU assets are initially recognized at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses. The right-of-use asset is depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term, unless the lease transfers ownership of the underlying asset to the Group by the end of the lease term or the cost of the right-of-use asset reflects that the Group will exercise a purchase option. In that case the right-of-use asset will be depreciated over the useful life of the underlying asset, which is determined

on the same basis as those of property, plant and equipment. ROU assets are evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. For the purpose of impairment testing, the recoverable amount (i.e. the higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the Cash Generating Unit (CGU) to which the asset belongs.

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

The Group as a lessor

Leases for which the Group is a lessor is classified as a finance or operating lease. Whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee, the contract is classified as a finance lease. All other leases are classified as operating leases. For operating leases, rental income is recognized on a straight-line basis over the term of the relevant lease.

Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income.

j. Inventories

All inventories except stores, spares, consumables, semi-finished goods and packaging material, are valued at lower of cost and net realisable value. Stores, spares and consumables, semi-finished goods and packing material held for use in the production of finished products are not written down below cost except in cases where material prices have declined and it is estimated that the cost of the finished products will exceed their net realisable value. Costs for all categories of inventories have been ascertained using weighted average cost method.

Cost of inventories comprises of the following:

- Raw material, stock-in-trade, semi-finished goods, packaging materials and stores, spares and consumables: Cost includes purchase price, import duties and other taxes excluding taxes those are subsequently recoverable from the concerned authorities, freight inwards and other

expenditure incurred in bringing such inventories to their present location and condition.

- Finished goods and work in progress: Cost comprises cost of direct material, direct labour and appropriate proportion of variable and fixed overhead expenditure, the latter being allocated on the basis of normal operating capacity, but excluding borrowing costs.

Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

k. Impairment of assets

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

When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. Impairment losses of continuing operations, including impairment on inventories, are recognised in the consolidated statement of profit and loss.

For assets excluding goodwill, an assessment is made at each reporting date to determine whether there is an indication that previously recognised impairment losses no longer exist or have decreased. If such indication exists, the Group estimates the asset's or CGU's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years.

l. Provision and contingencies

Provisions

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

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

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

Contingencies

Contingent liabilities is identified and disclosed with respect to following:

- a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence

or non-occurrence of one or more uncertain future events not wholly within the control of the entity; or

- a present obligation that arises from past events but is not recognised because:
 - ▶ it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation; or
 - ▶ the amount of the obligation cannot be measured with sufficient reliability.

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

m. Employee benefits

Short term benefits

Short Term Employee Benefits are accounted for in the period during which the services have been rendered.

Post-employment benefits and other long term employee benefits

Provident Fund: Retirement benefit in the form of provident fund is a defined contribution scheme. The contributions to the provident fund administered by the Central Government under the Provident Fund Act, 1952, are charged to the consolidated statement of profit and loss for the year in which the contributions are due. The Group has no obligation, other than the contribution payable to the provident fund. If the contribution payable to the scheme for service received before the consolidated balance sheet date exceeds the contribution already paid, the deficit payable to the scheme is recognized as a liability after deducting the contribution already paid. If the contribution already paid exceeds the contribution due for services received before the consolidated balance sheet date, then excess is recognized as an asset to the extent that the pre-payment will lead to a reduction in future payment.

Gratuity: The Group operates a defined benefit gratuity plan in India, which requires contributions to be made to a separately administered fund. The cost of providing benefits under the defined benefit plan is determined using the projected unit credit method.

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

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

n. Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Financial assets

Initial recognition and measurement

All financial assets, excluding trade receivables are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset. Trade receivables that do not contain a significant financing component are measured at transaction price.

Subsequent measurement

For purposes of subsequent measurement, financial assets are classified in four categories:

- Debt instruments at amortised cost
- Debt instruments and equity instruments at fair value through profit or loss (FVTPL)
- Equity instruments measured at FVTOCI and FVTPL

Debt instruments at amortised cost

A 'debt instrument' is measured at the amortised cost if both the following conditions are met:

- a) The asset is held within a business model, whose objective is to hold assets for collecting contractual cash flows, and
- b) Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance income in the consolidated statement of profit and loss. The losses arising from impairment are recognised in the consolidated statement of profit and loss.

Debt instrument at FVTPL

FVTPL is a residual category for debt instruments. Any debt instrument, which does not meet the criteria for categorization as at amortized cost or as FVTOCI, is classified as at FVTPL.

Debt instruments included within the FVTPL category are measured at fair value with all changes recognized in the consolidated statement of profit and loss.

Equity instruments

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

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

De-recognition

A financial asset is primarily derecognised when:

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

When the Group has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Group continues to recognise the transferred asset to the extent of the Group's

continuing involvement. In that case, the Group also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group has retained.

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

Impairment of financial assets

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

- Financial assets that are debt instruments, and are measured at amortised cost e.g., loans, debt securities, deposits, trade receivables and bank balances
- Financial guarantee contracts which are not measured at FVTPL
- Lease receivables under Ind AS 116

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

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

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

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

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

ECL impairment loss allowance (or reversal) recognized during the period is recognized as income/ expense in the consolidated statement of profit and loss. This amount is reflected under the head 'other expenses' in the consolidated statement of profit and loss.

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

Financial liabilities

Initial recognition and measurement

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

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

The Group's financial liabilities include trade and other payables, loans and borrowings including financial guarantee contracts and derivative financial instruments.

Subsequent measurement

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

Loans and borrowings

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

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

This category generally applies to borrowings from banks.

Trade and other payables

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

De-recognition

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

Offsetting of financial instruments

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

o. Earnings per share

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders (after deducting preference dividends and attributable taxes) by the weighted average number of equity shares outstanding during the period.

For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the year are adjusted for the effects of all dilutive potential equity shares.

p. Cash flow statement

The consolidated cash flow statement is prepared in accordance with the Indirect method. Consolidated Cash Flow Statement presents the cash flows by operating, financing and investing activities of the Group. Operating cash flows are arrived by adjusting profit or loss before tax for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments, and items of income or expense associated with investing or financing cash flows.

For the purpose of Consolidated Cash flow statement, cash and cash equivalents consist of cash on hand and balances

with banks in current accounts and short-term deposits with an original maturity of three months or less, and excludes balances maintained in cash credit accounts, as they are not considered to be an integral part of the Group's cash management.

q. Cash and cash equivalents

Cash and cash equivalent in the consolidated balance sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

r. Cash dividends to equity holders

Annual dividend distribution to the shareholders is recognised as a liability in the period in which the dividend is approved by the shareholders. Any interim dividend paid is recognised on approval by Board of Directors. Dividend payable / paid, is recognised directly in equity.

s. Operating segments

Operating segments are reported in a manner consistent with the internal reporting provided to Chief Operating Decision Maker.

Vice Chairperson and Managing Director, Executive Director, President, Chief Executive Officer, Chief Operating Officer and Chief Financial Officer have been identified as Chief Operating Decision Maker. Refer note 48 for segment information.

4. Key accounting estimates, judgements and assumptions

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

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

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

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

b. Useful lives of depreciable and amortisable assets

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

c. Leases

Ind AS 116 requires lessees to determine the lease term as the non-cancellable period of a lease adjusted with any option to extend or terminate the lease, if the use of such option is reasonably certain. The Group makes an assessment on the expected lease term on a lease-by-lease basis and thereby assesses whether it is reasonably certain that any options to extend or terminate the

contract will be exercised. In evaluating the lease term, the Group considers factors such as any significant leasehold improvements undertaken over the lease term, costs relating to the termination of the lease and the importance of the underlying asset to Group's operations taking into account the location of the underlying asset and the availability of suitable alternatives.

d. Impairment of assets

The impairment provisions for financial assets are based on assumptions about risk of default and expected cash loss rates. The Group uses judgement in making these assumptions and selecting the inputs to the impairment calculation, based on Group's past history, existing market conditions as well as forward-looking estimates at the end of each reporting period.

In case of non-financial assets, assessment of impairment indicators involves consideration of future risks. Further, the company estimates asset's recoverable amount, which is higher of an asset's or Cash Generating Units (CGU's) fair value less costs of disposal and its value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using 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.

5. Standards and recent pronouncements issued but not yet effective

Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. The Group applied following amendments for the first-time during the current year which are effective from 1 April 2024:

a) Introduction of Ind AS 117

MCA notified Ind AS 117, a comprehensive standard that prescribe, recognition, measurement and disclosure requirements, to avoid diversities in practice for accounting insurance contracts and it applies to all companies i.e., to all "insurance contracts" regardless of the issuer. However, Ind AS 117 is not applicable to the entities which are insurance companies registered with IRDAI.

The Group has reviewed the new pronouncements and based on its evaluation has determined that these amendments do not have an impact on the Consolidated Financial Statements.

Summary of the material accounting policies and other explanatory information

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

6. Property, Plant and Equipment and Right-of-use assets

Gross Block

	Freehold land	Buildings	Leasehold improvements	Plant and Equipment	Furniture and fixtures	Office equipment	Vehicles	Total	Right-of-use assets
Balance as at 1 April 2023	549.02	2,106.92	75.89	4,828.78	51.11	154.64	70.50	7,836.86	420.38
Additions during the year	6.80	246.00	1.86	1,066.36	8.14	27.29	8.51	1,364.96	100.35
Disposals/ transfers during the year	0.29	5.14	-	143.02	1.11	9.32	1.13	160.01	8.46
Balance as at 31 March 2024	555.53	2,347.78	77.75	5,752.12	58.14	172.61	77.88	9,041.81	512.27
Additions during the year	66.68	183.47	-	807.39	15.26	33.61	9.51	1,115.92	34.45
Disposals/ transfers during the year	0.38	0.66	-	142.97	1.00	11.24	14.74	170.99	3.87
Balance as at 31 March 2025	621.83	2,530.59	77.75	6,416.54	72.40	194.98	72.65	9,986.74	542.85

Accumulated depreciation

Up to 1 April 2023	-	375.13	1.59	1,548.93	16.10	54.22	28.32	2,024.29	99.69
Depreciation charge for the year	-	88.69	4.88	408.53	7.01	20.51	9.41	539.03	57.24
Adjustment for disposals/ transfers	-	1.39	-	121.78	0.91	7.70	0.83	132.61	8.46
Impairment loss	-	-	-	5.96	0.11	0.61	-	6.68	-
Up to 31 March 2024	-	462.43	6.47	1,841.64	22.31	67.64	36.90	2,437.39	148.47
Depreciation charge for the year	-	99.92	4.93	476.91	7.09	22.04	9.06	619.95	63.31
Adjustment for disposals/ transfers	-	0.18	-	123.08	0.85	9.29	13.12	146.52	10.51
Impairment loss	-	-	-	6.59	-	0.15	-	6.74	-
Up to 31 March 2025	-	562.17	11.40	2,202.06	28.55	80.54	32.84	2,917.56	201.27

Net carrying value

As at 31 March 2024	555.53	1,885.35	71.28	3,910.48	35.83	104.97	40.98	6,604.42	363.80
As at 31 March 2025	621.83	1,968.42	66.35	4,214.48	43.85	114.44	39.81	7,069.18	341.58

Notes: (i) For details of assets pledged as security, refer note 18(a) to 18(b).

(ii) The Group has recognised impairment loss on account of physical wear and tear of assets.

(iii) The title deeds of all the immovable properties including investment properties held by the Group (other than properties where the Group is the lessee and the lease agreements are duly executed in favour of the lessee), are held in the name of the Group.

Summary of the material accounting policies and other explanatory information

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

6(a) Capital Work-in-Progress (CWIP)

(i) Capital Work-in-Progress:

	As at	
	31 March 2025	31 March 2024
Ageing schedule of capital work-in-progress (CWIP)		
Projects in progress		
< 1 Year	677.46	195.23
1-2 Years	2.10	5.40
> 2 Years	-	-
Projects in progress (total)	679.56	200.63
Projects temporarily suspended	-	-
(ii) The Group does not have any material CWIP which is overdue or has exceeded its cost compared to its original plan and hence the disclosure of CWIP completion schedule is not applicable.		
(iii) CWIP movement schedule:		
		Total
Opening as at 1 April 2023		199.33
Additions during the year*		1,359.46
Capitalisations during the year		(1,358.16)
Closing as at 31 March 2024		200.63
Additions during the year*		1,528.17
Capitalisations during the year		(1,049.24)
Closing as at 31 March 2025		679.56

*includes borrowing cost capitalised aggregating to ₹0.16 (31 March 2024: ₹6.64)

7. Other intangible assets

	Computer software	Brand	Non-compete	Procurement network	Distribution network	Total
Gross Block						
Balance as at 1 April 2023	101.37	74.55	32.18	43.76	50.69	302.55
Additions during the year	5.41	-	-	-	-	5.41
Balance as at 31 March 2024	106.78	74.55	32.18	43.76	50.69	307.96
Additions during the year	0.70	-	-	-	-	0.70
Adjustment for disposals/ transfers	(3.81)	-	-	-	-	(3.81)
Balance as at 31 March 2025	111.29	74.55	32.18	43.76	50.69	312.47
Accumulated amortization						
Up to 1 April 2023	62.27	74.55	32.18	43.35	50.37	262.72
Amortization charge for the year	10.48	-	-	0.22	0.14	10.84
Up to 31 March 2024	72.75	74.55	32.18	43.57	50.51	273.56
Amortization charge for the year	10.90	-	-	0.18	0.14	11.22
Adjustment for disposals/ transfers	(3.63)	-	-	-	-	(3.63)
Up to 31 March 2025	87.28	74.55	32.18	43.75	50.65	288.41
Net carrying amount						
As at 31 March 2024	34.03	-	-	0.19	0.18	34.40
As at 31 March 2025	24.01	-	-	0.01	0.04	24.06

Summary of the material accounting policies and other explanatory information

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

8. Investment property

	Land	Building	Total
Gross Block			
Balance as at 1 April 2023	23.30	26.67	49.97
Transfers during the year	-	-	-
Balance as at 31 March 2024	23.30	26.67	49.97
Transfers during the year	-	-	-
Balance as at 31 March 2025	23.30	26.67	49.97
Accumulated depreciation			
Up to 31 March 2023	-	6.85	6.85
Depreciation charge for the year	-	1.08	1.08
Up to 31 March 2024	-	7.93	7.93
Depreciation charge for the year	-	1.08	1.08
Up to 31 March 2025	-	9.01	9.01
Net carrying amount			
As at 31 March 2024	23.30	18.74	42.04
As at 31 March 2025	23.30	17.66	40.96

(a) Information of net income derived from Investment property

	For the year ended	
	31 March 2025	31 March 2024
Lease rental income	17.22	9.41
Less: Depreciation	(1.08)	(1.08)
Net income from Investment property	16.14	8.33

(b) Description of valuation technique and key assumptions used

	31 March 2025		31 March 2024	
	Land	Building	Land	Building
Valuation technique: Discounted Cash Flow ("DCF") method				
Estimated rental value per month (in absolute ₹ terms)	78,750	NA	75,000	NA
Estimated rental value per square feet per month (in absolute ₹ terms)	NA	30	NA	28
Rental growth per annum	5%	5%	5%	5%
Discount rate	6.50%	6.50%	6.50%	6.50%

(c) Changes in fair value of Investment property is shown below:

	Amount
Fair value as on 31 March 2023	349.84
Increase in fair value of an existing Investment property	-
Fair value as on 31 March 2024	349.84
Increase in fair value of an existing Investment property	24.69
Fair value as on 31 March 2025	374.53

Notes:

The disclosed fair value of investment property is derived based on the valuation by a registered valuer as defined under rule 2 of Companies (Registered Valuers and Valuation) Rules, 2017.

Summary of the material accounting policies and other explanatory information

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

9. Investment in associate and joint venture

	As at	
	31 March 2025	31 March 2024
Unquoted		
Investment in an associate *		
650,000 (31 March 2024: 650,000) equity shares of ₹ 10 each fully paid held in SKIL Raigam Power (India) Limited	6.50	6.50
Less: Share of accumulated and impairment losses	(6.50)	(6.50)
	-	-
* SKIL Raigam Power (India) Limited has been declared as Dormant Company as per Section 455(2) of the Companies Act, 2013		
Investment in a joint venture		
79,95,339 (31 March 2024: 64,64,727) equity shares of ₹10 each fully paid held in Heritage Novandie Foods Private Limited	498.85	423.35
Less: Share of accumulated losses and impairment #	(402.80)	(246.64)
	96.05	176.71
	96.05	176.71
Aggregate amount of unquoted investments	96.05	176.71
Aggregate amount of impairment in value of investments	35.11	6.27

(#) The impairment loss provided is presented as an exceptional item in the consolidated statement of profit and loss for the year ended 31 March 2025.

Refer note 46(e) on disclosures related to the impairment loss.

10. Investments

	As at	
	31 March 2025	31 March 2024
Non current		
Investments at fair value through other comprehensive income ("FVTOCI")		
Investments in equity instruments		
117 (31 March 2024: 117) quoted equity shares of ₹ 10 each fully paid held in Union Bank of India Limited	0.01	0.02
1,740 (31 March 2024: 1,740) quoted equity shares of ₹ 2 each fully paid held in Bank of Baroda	0.40	0.46
200,000 (31 March 2024: 200,000) unquoted equity shares of ₹ 10 each fully paid held in Heritage Finlease Limited	2.60	2.60
	3.01	3.08
Investments at amortized cost		
Investments in government securities	0.12	0.12
	0.12	0.12
	3.13	3.20
Aggregate market value of quoted investments	0.41	0.48
Aggregate value of unquoted investments	2.72	2.72
Aggregate amount of impairment in value of investments	-	-

Summary of the material accounting policies and other explanatory information

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

	As at	
	31 March 2025	31 March 2024
Current		
Investment in Mutual Funds		
696,122 (31 March 2024: 1,066,838) units held in Aditya Birla Sun Life Liquid Fund Growth	288.11	411.44
Nil (31 March 2024: 53,189) units held in Kotak Liquid Fund Regular Plan Growth	-	257.43
18,932,758 (31 March 2024: 11,725,206) units held in Kotak Equity Arbitrage Fund Regular Plan Growth	698.30	402.24
18,408,829 (31 March 2024: 6,184,722) units held in Aditya Birla Sun Life Arbitrage Fund Growth	481.07	150.72
11,866,642 (31 March 2024: Nil) units held in SBI Arbitrage Opportunities Fund Regular Growth	394.64	0.00
	1,862.13	1,221.83
Investments at amortized cost		
Investments in government securities	0.03	0.03
	0.03	0.03
	1,862.16	1,221.86
Aggregate market value of quoted investments	1,862.13	1,221.83
Aggregate value of unquoted investments	0.03	0.03
Aggregate amount of impairment in value of investments	-	-

11. Other financial assets

	As at	
	31 March 2025	31 March 2024
Non-current		
Unsecured, Considered good		
Interest accrued but not due on bank deposits	0.03	-
Security deposits	156.44	111.39
Margin money deposits with banks	0.79	0.07
	157.26	111.46
Current		
Unsecured, Considered good		
Interest accrued but not due on bank deposits	0.45	0.78
Rent receivable	1.94	1.77
Security deposits	48.60	35.53
Others	81.75	89.30
	132.74	127.38

11(a). Loans

	As at	
	31 March 2025	31 March 2024
Current		
Unsecured, considered good		
Loans to others	-	0.24
	-	0.24

Summary of the material accounting policies and other explanatory information

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

12. Other assets

	As at	
	31 March 2025	31 March 2024
Non-current		
Unsecured, Considered good		
Capital advances	318.76	23.53
Prepaid expenses	1.22	1.02
	319.98	24.55
Unsecured, Considered doubtful		
Capital advances	1.25	1.25
Less: Allowance for doubtful capital advances	(1.25)	(1.25)
	-	-
	319.98	24.55
Current		
Unsecured, Considered good		
Balance with statutory authorities	24.70	15.36
Prepaid expenses	80.89	58.07
Advances to suppliers and others	78.00	35.68
	183.59	109.11
Unsecured, Considered doubtful		
Other advances	15.40	15.40
Less: Provision for doubtful advances	(15.40)	(15.40)
	-	-
	183.59	109.11

No advances are due from directors or other officers of the Group either severally or jointly with any other person or amounts due by firms or private companies respectively in which any director is a partner or a director or a member. Refer note 41 for dues from related parties.

13. Inventories

	As at	
	31 March 2025	31 March 2024
Raw materials	681.34	363.74
Work-in-progress	19.72	17.79
Semi finished goods	1,597.88	1,179.94
Finished goods (including goods in transit of ₹6.40 (31 March 2024: ₹0.42))	941.67	809.66
Stock-in-trade	110.76	62.56
Packing materials	120.20	122.60
Stores, spares and consumables	80.53	62.84
	3,552.10	2,619.13

The write down of inventories to net realisable value during the year ended 31 March 2025 aggregated to ₹19.45 (31 March 2024: ₹57.11). This write down is included in the changes in inventories of finished goods, semi finished goods stock-in-trade and work-in-progress in the statement of profit and loss.

Summary of the material accounting policies and other explanatory information

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

14. Trade receivables

	As at	
	31 March 2025	31 March 2024
Unsecured, considered good	391.19	295.45
Unsecured, credit impaired	81.77	83.35
	472.96	378.80
Less: Allowance for credit loss	(92.50)	(91.74)
	380.46	287.06

- (a) **The movement in the allowance for credit loss and expected credit loss for the year ended 31 March 2025 and 31 March 2024 is as follows:**

	For the year ended	
	March 31, 2025	March 31, 2024
Opening balance at beginning of the year	91.74	92.66
Add: Provision made during the year	6.37	9.86
Less: Amount recovered during the year	(3.01)	(3.85)
Less: Bad debts written off during the year	(2.60)	(6.93)
Closing balance at end of the year	92.50	91.74

(b) Trade receivables ageing schedule

Particulars	Outstanding for following periods from due date of payment					
	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	Total
As at 31 March 2025						
Undisputed						
Considered good	391.19	-	-	-	-	391.19
Credit impaired	-	1.35	-	3.04	63.41	67.80
Disputed						
Considered good	-	-	-	-	-	-
Credit impaired	-	-	-	-	13.97	13.97
As at 31 March 2024						
Undisputed						
Considered good	295.45	-	-	-	-	295.45
Credit impaired	-	3.82	2.04	63.41	-	69.27
Disputed						
Considered good	-	-	-	-	-	-
Credit impaired	-	-	-	-	14.08	14.08

Trade receivables include dues aggregating to ₹0.84 (31 March 2024: ₹0.26) receivable from Heritage Novandie Foods Private Limited, in which Director of the Holding Company is a Director.

Summary of the material accounting policies and other explanatory information

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

15. Cash and Bank Balances

	As at	
	31 March 2025	31 March 2024
(i) Cash and cash equivalents		
Balances with banks in current accounts	643.35	783.62
Cash on hand	1.41	1.46
	644.76	785.08
(ii) Other bank balances		
Earmarked balances with banks		
Unpaid dividend	12.47	13.89
CSR unspent money	28.41	31.43
Margin money deposits with banks	11.04	7.83
	51.92	53.15

16. Equity share capital

i. Authorised share capital	31 March 2025		31 March 2024	
	Number	Amount	Number	Amount
Equity shares of ₹ 5 each	9,60,00,000	480.00	9,60,00,000	480.00
Preference shares of ₹ 10 each	20,00,000	20.00	20,00,000	20.00
		500.00		500.00
ii. Issued, subscribed and fully paid up	31 March 2025		31 March 2024	
	Number	Amount	Number	Amount
Equity shares of ₹ 5 each	9,27,96,000	463.98	9,27,96,000	463.98
	9,27,96,000	463.98	9,27,96,000	463.98
iii. Reconciliation of number of equity shares outstanding at the beginning and end of the year	31 March 2025		31 March 2024	
	Number	Amount	Number	Amount
Equity shares				
At the beginning of the year	9,27,96,000	463.98	9,27,96,000	463.98
Changes during the year	-	-	-	-
At the end of the year	9,27,96,000	463.98	9,27,96,000	463.98

iv. Rights, preferences and restrictions attached to equity shares

The Company has only one class of issued, subscribed and paid up equity shares having a par value of ₹ 5 each per share. Each holder of equity shares is entitled to one vote per share. The Company declares and pays dividend in Indian rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the Annual General Meeting.

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the share holders.

Summary of the material accounting policies and other explanatory information

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

v. Details of shareholders holding more than 5% equity shares in the Company

	31 March 2025		31 March 2024	
	Number	% holding	Number	% holding
N Bhuvaneshwari	2,26,11,525	24.37%	2,26,11,525	24.37%
Nirvana Holdings Private Limited	1,09,13,107	11.76%	1,09,13,107	11.76%
Nara Lokesh	1,00,37,453	10.82%	1,00,37,453	10.82%
Megabid Finance & Investment Private Limited	51,90,937	5.59%	51,90,937	5.59%
DSP Small Cap Fund	-	-	48,61,036	5.24%

vi. Shareholding of Promoters as at 31 March 2025

Name of the promoter *	As at 31 March 2025		As at 31 March 2024		% change during the year
	No. of Shares	% of total shares	No. of Shares	% of total shares	
N Bhuvaneshwari	2,26,11,525	24.37%	2,26,11,525	24.37%	0.00%
Nara Lokesh	1,00,37,453	10.82%	1,00,37,453	10.82%	0.00%
Megabid Finance & Investment Private Limited	51,90,937	5.59%	51,90,937	5.59%	0.00%
N Brahmani	4,30,952	0.46%	4,30,952	0.46%	0.00%
N Devaansh	56,075	0.06%	56,075	0.06%	0.00%
Ramakrishna Nandamuri	800	0.00%	800	0.00%	0.00%

vii. Shareholding of Promoters as at 31 March 2024

Name of the promoter *	As at 31 March 2024		As at 31 March 2023		% Change during the year
	No. of Shares	% of total shares	No. of Shares	% of total shares	
N Bhuvaneshwari	2,26,11,525	24.37%	2,26,11,525	24.37%	0.00%
Nara Lokesh	1,00,37,453	10.82%	1,00,37,453	10.82%	0.00%
Megabid Finance & Investment Private Limited	51,90,937	5.59%	51,90,937	5.59%	0.00%
N Brahmani	4,30,952	0.46%	4,30,952	0.46%	0.00%
N Devaansh	56,075	0.06%	56,075	0.06%	0.00%
Ramakrishna Nandamuri	800	0.00%	800	0.00%	0.00%
N P Ramakrishna	-	-	1,16,971	0.13%	(0.13%)
Durga Ramakrishna N P	-	-	71,590	0.08%	(0.08%)
Neelima N P	-	-	64,950	0.07%	(0.07%)

* Details of promoters are identified based on information submitted with the stock exchanges as per SEBI (LODR) Regulations, 2015 (as amended) and the Annual Returns filed in accordance with the provisions of Section 92 of the Act.

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

Summary of the material accounting policies and other explanatory information

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

17. Other equity

	As at	
	31 March 2025	31 March 2024
Reserves and Surplus		
Capital reserve	(14.97)	(14.97)
Capital redemption reserve	8.10	8.10
Securities premium	368.62	368.62
Warrants money appropriated	31.87	31.87
General reserve	842.74	842.74
Retained earnings	8,019.61	6,381.53
	9,255.97	7,617.89
Item of OCI		
Changes in fair value of equity instruments	(0.35)	(0.28)
	(0.35)	(0.28)
	9,255.62	7,617.61

Nature and purpose of reserves

Securities premium

The amount received in excess of face value of the equity shares, net off issue expenses, is recognised in the securities premium. This reserve will be utilised in accordance with the provisions of Section 52 of the Companies Act, 2013 ("the Act").

Capital reserve

The excess of net assets taken, over the consideration paid, as part of the business combinations have been recorded under the capital reserve during the earlier years.

Capital redemption reserve

Capital redemption reserve was created on buy back of equity shares in the earlier years. The Company uses capital redemption reserve in accordance with the provisions of the Act.

Warrants money appropriated

Warrants money appropriated represents forfeiture of share application money made during the earlier years.

General reserve

The reserve has arisen on transfer of a portion of the net profit pursuant to the provisions of the erstwhile Companies Act, 1956. Mandatory transfer to general reserve is not required under the Act.

Changes in fair value of equity instruments

This represents the cumulative gains and losses arising on the fair valuation of equity instruments measured at FVTOCI, under an irrevocable option, net of amounts reclassified to retained earnings when such assets are disposed off.

Retained earnings

Retained earnings are the profits that the Company has earned till date, less any transfers to general reserve, dividends or other distribution to the shareholders.

Summary of the material accounting policies and other explanatory information

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

18. Borrowings

	As at	
	31 March 2025	31 March 2024
Non-current		
Secured		
Term loans from banks [refer note 18(a)]	1,110.26	751.47
	1,110.26	751.47
Current		
Secured		
Current maturities of term loans from banks [refer note 18(a)]	253.68	168.99
Current maturities of deferred payment liabilities [refer note 18(iii)]	-	7.77
Loans repayable on demand from banks [refer note 18(b)]	-	-
	253.68	176.76

(i) Reconciliation of liabilities arising from financial activities*

	As at	
	31 March 2025	31 March 2024
Balance at beginning of the year	928.23	79.55
Proceeds from long term borrowings	725.45	908.00
Repayments of long term borrowings	(284.76)	(46.64)
Others	(4.98)	(12.68)
Balance at end of the year	1,363.94	928.23

Includes only current and non-current portions of long term borrowings*(ii) Reconciliation of interest accrued but not due on term loans from banks**

	For the year ended	
	31 March 2025	31 March 2024
Balance at beginning of the year	0.34	0.49
Interest expense for the year	109.45	25.44
Interest paid during the year	108.95	25.59
Balance at end of the year	0.84	0.34

- (iii) Deferred Payment Liabilities represents sales tax collected under deferment scheme which the Holding Company is obligated to repay in 14 yearly instalments starting from September 2011 and ending by September 2024 in case of its Gokul plant and in 14 yearly instalments starting from November 2010 and ending by November 2023 for its Bayyavaram plant. The Holding Company has created a charge on its specified fixed assets. The company has repaid the balance amount during the year.

Summary of the material accounting policies and other explanatory information

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

18(a) Terms and conditions of term loans from banks

Name	Interest rate (%)	Type of security	Outstanding balance as on*	
			31 March 2025	31 March 2024
Bank of Baroda	One year MCLR +0.25% per annum	Repayable in 24 quarterly instalments commencing from 31 March 2024 Mortgage of Shamirpet plant and charge on plant and machinery of Shamirpet plant	228.39	276.35
ICICI Bank	One year MCLR +0.10% per annum	Repayable in 24 quarterly instalments commencing from 30 Jun 2024 - First charge by way of equitable mortgage over the identified immovable fixed assets of Borrower. - First charge by way of hypothecation of movable fixed assets of above identified immovable fixed assets of Borrower.	999.98	606.92
HDFC Bank	One month Repo rate + spread of 1.75%	Repayable in 24 quarterly instalments commencing from 15 May 2026 - Movable fixed assets first pari passu charge on plant and machinery at Shamirpet plant - Immovable fixed assets first pari passu charge on land and buildings at Shamirpet plant	113.57	-
Kotak Mahindra Bank	Three months MCLR+ spread per annum	Repayable in 24 quarterly instalments commencing from January 2026 - Exclusive mortgage on land and building located at Mallavalli village, Krishna District. - First charge on movable fixed assets of the feed division - Second charge on current assets of the feed division	22.00	37.19
			1,363.94	920.46

*Including current maturities of term loans from banks.

18(b) Terms and conditions of loans repayable on demand from banks

Name	Interest rate (%)	Type of security	Outstanding balance as on	
			31 March 2025	31 March 2024
ICICI Bank	Six months MCLR + 0.50% per annum	First pari passu charge on current assets and second	-	-
Bank of Baroda	One year MCLR + 0.25 % per annum	pari passu charge on fixed	-	-
Union Bank of India	One year MCLR + 0.10% per annum	assets of the Holding	-	-
Kotak Mahindra Bank	Six months MCLR + 0.30% per annum	Company, excluding proj-	-	-
HDFC Bank	One month Repo rate + 2.50% per annum	ect specific assets.	-	-
Kotak Mahindra Bank	Three months MCLR + 2.45% spread per annum	First charge on the entire current assets of the feed division. Second charge on movable fixed assets	-	-
			-	-

Summary of the material accounting policies and other explanatory information

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

19. Other financial liabilities

	As at	
	31 March 2025	31 March 2024
Non-current		
Financial guarantee	1.97	3.67
	1.97	3.67
Current		
Current maturities of financial guarantee	2.16	2.16
Interest accrued but not due on borrowings	0.84	0.34
Capital creditors	304.14	177.80
Employee related payables	486.26	353.06
Security deposits	530.88	446.89
Unpaid dividend	12.47	13.89
Other payables	33.52	40.10
	1,370.27	1,034.24

20. Provisions

	As at	
	31 March 2025	31 March 2024
Non-current		
Compensated absences	280.58	225.47
	280.58	225.47
Current		
Gratuity (refer note a below)	7.45	-
Compensated absences	128.40	107.85
	135.85	107.85

(a) Gratuity

The Group provides its employees with benefits under a defined benefit plan, referred to as the "Gratuity Plan". The Gratuity Plan entitles an employee, who has rendered at least five years of continuous service, to receive 15 days salary for each year of completed service (service of six months and above is rounded off as one year) at the time of retirement/exit in accordance with the Payment of Gratuity Act, 1972. The Group maintains its investments with Life Insurance Corporation of India, to fund its gratuity plan.

(i) Change in projected benefit obligation

	As at	
	31 March 2025	31 March 2024
Projected benefit obligation at the beginning of the year	203.24	166.01
Service cost	26.10	21.21
Interest cost	13.68	11.46
Actuarial loss - experience assumptions	10.95	12.00
Actuarial loss - demographic assumptions	-	-
Actuarial gain - financial assumptions	5.87	1.91
Benefits paid	(9.89)	(9.35)
Projected benefit obligation at the end of the year	249.95	203.24

Summary of the material accounting policies and other explanatory information

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

(ii) Change in fair value of plan assets

	As at	
	31 March 2025	31 March 2024
Fair value of plan assets at the beginning of the year	207.50	173.24
Interest income	15.02	13.07
Contribution made	30.51	31.03
Return on plan assets greater / (lesser) than discount rate	(0.19)	(0.49)
Benefits paid	(9.89)	(9.35)
Fair value of plan assets at the end of the year	242.95	207.50

(iii) Reconciliation of present value of projected benefit obligation and fair value of plan assets

	As at	
	31 March 2025	31 March 2024
Present value of projected benefit obligation	249.95	203.24
Funded status of plan assets	242.95	207.50
Liability recognised in the Consolidated Balance Sheet	7.45	-
Asset recognised in the Consolidated Balance Sheet	0.45	4.26

(iv) Expense recognized in the Consolidated Statement of Profit and Loss

	For the year ended	
	31 March 2025	31 March 2024
Interest cost	13.68	11.46
Service cost	26.10	21.21
Interest income	(15.02)	(13.07)
	24.76	19.60

(v) Expense recognized in OCI

	For the year ended	
	31 March 2025	31 March 2024
Actuarial loss, net	17.01	14.40
	17.01	14.40

(vi) Key actuarial assumptions

	As at	
	31 March 2025	31 March 2024
Discount rate	6.40%	6.90%
Salary escalation rate	8.00%-9.00%	8.00%-9.00%
Attrition rate	15%- 30%	15%- 30%
Mortality rate	Indian Assured Lives Mortality (2006-08) Ult.	Indian Assured Lives Mortality (2006-08) Ult.

Summary of the material accounting policies and other explanatory information

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

(vii) Sensitivity analysis

Reasonably possible changes as at 31 March 2025 to one of the relevant actuarial assumptions, holding other assumptions constant, can affect the defined benefit obligation by the amounts shown below.

	As at 31 March 2025	
	Increase	Decrease
Discount rate (1% movement)	11.26	12.67
Salary escalation rate (1% movement)	11.79	10.75
Attrition rate (1% movement)	1.40	1.50

(viii) The Group expects to contribute ₹7.45 as its contribution to gratuity within one year from the year ended 31 March 2025.

(ix) Maturity analysis of Gratuity as on 31 March 2025 is as follows:

	As at	
	31 March 2025	31 March 2024
Weighted average duration of the defined benefit obligation	3-5 Years	5 Years
Maximum gratuity contribution per person	2.00	2.00
Expected cash flows over the years (valued on discounted basis):		
Within one year	45.35	37.00
Within two to five years	124.65	102.72
More than five years	98.43	97.05
	268.43	236.77

21. Deferred tax liabilities (net)

	As at	
	31 March 2025	31 March 2024
Deferred tax liabilities arising on account of:		
Property, Plant and Equipment ("PPE")	444.11	421.17
	444.11	421.17
Deferred tax assets arising on account of:		
Provision for employee benefits	(106.62)	(87.65)
Minimum alternate tax ("MAT") credit entitlement	-	(4.44)
Others:		
Provision for trade receivables & advances and unrealised gain on inventories	(31.42)	(31.37)
Government grant	(17.91)	(19.59)
Interest on GST liability	(8.69)	(8.69)
Revaluation of investments at FVTOCI to fair value	17.53	(0.62)
Right-of-use assets	(9.88)	(7.48)
	(156.99)	(159.84)
	287.12	261.33

Summary of the material accounting policies and other explanatory information

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

Movement in deferred tax liabilities, net

	PPE	Provision for employee benefits	MAT credit entitlement	Others	Total
As at 1 April 2023	398.14	(71.57)	(11.85)	(67.33)	247.39
Charged/ recognised					
- to Statement of Profit and Loss	23.03	(12.44)	-	(0.42)	10.17
- to OCI	-	(3.64)	-	-	(3.64)
-Utilised during the year	-	-	7.41	-	7.41
As at 31 March 2024	421.17	(87.65)	(4.44)	(67.75)	261.33
Charged/ recognised					
- to Statement of Profit and Loss	22.94	(14.69)	-	17.29	25.54
- to OCI	-	(4.28)	-	-	(4.28)
-Utilised during the year	-	-	4.44	0.09	4.53
As at 31 March 2025	444.11	(106.62)	-	(50.37)	287.12

22. Other current liabilities

	As at	
	31 March 2025	31 March 2024
Current		
Advances from customers *	110.01	113.27
Statutory dues payable	144.15	132.53
	254.16	245.80

*represents contract liabilities against which the Group has recognized a revenue of ₹113.27 (31 March 2024: ₹126.30) from the amounts included under advances from customers at the beginning of the year.

23. Trade payables

	As at	
	31 March 2025	31 March 2024
Total outstanding dues of micro and small enterprises	113.13	91.03
Total outstanding dues of creditors other than micro and small enterprises	1,602.02	1,358.80
	1,715.15	1,449.83

Trade payables ageing schedule as on 31 March 2025

	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) MSME	113.13	-	-	-	113.13
(ii) Others	1,601.20	0.82	-	-	1,602.02
	1,714.33	0.82	-	-	1,715.15

Trade payables ageing schedule as on 31 March 2024

	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) MSME	91.03	-	-	-	91.03
(ii) Others	1,358.26	0.21	0.14	0.19	1,358.80
	1,449.29	0.21	0.14	0.19	1,449.83

Note: There are no disputed dues payables outstanding as at 31 March 2025 and 31 March 2024.

Summary of the material accounting policies and other explanatory information

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

24. Revenue from operations

	For the year ended	
	31 March 2025	31 March 2024
Sale of products	41,305.93	37,894.33
Sale of services	16.89	23.87
Other operating income		
- Scrap sales and others	23.13	20.84
	41,345.95	37,939.04

(i) Reconciliation of revenue from sale of products with the contracted price

	For the year ended	
	31 March 2025	31 March 2024
Revenue as per contracted price	42,865.30	39,380.55
Adjusted for:		
Discounts	(1,478.97)	(1,416.72)
Sales returns	(40.38)	(24.79)
Total revenue from contracts with customers	41,345.95	37,939.04

(ii) Revenue disaggregation geography wise is as follows:

	For the year ended	
	31 March 2025	31 March 2024
India	41,326.21	37,923.39
Other than India	19.74	15.65
	41,345.95	37,939.04

Notes:

(a) The Group has no single customer from whom the revenue is more than 10% of the revenue from operations for the year ended 31 March 2025 and 31 March 2024.

(b) Revenue from goods or services is transferred to customers at a point in time basis.

25. Other income

	For the year ended	
	31 March 2025	31 March 2024
Interest income		
- Bank and other deposits	4.99	3.76
- Others	-	0.95
Guarantee income	2.20	2.20
Dividend income on long term investments	0.01	0.01
Subsidy transferred from deferred government grant (under capital subsidy scheme)	7.65	6.73
Lease rental income	18.93	11.67
Provisions no longer required/ credit balances written back	20.73	14.20
Gain on sale of Property, plant and equipment (net)	32.95	26.64
Gain on redemption of investments (net)	169.03	37.61
Gain on foreign exchange fluctuations, net	0.12	0.03
Other non operating income	22.12	15.85
	278.73	119.65

Summary of the material accounting policies and other explanatory information

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

26. Cost of materials consumed

	For the year ended	
	31 March 2025	31 March 2024
Raw Material*		
Opening stock	363.74	828.78
Add: Purchases during the year	29,622.85	27,157.94
Less: Closing stock	681.34	363.74
	29,305.25	27,622.98
Packing Material*		
Opening stock	122.60	111.77
Add: Purchases during the year	1,560.85	1,330.73
Less: Closing stock	120.20	122.60
	1,563.25	1,319.90
	30,868.50	28,942.88

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

27. Changes in inventories of finished goods, semi finished goods, stock-in- trade and work-in-progress

	For the year ended	
	31 March 2025	31 March 2024
Opening balance		
- Finished goods	809.66	1,251.43
- Semi finished goods	1,179.94	1,457.42
- Work-in-progress	17.79	12.03
- Stock-in-trade	62.56	62.03
	2,069.95	2,782.91
Closing balance		
- Finished goods	941.67	809.66
- Semi finished goods	1,597.88	1,179.94
- Work-in-progress	19.72	17.79
- Stock-in-trade	110.76	62.55
	2,670.03	2,069.94
	(600.08)	712.97

28. Employee benefits expense

	For the year ended	
	31 March 2025	31 March 2024
Salaries and wages	2,770.55	2,272.90
Contribution to provident and other funds (refer note a below)	126.60	109.26
Gratuity expense	24.75	19.60
Compensated absences expense	134.31	110.20
Staff welfare expenses	75.70	63.53
	3,131.91	2,575.49

- (a) The amount recognized as an expense towards contribution to provident fund and employee state insurance schemes for the year ended 31 March 2025 amounts to ₹126.60 (31 March 2024: ₹109.26).

Summary of the material accounting policies and other explanatory information

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

29. Finance costs

	For the year ended	
	31 March 2025	31 March 2024
Interest on borrowings calculated using effective interest method	112.13	50.97
Interest on income tax	0.22	-
Interest on lease liabilities	36.20	33.72
Other borrowing costs	5.77	5.91
	154.32	90.60

30. Other expenses

	For the year ended	
	31 March 2025	31 March 2024
Consumption of stores and spares and consumables	391.40	332.69
Power and fuel	607.86	525.53
Rent	266.47	176.34
Repairs and maintenance		
- Buildings	46.26	17.29
- Plant and equipment	53.43	42.90
- Others	99.68	100.85
Insurance	37.47	39.85
Electricity charges	33.19	26.05
Rates and taxes, excluding taxes on income	65.56	41.15
Freight outwards	1,231.78	1,058.31
Communication	26.27	25.35
Office maintenance	8.19	6.95
Travelling and conveyance	79.34	70.40
Legal and professional fees	177.48	147.05
Property, plant and equipment written off	9.41	13.16
Payment to auditors	12.09	11.25
Corporate social responsibility (CSR) expenditure	27.54	32.24
Selling and distribution expenses	529.89	373.41
Provision for doubtful advances	0.15	-
Provision towards doubtful debts and bad debts written off	6.37	9.86
Bank charges	16.24	4.01
Advertisement expenses	1.63	1.85
Security charges	82.92	74.22
Directors sitting fees	4.51	4.02
Miscellaneous expenses	68.26	54.76
	3,883.39	3,189.49

Summary of the material accounting policies and other explanatory information

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

(i) Details of payments to auditors:

	For the year ended	
	31 March 2025	31 March 2024
As auditor:		
- Statutory audit fee	6.76	6.43
- Tax audit fee	1.47	1.40
- Limited review fee	2.66	2.53
In other capacities:		
- Certification fees	0.64	0.57
- Reimbursement of expenses	0.56	0.32
	12.09	11.25

(ii) Details of CSR expenditure:

	For the year ended	
	31 March 2025	31 March 2024
(a) Gross amount required to be spent during the year	27.54	32.24
(b) Amount spent during the year		
(i) Construction / acquisition of asset	30.55	4.76
(ii) On purposes other than (i) above	-	7.24
(c) Shortfall at the end of the year	28.41	31.42
(d) Total of previous years shortfall	-	-
(e) Reason for shortfall	Note:1	Note:1
(f) Nature of CSR activities	Health care and Education	Health care and Education
(g) Details of related party transactions	Ref Note.41 (iv)	Ref Note.41 (iv)
(h) Movements in the provision during the year		
Opening provision	31.42	11.18
Add: Amount required to be spent during the year	27.54	32.24
Less: Amount spent during the year	(30.55)	(12.00)
Closing provision (Refer Note:1)	28.41	31.42

Note 1

As the selected projects for CSR spent are long-term in nature, the balance amount of ₹28.41 as at 31 March 2025 will be spent during the financial year 2025-26. In accordance with the provisions of Section 135(6) of the Act, the Group has transferred the unspent amount to a separate bank account and the unspent amount has been provided in the accompanying financial statements. Further, the holding Company has spent excess amount of ₹21.78 million over and above the mandated obligation shall be set off against the CSR requirements of the succeeding financial years, in accordance with Rule 7(3) of the Companies (CSR Policy) Rules, 2014. The amount has been shown as prepaid expenses under note 12.

31. Income tax expense

	For the year ended	
	31 March 2025	31 March 2024
(a) Tax expense comprises of:		
Current income tax	674.04	375.21
Deferred tax expense	25.54	10.17
Income tax expense reported in the Consolidated Statement of Profit and loss	699.58	385.38

The major components of income tax expense and the reconciliation of expected tax expense based on the domestic effective tax rate of the Holding Company at 25.168% (31 March 2024: 25.168%) and the reported tax expense in the Consolidated Statement of Profit and Loss is as follows:

Summary of the material accounting policies and other explanatory information

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

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

	For the year ended	
	31 March 2025	31 March 2024
Profit before tax	2,582.38	1,450.87
Expected income tax expense at the Indian tax rate 25.168% (31 March 2024: 25.168%)	649.93	365.15
Tax effect of amounts which are not deductible/ (taxable) in calculating taxable income:		
Effect of deductions allowed under Chapter VI-A of the Income Tax Act, 1961 ("IT Act, 1961")	(5.04)	(3.90)
Effect of expenses not deductible under the IT Act, 1961	69.83	24.61
Effect of income not subject to tax under the IT Act, 1961	(0.55)	(1.40)
Effect of income subject to tax under the IT Act, 1961	2.40	1.82
Others	(16.99)	(0.90)
Income tax expense	699.58	385.38

32. Earnings per equity share (EPES)

	For the year ended	
	31 March 2025	31 March 2024
Attributable to Owners of the Company		
Profit for the year	1,882.80	1,065.49
Weighted average number of equity shares outstanding during the year	9,27,96,000	9,27,96,000
Earnings per equity share (in absolute ₹ terms)		
Face value per equity share	5.00	5.00
Basic and Diluted EPES	20.29	11.48

The Group did not have any potential dilutive equity shares as on 31 March 2025 and 31 March 2024.

33. Dividend proposed before approval or issue of the financial statements

The dividend amount per equity share proposed or declared in accordance with the provisions of Section 123 of the Act is as follows:

	For the year ended	
	31 March 2025	31 March 2024
Proposed final dividend on equity shares of ₹5 each*		
Per equity share (in absolute ₹ terms)	2.50	2.50
Amount	231.99	231.99

(*) The proposed final dividend, is subject to the approval of shareholders in the ensuing Annual General Meeting of the Holding Company and accordingly not recognized as a liability in accordance with the applicable accounting principles.

Note: The Holding Company has paid a dividend of ₹2.50 per share during the year ended 31 March 2025 (31 March 2024: ₹2.5 per share) amounting to ₹231.99 (31 March 2024: ₹231.99).

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

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

Summary of the material accounting policies and other explanatory information

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

35. Fair value hierarchy

(i) Financial assets and financial liabilities at fair value on a recurring basis as of the reporting dates are as follows:

	As at	
	31 March 2025	31 March 2024
Financial assets		
Fair value hierarchy (Level 1)		
Quoted equity shares	0.41	0.48
Fair value hierarchy (Level 2)		
Investment in mutual funds	1,862.13	1,221.83
Fair value hierarchy (Level 3)		
Unquoted equity shares	2.60	2.60

There are no transfers between levels during the current year and previous year ended 31 March 2025 and 31 March 2024 respectively. The Group's policy is to recognise transfers into and transfers out of fair value hierarchy levels at the end of the reporting period.

(ii) Valuation technique and inputs used for level 3 instruments:

The fair value of the level 3 instruments has been estimated using the discounted cash flow model. The valuation requires management to make certain assumptions about the model inputs, including forecasting of cash flows, discount rate, credit risk and volatility. The probabilities of the various estimates within the range can be reasonably assessed and are used in the management's estimate of the fair value for these level 3 instruments.

The significant unobservable inputs used in the fair value measurement categorised within Level 3 of the fair value hierarchy as at 31 March 2025 and 31 March 2024 are as shown below.

Significant unobservable inputs	Assumption made
Future growth rate	3%
Discount rate	20%
Discount for lack of marketability	15%

(iii) Reconciliation of level 3 fair value measurement:

	Amount
As at 1 April 2023	2.60
Changes during the year	-
As at 31 March 2024	2.60
Changes during the year	-
As at 31 March 2025	2.60

Summary of the material accounting policies and other explanatory information

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

36. Categories of Financial instruments and their fair values

The carrying amount of all financial assets and financial liabilities appearing in the financial statements are reasonable approximation of their fair values, except for deferred payment liabilities whose fair value amounts to Nil and ₹6.88 as on 31 March 2025 and 31 March 2024 respectively.

Categories of financial instruments

	31 March 2025			31 March 2024		
	FVTPL	FVTOCI	Amortised cost	FVTPL	FVTOCI	Amortised cost
Financial assets						
Quoted equity shares	-	0.41	-	-	0.48	-
Unquoted equity shares	-	2.60	-	-	2.60	-
Investment in government securities	-	-	0.15	-	-	0.15
Investment in mutual funds	1,862.13	-	-	1,221.83	-	-
Trade receivables	-	-	380.46	-	-	287.06
Cash and cash equivalents	-	-	644.76	-	-	785.08
Other bank balances	-	-	51.92	-	-	53.15
Loans	-	-	-	-	-	0.24
Other financial assets	-	-	290.00	-	-	238.84
	1,862.13	3.01	1,367.29	1,221.83	3.08	1,364.52

	31 March 2025			31 March 2024		
	FVTPL	FVTOCI	Amortised cost	FVTPL	FVTOCI	Amortised cost
Financial liabilities						
Borrowings	-	-	1,363.94	-	-	920.46
Lease liabilities	-	-	380.87	-	-	393.44
Deferred payment liabilities	-	-	-	-	-	7.77
Trade payables	-	-	1,715.15	-	-	1,449.83
Other financial liabilities	-	-	1,372.24	-	-	1,037.91
	-	-	4,832.20	-	-	3,809.41

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

37. Financial risk management objectives and policies**Financial Risk Management Framework**

The Group's Board of Directors has an overall responsibility for the establishment and oversight of the Group's risk management framework. The Holding Company's Board of Directors has established Risk Management Committee, which is responsible for developing and monitoring the risk management policies. The Committee reports regularly to the Holding Company's Board of Directors on its activities.

The Group's principal financial liabilities comprises of borrowings, trade and other payables. The main purpose of these financial liabilities is to finance the Group's operations. The Group's principal financial assets include investments in equity shares, loans, trade and other receivables, and cash and cash equivalents that the Group derives directly from its operations.

The Group is exposed primarily to Credit risk, Liquidity risk and Market risk (fluctuations in interest rates, foreign currency rates, and prices of equity instruments), which may adversely impact the fair value of its financial instruments. The Group assesses the unpredictability of the financial environment and seeks to mitigate potential adverse effects on the financial performance of the Group.

A. Credit risk

Credit risk is the risk that the counterparty shall not meet its obligations under a financial instrument or customer contract, leading to a financial loss. Credit risk encompasses of both, the direct risk of default and the risk of deterioration of the creditworthiness as well as concentration of risks. Credit risk arises primarily from financial assets such as trade receivables, investment in equity shares, balances with banks, loans and other receivables.

Summary of the material accounting policies and other explanatory information

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

Credit risk is controlled by analyzing credit limits and creditworthiness of the customers on a continuous basis to whom credits have been granted after obtaining necessary approvals. Financial instruments that are subject to concentration of credit risk principally consist of trade receivables, investments, cash and cash equivalents, bank deposits and other financial assets. None of the financial instruments of the Group result in material concentration of credit risk.

Exposure to credit risk

The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk was ₹3,232.43 and ₹2,589.43 as of 31 March 2025 and 31 March 2024 respectively, representing carrying amount of all financial assets with the Group.

Financial assets that are neither past due nor impaired

None of the Group's cash equivalents, including fixed deposits, were either past due or impaired as at 31 March 2025 and 31 March 2024. The Group has diversified its portfolio of investment in cash and cash equivalents and term deposits with various banks which have secure credit ratings hence the risk is reduced. Concentration of exposures are actively monitored by the finance department of the Holding Company.

Financial assets that are past due but not impaired

The Group's credit period for customers generally ranges from 0 - 30 days. The aging of trade receivables, net of those provided for in the books of account, is given below:

	31 March 2025	31 March 2024
0-30 days	358.18	263.71
31-60 days	22.27	23.01
61-90 days	-	0.35
Greater than 90 days	-	-
	380.45	287.07

Ind AS requires expected credit losses to be measured through a loss allowance. The Group assesses at each date of Balance Sheet whether a financial asset or a group of financial assets are impaired. Expected credit losses are measured at an amount equal to 12 months expected credit losses or at an amount equal to the life time expected credit losses if the credit risk on the financial assets have increased significantly since the initial recognition. The Group has used a practical expedient by computing the expected credit loss allowance for trade receivables based on a provision matrix. The provision matrix takes into account historical credit loss experience and is adjusted for forward-looking information. Based on such data, loss on collection of receivable is not material.

B. Liquidity risk

Liquidity risk refers to the risk that the Group cannot meet its financial obligations as and when they become due. The objective of liquidity risk management is to maintain sufficient liquidity and to ensure that funds are available for meeting due obligations of the Group. The Group manages liquidity risk by maintaining adequate reserves, banking facilities, continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of the financial assets and financial liabilities.

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

Particulars	As at 31 March 2025				As at 31 March 2024			
	On demand	Up to 1 year	More than 1 year	Total	On demand	Up to 1 year	More than 1 year	Total
Financial guarantees #	35.41	-	-	35.41	63.55	-	-	63.55
Borrowings	-	253.68	1,110.26	1,363.94	-	176.76	751.47	928.23
Lease liabilities	-	77.86	543.14	621.00	-	80.54	586.23	666.77
Trade payables	-	1,715.15	-	1,715.15	-	1,449.83	-	1,449.83
Other financial liabilities	-	1,368.11	-	1,368.11	-	1,032.08	-	1,032.08
	35.41	3,414.80	1,653.40	5,103.61	63.55	2,739.21	1,337.70	4,140.46

Represents loan amount outstanding to the bankers by the joint venture, against which financial guarantees were extended by the Holding Company as at 31 March 2025 and 31 March 2024.

Summary of the material accounting policies and other explanatory information

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

C. Market risk

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

i. Interest risk:

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

ii. Foreign currency risk:

Foreign currency risk is the risk that the fair value or future cash flows of an exposure shall fluctuate because of changes in foreign exchange rates. The Group's exposure to the risk of changes in foreign exchange rates relates primarily to the Group's operating and investing activities (when revenue or expense including capital expenditure is denominated in a foreign currency). The exposure of foreign currency risk to the Group is low as it enters very limited transactions in foreign currencies and accordingly any impact on account of change in the exchange rate is not considered as significant.

iii. Equity price risk:

The Group's listed and non-listed equity securities are susceptible to market price risk arising from uncertainties about future values of the investment securities. The Group manages the equity price risk through diversification and by placing limits on individual and total equity instruments. Reports on the equity portfolio are submitted to the Group's senior management on a regular basis. The Group's Board of Directors reviews and approves all equity investment decisions. At the reporting date, the exposure to unlisted equity securities at fair value was ₹2.60 (31 March 2024: ₹2.60). The impact on account of change in the assumptions are not considered as significant.

38. Capital risk management

For the purpose of the Group's capital management, capital includes issued equity capital, share premium and all other reserves attributable to the equity holders. The primary objective of the Group's capital management is to maximise the shareholder value.

The Group manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. To maintain or adjust the capital structure, the Group may adjust the dividend payments to shareholders, return capital to shareholders or issue new shares. The Group monitors capital using a gearing ratio, which is net debt divided by total equity plus net debt. The Group's policy is to keep the gearing ratio up to 35%. The Group includes within net debt, borrowings from banks less cash and cash equivalents. Borrowings from banks comprise of term loans and loans repayable on demand.

	31 March 2025	31 March 2024
Borrowings from banks	1,363.94	920.46
Less: Cash and cash equivalents	(644.76)	(785.08)
Net debt (A)	719.18	135.38
Total equity (B)	9,719.60	8,081.59
Net debt and total equity (A) + (B)	10,438.78	8,216.97
Gearing ratio (%)	6.89%	1.65%

In order to achieve this overall objective, the Group's capital management, amongst other things, aims to ensure that it meets financial covenants attached to the borrowings. Breaches in meeting the financial covenants would permit the lenders to immediately call back the borrowings. There was no breach in the financial covenants of any borrowings during the year ended 31 March 2025 and 31 March 2024.

No changes were made in the objectives, policies or processes for managing capital during the years ended 31 March 2025 and 31 March 2024.

39. Disclosure of Interest in Joint venture and associate:

	Nature of relationship	Country of Incorporation	Ownership interest (%)	
			31 March 2025	31 March 2024
SKIL Raigam Power (India) Limited	Associate	India	43.33%	43.33%
Heritage Novandie Foods Private Limited	Joint venture	India	50.00%	50.00%

Summary of the material accounting policies and other explanatory information

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

40. The Group has not extended any loans or advances in the nature of loans to its promoters, directors, key managerial personnel and its related parties, as defined under the Act, during the years ended 31 March 2025 and 31 March 2024.

41. Related party disclosures

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

Names of related parties	Nature of relationship
Heritage Novandie Foods Private Limited ("HNFPL")	Joint Venture
SKIL Raigam Power (India) Limited	Associate
Heritage Finlease Limited	Enterprise over which Vice - Chairperson and Managing Director, Executive Director and Whole-Time Director of the Company exercise significant influence
NTR Memorial Trust	Enterprise over which Vice -Chairperson and Managing Director and Executive Director of the Company exercise significant influence
Megabid Finance & Investment Private Limited	
Nirvana Holdings Private Limited	
N Devaansh	Relative of Executive Director and Vice-Chairpeson & Managing Director
N Bhuvaneswari (Vice Chairperson and Managing Director)	Key Managerial Personnel (KMP)
N Brahmani (Executive Director)	
M Sambasiva Rao (President upto 31 March 2025 and WTD w.e.f. 01.04.2025)	
Srideep Madhavan Nair Kesavan (Chief Executive Officer)	
A Prabhakara Naidu (Chief Financial Officer)	
Umakanta Barik (Company Secretary & Compliance Officer)	
Srivishnu Raju Nandyala (upto 21.10.2023)	Non-Executive Independent Directors
Rajesh Thakur Ahuja	
Aparna Surabhi	
A V Girijakumar (w.e.f 01.06.2023)	
Muthu Raju Paravasa Raju Vijay Kumar	
Nagaraja Naidu Vadlamudi (upto 21.08.2024)	Non-Executive Director

(b) Transactions with related parties

	For the year ended	
	31 March 2025	31 March 2024
Heritage Novandie Foods Private Limited		
Investment made (including financial guarantee)	75.50	98.00
Sale of products	17.87	10.87
Financial guarantee income	2.20	2.20
Lease rental income	1.39	1.25
Expenditure incurred on behalf of HNFPL	9.03	8.08
Heritage Finlease Limited		
Remittance of loan proceeds collected on behalf of Heritage Finlease Limited	1,881.58	1,823.36
Cattle loan facilitation charges	3.98	3.95
Deposit paid	12.63	15.58
Lease rental paid	106.25	81.93
Lease rental income	-	0.04
Others	-	0.80

Summary of the material accounting policies and other explanatory information

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

	For the year ended	
	31 March 2025	31 March 2024
NTR Memorial Trust		
CSR expenditure	30.00	11.12
Sale of products	-	1.63
N Bhuvaneswari		
Short-term employee benefits	132.27	77.70
Post-employment benefits	1.46	0.97
Other long-term benefits	1.30	0.87
N Brahmani		
Short-term employee benefits	105.71	62.10
Post-employment benefits	0.73	0.49
Lease Rentals	12.97	12.35
N Devaansh		
Lease Rentals	12.97	12.35
M Sambasiva Rao		
Short-term employee benefits	43.45	30.98
Post-employment benefits	0.98	0.89
Srideep Madhavan Nair Kesavan		
Short-term employee benefits	28.06	17.51
Post-employment benefits	1.00	0.95
A Prabhakara Naidu		
Short-term employee benefits	12.37	10.08
Post-employment benefits	0.61	0.54
Other long-term benefits	1.10	0.50
Umakanta Barik		
Short-term employee benefits	5.70	4.68
Post-employment benefits	0.28	0.25
Sitting fees		
Srivishnu Raju Nandyala	-	0.40
Rajesh Thakur Ahuja	1.14	0.94
Aparna Surabhi	1.09	0.85
Muthu Raju Paravasa Raju Vijay Kumar	0.95	0.70
A V Girijakumar	1.07	0.39
Nagaraja Naidu Vadlamudi	0.10	0.56

	As at	
	31 March 2025	31 March 2024
(c) Balances receivable/(payable)		
Heritage Finlease Limited		
Security deposits	54.76	42.13
Lease rent payable	(4.89)	(2.22)
Other payables	(62.21)	(49.03)
Other receivables	0.37	0.31
Heritage Novandie Foods Private Limited		
Trade receivables	0.84	0.26
Rent receivable	0.13	0.12

Summary of the material accounting policies and other explanatory information

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

	As at	
	31 March 2025	31 March 2024
Security deposits	(0.45)	(0.45)
Other receivables	0.82	0.80
N Bhuvaneswari		
Employee related payables	(104.27)	(59.62)
N Brahmani		
Employee related payables	(92.21)	(53.10)
Security deposits	6.08	6.08
Lease rent payable	(1.21)	(1.14)
N Devaansh		
Security deposits	6.08	6.08
Lease rent payable	(1.09)	(1.14)
M Sambasiva Rao		
Employee related payables	(25.16)	(14.50)
Srideep Madhavan Nair Kesavan		
Employee related payables	-	(0.04)

Notes:

- The sales to and purchases from related parties are made on terms equivalent to those that prevail in arm's length transactions. Outstanding balances at the year-end are unsecured and interest free and settlement occurs in cash. There have been no guarantees provided or received for any related party receivables or payables. For the year ended 31 March 2025, the Group has not recorded any impairment of receivables relating to amounts owed by related parties (31 March 2024: ₹Nil). This assessment is undertaken each financial year through examining the financial position of the related parties and the market in which such parties operates.
- As at 31 March 2025, the Group has an outstanding guarantee given to a banker towards term loan and working capital facility availed by its joint venture i.e. Heritage Novandie Foods Private Limited. Amount outstanding to the banker by Heritage Novandie Foods Private Limited as at 31 March 2025 aggregates to ₹35.41(31 March 2024: ₹63.55).
- Post-employment and other long-term benefits, disclosed above, does not include those benefits which are computed for the Group as a whole.

42. Contingent liabilities and commitments

		As at			
		31 March 2025	31 March 2024		
(a) Commitments					
Estimated amount of contracts remaining to be executed on capital account and not provided for		2,049.38	221.60		
(ii) Other commitment					
Investment in the Joint venture entity, Heritage Novandie Foods Private Limited		85.00	75.00		
(b) Contingent liabilities, not provided for		As at			
	31 March 2025		31 March 2024		
	Outstanding Liability	Paid under protest*	Outstanding Liability	Paid under protest*	
In respect of income tax matters [refer (i) below]		7.43	0.48	7.43	0.48
In respect of sales tax / value added tax matters [refer (ii) below]		18.67	5.04	18.67	5.04
In respect of other matters [refer (iii) below]		22.03	3.55	81.21	42.21

(*) forms part of "balances with statutory authorities" under "other current assets"

Summary of the material accounting policies and other explanatory information

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

- (i) The Company had received following demand orders from the income tax authorities for:
- (a) the assessment year 2020-21 in relation to the initiation of penalty proceedings u/s 271D and;
 - (b) the assessment years 2017-18 and 2020-21 in relation to the inadmissibility of expenditure claimed under Section 80G of the Income Tax Act, 1961.

The management, on the basis of its internal assessment of the facts of the case, the underlying nature of transactions, is of the view that the probability of the case being settled against the Company is remote and accordingly do not foresee any adjustment to these standalone financial statements in this regard. The litigation is currently pending with the Commissioner of Income Tax (Appeals) ("CIT(A)"). The Company has received a favourable order for the assessment year 2018-19 in relation to point (b) above.

	As at	
	31 March 2025	31 March 2024
(ii) - Disputed purchase tax levied under Andhra Pradesh Value Added Tax Act, 2005 on purchase of milk @	9.51	9.51
- Disputed Input tax credit disallowed under Andhra Pradesh Value Added Tax Act, 2005 @	4.69	4.69
- Disputed Input tax credit disallowed under The Central Sales Tax, 1956 #	4.47	4.47
@ litigation pending with Hon'ble High Court of Telangana; # litigation pending with Joint Commissioner of commercial Taxes (Appeals), Bengaluru.		
(iii) - Disputed entry tax levied under Andhra Pradesh Tax on Entry of Goods into Local Areas Act, 2001 on interstate purchases \$	3.77	3.77
- Disputed entry tax levied under Telangana Tax on Entry of Goods into Local Areas Act, 2001 on interstate purchases @	10.37	10.37
- Disputed penalty levied under Central GST Act, 2017 on classification of flavored milk product &	-	35.28
- Disputed milk cess levied on installed capacity under the Haryana Murrah Buffalo and other Milch Animal Breed Act, 2001 ^	-	28.93
- Disputed amount levied under Karnataka Central GST Act, 2017 on classification of flavored milk product #	5.03	-
- Disputed RPPO (Renewable power purchase obligation) charges demand levied by the APERC (Andhra Pradesh Electricity Regulatory Authority)	2.86	2.86
\$ Pending with Honorable High Court of Andhra Pradesh; & The Honorable High court of Andhra Pradesh has disposed the writ petition filed by the Company with respect to Flavoured Milk classification and issued favourable order dated 29-01-2025 with a direction to file refund application for the differential tax already paid. As per the directions of Honorable High Court the refund application has been filed.; ^ The litigation was closed during FY 2024-25. The payment has been made by the company under " Vivadano samadhan" scheme announced by Government of Haryana during FY 2024-25. # Pending with Assistant Commissioner CGST, Bengaluru. Based on the internal assessment and the Management is confident that, for the aforesaid mentioned contingent liabilities under paragraph (ii) and (iii) above, no further provision is required to be made as at 31 March 2025.		
(c) Guarantees excluding financial guarantees	8.10	2.93
(d) Others		
Duty including interest liability in case of export obligation if not fulfilled as per EPCG scheme	128.47	129.81

43. Leases**Group as a lessee**

The Group has lease arrangements for its office premises located in Hyderabad and various Heritage Distribution centres / Parlours / Sales offices located across India. These leases typically have original terms not exceeding 21 years and generally contain multiyear renewal options. The agreements entered into by the Company have, rent escalation upto 10%. There are no residual value guarantees provided by the third parties. The carrying amount for such right-of-use assets as at 31 March 2025 amounts to ₹268.64 (31 March 2024: ₹287.14).

The Holding Company has also leased solar panels for a period of five years and has an option to purchase the asset at the end of the lease term. The carrying amount for such right-of-use assets as at 31 March 2025 amounts to ₹72.94 (31 March 2024: ₹76.66).

Summary of the material accounting policies and other explanatory information

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

The Holding Company leases certain plant and equipments comprising of freezers, coolers, etc., with contract terms upto five years. These leases are short-term and/or leases of low-value items. The Holding Company has elected not to recognise right-of-use assets and lease liabilities for these leases.

The movement in lease liabilities is as follows:

Particulars	For the year ended	
	31 March 2025	31 March 2024
Balance at the beginning of the year	393.44	336.13
Additions during the year	34.45	100.35
Adjustment for disposal/transfers	6.64	(8.46)
Finance cost accrued during the year	36.20	33.72
Payment of interest on lease liabilities	(36.20)	(33.72)
Payment of principal portion of lease liabilities	(53.66)	(34.58)
Lease liabilities at the end of the year	380.87	393.44
Current lease liabilities	29.73	49.54
Non-current lease liabilities	351.14	343.90

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

Particulars	As at	
	31 March 2025	31 March 2024
Less than one year	77.86	80.54
One to five years	247.99	255.50
More than five years	295.15	330.73
Total	621.00	666.77

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

Rental expense recorded for short-term leases and low value leases for the year ended 31 March 2025 is ₹266.47 (31 March 2024: ₹176.34). Leases not yet commenced to which the Group is committed aggregated to ₹Nil as on 31 March 2025.

Depreciation expenses and Lease rentals paid for the year ended 31 March 2025 are ₹63.31 and ₹89.86 (31 March 2024: ₹57.24 and ₹68.30) respectively.

Group as lessor

The Holding Company has leased its land and buildings located in Manor and Chennai regions. These leases typically range between 5 to 30 years and generally contain multiyear renewal options. The agreements entered into by the Holding Company have, rent escalation upto 5%.

Future minimum rentals receivable under non-cancellable operating lease is as follows:

Particulars	As at	
	31 March 2025	31 March 2024
Less than one year	18.07	12.86
One to five years	6.48	16.20
More than five years	44.75	46.20
Total	69.30	75.26

44. Research and development expenses

Particulars	As at	
	31 March 2025	31 March 2024
Capital expenditure	0.30	0.82
Revenue expenditure	12.59	12.22
	12.89	13.04

Summary of the material accounting policies and other explanatory information

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

45. Disclosure under Micro, Small and Medium Enterprises Development Act, 2006

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

	As at	
	31 March 2025	31 March 2024
(i) The principal amount remaining unpaid as at the end of the year.	113.13	91.03
(ii) The amount of interest accrued and remaining unpaid on (i) above.	-	-
(iii) Amount of interest paid by the Group in terms of Section 16, of the MSMED Act, 2006 along with the amounts of payments made beyond the appointed date during the year.	-	-
(iv) The amount of interest due and payable for the period (where the principal has been paid but interest under the MSMED Act, 2006 not paid)	-	-
(v) The amount of further interest remaining due and payable in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprises for the purpose of disallowance as a deductible expenditure under Section 23 of the MSMED Act, 2006.	-	-

Notes:

- (a) Explanation - The terms 'appointed day', 'buyer', 'enterprise', 'micro enterprise', 'small enterprise' and 'supplier' shall have the same meaning as assigned to them under clauses (b),(d),(e), (h), (m) and (n) respectively of section 2 of the Micro, Small and Medium Enterprises Development Act, 2006.
- (b) This information required to be disclosed has been determined to the extent such parties have been identified on the basis of information available with the Group. The auditors have placed reliance on the information provided by the management.

46. Interest in a material joint venture

- (a) The Group has interest in a single joint venture ("HNFPL"), which, in the opinion of the Holding Company's Board of Directors, is material to the Group. The principal activity of HNFPL is manufacturing and selling of fruit and flavoured yoghurts. The joint venture has share capital consisting solely of equity shares, which are held directly by the Holding Company. The country of incorporation is also its principal place of business, and the proportion of ownership interest is the same as the proportion of voting rights held. Equity shares of the joint venture are unlisted, therefore no quoted price is available.
- (b) The tables below provide summarised financial information about the joint venture. The information disclosed reflects the amounts presented in the financial statements of the joint venture and not the Group's share of those amounts.

(i) Summarised Balance Sheet

	As at	
	31 March 2025	31 March 2024
Assets		
Non-current assets	213.33	350.13
Current assets	100.41	91.99
Total assets	313.74	442.12
Liabilities		
Non-current liabilities	21.15	48.96
Current liabilities	52.90	48.35
Total Liabilities	74.05	97.31
Net assets	239.69	344.81

Summary of the material accounting policies and other explanatory information

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

(ii) Summarised Statement of Profit and Loss

	For the year ended	
	31 March 2025	31 March 2024
Total income	74.46	47.48
Total Expenses, including impairment loss on Property, plant and equipment	329.09	178.32
Loss before tax	(254.63)	(130.84)
Tax expense	-	-
Loss for the year	(254.63)	(130.84)
Other comprehensive income / (loss) for the year	(0.13)	1.47
Total comprehensive loss for the year	(254.76)	(129.37)

(c) Reconciliation of carrying amounts

	As at	
	31 March 2025	31 March 2024
Opening net assets	344.81	278.68
Equity shares issued during the year	150.00	195.00
Total comprehensive loss for the year	(254.76)	(129.37)
Other adjustments made directly to equity	(0.36)	0.50
Closing net assets	239.69	344.81
Group's share in %	50.00%	50.00%
Group's share in closing net assets	119.85	172.41
Other adjustments	(23.80)	4.30
Carrying amount (refer note 9)	96.05	176.71

(d) Commitments in respect of a joint venture

	As at	
	31 March 2025	31 March 2024
Commitment to provide Group's share of funding for joint venture's capital commitments, if called for	0.08	0.67

- (e) In view of the limited market potential and continuous losses from operations reported by its Joint Venture, Heritage Novandie Foods Private Limited ("HNFPL"), the Board of HNFPL in its meeting held during March 2025 has approved a proposal, subject to execution of necessary agreements and required approvals, allowing the Holding Company to obtain controlling stake by acquiring equity shares from the other shareholders and restructure / repurpose the business operations of HNFPL.

Subsequently in the month of May 2025, the Holding Company has entered into a Share Purchase Agreement (SPA) for acquiring 71,00,000 equity shares of ₹10 each in HNFPL from the other joint venture partner for a consideration of ₹85.00. The proposed acquisition is subject to satisfaction of certain conditions precedent as stipulated in the SPA.

The recoverable value of the investment in HNFPL is determined using the fair value on the basis of the above agreed sales consideration, which has resulted in recognition of impairment of ₹28.84, which has been classified as exceptional items, in addition to ₹58.23 representing share of impairment charge on property, plant and equipment recorded by HNFPL.

47. Interest in an immaterial associate

The Group has interest in a single associate ("SKIL"), which, in the opinion of the Holding Company's Board of Directors, is immaterial to the Group. The Group's share in loss after tax and other comprehensive income for the year is Nil (31 March 2024: Nil) and Nil (31 March 2024: Nil) respectively in respect of such associate.

Summary of the material accounting policies and other explanatory information

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

48. Segment reporting

The Chief Operating Decision Maker (“CODM”) evaluates the Group’s performance and allocates the resources based on an analysis of various performance indicators by reportable segments.

The measurement of each segment’s revenue, expenses, assets and liabilities is consistent with the accounting policies that are used in preparation of the Group’s consolidated financial statements.

The Group has been organised into different verticals based on its products. Three verticals have been identified as reportable operating segments by the Group, which are as follows:

- (i) Dairy vertical: Under this vertical, the Group manufactures and market a complete range of milk and milk products.
- (ii) Renewable energy vertical: Under this vertical, the Group produces power for captive consumption through its solar and wind power plants.
- (iii) Feed vertical: Under this vertical, the Group manufactures wide varieties of animal feeds.

No operating segments have been aggregated to form the above reportable segments.

Segment performance is evaluated based on revenue and earnings before interest and tax and is measured consistently in line with the measurement principles used in the financial statements, except adjustments not made to operating segments on individual basis. The items which are not allocated to individual operating segments are gains or losses on financial instruments, taxes, impairment on financial instruments, finance costs, interest income among others. Refer reconciliation below for further details.

The table below presents segment wise information of revenue, results, assets and liabilities:

Particulars	For the year ended and as at 31 March 2025				For the year ended and as at 31 March 2024			
	Segment revenue	Segment results	Segment assets	Segment liabilities	Segment revenue	Segment results	Segment assets	Segment liabilities
Dairy	40,798.66	2,551.54	11,408.35	5,341.76	37,334.99	1,481.28	9,080.05	4,245.20
Renewable energy	87.70	24.03	594.37	102.20	90.29	29.00	568.86	75.73
Feed	1,849.27	169.19	601.97	159.91	1,601.43	83.50	554.96	167.36
Intersegment revenue	(1,389.68)	-	-	-	(1,087.67)	-	-	-
Unallocated	-	-	2,978.71	259.93	-	-	2,607.12	241.11
Total	41,345.95	2,744.76	15,583.40	5,863.80	37,939.04	1,593.78	12,810.99	4,729.40

Reconciliation of segment results to profit before tax:

	For the year ended	
	31 March 2025	31 March 2024
Amount as per segment results	2,744.76	1,593.78
Less:		
Finance costs	154.32	90.60
Share of loss of an associate and a joint venture	69.09	65.43
Other unallocable expenses	115.22	31.39
	338.63	187.42
Add:		
Interest income	7.19	6.91
Other unallocable income	169.06	37.60
	176.25	44.51
Profit before tax	2,582.38	1,450.87

Geographical information

Revenue disaggregation geography wise information has been disclosed under note 24 to the consolidated financial statements. Further 100% of the Group’s non-current and current assets as at 31 March 2025 and 31 March 2024 were located in India.

Summary of the material accounting policies and other explanatory information

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

Major customers

The Group has no single customer who has contributed more than 10% of the Group's total revenue during the year ended 31 March 2025 and 31 March 2024.

49. Additional disclosure as required under paragraph 2 of 'General Instructions for the preparation of Consolidated Financial Statements' of the Schedule III to the Act

(i) As at and for the year ended 31 March 2025:

Name of the entity	Net assets		Share in profit or loss		Share of OCI		Share of total comprehensive income	
	As a % of consolidated net assets	Amount	As a % of consolidated profit or loss	Amount	As a % of consolidated net assets	Amount	As a % of consolidated profit or loss	Amount
Parent Company								
Heritage Foods Limited	97.44%	9,471.20	89.27%	1,680.82	98.52%	(12.61)	89.21%	1,668.21
Subsidiary								
Heritage Nutrivet Limited	6.01%	584.39	6.56%	123.51	1.48%	(0.19)	6.59%	123.32
Joint venture (Investment as per equity method)								
Heritage Novandie Foods Private Limited	0.99%	96.05	(6.76%)	(127.32)	-	-	(6.81%)	(127.32)
Associate								
SKIL Raigam Power (India) Limited	-	-	-	-	-	-	-	-
Non-controlling interest	-	-	-	-	-	-	-	-
Total	104.45%	10,151.64	89.07%	1,677.01	100.00%	(12.80)	89.00%	1,664.21
Consolidation adjustments	(4.45%)	(432.04)	10.93%	205.79	-	-	11.00%	205.79
Net amount	100.00%	9,719.60	100.00%	1,882.80	100.00%	(12.80)	100.00%	1,870.00

(ii) As at and for the year ended 31 March 2024:

Name of the entity	Net assets		Share in profit or loss		Share of OCI		Share of total comprehensive income	
	As a % of consolidated net assets	Amount	As a % of consolidated profit or loss	Amount	As a % of consolidated net assets	Amount	As a % of consolidated profit or loss	Amount
Parent Company								
Heritage Foods Limited	99.42%	8,034.98	85.44%	910.38	98.20%	(10.39)	85.31%	899.99
Subsidiary								
Heritage Nutrivet Limited	5.71%	461.07	4.89%	52.15	1.89%	(0.20)	4.92%	51.95
Joint venture (Investment as per equity method)								
Heritage Novandie Foods Private Limited	2.19%	176.71	(6.14%)	(65.43)	-	-	(6.20%)	(65.43)
Associate								
SKIL Raigam Power (India) Limited	-	-	-	-	-	-	-	-
Non-controlling interest	-	-	-	-	-	-	-	-
Total	107.32%	8,672.76	84.20%	897.10	100.09%	(10.59)	84.04%	886.51
Consolidation adjustments	(7.32%)	(591.17)	15.80%	168.39	(0.09%)	0.01	15.96%	168.40
Net amount	100.00%	8,081.59	100.00%	1,065.49	100.00%	(10.58)	100.00%	1,054.91

Summary of the material accounting policies and other explanatory information

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

The disclosure as above represents separate information for each of the consolidated entities before elimination of inter-company transactions. The net impacts on elimination of inter-company transactions/profits or (losses)/consolidation adjustments have been disclosed separately. Based on the Group structure, the management is of the view that the above disclosure is appropriate under the requirements of the Act.

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

The Holding Company and its one subsidiary company uses an accounting software for maintaining its books of account. The audit trail (edit log) feature was enabled at application level and the same operated throughout the current and previous year. However, the Holding Company and its one subsidiary company did not enable the feature for recording audit trails (edit logs) at the database level to log any direct data changes, as this consumes storage space on the disk and can significantly impact database performance. The users of the Company, except for authorized personnel, do not have access to database IDs with Data Manipulation Language (DML) authority, which can make direct data changes (create, change, delete) at the database level. Furthermore, the audit trail has been preserved by the Company as per the statutory requirements for record retention.

Further, the joint venture has used an accounting software operated by a third-party software service provider for maintaining its books of account which has a feature of recording audit trail facility and the same has been operated throughout the year for all relevant transactions recorded in the software at the application level. The 'Independent Service Auditor's Assurance Report on the Description of Controls, their Design and Operating Effectiveness' ('Type 2 report' issued in accordance with SAE 3402, Assurance Reports on Controls at a Service Organization), is not available for the year ended 31 March 2025.

51. Additional disclosures

- (a) No proceeding have been initiated on or is pending against the Group for holding benami property under the Benami Transactions Prohibition) Act, 1988 (45 of 1988) and Rules made thereunder.
- (b) The Group has not been declared wilful defaulter by any bank or financial Institution or other lender.
- (c) No transactions are carried out with companies struck off under section 248 of the Act or section 560 of Companies Act, 1956.
- (d) No charges or satisfaction yet to be registered with ROC beyond the statutory period.
- (e) The Group has complied with the number of layers prescribed under clause (87) of section 2 of the Act read with Companies (Restriction on number of Layers) Rules, 2017.
- (f) No Scheme of Arrangements has been approved by the Competent Authority in terms of sections 230 to 237 of the Act.
- (g) There is no income surrendered or disclosed as income during the current or previous year in the tax assessments under the Income Tax Act, 1961, that has not been recorded in the books of account.
- (h) There was no revaluation of Property, plant and equipment (including right -of-use assets) and Intangible assets carried out by the Group during the respective reporting periods.
- (i) The Company has not traded or invested in crypto currency or virtual currency during the current or previous year.

This is the summary of the material accounting policies and other explanatory information referred to in our report of even date.

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

For and on behalf of Board of Directors of
Heritage Foods Limited

Sumesh E S
Partner
Membership No: 206931

N Bhuvaneswari
Vice Chairperson and
Managing Director
DIN: 00003741

N Brahmani
Executive Director
DIN: 02338940

M Sambasiva Rao
Whole Time Director
DIN: 01887410

Srideep Madhavan Nair Kesavan
Chief Executive Officer

A Prabhakara Naidu
Chief Financial Officer
M.No.FCA 200974

Umakanta Barik
Company Secretary &
Compliance Officer
M.No. FCS 6317

Place : Hyderabad
Date : May 16, 2025

Place : Hyderabad
Date : May 16, 2025

Form AOC-1

(pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules 2014)
statement containing salient feature of the financial statements of subsidiaries/associate companies/joint ventures

Part "A" Subsidiaries

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

S. No	Name of the Subsidiary	The Date since when subsidiary was acquired	Reporting period for the subsidiary concerned if different from the holding company's reporting period	As at			For the Year ended							
				Share Capital	Reserves & Surpluses	Total Assets	Total Liabilities	Investments	Turover	Profit/(Loss) before taxation	Provision for taxation (incl. Deferred Tax)	Profit / (Loss) after Taxation	Proposed Dividend	Extent of Share Holding
1	Heritage Nutrivet Limited -Subsidiary	01.12.2008												
	As at/ Year Ended:													
	31.03.2025		Reporting period same	37.10	547.29	770.41	186.02	-	1,849.27	170.74	47.23	123.51	-	100
	31.03.2024		Reporting period same	37.10	423.97	651.79	190.72	-	1,601.43	73.59	21.44	52.15	-	100

Part "B" Associates / Joint Venture

S. No	Name of the Associate/Joint Venture	Last Audited Balance sheet Date	Date on which the Associate or Joint Venture was associated or acquired	Shares of Associate/ Joint ventures held by the Company on the Year End			Description of how there is significant influence	Reason why the associate/Joint Venture is not consolidated	Net worth attributable to share holding as per latest audited Balance sheet	Profit / (Loss) for the Year	
				No of Shares	Amount of Investment	Extent of Holding (%)				Considered in consolidation	Not Considered in consolidation
1	Skill Raigam Power (India) Limited- (Associate)*	31.03.2025	2011-12	6,50,000	6.50	43.33	N.A	N.A	-	-	(0.02)
		31.03.2024	2011-12	6,50,000	6.50	43.33	N.A	N.A	-	-	(0.03)
2	Heritage Novandie Foods Private Limited-(Joint Venture) #	31.03.2025	2017-18	79,95,339	484.45	50.00	N.A	N.A	119.85	(127.32)	(127.32)
		31.03.2024	2017-18	64,64,727	409.45	50.00	N.A	N.A	172.28	(65.42)	(65.42)

* SKIL Raigam Power (India) Limited has been declared as Dormant Company as per Section 455(2) of Companies Act, 2013 vide SRN No T42936765 dated 22.09.2021. Networth attributable to shareholding as per balance sheet as on 31 March 2025 is ₹ 16.85 millions but disclosed as Nil, since the Company has already provided impairment loss to the extent of its equity shareholding of ₹ 6.50 millions.

Heritage Foods Limited has given corporate guarantee of ₹ 220 Million as at 31st March'2025 for the credit facilities availed by its Joint Venture Company namely M/s. Heritage Novandie Foods Private Limited. and the outstanding amount of credit facilities as on March 31, 2025 was ₹ 35.41 Million

For and on behalf of Board of Directors of
Heritage Foods Limited

N. Bhuvaneswari

Vice Chairperson & Managing Director
DIN : 00003741

N Brahmani

Executive Director
DIN : 02338940

M Sambasiva Rao

Whole-time Director
DIN:01887410

Date: May 16, 2025
Place : Hyderabad

Srideep Madhavan Nair Kesavan

Chief Executive Officer

A Prabhakara Naidu

Chief Financial Officer
M.No. FCA 200974

Umakanta Barik

Company Secretary & Compliance Officer
M.No. FCS 6317

Notes

Notes



HERITAGE FOODS LIMITED

CIN: L15209TG1992PLC014332

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

Road No-1 & 65, Jubilee Hills,

Hyderabad - 500033, Telangana, India

Tel: 040-23391221/2

E-mail: hfl@heritagefoods.in

Website: www.heritagefoods.in