



Ref: SECT: STOC: 66-24

25th July, 2024

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

Dear Sir/Madam,

Sub: Notice of 32nd Annual General Meeting (AGM) and Annual Report 2023-24

This is to inform you that the 32nd Annual General Meeting (AGM) of the Company is scheduled to be held on Wednesday, August 21, 2024 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 32nd AGM of the Company. The 32nd AGM Notice along with Annual Report 2023-24 is being sent through electronic mode on July 25, 2024 to those Members whose e-mail addresses are registered with the Company/Registrars and Transfer Agent/Depositories.

The 32nd Annual Report of the Company for FY 2023-24 (PDF and Flipbook) is available on the website of the Company at www.heritagefoods.in

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



32
YEARS
OF HERITAGE

TONED FOR **GROWTH**



Heritage Foods Limited
32nd Annual Report
2023-24

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Reporting period and scope

This report covers disclosures about Heritage Foods Limited and its subsidiary, joint venture and associate companies for the period April 1, 2023 to March 31, 2024.

Holistic view on performance

Our report goes beyond traditional financial reporting. It offers the full picture about all dimensions of the business, including financial, social, environmental and governance aspects.

Benefits to stakeholders

Our reporting serves the needs and interests of all our stakeholders:



Shareholders: Improved assessment of long-term performance and sustainability.



Employees: Better understanding of the company's values, performance and forward direction.



Customers: Assessment of the company's commitment to ethics and quality practices.



Communities: Understanding of the company's societal impacts and thrust areas.



Regulators: Assess our impetus on governance, compliance and transparency.

Heritage: A Leading Dairy Company in India

18

MILK PROCESSING FACILITIES

3,225

EMPLOYEES

15,00,000+

HOUSEHOLDS SERVED DAILY

3,00,000+

FARMERS BENEFITED BY DEVELOPMENT ACTIVITIES

FORWARD-LOOKING STATEMENTS

Certain statements in this report regarding our business operations may constitute forward-looking statements. These include all statements other than statements of historical fact, including those regarding the financial position, business strategy, management plans and objectives for future operations. Forward-looking statements can be identified by words such as 'believes', 'estimates', 'anticipates', 'expects', 'intends', 'may', 'will', 'plans', 'outlook' and other words of similar meaning in connection with a discussion of future operations or financial performance. Actual results could differ materially from those projected in any forward-looking statements.



Milk: A True Superfood!

Milk has been an important constituent of the human diet for centuries.

Nutritious and delicious, milk and other dairy products are a key building block of health and happiness when consumed as part of a wholesome diet. Their unique blend of nutrients provide several health benefits for people across all ages.

Milk is thus irreplaceable in the food system.

Toned for Growth

We are among India's largest dairy companies and are proud to deliver this superfood and sustainable dairy goodness, ensuring nutrition for all.

Having built strong foundations, we are primed for growth, underpinned by our key levers of sustainable increase in milk procurement volumes, organic and inorganic expansion, rising share of value-added products, growing footprint in existing and new markets, and growing other businesses, such as premium yogurt and cattle feed (in joint venture company and wholly-owned subsidiary company).

We have incredible raw materials produced on the pastures of Indian farms, a business supported by talented and committed teams, and an exciting opportunity to create value.

With milk being a superfood, it is natural for us to be toned for growth!



About Us



Focused on Scale, Science and Sustainability

Established in Andhra Pradesh in 1992 by N. Chandrababu Naidu, Heritage Foods is a prominent dairy company with brands that are household staples.

With a rich legacy of over 32 years, Heritage has created a strong presence in 12 States, serving 1.5 mn+ households daily through a robust omni-channel distribution network. Having built a milk processing capacity of 2.78 million litres per day, the company serves a large farming community through sustainable milk procurement as well as via various cattle-centric development activities.

Vision

Delighting every home with fresh and healthy products and empowering the farmer.

Mission



To be a nationally recognized brand for fresh and healthy products.



To anticipate, understand and respond to our customers' needs by creating high-quality products and making them available through innovative and convenient channels.



To embrace the right technology to delight our customers.



Advocating the balancing of economic, social and environmental aspects to create a better tomorrow.



Empowering the farmer community through our unique 'Relationship Farming Model'.



Be the employer of choice by nurturing entrepreneurship and promoting empowerment, alongside transparency.





32
YEARS OF EXPERIENCE

10,000+
VILLAGE-LEVEL MILK PROCUREMENT CENTRES

18
STATE-OF-THE-ART MILK PROCESSING FACILITIES

2.78
million litres per day (MLPD)
MILK PROCESSING CAPACITY

203
MILK CHILLING UNITS

2.36
MLPD
MILK CHILLING CAPACITY

6,000+
MILK AND FRESH PRODUCT DISTRIBUTORS

300+
VALUE-ADDED PRODUCT DISTRIBUTORS

237
HAPPINESS POINTS

850+
HERITAGE PARLOURS

180,000+
RETAIL OUTLETS IN THE GENERAL TRADE

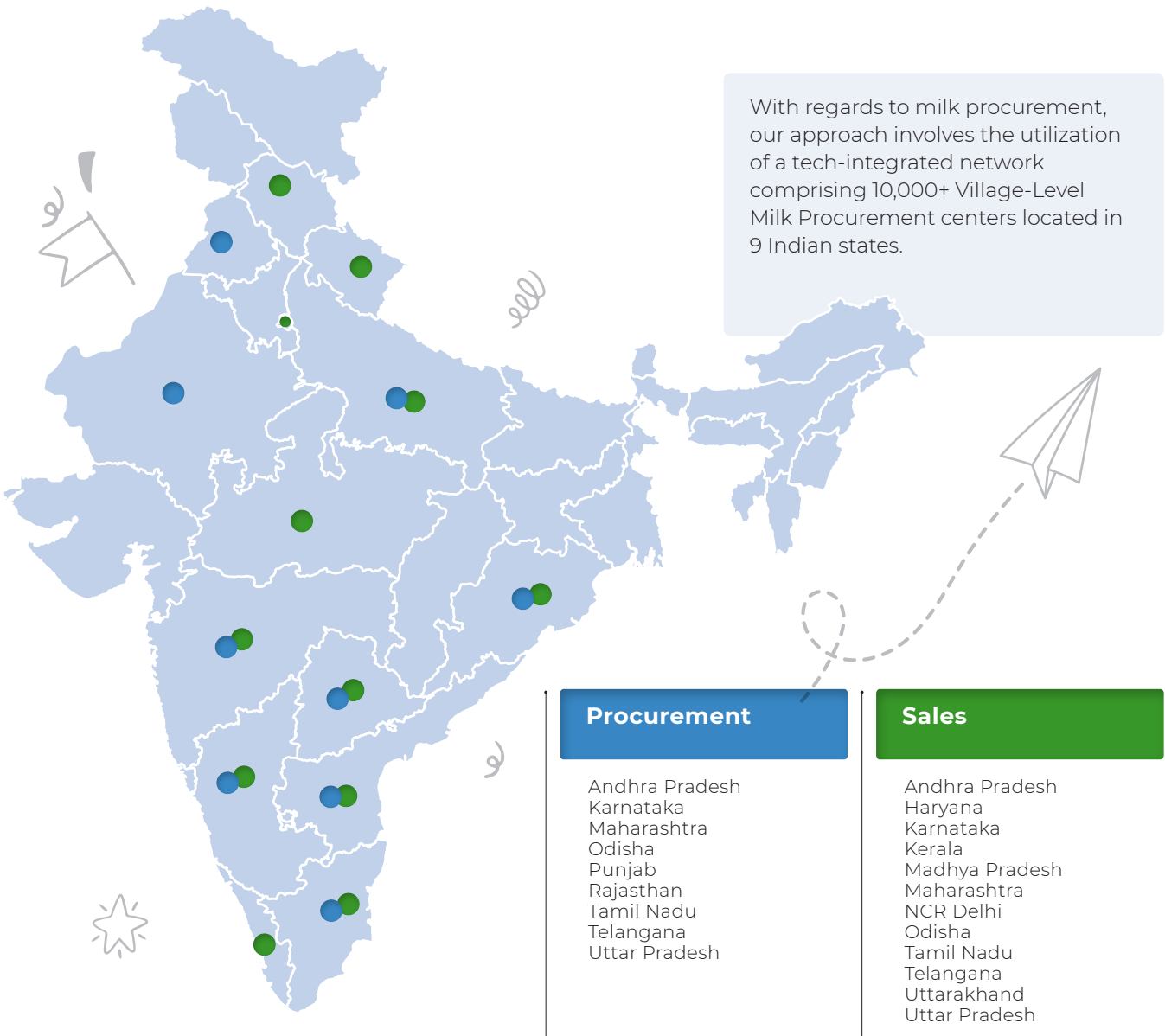
2,100+
VEHICLE FLEET FOR DISTRIBUTION

6,900+
DISTRIBUTORS DELIVERING HERITAGE PRODUCTS DAILY TO CONSUMERS' DOORSTEPS

A+ | A1
LONG-TERM AND SHORT-TERM CREDIT RATING BY CRISIL

Our Presence

Our company has built an integrated distribution network that provides our consumers convenient access to our products. This encompasses our own stores, including 237+ Happiness Points, 850+ Parlous and 180,000+ General Trade Outlets, facilitating sales in 12 Indian states. Our presence is well-established in both the modern trade and e-commerce retail. Through our fleet of 2,100+ vehicles and an extensive network of 6,900+ distributors, we deliver products to our consumer doorstep on a timely basis.



Dairy is the gold standard from the perspective of nutritional value and affordability. We at Heritage are committed to unlock the full value of our integrated dairy model as we enter a new phase of growth.

Heritage: An exciting business story rooted in India's dairy potential

13% CAGR

INDIA'S DAIRY INDUSTRY IS EXPECTED TO GROW TO ₹49,953.5 BILLION BY 2032, REGISTERING A 13% CAGR

It took us only five years to add net ₹ 1,000 crore+ revenue over 4-years, from ₹ 2,726 crore in FY2020 to ₹ 3,794 crore in FY2024, which points to our long-term growth potential.

81 kg per year

INDIA'S PER CAPITA MILK CONSUMPTION, WHICH IS LOW COMPARED TO DEVELOPED ECONOMIES

Over time, we have ensured a steady expansion in our market footprint, establishing milk procurement centres in 9 States and facilitating milk and milk product sales in 12 States.

61%

SHARE OF LIQUID MILK SEGMENT IN THE INDIAN DAIRY MARKET

There is significant potential in India's value-added dairy products with a more prosperous and consumption-oriented society. We are committed to increase the share of value-added products in our portfolio.

13%

SHARE OF TRADITIONAL AND EMERGING VALUE-ADDED SEGMENTS IN THE INDIAN DAIRY MARKET

We are enhancing our R&D and innovation capabilities to launch new high-quality nutritious products.

15% CAGR

GROWTH IN MILK PROCUREMENT VOLUMES FROM FY1993 TO FY2024

We are focused on increasing milk procurement, the starting point of our business, by investing judiciously in village-level milk collection infrastructure, chilling centers, etc.

30%

VALUE-ADDED PRODUCTS TO THE REVENUE

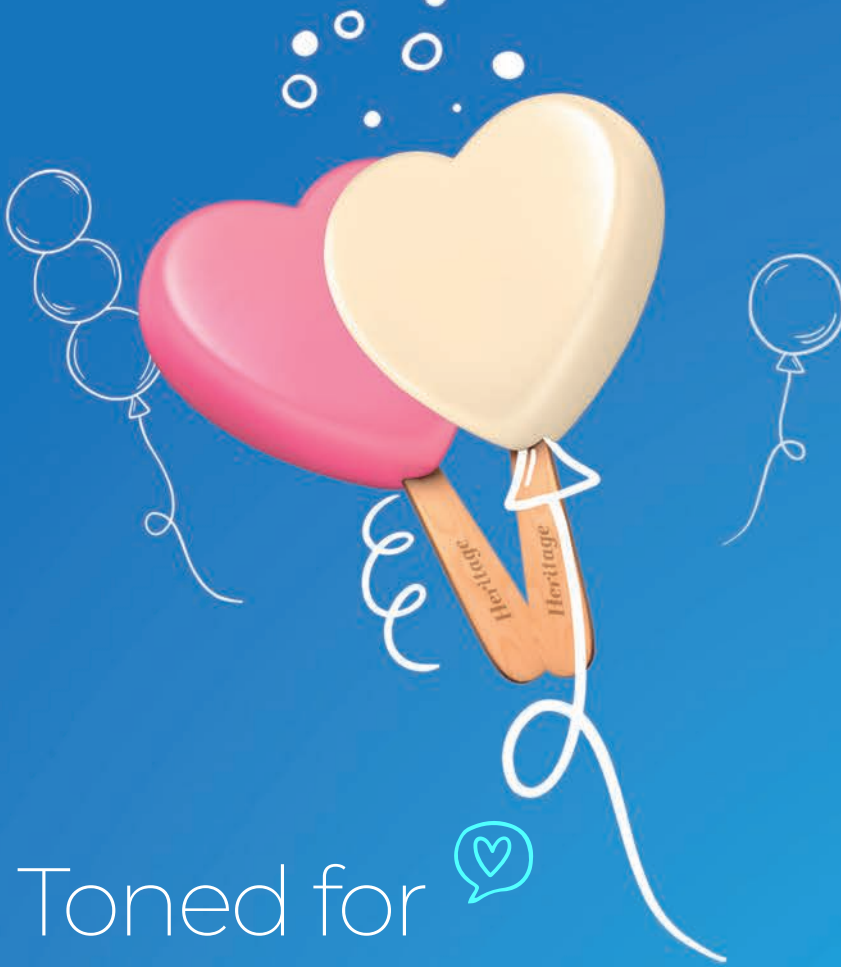
We are focused on building a range of milk and milk-based value-added products to serve the needs of traditional as well as next-generation consumers.

Sources:

Investec India, Research report on India Dairy Sector Milking the Rising Consumption Trend

<https://www.imarigroup.com/dairy-industry-in-india>


www.fortuneindia.com/macro/milk-production-in-india-may-reach-300-million-tonnes-by-2030/116561



Toned for 

Growth



 With an experience of 32 years in the dairy business, we at Heritage Foods have built robust competencies that position us well for sustainable growth and value creation. Few of our strengths comprise a robust milk collection and distribution network, a large and growing portfolio of value-added products, an established presence in major consumption markets, balance sheet strength, a large and committed workforce, among others.



Our Offering

Nutrition,
health and
happiness -
packed with
love and care!





Built to Last

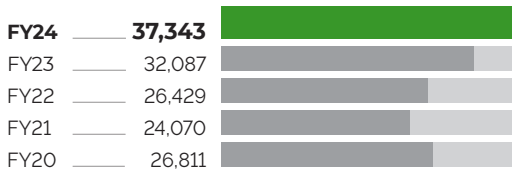
Heritage recorded a sound performance in FY2023-24, with growth achieved across all KPIs.

On a standalone basis, the company's revenue from operations grew by about 16% to ₹37,343 million, while net profit grew by around 38% to ₹910 million during the year.

Key performance drivers were expansion in sales volumes, growing share of value-added portfolio due to premiumization trends, improved operational efficiencies, optimised product distribution, and ongoing marketing and promotional activities.

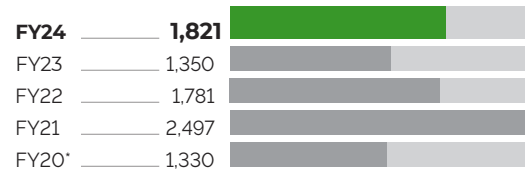
Turnover

(In ₹ Million)



EBIDTA

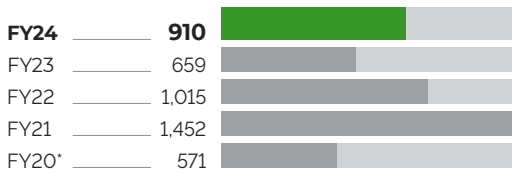
(In ₹ Million)



*Before FVTPL

PAT

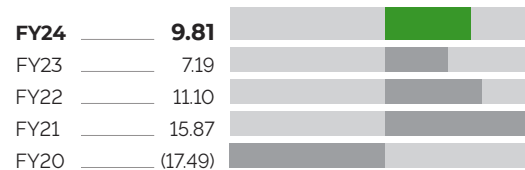
(In ₹ Million)



*Before FVTPL

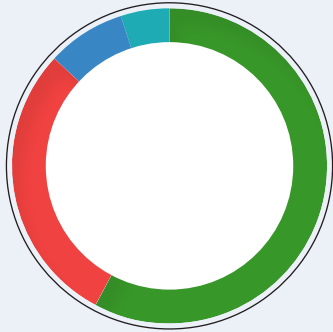
EPS

(In ₹)



Dairy Product Contribution FY2024

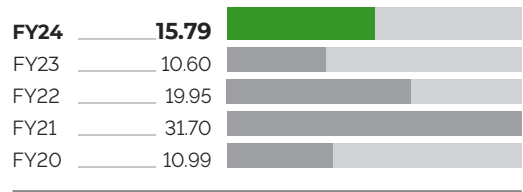
(In %)



- **59%** MILK
- **30%** Value-added products
- **8%** Fat products
- **3%** Ice cream and others

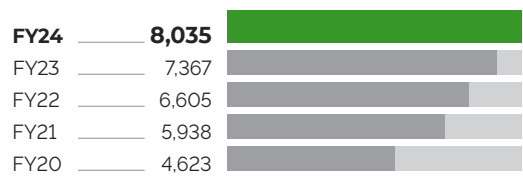
Return on Capital Employed

(In %)



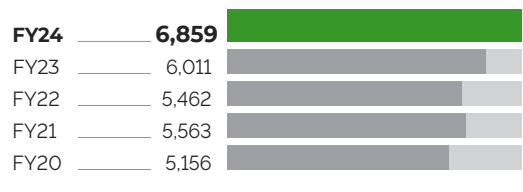
Net Worth

(In ₹ Million)



Net Fixed Assets

(In ₹ Million)



Awards and Accolades

As one of the most awarded dairy companies of India, external endorsements are always a motivation in the journey of excellence.

IAMAI National Awards

The company won two gold medals for the best packaging and best video campaign for its Heritage Buffalo Milk at the prestigious IMAI Awards, 2024.



SKOCH Awards

The company was conferred with the distinguished SKOCH Award under the following two categories at the 97th SKOCH Summit in March 2024:

- Platinum Award in Digital Transformation for "Heritage Vet+" Project
- CIO of the Year for the Agri Sector



National Energy Conservation Awards, 2023

The company's dairy plant at Bayavaram (V), Andhra Pradesh, won the second prize in the dairy sector at all-India level for effective energy conservation process/methods for the year 2023. The award function was organised by the Bureau of Energy Efficiency, Ministry of Power, Government of India, on December 14, 2023. With this award, the company's tally of National Energy Conservation Awards has reached a total of 15 awards.



Best Corporate-Cash Management Services

Heritage Foods has been awarded the "Best Corporate-Cash Management Services" by HDFC Bank in the dairy sector for quick transformation from cash collections to 100% digital mode.

Message from the Chairperson



“

We are aiming to develop a range of value-added products that will aid our margins, going forward.

”



Dear Shareholder,

I am delighted to express my thoughts as we reach the end of another exciting year at Heritage Foods.

In FY2024, the company experienced a journey characterised by diligence, commitment and achievements in the ever-changing Indian dairy landscape.

This past year demonstrated our commitment to achieve the highest standards of quality, as seen by notable accomplishments in expanding our operations and promoting sustainability.



India is a frontier market opportunity. The country is becoming prosperous and more people are getting into the consumer class with increasing discretionary income. There are structural opportunities in the premiumisation and urbanisation trends too, with health, fitness and nutrition taking centre stage in peoples' lives. These are clear growth opportunities in the mid to long-term, especially with India setting itself the ambitious target of becoming a \$7-trillion economy and capturing the slot of the third largest economy by 2030.

Over the past few years, we have seen a significant increase in the demand for quality packaged dairy products that has lifted the growth rate of the sector as a whole. Beneficiaries have been frontline players like Heritage that have focused on execution to gain scale and market share. This has been accelerated by innovation across the board that has given us the growth momentum.

Given the improving macroeconomic prospects, we have focused on enhancing our fundamentals, be it across our supply and distribution ends, operations, human resources, or in our financial management.

We have maintained flexibility and responsiveness, giving our consumers new products as well as venturing into new high-potential markets.

We acknowledge the importance of integrating environmental, social and governance (ESG) factors into our culture and operations. Our key objectives are to preserve natural resources, empower our farming community who form the backbone of rural India, and encourage practices that are ethical, transparent and help build trust.

Dairy farmers are the key support of our company. Their welfare has a direct influence on our performance and achievements. We have prioritised empowering our farmers by implementing grassroots programmes to improve their social and economic welfare. Many thousands of farmers have been with us from day one which is a matter of great pride for us.

In closing, I would like to express my gratitude to all our stakeholders who have placed their trust with us. We appreciate your ongoing support in our journey and will continue to focus our efforts on being a sustainable and value-generative dairy enterprise.

Thanks,

A V Girijakumar
Chairperson

Vice-Chairperson & Managing Director's Update



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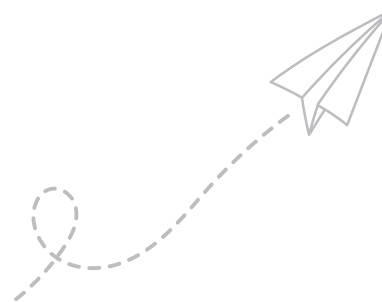
We have created a strong brand legacy that has paved the path towards an exciting future.

”



Dear Stakeholder,

In Heritage Foods' 32-year journey, we have faced and overcome numerous challenges, driven by a "can-do" spirit that has enabled the company to deliver results, even in times of uncertainty and challenges. The year under review presented challenges too, yet the company relied on its characteristic resilience to adapt and thrive, registering a strong financial and operational performance. Against this backdrop, it gives me pleasure to present a view on the year gone by and our plans for the future.



India today presents a field of opportunity. The government's continuous thrust to strengthen the country's economy through policies and regulations, infrastructure development, capital spending, etc., have contributed to GDP growth of over 8% in 2023-24. This has set a strong foundation to realise the *Viksit Bharat* vision.

During the year in review, the company harnessed its strengths and benefitted from a strong industry environment, thus registering a stellar financial performance for the year.

The company's consolidated revenue rose by 17.1% to ₹37,939 million in 2023-24. EBIDTA increased by 51.6% to ₹2,095 million with an EBIDTA margin of 5.52%. Likewise, net profit charted a strong growth of 83.6% to ₹1,065 million.

On the operational front, our average milk procurement grew by 11% YoY to 1.55 MLPD, indicating our improving procurement and processing capabilities. We have built an overall 2.78 MLPD milk processing capacity, indicating our preparedness for future growth.

The highlight of this past year was our success in growing the share of the value-added product segment. Revenue from these products grew by 18.7% to ₹11,063 million, against ₹9,322 million in the previous year. Furthermore, revenue from the fat products and ice cream segment grew by 102.9% and 38.4% to ₹3,046 million and ₹761 million, respectively, for the year. This shows growing consumer affinity for our products and also mirrors the premiumisation trend playing out in the consumption space.

Revenue from milk registered an impressive 8.1% growth to ₹22,190 million during the year, which is creditable considering a high base.

With a commitment to providing nutritious, delicious and enjoyable products to our consumers, we launched several products under Heritage brands in 2023-24, including toned and skimmed milk, new ice cream variants, new flavoured curds, new variants of fresh milk, etc. The launch pipeline for the current year is strong too, especially as we see an opportunity in healthy variants of traditional sweets using millets, etc.

Dairy farmers are the backbone of our enterprise. Truly, their success is our success. In fact, the company was started with the noble objective of serving the farming community in India. We have strived to empower our dairy farmers through many development-centric initiatives, such as free veterinary care, provision for subsidised cattle feed, cattle insurance, etc. Furthermore, Heritage VET+ app has helped revolutionise farm communities through providing knowledge and insights about animal care, diseases, etc., right in the hands of farmers.

Having built the institutional strengths necessary to operate a successful dairy enterprise, we have formulated a multi-pronged growth strategy that will help unlock the full potential of our business. Some of these include:

- Prudent investment in village-level milk collection infrastructure
- Growing the share of value-added products, especially considering growing consumer inclination towards branded, healthier and nutritious alternatives
- Enter new geographies and enlarge our presence in existing ones, especially on the back of our strong distribution network
- Expand our product portfolio, centered around consumer delight
- Fortify our farmer empowerment activities, enabling them to increase their livelihood, etc.

Overall, our aspiration is to be a nationally-recognised brand distinguished by our healthy, nutritious, fresh and accessible dairy products.

In closing, I take this opportunity to appreciate the support and cooperation of all our stakeholders. You been instrumental in contributing to build what the company is today.

N. Bhuvanewari
Vice-Chairperson & Managing Director

Business Review by the Executive Director

N. Brahmani
Executive Director

“

*We are toned for growth,
ready to focus on accelerated
value creation.*

”



Q. How would you sum up the last year for Heritage Foods Limited?

A: The year that went by was excellent in terms of significant progress on all strategic priorities, despite a challenging external environment. Revenue and EBITDA both showed strong double-digit growth and productivity benefits were well ahead of our target. At the same time, we continued to progress on the execution on our strategy, further improving the mix, significantly strengthening our value-added portfolio, acquiring a higher wallet share from the existing consumers and continuing to acquire new consumers, while deepening our commitment to long-term ESG goals.

It may be recalled that the second half of the last financial year was marred by one of the biggest crises in the recent history of dairy industry. Severe imbalance in the supply and demand situation, exacerbated by poor post-Covid supply side economics, resulted in severe shortage of raw milk. This had resulted in poor financial performance towards the last couple of quarters of FY'23. This financial year was a year of recovery from the crisis and your company took several initiatives to steadily improve the bottom-line performance, without sacrificing the growth momentum. This was a balancing act which we could not have achieved so skilfully had we not had clarity on our strategic priorities. We stayed prudent in our investments, made hard calls in making choices that ensured our growth momentum, and further accelerated long-term growth potential, at the same time improving profitability.

We expanded our contribution from value-added products with the launch of over a dozen of new products that better reflect the consumer aspirations of today, across all 6 product clusters such as drinkables, ice-creams, etc. We also increased our investment in consumer-facing marketing properties, which expanded our consumer base by inducing trials, increased repeat buys from existing consumers and increased brand loyalty.

Q. What is your strategy for cultivating excellence at HFL?

A: At Heritage Foods, we are committed to highest level of quality in everything we do. In fact, it is our commitment to quality, which has been the primary building block of our brand strength. The way we look at quality is through the lens of excellence in everything we do. It transcends our commitment to quality across our supply chain and even extends to the way we conduct every process within the company. Our commitment to product quality is quite well-known in the industry. It starts with bringing in the highest quality of raw milk from the villages where we procure. Our teams work closely with our farmer-producers in imbibing best farm and milking practices. Our strategy of limiting the distance travelled by raw milk, with a distributed network of chilling centres, is in line with our philosophy that high quality raw materials produce great products. We sustain this no-compromise approach to producing and delivering the highest quality products at every stage of the production and distribution process. We invest a lot of our efforts and resources in creating packaging that is of the highest quality in terms of aesthetics, ergonomics and economics.

Q. What has been the biggest area of change you've seen over the last few years at HFL?

A: As an ambitious organization that is aggressively chasing growth, we continuously change every aspect of our business for the better. While there are many aspects of HFL that are different today, if I had to pick two things that have changed the most, it would be our focus on serving the evolving needs of our consumers by building brand assets and our commitment to foster a high-performing team and investing to grow human capital.

Serving our consumers and customers is at the centre of everything we do. Post Covid, we have step-changed our investment in our approach to consumer centricity. We have instituted brand health trackers and several other consumer research initiatives that give us unique perspectives on evolving consumer needs. Alongside this, we have built great strength in R&D department that allows us to create unique offerings that solve consumer problems and create products that are superior to others. We are investing in people to create a leadership bench and talent across all critical functions. This, coupled with the winning culture we are consciously trying to build at our company will help us accelerate ahead of the industry peers.



Q. What gives you confidence in the growth potential of the business?

A: We are blessed to be in a very attractive industry. In a country with over 40% vegetarians, dairy products are the primary source of protein. At the same time, large part of traditional value-added dairy products are still catered to by the unorganized sector players.

This is rapidly changing with urbanisation and growing demand from consumers for high and consistent quality products. Another aspect that is driving the growth is the consolidation of customer-sales channels, especially the rapid growth of quick-commerce.

I believe HFL is well-positioned to deliver sustainable organic growth in this evolving scenario for multiple reasons. In each of our platforms of milk, VAP, fat products, ice-creams/ frozen dessert, yogurt and animal feed, we are one of the leading players and we are steadily growing our market presence and share. We have one of the best supply chain capabilities delivering the highest quality products and we have strong farmer relationships that assure us of raw milk supply, in line with our growth ambitions. Further, our distribution network, omni-channel presence and strategic partnerships with key customer partners all combined give us a unique proposition for our customers and the potential to deliver attractive returns to our shareholders.

Q. Where does HFL go from here?

A: HFL is poised to grow from strength to strength. We execute our strategy through our growth framework, which is based on four pillars, serving consumers being at the core. We have been executing this framework over the past few years, successfully driving growth across the business. Our steadfast commitment to consumers, efficient operational management and optimized supply chain has enabled us to navigate volatile market conditions, maintaining and expanding our market share. Our sustained emphasis on cost optimization has kept fixed costs in check, while productivity enhancements have yielded tangible results, ensuring the long-term sustainability of our business.

We have a compelling purpose, a clear strategy and a strong balance sheet providing the ability to invest for growth. We are committed to delivering sustainable value and long-term growth for all stakeholders.

Our Board

Our Board brings valuable leadership experience and expertise. Our Board diversity ensures a fertile ground for debate, discussion and thoughtful outcomes that are in the best long-term interest of the company.



Mr. A V Girijakumar

Chairperson,
Non-Executive Independent Director

Commerce Graduate, MBA, AIII and a Member of Financial Services Institutions Bureau under the Ministry of Finance, Govt. of India. Former Chairman and Managing Director of Oriental Insurance Co. Ltd and held various positions in insurance sectors in India and outside India, also served as Independent Director in conglomerates, having more than forty years of experience.



Dr. V. Nagaraja Naidu

Non-Executive Director

Postgraduate degree in commerce as well as a doctorate in financial management. He began his career in 1972 at the Administrative Staff College of India, Hyderabad, and has held various positions in prestigious universities, such as Professor, Dean Director and Professor of Finance and Business Economics at the Postgraduate and Doctorate levels. For about ten years, he was the Registrar (Administrative Head) of the Dr. B R Ambedkar Open University. Dr. Naidu served as the Company's Whole-time Director/Managing Director from 1995 to 2007 and is well-versed in the dairy industry.



Mr. Rajesh Thakur Ahuja

Non-Executive Independent Director

Graduated from Pune University Engineering College with a degree in Production Engineering. He has completed the Owner President Management Program at Harvard University in the US. In 1993, he founded Silver Line Wire Products as a manufacturer of plastic-coated wire products for household use.



Mrs. Bhuvaneshwari Nara

Vice-Chairperson & Managing Director

Bachelor of Arts and a dynamic leader, she has vast business experience. Her leadership has been successful in guiding Heritage Foods to new heights. She is associated with the company since 1994. She directs and supervises the overall operations of the Company.



Mrs. Aparna Surabhi

Non-Executive Independent Woman Director

Is a Fellow Member of Institute of Chartered Accountants of India, Bachelor of Commerce from Bombay University, and Bachelor of Law from Bombay University and has been practicing as a Chartered Accountant since 1991. She has more than 25 years of experience in handling audits of all kinds and has been a consultant for many start-up businesses. She is working as CFO & CHRO in Caliber Technologies Private Limited.



Mrs. Brahmani Nara

Executive Director

Graduated with a Bachelor of Science in Electrical Engineering from Santa Clara University in California and a Master of Business Administration from Stanford University. She holds a degree in communication engineering from Chaitanya Bharathi Institute of Technology, Hyderabad. She is associated with Heritage Foods since 2013.



Mr. M P Vijay Kumar

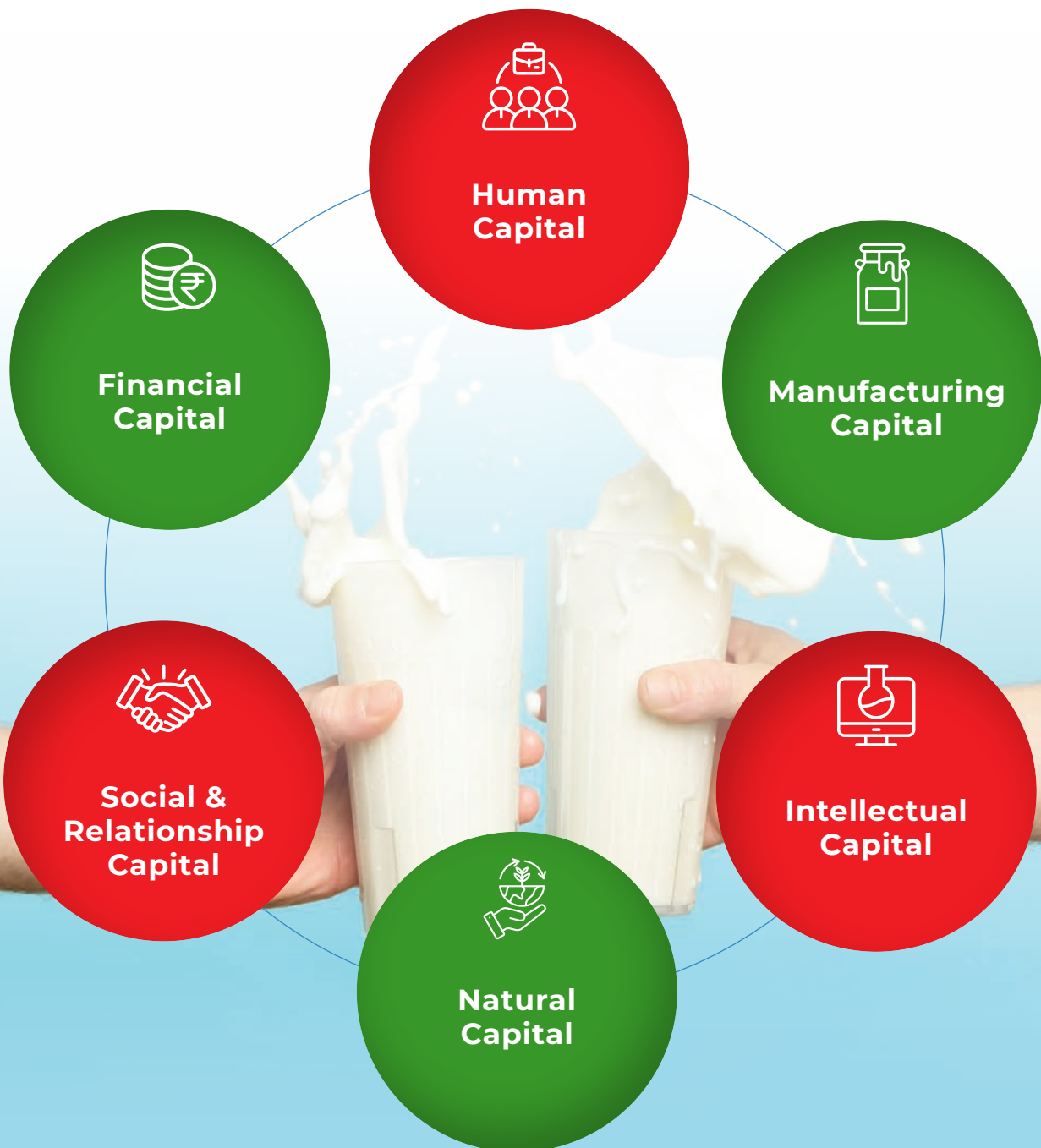
Non-Executive Independent Director

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), with more than thirty years of experience. He also serves as a Member on the IFRS Interpretation Committee of International Accounting Standards Board and IFRS Advisory Council of the IFRS Foundation, London. He served as Council Member of ICAI (2016-2022), was Chairman of Accounting Standards Board and Ex. Officio Member of NFRA (2019-2022). He was a member of MCA, SEBI and the CFO Forum in the CII. He was awarded the Business World CFO of the Year for 2021 and among the 100 most influential CFOs in India by CIMA. He is working as a Executive Director and Group CFO in Sify Technologies Limited.



Managing Our Capitals

We harness our six capitals to create sustainable value for our stakeholders. These capitals encircle all aspects of our business.



Human Capital



Our employees comprise our human capital. Most of them are professionally qualified and contribute a wealth of expertise and integrity. We invest significant financial capital in building our human and intellectual capital to attract and retain these high-calibre employees that are the backbone of our Company. They are passionate and committed to quality and operational excellence.

HOW WE CREATE AND PRESERVE VALUE USING HUMAN CAPITAL

- Ensured ongoing employee benefit programs, including health insurance, etc.
- Focused on inclusion, diversity and fair treatment of all employees
- Ensured benchmarked compensation and rewards and recognition

3,225

Total employees

3,263

Total contractual workforce

Manufacturing Capital



This capital consists of our production assets, distribution infrastructure and facilities that enable us to conduct our business. We invest in these assets to expand our portfolio to deliver on our brand-specific value propositions. We also deploy these resources to create systems and processes conducive to constant improvement.

HOW WE CREATE AND PRESERVE VALUE USING MANUFACTURING CAPITAL

- We implemented several initiatives in augmenting production processes and supply chain that resulted in efficiency improvement
- We utilised ways to optimise resource consumption, enabling lower wastages, etc.
- We ensured strong cost discipline across our operations

10,000+

Village-Level Milk Procurement centres

2.78 MLPD

Total milk processing capacity

Managing Our Capitals

Intellectual Capital



Offering our customers superior quality product is at the heart of our intellectual capital. Internally, our intellectual capital is reinforced by our systems and processes that facilitate the day-to-day business. Focus areas include deployment of appropriate and effective process methodologies, data-driven insights, sector leading policies and processes, excellent governance standards, etc.

HOW WE CREATE AND PRESERVE VALUE USING INTELLECTUAL CAPITAL

- Research and implement best practices in dairy
- Focused on adhering to all internal policies and processes
- Robust governance practices endorsed through awards by both national and international bodies

127

Trademarks registered in India

One trademark registered in overseas

Natural Capital



We rely on natural resources, such as land, energy and water for our operations and we are mindful that we need to preserve them by mitigating potentially negative environmental impacts through responsible use.

HOW WE CREATE AND PRESERVE VALUE USING NATURAL CAPITAL

- Un-compromised adherence to policies and processes, including EHS policy, etc.
- Targets have been consistently achieved for reduction in water consumption, electricity use, etc.
- Environmental awareness has been integrated into our training programs

5.40 MW

Solar power generation capacity

6.30 MW

Wind power generation capacity

Social & Relationship Capital



This capital incorporates our relationships with the communities in which we operate and that we serve as well as other key stakeholders who benefit from or impact on our work. Transparency, responsiveness and open dialogue characterises our stakeholder relationship management approach.

HOW WE CREATE AND PRESERVE VALUE USING S&R CAPITAL

- Organised several initiatives and programs with regards to community development and uplift
- Focused on enhancing impact through initiatives fundamental to society, such as healthcare, welfare, etc.

3,00,000+
Total farmers benefitted

1,73,432+
Total VET+ app registrations

Financial Capital



Our financial capital includes cash, investments, debt and equity resources. We use a combination of these resources in our business operations to ensure financial sustainability. Financial capital is used as part of our daily business operations to ensure we achieve our strategic financial expectations.

HOW WE CREATE AND PRESERVE VALUE USING FINANCIAL CAPITAL

- Sustained health liquidity levels
- Maintained balance sheet strength
- Continued with sustainable cost and capital expenditure management

Rs. 959 crores
Gross fixed assets

Rs. 686 crores
Net fixed assets

People Excellence



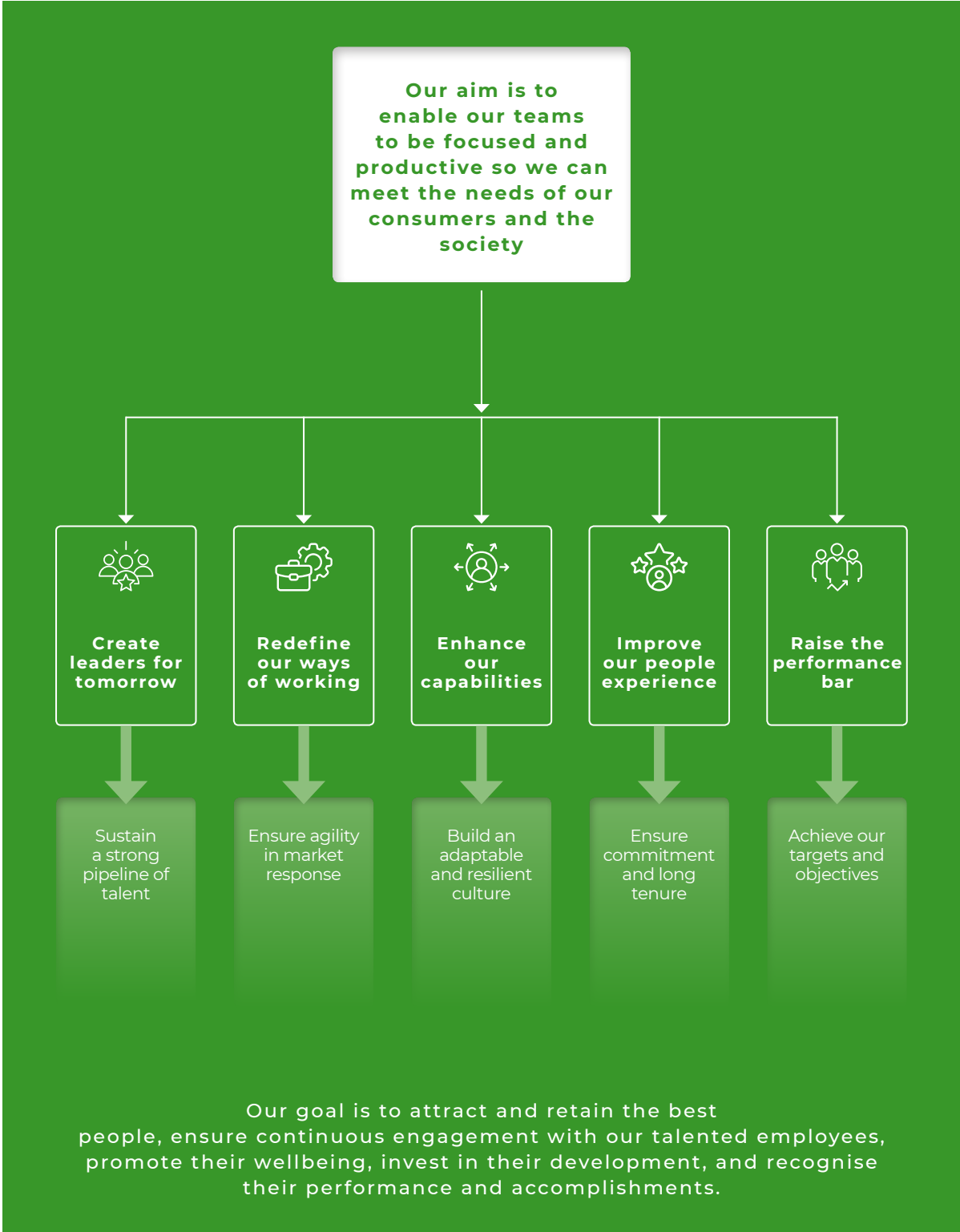
Our people play a vital role in value creation. We cultivate an empowering environment that fosters continuous learning, professional development, and a culture of innovation and inclusion.

Human capital is a critical asset for us, playing a pivotal role in our success. In the dynamic dairy sector, the knowledge, skills and expertise of our employees are paramount, as dairy is inherently a people-centric business.

Nurturing a skilled, adaptive, committed and qualified workforce is a long-term strategic priority. Continuous training programs and talent development initiatives ensure that our employees stay abreast of industry trends and best practices and possess the right skills and talents required for the evolving dairy and consumer landscape. Implementing employee retention strategies is equally vital to maintain our institutional knowledge and intellectual expertise.

214
SKILL DEVELOPMENT PROGRAMS CONDUCTED

77,837
TOTAL TRAINING HOURS



Building Brands

Our brands are loved across households and are at the heart of our business. We have devised new and innovative branding and communication strategies, keeping in mind local tastes and festivals that have enhanced brand visibility and market share.

Curd campaign



Paneer campaign



Tapping into the sporting fever through World Cup digital campaign



Associate sponsorship of Big Boss Telugu Season 7



TV Day

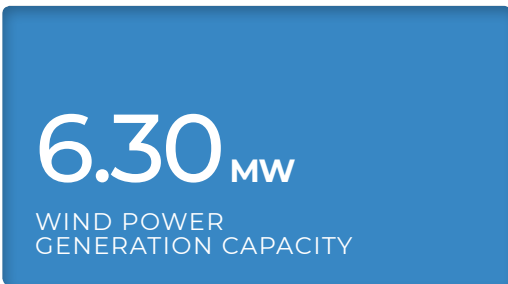
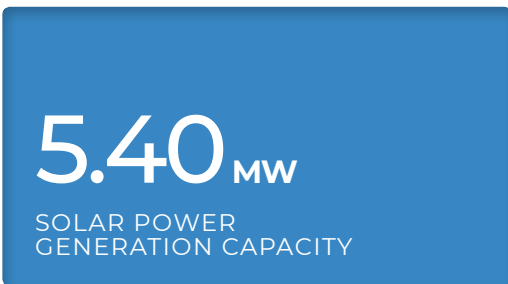


Our Approach to ESG

Environment



Dedicated to environmental stewardship



Climate action

We are committed to climate action, focusing on the key aspects of enhancing resource efficiency, optimising waste management and minimising our carbon footprint. Through concerted efforts, we strive to step up our environmental performance and contribute to the larger goal of combating climate change.

Waste management

We have developed a waste management plan aimed at minimizing waste generation. This emphasizes reducing waste at its origin, prioritizing recycling wherever possible, and strictly adhering to proper disposal system.

Energy management

Our operations are energy-intensive. We have thus taken action to minimise energy consumption, enhance efficiency and integrate renewable energy sources into our daily operations. We aim for energy self-sufficiency as part of our green initiatives. We have already set up 11.70 MW total renewable energy capacity, meeting 44% of our electricity requirement.

Social



1,50,414
CATTLE TREATED

2,978
CATTLE HEALTH CAMPS CONDUCTED

Committed to grassroots progress

Farmer empowerment

We work for the welfare of our dairy farmers through our Heritage Farmers Welfare Activities (HFWA). Under this program, we organise camps and programs to enable them to enhance cattle milk productivity, income generation, etc.

Our Heritage VET+ app also contributes to farmer empowerment. It represents a single-stop solution for milch animal management and provides remote primary veterinary care, nutrition and best practices in dairy management. The app has led to the treatment of thousands of cattle too.

Our Approach to ESG

Governance



Compliance with conformance

Board composition

Our Board comprises accomplished individuals possessing extensive experience in diverse industries. Their collective expertise ensures the effective oversight and guidance necessary to steer our organisation towards continued success.

Promoting transparency

We have implemented several measures to promote transparency and disclosure of information to stakeholders. These measures help us foster transparency, enabling stakeholders to make informed decisions and build trust.



Our Investment Case

01

Strong category tailwind

India ranks as the top producer of dairy products globally, contributing to over 25% of worldwide dairy production. With a large vegetarian population, dairy products are an indispensable source of nutrition and the primary source of essential proteins and calcium.

Per capita spends towards high nutrition food, especially dairy, is growing ahead of GDP growth. A growing young population, changing lifestyle patterns, increasing disposable incomes, and rising health awareness are the primary factors driving dairy consumption in India and, within that, providing strong tailwind for private dairy product companies offering a diverse range of products and adapting quickly to changing consumer preferences.

04

A large and growing family of dairy farmers

As we sustain our growth momentum, what gives us strength is our large and growing family of 300,000+ farmer-producers. Many of our dairy farmers have been pouring milk to Heritage Foods for decades and over multiple generations.

Our commitment to 'empower farmers' that is enshrined in our vision, has guided us to remain 100% accurate in our measurement, fully fair and transparent in our pricing, and truly punctual with our 'payment on pay-day' promise. We have never delayed any payment in the last 32+ years. This absolute consistency in our dealings gives us comfort on the raw milk supply side, in line with our growth requirements.

02

A resilient brand synonymous with high quality

Heritage is a household brand name and enjoys high preference and loyalty among its consumers across markets. In a category that is characterised by regional competition, we have invested in strong R&D capability that enables us to offer a wide array of delicious and highly nutritious value-added dairy portfolio.

Our supply chain network penetrates deep, procuring milk directly from farmers and manufacturing units closest to consumers, which assures freshness and the highest level of quality that differentiates us as a national brand. The brand enjoys the highest consumer loyalty in South India, as per internal brand health reports, and is expanding its consumer base much faster than the industry.

05

A committed high-performance team

At the core of our growth engine is an experienced, high-performance team. Our business is highly purpose driven, which inspires and engages our committed workforce. Led by seasoned leaders who have a track-record of many accomplishments, our wider team of associates possess deep expertise in their respective areas.

We are focused on building a work environment where everyone belongs and feels valued. We cultivate a winning culture with clearly defined growth behaviours and we celebrate heroes who help us stay ahead of the peer group. We are a fast-evolving organization, always acquiring new-age capabilities and having human capital strategies like any cutting-edge FMCG organisation.

03

Wide network of customer partners

We are diligently building an omnichannel network that gets us closest to our consumers. Today, our footprint spans 12 states for sales and we are adding more states and cities to our network. Through our e-commerce partners, we reach 70% of the pin codes nationally with our ambient value-added products.

We are equally committed and invested across the traditional distributor network, emerging channels like e-commerce/q-commerce as well as our own exclusive channels, such as Heritage Happiness Points and Parlours. We are also investing to grow our D2C consumer base through our W-Comm solution linked to our Happiness Points, which allows our exclusive channels to have a digital reach.

06

A sustainable business model

We are focused on building a working environment where everyone belongs and feels connected. In line with this strategy, we recognise that each employee has an important role to play in creating and sustaining an inclusive and thriving working environment.

Our peoples' well-being and safety are of utmost importance, and we take great care to safeguard their health. Stringently implementing essential safety protocols throughout our facilities, we have left no room for any health risks to affect our workforce. Simultaneously, our commitment to their growth remains unwavering, as we provide essential skill development training to elevate their expertise.

Heritage Nutrivet - An emerging leader in animal health

Heritage Nutrivet Limited (HNL) is a wholly-owned subsidiary of HFL. The company supplies dairy farmers with high-quality livestock feed and feed supplements.

We have established state-of-the-art feed manufacturing facilities in Hindupur and Mallavali, Andhra Pradesh. Our goal is to offer cost-effective dairy farming solutions to farming communities.

PRODUCT PORTFOLIO



Heritage Novandie - A range of delicious yogurt offerings

Heritage Novandie is a 50:50 JV between Heritage Foods and Novandie Foods. The company aims to bring a range of delicious yogurt offerings to consumers through its brand Mamie Yova.



Heritage of France, Perfected Since 1973.



10-Year Financial Highlights

(Standalone)

(In ₹ Million)

PARTICULARS	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23	2023-24
Turnover	20,730	23,806	18,714	23,440	24,823	26,811	24,070	26,429	32,087	37,343
Other Income	70	66	37	72	111	83	84	103	113	119
Fair value gain on equity securities	-	-	2,468	3,954	1,311	2,945	-	-	-	-
Total income	20,800	23,872	21,219	27,466	26,245	29,839	24,154	26,532	32,200	37,463
EBITDA	821	1,293	3,541	1,353	1,820	(841)	2,497	1,781	1,350	1,821
Depreciation & amortization	340	345	249	370	437	480	441	500	539	584
Finance cost	159	155	96	175	207	208	178	32	32	82
Loss due to changes in fair value of derivative liabilities	-	-	385	3,870	1,311	5,116	48	-	-	-
Profit before tax	391	860	3,233	881	1,287	(1,447)	1,962	1,352	893	1,274
Provision for taxation	109	306	307	277	452	153	510	337	234	364
Profit after tax (PAT)	282	554	2,926	604	834	(1,600)	1,452	1,015	659	910
Cash profit/(loss)	622	899	1,092	890	1,271	1,051	1,940	1,515	1,197	1,495
Proposed dividend (%)	30	30	40	40	40	50	100	100	50	50
Proposed dividend amount (Incl. tax on dividend)	84	84	112	112	112	112	116	232	232	232
Equity share capital	232	232	232	232	232	232	232	232	464	464
Reserves and surplus	1,698	2,168	5,700	7,548	7,818	4,391	5,706	6,373	6,903	7,571
Net worth	1,930	2,400	5,932	7,780	8,050	4,623	5,938	6,605	7,367	8,035
Gross fixed assets	4,623	5,184	3,050	4,632	5,551	6,318	7,140	7,376	8,292	9,591
Net fixed assets	2,807	3,120	2,874	4,247	4,757	5,156	5,563	5,462	6,011	6,859

Key Indicators

PARTICULARS	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23	2023-24
Earnings per share* (₹)	6.16	12.11	31.98	6.60	9.12	(17.49)	15.87	11.10	7.19	9.81
Cash earnings per share* (₹)	13.60	19.65	11.91	9.71	13.87	11.47	21.17	16.53	13.07	16.11
Book value per share (₹)	20.80	25.86	63.92	83.84	86.75	49.82	63.99	71.17	79.39	86.59
Debt: equity ratio##	0.82:1	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
EBITDA/Turnover (%)	3.96%	5.43%	18.92%	5.77%	7.33%	(3.14)%	10.37%	6.74%	4.21%	4.88%
Net profit margin (%)	1.36%	2.33%	15.64%	2.58%	3.36%	(5.97)%	6.03%	3.84%	2.05%	2.44%
RONW (%)	15.17%	25.59%	70.24%	8.81%	10.54%	(25.25)%	27.49%	16.18%	9.43%	11.82%

Note:

*EPS and book value per share have been adjusted for all the years on 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 (w.e.f. June 01, 2023)

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

Mr. N Sri Vishnu Raju (DIN: 00025063)
Non-Executive Independent Director (Upto October 21, 2023)

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

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

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

Senior Management

Dr. M Sambasiva Rao
President*

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

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

Mr. Srideep M Kesavan
Chief Executive Officer*

Mr. J Sambamurthy
Chief Operating Officer

Board Committees

Audit Committee

Mrs. Aparna Surabhi Chairperson
Mr. N Sri Vishnu Raju (upto 21/10/2023)
Mr. Rajesh Thakur Ahuja
Mr. M P Vijay Kumar
Mr. A V Girija Kumar (w.e.f 21/10/2023)
Dr. V Nagaraja Naidu

Nomination & Remuneration Committee

Mrs. Aparna Surabhi Chairperson (w.e.f 21/10/2023)
Mr. N Sri Vishnu Raju Chairperson (upto 21/10/2023)
Mr. Rajesh Thakur Ahuja
Mr. M P Vijay Kuma
Mr. A V Girija Kumar

Stakeholders' Relationship Committee

Dr. V Nagaraja Naidu Chairperson
Mr. N Sri Vishnu Raju (upto 21/10/2023)
Mr. Rajesh Thakur Ahuja
Mr. A V Girija Kumar (w.e.f 21/10/2023)
Mrs. N Bhuvanewari

Risk Management Committee

Mr. Rajesh Thakur Ahuja Chairperson
Mrs. Aparna Surabhi
Mr. N Sri Vishnu Raju (upto 21/10/2023)
Mr. A V Girija Kumar (w.e.f 21/10/2023)
Mrs. N Bhuvanewari

CSR Committee

Mr. Rajesh Thakur Ahuja Chairperson
Mr. N Sri Vishnu Raju (upto 21/10/2023)
Mr. A V Girija Kumar (w.e.f 21/10/2023)
Mrs. N Bhuvanewari

Management Committee

Mrs. N Bhuvanewari Chairperson
Mrs. Aparna Surabhi
Mr. M P Vijay Kumar
Mr. N Sri Vishnu Raju (upto 21/10/2023)
Mr. A V Girija Kumar (w.e.f 21/10/2023)

Rights Issue Committee**

Mrs. N Bhuvanewari Chairperson
Mr. N Sri Vishnu Raju
Mrs. Aparna Surabhi
Mrs. N Brahmani

*Key Managerial Personnel

**Dissolved on 18/10/2023

Corporate Information

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: U72400TG2017PLC117649
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 Chandiook & 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

Savita Jyoti Associates (FY23-24)

Practicing Company Secretary
#E-86, Sainikpuri, Secunderabad- 500094
Telangana, India

Ravi & Subramanyam Company Secretaries (FY24-25)

Practicing Company Secretary
#5-9-22/63/4/ A, Hill Fort Road, Adarsh Nagar,
Near Birla Mandir, Hyderabad-500063, Telangana

Internal Auditors

J V S L & Associates

Chartered Accountants – Hyderabad

Raju & Prasad

Chartered Accountants – Hyderabad

B V Rao & Co. LLP

Chartered Accountants – Vizag

Rao & Shyam

Chartered Accountants – Vizag

P Praveen & Associates

Chartered Accountants – Nellore

R. Sridharan

Chartered Accountants – Salem

K. M. Mohandass & Co

Chartered Accountants – Chennai

G M J & Co

Chartered Accountants – Mumbai

Gupta Dua & Co

Chartered Accountants – New Delhi

E Phalgun Kumar & Co (upto 31/03/2024)

Chartered Accountants – Tirupati

Ch Veerababu & Co (upto 31/03/2024)

Chartered Accountants – Guntur

D H Rama Associates (upto 31/03/2024)

Chartered Accountants – Ananthapur

Khire Khandekar & Kirloskar (upto 31/03/2024)

Chartered Accountants – Sangli

M N S & Co (upto 31/03/2024)

Chartered Accountants – Bengaluru

Ajit M. Josh & Associates (w.e.f 01/04/2024)

Chartered Accountants - Kolhapur

Punniah & Co (w.e.f 01/04/2024)

Chartered Accountants – Guntur

S C J Y & Associates (w.e.f 01/04/2024)

Chartered Accountants – Hyderabad

Murali & Venkat (w.e.f 01/04/2024)

Chartered Accountants – Bengaluru

Notice to Members

NOTICE is hereby given that the 32nd Annual General Meeting (AGM) of the members of HERITAGE FOODS LIMITED will be held on Wednesday, August 21, 2024 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. To receive, consider and adopt:

The Audited Standalone & Consolidated Financial Statements of the Company for the Financial Year ended March 31, 2024, the Reports of the Board of Directors and Auditors' thereon and in this regard, to consider and if thought fit, to pass, with or without modification(s), the following resolution as an Ordinary Resolution:

"RESOLVED THAT the Audited Standalone and Consolidated Financial Statements of the Company for the financial year ended March 31, 2024 and the reports of the Board of Directors and Auditors' thereon, as circulated to the members be and are hereby considered and adopted."

2. Declaration of Dividend:

To declare final dividend on equity shares at the rate of 50% i.e. ₹ 2.50/- per equity share of face value of ₹5/- (Five Rupees) each for the Financial Year ended March 31, 2024 and in this regard, to consider and if thought fit, to pass, with or without modification(s), the following resolution as an Ordinary Resolution:

"RESOLVED THAT a final dividend at the rate of 50% i.e. ₹ 2.50/- per equity share of face value of ₹ 5/- each fully paid-up Equity Shares of the Company, as recommended by the Board of Directors be and is hereby approved for the financial year ended March 31, 2024"

SPECIAL BUSINESS:

3. Re-appointment of Director Retiring by Rotation

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

"RESOLVED THAT Dr. V. Nagaraja Naidu (DIN: 00003730), Director liable to retire by rotation, who does not offer himself for reappointment be not re-appointed as a Director of the Company and the vacancy so caused on the Board of the Company be not filled-up."

By Order of the Board of Directors

Umakanta Barik
Company Secretary & Compliance Officer
M. No: FCS-6317
eCSIN: EF006317A000002335

Place : Hyderabad
Date: May 29, 2024

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.com



Notes

1. The General Circular No. 09/2023 dated September 25, 2023 issued by the Ministry of Corporate Affairs ("MCA") and Circular No. SEBI/HO/CFD/CFD-PoD-2/P/CIR/2023/167 dated October 7, 2023 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 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 32nd AGM along with the 32nd Annual Report 2023-24 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 32nd Annual Report 2023-24 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.
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. 3 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, Dr. V. Nagaraja Naidu (DIN:00003730) Non-Executive Director of the Company is liable to retire by rotation at the ensuing Annual General Meeting and does not offer himself for reappointment. He shall cease to be director wef. August 21, 2024 and the Board proposes that the vacancy caused by his retirement be not filled-up now.
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 32nd AGM of the Company to be held on Wednesday, August 21, 2024 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 Wednesday, August 14, 2024 to Wednesday, August 21, 2024 (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 Wednesday, August 28, 2024. 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.
14. Unclaimed rights equity shares of the Company are held in the suspense account maintained with Stock Holding Corporation of India Limited, G6- G10, East Block, Swarna Jayanthi Commercial Complex, Ameerpet, Hyderabad – 500002, Telangana State, India, vide DP ID: IN301330 & Client ID: 41280635.

DISPATCH OF ANNUAL REPORT THROUGH ELECTRONIC MODE:

15. As per the MCA Circulars and SEBI Circular the notice of the AGM along with the 32nd Annual Report for the FY 2023-24 is being sent only through electronic mode to those Members whose email addresses are registered with the Company/ Depositories unless any member has requested for a physical copy of the same. Members may note that the Notice and 32nd Annual Report for the FY 2023-24 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.

16. For receiving all communication (including 32nd Annual Report for FY 2023-24) from the Company electronically.
 - a) Members holding shares in physical mode and who have not registered/ updated their email address with the Company are requested to register / update the same by writing to the Company with details of folio number(s) and attaching a self-attested copy of PAN card at hfl@heritagefoods.in or to M/s KFin Technologies Limited (KFinTech) at einward_ris@kfintech.com.
 - b) Members holding shares in dematerialised mode are requested to register / update their email addresses with the relevant Depository Participant (DP).

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

17. PROCEDURE FOR JOINING THE AGM THROUGH VC / OAVM:

- i. Pursuant to the provisions of Section 108 of the Act read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended), Regulation 44 of the SEBI Listing Regulations and in terms of SEBI circular no. SEBI/HO/CFD/ CMD/CIR/P/2020/242 dated December 9, 2020 in relation to e-Voting facility provided by listed entities, the Company is providing facility of remote e-Voting to its Members in respect of the business to be transacted at the AGM. For this purpose, the Company has entered into an agreement with NSDL for facilitating voting through electronic means, as the authorised agency. The facility of casting votes by a Member using remote e-Voting system as well as e-Voting during the AGM which will be provided by NSDL.
- ii. Members of the Company holding shares either in physical form or in electronic form as on the cut-off date of **Tuesday, August 13, 2024** 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 Tuesday, August 13, 2024 may obtain the User ID and Password by sending a request at evoting@nsdl.co.in. However, if a person is already registered with NSDL for remote e-Voting then the Members can use their existing User ID and password for casting the vote.

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

- iii. The remote e-Voting period commences on Sunday, August 18, 2024 at 9.00 a.m. (IST) and ends on Tuesday, August 20, 2024 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. Tuesday, August 13, 2024.
- iv. 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.

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

- i. Members will be able to attend the AGM through VC/OAVM or view the live webcast of AGM provided by NSDL at <https://www.evoting.nsdl.com> by following the steps mentioned under 'Access NSDL e-Voting system'. After successful login, Member(s) can click on link of 'VC/OAVM' placed under 'Join General Meeting' menu against Company name. The link for VC/OAVM will be available in Shareholder/Member login where the EVEN of the Company will be displayed. Members who do not have the User ID and Password for e-Voting or have forgotten the User ID/Password may retrieve the same by following the process as mentioned in paragraph titled "The instructions for remote e-Voting before/ during the AGM" in the Notice to avoid last minute rush.
- ii. Members who would like to express their views or ask questions during the AGM may register themselves as a speaker by sending their request from their registered email address mentioning their name, DP ID and Client ID/Folio number, PAN, mobile number at hfl@heritagefoods.in between Saturday August 17, 2024 (9:00 a.m. IST) to Monday, August 19, 2024 (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.

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

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

Step 1: Access NSDL e-Voting system

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





Details on Step 1 are mentioned below:

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

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

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

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

Type of shareholders	Login Method
Individual Shareholders holding securities in demat mode with CDSL	<ol style="list-style-type: none"> Existing users who have opted for Easi/Easiest, they can login through their user id and password. Option will be made available to reach e-Voting page without any further authentication. The URL for users to login to Easi/Easiest are https://web.cdslindia.com/myeasi/home/login or www.cdslindia.com and click on New System Myeasi. After successful login of Easi/Easiest the user will be also able to see the E Voting Menu. The Menu will have links of e-Voting service provider i.e. NSDL. Click on NSDL to cast your vote. If the user is not registered for Easi/Easiest, option to register is available at https://web.cdslindia.com/myeasi/Registration/EasiRegistration Alternatively, the user can directly access e-Voting page by providing demat Account Number and PAN No. from a link in www.cdslindia.com home page. The system will authenticate the user by sending OTP on registered Mobile & e-mail as recorded in the demat Account. After successful authentication, user will be provided links for the respective ESP i.e. NSDL where the e-Voting is in progress.
Individual Shareholders (holding securities in demat mode) login through their depository participants	<ol style="list-style-type: none"> You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. upon logging in, you will be able to see e-Voting option. Click on e-Voting option, you will be redirected to NSDL/ CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on company name or e-Voting service provider i.e. NSDL and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting and e-voting during the meeting. <div style="text-align: right;"> <p>NSDL Mobile App is available on</p> <p> App Store  Google Play</p> <div style="display: flex; justify-content: space-around;">   </div> </div>

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

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

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

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 have to enter your User ID, your Password/OTP and a Verification Code as shown on the screen. Alternatively, if you are registered for NSDL eservices i.e. IDEAS, you can log-in at <https://eservices.nSDL.com/> with your existing IDEAS login. Once you log-in to NSDL eservices after using your log-in credentials, click on e-Voting and you can proceed to Step 2 i.e. Cast your vote electronically.

4. Your User ID details are given below :

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

5. Password details for shareholders other than Individual shareholders are given below:

- a. If you are already registered for e-Voting, then you can use your existing password to login and cast your vote.
 - b. 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.
 - c. How to retrieve your ‘initial password’?
 - i. 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’
 - ii. 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

mail@rscs.in 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 Mr. A Ravi Shankar, (M No: FCS- 5335, CP No: 4318), Partner of M/s. Ravi & Subramanyam Company Secretaries, Address: #5-9-22/71/B, Adarsh Nagar, Hyderabad - 500029. 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.

20. 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

21. DIVIDEND RELATED INFORMATION

- i. The Board of Directors at their meeting held on May 29, 2024 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, 2024, subject to approval of the Members at the AGM, the dividend will be paid on Wednesday, August 28, 2024, 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 Wednesday, August 14, 2024 to Wednesday, August 21, 2024 (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 Tower B, Plot 31 & 32, Financial District Nanakramguda, Serilingampally Mandal, Hyderabad – 500032, Telangana, 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 ₹5,000/-, The withholding tax rate would vary depending on the residential status of the member and documents registered with the Company as follows

A. RESIDENT MEMBERS:

A.1 Tax Deductible at Source for Resident Members

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.	<ul style="list-style-type: none"> • Recognised provident funds • Approved superannuation fund • Approved gratuity fund 	Nil	Necessary documentary evidence as per Circular No. 18/2017 issued by Central Board of Direct Taxes (CBDT)
6.	National Pension Scheme	Nil	No TDS as per section 197A (1E) of Income Tax Act, 1961

B. NON-RESIDENT MEMBERS:

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

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	<p>To avail beneficial rate of tax treaty following tax documents would be required:</p> <ol style="list-style-type: none"> i. Tax Residency certificate issued by revenue authority of country of residence of member for the year in which dividend is received ii. PAN iii. Form 10F filled & duly signed iv. Self-declaration for non-existence of permanent establishment/ fixed base in India <p>(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)</p>

SI No	Particulars	Withholding tax rate	Documents required (if any)
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 July 31, 2023 to enable the Company to determine the appropriate TDS / withholding tax rate applicable. Any communication on the tax determination/deduction received post July 31, 2023 shall not be considered.
- 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.
- 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.
- 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.
- 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.

22. 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 22, 2023 (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, 2024	
			Amount outstanding (₹ in Rupees)	No. of Shares
2016-17	23-08-2017	27-09-2024	2,843,592.00	7,10,898
2017-18	30-08-2018	04-10-2025	1,439,944.00	7,19,972
2018-19	30-08-2019	04-10-2026	1,414,052.00	7,07,026
2019-20	28-08-2020	03-10-2027	16,16,523.50	4,91,471
2020-21	30-07-2021	03-09-2028	23,66,387.00	5,46,894
2021-22	21-10-2021 (1 st Interim Dividend)	25-11-2028	12,62,679.50	5,96,345
2021-22	29-07-2022 (Final Dividend)	02-09-2029	13,61,023.50	6,20,841
2022-23	22-08-2023	26-09-2030	15,81,934.00	7,14,146

Pursuant to Section 124(5) of the Companies Act, 2013 [Section 205C(2) of the Companies Act, 1956] read with the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 as amended from time to time the unclaimed/unpaid dividend amount of ₹ 16,84,803/- (Sixteen Lakhs Eighty Four Thousand



Eight Hundred Three only) for the year 2015-16 was transferred to the Investor Education and Protection Fund during the financial year 2023-24.

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 5,198 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) on October 13, 2023.

Further the unclaimed/unpaid dividend and the share thereof pertaining to the financial year 2016-17 shall be transferred to the Investor Education and Protection Fund during the financial year 2024-25. 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.

23. 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 2023-24.

- 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., self-attested copy of PAN card, bank details (Bank account number, Bank and Branch Name and address, IFSC, MICR details) and cancelled cheque.
 - b. advised to register nomination in respect of their shareholding in the Company.
- 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 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@kfin.tech 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/investor-communication.pdf	
Demat	Please contact your DP and register your email address and bank account details in your demat account, as per the process advised by your DP.	

- x. Members may also note that the 32nd Annual Report for the financial year 2023-24 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

Place: Hyderabad

Date: May 29, 2024

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.com



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. 3 of the Notice of 32nd AGM dated May 29, 2024:

Item No: 3

Pursuant to the provisions of Section 152 of the Companies Act, 2013 and in accordance with the Articles of Association of the Company, Dr. V. Nagaraja Naidu (DIN: 00003730), Director retires by rotation on the conclusion of the 32nd Annual General Meeting. Dr. Naidu has informed the Company that he is not seeking reappointment in view of his pre-occupation, age constraint and other personal commitments.

Dr. Naidu has been on the Board of the Company since inception. Dr. Naidu has made distinct and immense contribution for the growth of the Company. The Board places on record its sincere appreciation and recognition of the valuable contribution and services rendered by Dr. Naidu during his tenure on the Board of the Company.

He shall ceased to be director wef. August 21, 2024 and the Board proposes that the vacancy caused by his retirement be not filled-up now.

None of the Directors or Key Managerial Personnel of the Company, either directly or through their relatives except Dr. V. Nagaraja Naidu and his relatives, are in any way, concerned or interested, whether financially or otherwise, in the Resolution as set out at Item No. 3 of the Notice.

The Board of Directors, therefore, recommends the Resolution as set out at Item No.3 to be passed as Ordinary Resolution by the Members.

By Order of the Board of Directors

UMAKANTA BARIK

Company Secretary & Compliance Officer

M. No: FCS-6317

Place: Hyderabad

Date: May 29, 2024

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.com

Board's Report

To the Members,

Your Directors have a great pleasure in presenting the 32nd Annual Report together with the Audited Standalone & Consolidated Financial Statements of your Company for the Financial Year ended March 31, 2024.

Financial Results

The Company's financial performance for the year ended March 31, 2024 is summarized below:

(₹ in Millions)

Particulars	Standalone		Consolidated	
	FY 2023-24	FY 2022-23	FY 2023-24	FY 2022-23
Revenue	37,324.48	32,072.53	37,918.20	32,390.60
Other Operating Income	18.97	14.22	20.84	15.94
Total Revenue	37,343.45	32,086.75	37,939.04	32,406.54
Add: Other Income	119.29	113.48	119.65	120.57
Total Income	37,462.74	32,200.23	38,058.69	32,527.11
Less: Total Expenditure	35,354.89	30,736.67	35,843.60	31,023.96
Profit before Finance cost, Depreciation, Amortisation Expenses and Tax	2,107.85	1,463.56	2,215.09	1,503.15
Less: i) Finance cost	81.64	31.68	90.60	39.02
ii) Depreciation and Amortisation Expenses	584.32	538.50	608.19	561.47
Profit before tax and exceptional items	1,441.89	893.38	1,516.30	902.66
Exceptional items	(167.95)	-	-	-
Less: share of loss of an Associate and a joint venture	-	-	65.43	85.23
Profit before tax	1,273.94	893.38	1,450.87	817.43
Less: i) Current Tax	356.68	227.07	375.21	228.33
ii) Deferred taxation	6.88	7.42	10.17	9.34
Profit after tax	910.38	658.89	1,065.49	579.76

Performance of the Company

Standalone

Your Company, during the year under review earned revenue of ₹.37,343.45 Million, against ₹ 32,086.75 Million over the previous year. The profit before Finance Cost, depreciation & amortization and tax was of ₹.2,107.85 Million as against ₹.1,463.56 Million in the previous year.

The Profit After Tax for the current year is ₹.910.38 Million against ₹ 658.89 Million in the previous year.

Consolidated

Your Company, during the year under review earned revenue of ₹. 37,939.04 Million, against ₹ 32,406.54 million over the previous year. The profit before Finance Cost, depreciation & amortization, share of loss of an associate and joint venture and tax was of ₹ 2,215.09 Million as against ₹ 1,503.15 Million in the previous year.

The Profit After Tax from continuing operations for the current year is ₹.1,065.49 Million against ₹ 579.76 Million in the previous year.

Transfer to General Reserves

Your Directors do not propose to transfer any amount to general reserves for the financial year ended March 31, 2024.

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, 2024 at their meeting held on May 29, 2024 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 Wednesday, August 14, 2024 to Wednesday, August 21, 2024 (both days inclusive) for the purpose of payment of dividend for the financial year

ended March 31, 2024. The Annual General Meeting is scheduled to be held on Wednesday, August 21, 2024.

Dividend Distribution Policy

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

Share Capital

The Authorised Share Capital of the Company as on March 31, 2024 was ₹500,000,000/- divided into 9,60,00,000 equity shares of ₹5/- each and 20,00,000 preference shares of ₹10/- each. The issued, subscribed and fully paid-up Equity Share Capital as on March 31, 2024 stood at ₹46,39,80,000/- 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, not granted any stock options and not issued any sweat equity share to its employee(s)/director(s). As on March 31, 2024, none of the Directors of the Company holds any instruments convertible into equity shares of the Company. The Company has not issued equity shares with differential rights as to dividend, voting or otherwise as on March 31, 2024.

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.

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, 2024 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, 2023	205	56,633
Number of shareholders who approached listed entity for transfer of shares from suspense account during the year	163	52,776
Number of shareholders to whom shares were transferred from suspense account during the year	163	52,776
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, 2024	*42	3,857

*Between April 01, 2024 and the date of this report 21 more shareholders holding 2,645 equity shares have approached the Company and those shares were transferred from the Unclaimed Suspense account. Hence as on the date of this report 21 shareholders holding 1,212 equity shares are lying in the Unclaimed rights equity share Suspense account.

The voting rights on the shares outstanding in the suspense account as on March 31, 2024 shall remain froze till the rightful owners of such shares claim the shares.

Reclassification of Promoters group:

During the year under review, The Board of Directors at their Meeting held on May 25, 2023, approved the re-classification for the below mentioned persons from "Promoter Group" category to "Public" category and the same was approved by the shareholders' on the 31st Annual General Meeting (Shareholders Meeting) held on August 22, 2023.

- Mrs. Durga Ramakrishna N P
- Mrs. Neelima N P
- Mrs. Kathya N P
- Mr. N P Ramakrishna
- Mr. Sivasankara Prasad Alapati

Your Company had made an application for such reclassification to the Stock Exchanges where the Company's shares are Listed i.e., BSE Limited and National Stock Exchange of India Limited on August 28, 2023 and received the approval from BSE Limited, vide ref. no LIST/COMP/BS/2395/2023-2024 dated December 12, 2023 and National Stock Exchange of India Limited, vide ref. no. NSE/LIST/329 dated December 12, 2023.

The below mentioned is the Promoter & Promoters Group shareholding pre and post reclassification with effect from December 12, 2023 pursuant to the above approval.

Pre-Reclassification

SI No	Name of the Shareholder	No. of Shares held	% of total Shares
1	N Bhuvanewari	2,26,11,525	24.37
2	N Lokesh	1,00,37,453	10.82
3	Megabid Finance & Investment Pvt Ltd	51,90,937	5.59
4	N Brahmani	4,30,952	0.46
5	N Devaansh	56,075	0.06
6	Ramakrishna Nandamuri	800	0.00
7	V Nagaraja Naidu	-	-
8	N Balakrishna	-	-
9	Ramakrishna N P	1,16,971	0.13
10	Durga Ramakrishna N P	71,590	0.08
11	Neelima N P	64,950	0.07
12	Kathya N P	-	-
13	Sivasankara Prasad Alapati	-	-
	Total	3,85,81,253	41.58

Post-Reclassification

SI No	Name of the Shareholder	No. of Shares held	% of total Shares
1	N Bhuvanewari	2,26,11,525	24.37
2	N Lokesh	1,00,37,453	10.82
3	Megabid Finance & Investment Pvt Ltd	51,90,937	5.59
4	N Brahmani	4,30,952	0.46
5	N Devaansh	56,075	0.06
6	Ramakrishna Nandamuri	800	0.00
7	V Nagaraja Naidu	-	-
8	N Balakrishna	-	-
	Total	3,83,27,742	41.30

Deposits

Your Company has not accepted any deposits including deemed deposits covered under Chapter V of the Companies Act, 2013, i.e. within the meaning of Section 2(31) of the Companies Act, 2013 read with Rule 2(1)(c) of the Companies (Acceptance of Deposits) Rules, 2014 and as such there are no such overdue deposits outstanding as on 31st March, 2024

Buy Back of shares

The Company has not bought back any of its shares during the Financial Year ended March 31, 2024.

Particulars of Loans, Guarantees and Investments

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

Guarantees: The Company has given corporate guarantee as at March 31, 2024 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, 2024 was ₹ 63.55 Million) from ICICI Bank Limited for long term loan and working capital facilities.

The guarantee facility extended to Heritage Nutrivet Limited was discontinued wef. March 29, 2024.

Investments: During the year under review your Company has invested ₹ 97.50 million in the equity shares of its Joint Venture namely Heritage Novandie Foods Private Limited.

Particulars of Contract or Arrangements made with Related Parties

The particulars of contracts or arrangements with related parties as per Section 188 of the Companies Act, 2013 and rules made thereof as amended from time to time and as per the Related Party Transaction (RPT) policy the Company during the financial year ended March 31, 2024 in prescribed Form AOC-2 is annexed to this Board's Report (Annexure-1). Further there are no materially significant related party transactions during the year under review with Promoters, Directors, Key Managerial Personnel's and their relatives, which may have potential conflict with interest of the company at large. The related party transactions were placed before the audit committee and also to the Board at their respective meetings for approval. All related party transactions entered during the year were in the ordinary course of business and at arm's length basis. Details of the related party transactions during the year are part of the financial statements forming part of this Annual Report.

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

There are no material changes and commitments affecting financial position of the company, which occurred after the end of the financial year i.e., March 31, 2024.

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 the Company states that:

- In the preparation of the annual accounts (Standalone & Consolidated) for the financial year 2023-24, 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 2023-24 and of the profit and loss of the Company for that period.
- They have taken Proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities if any,
- The annual accounts of the company have been prepared on a going concern basis.
- They have laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and were operating effectively; and
- They have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

Variation in market capitalization

	As at March 31	
	2024	2023
Market Capitalization (₹ in million)	31,267.61	13,404.38
Price earning Ratio	34.35	20.09

Note: Data based on share prices quoted on BSE

Variations in Net worth:

The Standalone Net worth of the Company for the Financial Year ended March 31, 2024 is ₹ 8,034.98 million as compared to ₹ 7,366.98 million for the previous Financial year ended March 31, 2023 and the consolidated Net worth of the Company for the Financial Year ended March 31, 2024 is ₹ 8,081.59 million as compared to ₹ 7,258.67 million for the previous Financial year ended March 31, 2023.

Management Discussion and Analysis

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

Corporate Governance

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

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

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 President, Chief Executive Officer, Chief Operating Officer, Chief Financial Officer and Company Secretary of the Company will 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.

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 12 States in India.

Dairy Business Overview

The Indian dairy industry currently represents one of the largest in the world and contributes to the economic growth of the country by providing livelihood and nutritional protection to the masses. It is a crucial component of the rapid and self-sustained development of the rural economy, as the Indian dairy industry provides a lucrative source of income to small farmers, marginal cattle farmers, and landless labourers. As per the research report by IMARC Group, the dairy industry in India size reached INR 16,792.1 Billion in 2023. The market is projected to reach INR 49,953.5 billion by 2032, exhibiting a growth rate (CAGR) of 13% during 2024-2032, 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.

The Indian dairy sector offers an opportunity for investors to tap into the rising discretionary consumption in the country. Private dairy companies are well-positioned for substantial growth, supported by key demand drivers and the ongoing shift towards a more organized industry. As consumer preferences evolve towards value-added dairy products, private players should gain. In the medium term, the anticipated decrease in inflationary pressures should drive earnings growth.

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.

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.

Industry coming out of a tough stretch: The Indian dairy industry has faced numerous challenges over the past three years. Initially, the sector encountered disruptions in demand due to the pandemic, which led to crashing of raw milk prices, making it unviable for the farmer producer. This resulted in shortages in milk supply in the years following the pandemic, that caused a significant rise in procurement prices of raw milk. This had a negative impact on the profitability of dairy players. However, the industry has come out of this crisis in the last few quarters, as the raw milk prices stabilised encouraging the dairy farmers to invest again in increasing their herd sizes. And dairy players, both private and cooperative have invested in improving breeds, farm and feed practices, which together have helped improve the yield and farm level production. It is expected that this period of stability will continue for some time to come.

Consequently, your Company anticipate that the combination of reduced inflationary pressures and strong demand will drive earnings growth in the dairy sector.

The attractiveness of Dairy industry

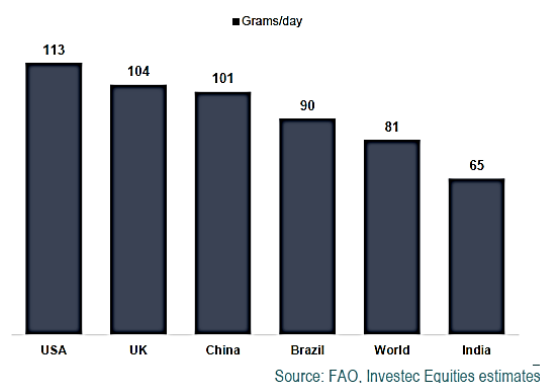
The Indian dairy industry is a promising avenue to capitalize on this growth trend. Following are the essential structural trends that underpin the optimistic stance on the dairy industry.

- **Growing demographic dividend.** India's population is projected to steadily increase in the coming years. This shift in population dynamics is significant, as India's working-age population is on the rise for the next two decades. India's expanding demographic dividend 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 80% in the last ten years to reach US\$2.6K in 2023. 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 consumer spending in the future. The World

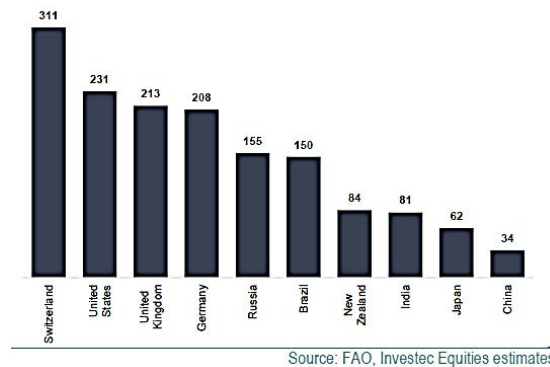
Economic Forum predicts that consumer spending in India will skyrocket from \$1.5 trillion to nearly \$6 trillion by 2030. The latest National Family Health Survey 2022 conducted in India highlights that households in the country allocate a significant portion of their budget towards the food segment. 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, unremunerative agriculture, 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 per Census Bureau, it is estimated that nearly 40% of India's population will reside in urban areas by 2030. This growing trend is particularly driving the demand for packaged milk products, including milk, curd, buttermilk, ghee, butter, ice cream, paneer 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 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 flavoured yogurts, fortified milk, and probiotic drinks.

Per capita protein consumption (2020)



Milk Consumption Per Capita (Kg per year)



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 FY23, the country produced around 231 million tonnes of milk, clocking a growth rate of 6% 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 Rs13 trillion in 2023 (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 Rs31 trillion by 2027 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 9% 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 19% per annum.

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.

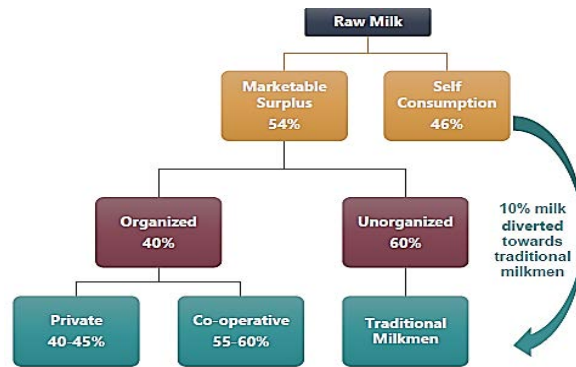
Co-ops dominant, private players gaining ground.

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



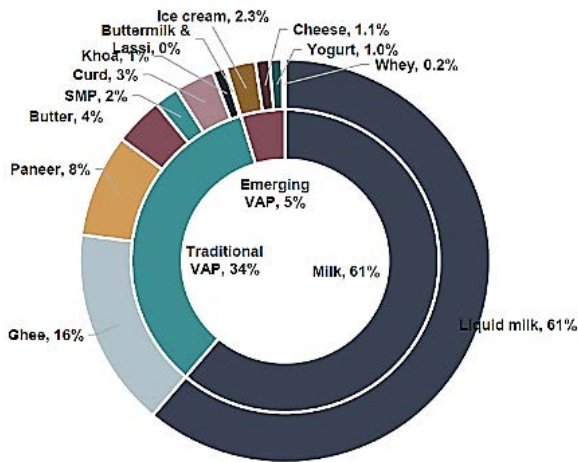
Consolidation is the way forward

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.

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 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 15% CAGR to 1.6 million liters in 2024. 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 12 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, milkshakes, and sweets, among others.

Your company today collects milk from nearly 300,000 farmers, spread across more than 10,500 villages in 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, which creates stickiness.

(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 201 chilling centres/ bulk coolers and procured an average of 1.54 Million litres of milk per day in FY23-24, 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 2.7 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 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.

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 11.70 MW of solar and wind power for captive consumption. Your Company is continuously investing in latest technologies and efficiencies to conserve energy.

Renewable Energy Division of your Company had achieved the turnover of 90.29 Million during the year under review.

Listing & Custodian Fees

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

- (i) BSE Limited, Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai - 400 001, Maharashtra, India; and
- (ii) 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 2023-24. The annual custodian fees have also been paid to the depositories before the due date.

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.

Subsidiary / Associate Companies

Your Company as on March 31, 2024 is having following subsidiary / associate / joint venture Companies:

Heritage Nutrivet Limited

(CIN: U15400TG2008PLC062054)

A wholly owned Subsidiary Company operating with Animal Nutrition covering over 0.30 million farmers spread across six states viz., Andhra Pradesh, Telangana, Tamil Nadu, Karnataka, Odisha and Maharastra. Product quality is pivotal in our endeavour towards "HEALTHY MILCH ANIMAL - HAPPY FARMER"

It is also proficient in providing cost-effective solutions for the farmers facing ground reality. The products of the Heritage Nutrivet Limited are innovatively engineered to serve varieties of needs of the animals. They segregate the animal feed into: Dairy Power+, Dairy Milk Rich, Dairy Supreme, Milk Joy +, Buffalo Feed, Dairy Bypass, Bypass +, Milk Gold etc.

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 50:50 Joint Venture 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. The Company is hoping to woo Indian consumers with its fruit-based yogurt and aims to have a strong presence across 8-10 key cities in the next two years. Due to COVID out-break the Company couldn't make the market penetration in large scale, however during the coming financial year the company is expected to make more penetration in the market, to maximise revenue and to minimise operation losses.

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 standalone 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	
	31/03/2024	31/03/2023	31/03/2024	31/03/2023	31/03/2024	31/03/2023
Total Income	1,608.68	1080.92	-	0.01	47.48	31.31
Total Expenses	1,535.09	1064.88	0.03	0.04	178.32	202.59
Profit/ (Loss) before tax	73.59	16.04	(0.03)	(0.03)	(130.84)	(171.28)
Current tax expense	18.53	1.26	-	-	-	-
Deferred tax benefit	2.91	3.69	-	-	-	-
Profit/ (loss) for the year	52.15	11.09	(0.03)	(0.03)	(130.84)	(171.28)

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.

Quality

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

Your Company adheres to international quality standard certifications such as ISO 22000:2018 (Food Safety Management System), ISO 9001:2015 (Quality Management System), ISO 45001:2018 (Occupational Health & Safety), ISO 14001:2015 (Environmental Management System), ISO 50001:2018 (Energy Management System) and HALAL Certification by JUHF. Your Company has also acquired AgMark, BIS, EIA and FSSC 22000 v 5.1 Certificates.

The Quality department of your company plays a crucial role in implementing and driving change management initiatives that aim to improve quality and increase productivity across the organization. By continuously updating its practices and embracing new technologies, the department helps to streamline processes, reduce waste, and enhance overall performance. Through its efforts, the Quality department is instrumental in driving the company's success and achieving its goals.

Branding

"Heritage" as a brand reflects your company's identity, core values and belief system. Your company is actively working on diversifying the products portfolio in line with the current consumer trends and mission of bringing health, nutrition & happiness to every home. During the year under review the brand came up with the biggest integrated marketing campaign for curd under the theme-"Heritage curd makes your Day", with 360 degree touch points covering TV, Digital and Out of Home. In the coming years, your company shall further develop

more integrated marketing campaigns based on strong Consumer insights that will help to connect and build brand preference.

Awards & Recognitions

During the financial year 2023-24 your Company has received the following awards and recognitions.

- Prestigious National Energy Conservation Awards (NECA - 2023) in Dairy Sector for the year 2023
Your company has won the 2nd prize in Dairy Sector for the year 2023 on December 14, 2023 at all India level for the effective energy conservation process/methods for its Dairy Plant, situated at: Bayyavaram (V), Kasimakota (M), Visakhapatnam District, Andhra Pradesh-531031
- Prestigious SKOCH Award under the following two categories in the 97th SKOCH Summit held at India Habitat Center, New Delhi on 29th March 2024
 - ◆ Platinum Award in the Digital Transformation for "Heritage Vet+" Project
 - ◆ CIO of the Year for the Agri Sector
- Own the best packaging & best video campaign at IMAI Awards for the Buffalo Milk.
- The Company has been awarded "Best Corporate-cash management services" by HDFC Bank in Dairy sector for quick transformation from cash collections to 100% digital mode.

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. Your Company has a structured induction process at all locations and management development programs to upgrade skills of managers. Objective appraisal systems based on Key Result Areas are in place for all employees.

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

The total strength of your Company employees as on March 31, 2024 was 3,225.

Investor Relationship

Investor relations is a critical function within a company that focuses on building and maintaining relationships with its investors and stakeholders. It serves as the bridge between the company's management team, its shareholders, analysts, and the broader investment community. The primary goal of investor relations is to effectively communicate the company's financial performance, strategic direction, and key developments to the investment community.

Investor relations professionals play a vital role in managing the flow of information between the company and its investors. They are responsible for disseminating accurate and timely information, such as financial reports, earnings releases, and regulatory filings, to ensure transparency and compliance. These professionals also organize and participate in investor conferences, roadshows, and earnings calls, where they provide updates on the company's performance and address questions and concerns from investors.

Another crucial aspect of investor relations is building and maintaining relationships with shareholders and analysts. Investor relations teams proactively engage with institutional investors, retail shareholders, and sell-side/buy-side analysts, providing them with insights into the company's operations, industry trends, and financial outlook. These interactions help foster trust, credibility, and long-term relationships, which are essential for attracting and retaining investors.

In addition to communication and relationship - building, investor relations professionals also monitor and analyze market trends, investor sentiment, and competitor activities. They assess the impact of market developments on the company's valuation and help management understand and respond to changes in the investment landscape. By staying abreast of market dynamics, investor relations teams can effectively advise the company's leadership on investor concerns, expectations, and potential risks.

Overall, investor relations is a critical function that helps companies establish and maintain productive

relationships with their investors and the broader investment community. By providing transparent and timely information, fostering relationships, and monitoring market trends, investor relations professionals contribute to enhancing the company's reputation, maximizing shareholder value, and supporting its long-term growth objectives.

Credit Rating

The details of the credit rating are as follows:

- a) Credit rating obtained by the company: in respect to long term and short term debts
- b) Name of the credit rating agency: Credit Rating Information Services of India Limited (CRISIL)
 - i. Long term Rating: CRISIL A+/Stable
 - ii. Short term Rating: CRISIL A1
- c) Date on which the credit rating was obtained: April 2, 2024 (valid up to March 31, 2025)
- d) Revision in the credit rating: During the under review no revision in the credit rating. CRISIL Ratings Limited has reaffirmed its rating on long-term and short-term bank facilities of the Company.
- e) Reasons provided by the rating agency for a downward revision: Not Applicable

Particulars of Employees and Related Disclosures

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

Details under Insolvency & Bankruptcy Code, 2016

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

Details of One Time Settlement 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 does not become applicable.

Information Technology and Digital Transformation:

Implementation of IT & Digital Transformation Strategy has been a key priority your Company for the year 2023-24. 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. as per below table. 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.

	Till October '23 end	Post Migration
Primary Data centre (SAP ERP)	Colocation Space Ctrls Data center Pioneer towers, Inorbit Mall Road, Madhapur Hyderabad, Telangana 500081, India	AWS Cloud located in Amazon Development Centre (Hyd 11) Jayabheri Orange Towers, Jairaj, Rd Number 2, Financial District, Nanakramguda, Hyderabad, Telangana - 500032, India
Disaster Recovery centre (SAP ERP)	Colocation Space CTRL S DATACENTERS LIMITED Plot No. 15/A SY No-21, Electronic City,, West Phase, Bengaluru, Karnataka 560103, India	AWS Cloud located in Amazon Web Services India Pvt Limited, Godrej One, 11th Floor, Pirojshanagar, Vikhroli, Mumbai, Maharashtra -400079, India

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

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.

Cyber Security

The Company has established requisite technologies, processes and practices designed to protect networks, computers, programs and data from external attack, damage or unauthorized access. The Company is conducting training programs for its employees at regular intervals to educate the employees on safe usage of the Company's networks, digital devices and data to prevent any data breaches involving unauthorized access or damage to the Company's data. The Information Technology Department of the Company is in a constant process of taking feedback from the employees and updating the cyber security protocols.

The Risk Management Committee and the Board of Directors are reviewing the cyber security risks and mitigation measures from time to time.

Board Diversity

Board diversity offers several advantages. Here are some of the key benefits of having diverse boards:

Enhanced decision-making: Board diversity brings together individuals from different backgrounds, experiences, and perspectives. This diversity of thought and expertise can lead to more robust and well-rounded decision-making processes. By considering a wider range of viewpoints, boards can avoid groupthink and make more informed and innovative choices.

Improved corporate governance: Diverse boards can contribute to better corporate governance practices. When a board comprises individuals with diverse skills, knowledge, and experiences, it ensures a more comprehensive oversight of the company's activities. This can help in addressing conflicts of interest, promoting transparency, and ensuring accountability.

Increased creativity and innovation: Diversity stimulates creativity and innovation within organizations. By incorporating diverse perspectives, boards can foster a culture of openness, collaboration, and inclusivity. Different viewpoints can challenge existing norms, encourage fresh ideas, and lead to more innovative solutions and strategies.

Enhanced problem-solving: Diverse boards tend to be more effective in addressing complex problems. The varied backgrounds and experiences of board members enable them to approach challenges from multiple angles. This diversity of perspectives can result in more effective problem-solving and better outcomes for the organization.

Better understanding of customers and markets: India is a diverse country with a wide range of cultures, languages, and consumer preferences. Having diverse boards can provide valuable insights into the diverse needs and preferences of customers in different regions and segments of the market. This understanding can help companies tailor their products, services, and marketing



strategies to effectively target and serve diverse customer groups.

Improved reputation and stakeholder trust: Companies with diverse boards often enjoy a positive reputation for being inclusive and socially responsible. Such companies are perceived as more attuned to societal values and needs. Board diversity can enhance the company's brand image, attract diverse talent, and build trust with stakeholders, including investors, customers, and employees.

Mitigation of biases: Diverse boards can help mitigate unconscious biases and promote fairness and equity. By ensuring representation from different genders, ethnicities, age groups, and backgrounds, boards can counterbalance any inherent biases and ensure a more equitable and inclusive decision-making process.

In summary, board diversity offers numerous advantages, including improved decision-making, enhanced corporate governance, increased creativity and innovation, better problem solving, understanding of diverse markets, improved reputation, and the mitigation of biases. These benefits contribute to the long-term success and sustainability of organizations in the Indian business landscape. The Board has adopted the Board Diversity Policy which sets out the approach to diversity of the Board of Directors. The Policy is available in the Company website, ie www.heritagefoods.in>Investor>policy.

Meetings of the Board

The Board met five (5) times during the financial year 2023-24, the details of which are given in the Corporate Governance Report forms part of this Annual Report. The intervening gap between any two meetings was within the period prescribed by the Companies Act, 2013 and SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015.

Policy on Director's Appointment and Remuneration

The current policy is to have an appropriate mix of Executive and Non-executive & Independent and Women Directors to maintain the independence of the Board, and separate its functions of governance and management. As on March 31, 2024, the Board consists of 7 members, 2 of them are Executive/Wholetime directors, 1 is Non-Executive Director, 1 is Non-Executive Independent Woman Director and 3 are Non-Executive Independent Directors. The Board periodically evaluates the need for change in its composition and size.

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

laid out in the nomination and remuneration policy of the Company.

Directors and Officers insurance ('D&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 per Regulation 25(10) of SEBI (LODR), Regulations, 2015.

Declaration from Directors

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

Declaration by Independent Directors

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

Board Evaluation

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

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

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

- 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, no further action is required. There were no actions pending from the previous year observations. The detailed format of Board evaluation is available in the website of the Company i.e. https://www.heritagefoods.in/uploads/investors/pdf/15870145475Board_&_Director_Evaluation_Framework.pdf

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.

Meeting of Independent Directors

A separate meeting of the Independent Directors was held on May 25, 2023, 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.

The Independent Directors expressed satisfaction with the overall performance of the Directors and the Board as a whole.

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).

Online Proficiency Self-Assessment Test

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

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.

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 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.

Appointment/Re-Appointment

During the year under review, Mr. Angara Venkata Girijakumar (DIN: 02921377) (herein after called as A. V. Girijakumar) has been appointed as a Non-Executive Independent Director of the Company w.e.f. June 01, 2023, for a period of 5 consecutive years, the said appointment was approved by shareholders at the 31st Annual General Meeting of the Company held on August 22, 2023.

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. Bhuvanewari (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.

Retirements and Resignations

During the year under review, Mr. N Sri Vishnu Raju (DIN:00025063) ceased to be the Non-Executive Independent Director of the Company upon his completion of second and final term of five years w.e.f. the closing business hour on October 21, 2023.

In terms of the provisions of Section 152 of the Companies Act, 2013 and rules made thereunder, Dr. V. Nagaraja Naidu (DIN:00003730) Non-Executive Director of the Company is liable to retire by rotation at the ensuing Annual General Meeting and does not offer himself for reappointment. He shall ceased to be director w.e.f. August 21, 2024 and the Board proposes that the vacancy caused by his retirement be not filled-up now.

Key Managerial Personnel

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

Name of the Official	DIN/M. No	Designation
Mrs. N. Bhuvanewari	00003741	Vice Chairperson & Managing Director
Mrs. N. Brahmani	02338940	Executive Director
Mr. A Prabhakara Naidu	FCA 200974	Chief Financial Officer
Mr. Umakanta Barik	FCS 6317	Company Secretary & Compliance Officer
Dr. M Sambasiva Rao	-	President
Mr. Srideep Madhavan Nair Kesavan*	-	Chief Executive Officer

*Hereinafter referred as Mr. Srideep M Kesavan

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
- Corporate Social Responsibility Committee

- Stakeholders' Relationship Committee
- Risk Management Committee
- Management Committee
- Rights Issue Committee (Dissolved with effect from October 18, 2023)

During the Year under review, upon cession of Mr. N Sri Vishnu Raju (DIN:00025063) Non-Executive Independent Director and upon induction of Mr. A. V. Girijakumar as Non-Executive Independent Director the Board members reconstituted the Committees of the Board.

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

Name of the Committee	Composition of the Committee	Highlights of roles and responsibilities
Audit committee	Mrs. Aparna Surabhi (C) Mr. N Sri Vishnu Raju (M) (upto 21.10.2023) Mr. Rajesh Thakur Ahuja (M) Mr. M P Vijay Kumar (M) Dr V Nagaraja Naidu (M) Mr. A V Girijakumar (M) (w.e.f 21.10.2023)	<ul style="list-style-type: none"> All recommendations made by the audit committee during the year were accepted by the Board. Reviewing, with the management, the quarterly financial statements before submission to the Board for approval. Approval or any subsequent modification of transactions of the Company with related parties. Reviewing, with the management, the performance of statutory auditors and internal auditors, adequacy of internal control systems, etc.
Nomination and Remuneration Committee	Mrs. Aparna Surabhi (C) (w.e.f 21.10.2023) Mr. N Sri Vishnu Raju (C) (upto 21.10.2023) Mr. Rajesh Thakur Ahuja (M) Mr. M P Vijay Kumar (M) Mr. A V Girijakumar (M) (w.e.f 21.10.2023)	<ul style="list-style-type: none"> The committee oversees and administers executive compensation, operating under a written charter adopted by our Board of Directors. The nomination and remuneration committee has framed the nomination and remuneration policy.
Corporate Social Responsibility Committee	Mr. Rajesh Thakur Ahuja (C) Mr. N Sri Vishnu Raju (C) (upto 21.10.2023) Mrs. N Bhuvanewari (M) Mr. A V Girijakumar (M) (w.e.f 21.10.2023)	<ul style="list-style-type: none"> To formulate and recommend to the Board, a Corporate Social Responsibility (CSR) Policy indicating activities to be undertaken by the Company in compliance with provisions of the Companies Act, 2013 and rules made there under. To monitor the implementation of the CSR Policy of the Company from time to time
Stakeholders Relationship Committee	Dr. V Nagaraja Naidu (C) Mr. N Sri Vishnu Raju (C) (upto 21.10.2023) Mr. Rajesh Thakur Ahuja (M) Mrs. N Bhuvneswari(M) Mr. A V Girijakumar (M) (w.e.f 21.10.2023)	<ul style="list-style-type: none"> The committee reviews and ensures redressal of investor grievances. The committee noted that all the grievances of the investors have been resolved during the year.
Risk Management Committee	Mr. Rajesh Thakur Ahuja (C) Mr. N Sri Vishnu Raju (C) (upto 21.10.2023) Mrs. Aparna Surabhi (M) Mrs. N Bhuvanewari (M) Mr. A V Girijakumar (M) (w.e.f 21.10.2023)	<ul style="list-style-type: none"> The purpose of the committee is to assist the Board in fulfilling its corporate governance with regard to the identification, evaluation & mitigation of operational, strategic and environmental risks efficiently and effectively. The Company has developed and implemented a risk management framework that includes identification of elements of risk, if any, which in the opinion of the Board may threaten the existence of the Company.
Management Committee	Mrs. N Bhuvanewari (C) (w.e.f 21.10.2023) Mr. N Sri Vishnu Raju (C) (upto 21.10.2023) Mrs. Aparna Surabhi (M) Mr. M P Vijay Kumar (M) Mr. A V Girijakumar (M) (w.e.f 21.10.2023)	<ul style="list-style-type: none"> Setting the strategic direction to guide and direct the activities of the organization; Ensuring the effective management of the organization and its activities; and Monitoring the activities of the organization to ensure they are in keeping with the founding principles, objects and values.

Name of the Committee	Composition of the Committee	Highlights of roles and responsibilities
Rights Issue Committee*	Mrs. N Bhuvanewari (C) Mr. N Sri Vishnu Raju (M) Mrs. Aparna Surabhi(M) Mrs. N Brahmani(M)	<ul style="list-style-type: none"> To appoint, negotiate fees/remuneration/expenses and/or any other charges and enter into arrangements with Merchant banker(s), legal advisor(s), Banker(s), depository, registrar, Auditors, printer(s), monitoring agency if required and any other intermediaries, agencies or persons as may be required or desirable for giving effect to completion of rights issue process; finalise the budget for expenses of the Rights Issue; To provide any document or data to the intermediaries for the purpose of Rights issue. approve and adopt the draft Letter of Offer, Letter of Offer, Application Form and such other as documents, as may be required for the Rights Issue, and file or submit the same with SEBI, stock exchanges and other concerned authorities and issue the same to the equity shareholders of the Company; settle any question, difficulty or doubt of stock exchange, SEBI or such other authorities, whether regulatory or otherwise, as may be necessary in relation to the Rights Issue and that may arise in connection with the Rights Issue; To do all acts, deeds, matters and things which they may, in their discretion, deem necessary or desirable for the purpose of the Rights Issue including any modification/correction thereof.

C: Chairperson, M: Member

* Dissolved with effect from October 18, 2023.

Policies

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

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

Name of the policy	Brief description	Web link
Whistleblower Policy (Policy on vigil mechanism)	The Company has adopted the whistleblower mechanism for directors and employees to report concerns about unethical behaviour, actual or suspected fraud, or violation of the Company's code of conduct and ethics. It also provides for adequate safeguards against victimization of employees who availed the mechanism and also provides for direct access to the Chairperson of the Audit Committee.	https://www.heritagefoods.in/policy
Insider Trading Policy and Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information	The Company has adopted a Code of Conduct to Regulate, Monitor & Report Trading by Insiders and Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information as per the SEBI (Prohibition of Insider Trading) Regulation 2015, with a view to regulate trading in securities by the Directors and Designated Persons while in possession of unpublished price sensitive information in relation to the Company and during the period when the Trading Window is closed and other certain situations. All Board of Directors and the designated employees have confirmed compliance with the Code.	
Policy and procedure of inquiry in case of leak or suspected leak of unpublished price sensitive information ("upsi")	The Policy aims to provide a framework for inquiry in case of leak or suspected leak of Unpublished Price Sensitive Information.	

Name of the policy	Brief description	Web link
Nomination and Remuneration Policy	This policy formulates the criteria for determining qualifications, competencies, positive attributes and independence for the appointment of a director (executive / non-executive) and also the criteria for determining the remuneration of the directors, key managerial personnel and senior management of the Company.	
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.	
Policy for Determining Material Subsidiaries	The policy is used to determine the material subsidiaries and material non-listed Indian subsidiaries of the Company and to provide the governance framework for them.	
Related Party Transaction Policy	The policy regulates all transactions between the Company and its related parties	
Policy on Preservation of Documents	The policy deals with the preservation of corporate records of the Company.	
Archival Policy	The policy deals with the retention and archival of corporate records of the Company.	
Business Responsibility Policy	This Policy endorses the Company's commitment to follow principles and core elements, in conducting its business, as laid down in the National Voluntary Guidelines on Social, Environmental and Economic responsibilities of Business.	
Dividend Distribution Policy	This Policy is to ensure the right balance between the quantum of Dividend paid and amount of profits retained in the business for various purposes	
Policy on Determination of Materiality of Events	The Policy is to determine materiality of events or information relating to the Company and to ensure timely and accurate disclosure on all material matters concerning the Company.	
Risk Management Policy	This policy sets out the objectives and accountabilities for the management of risk within the Company such that it is structured, consistent and effective	
Anti-Sexual Harassment – Safe work environment policy	The policy aims at providing a safe work environment for women at workplace	
Code of Conduct to Regulate, Monitor & Report Trading by Insiders	This code Regulates any kind of Insider Trading by designated persons	
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.	
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.	

https://www.heritagefoods.in/policy

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.

Remuneration of Directors, Key Managerial Personnel and Senior Management

The remuneration paid to the Directors, Key Managerial Personnel and Senior Management is in accordance with

the Nomination and Remuneration Policy formulated in accordance with Section 178 of the Act and Regulation 19 of the Listing Regulations.

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



Auditors' & Auditor's Report

Statutory Auditor:

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 Chandiook & Co. LLP, Chartered Accountants (FRN 001076N/N500013), as the Statutory Auditors of the Company for a term of 5 years i.e. from the conclusion of 30th Annual General Meeting till the conclusion of ensuing 35th Annual General Meeting of the Company.

The Audit reports dated May 29, 2024 (Standalone UDIN: 24207660BKERHW5646) (Consolidated UDIN: 24207660BKERHY1625) issued by M/s. Walker Chandiook & Co. LLP, Chartered Accountants, Statutory Auditors on the Company's standalone and consolidated financial statements for the financial year ended 2023-24 is part of the Annual Report.

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

Cost Auditor / Records

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

Secretarial Auditors and Secretarial Standards

The Secretarial Audit was carried out by Mrs. Savita Jyoti, Partner, M/s. Savita Jyoti Associates, Practicing Company Secretary (CP No:1796, M.No.3738), Hyderabad - 500094, Telangana for the financial year 2023-24. The report issued by the secretarial auditor dated May 07, 2024 (UDIN: F003738F000324245) is annexed in Annexure-3 and forms integral part of the Board's Report. There has been no qualification, reservation or adverse remark in their Report.

In terms of Section 204 of the Companies Act, 2013 read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 the Board of Directors appointed Mr. A Ravi Shankar, (M No: FCS- 5335, CP No: 4318), Partner of M/s. Ravi & Subramanyam Company Secretaries Hyderabad, Telangana as the Secretarial Auditors of the Company for the financial year 2024-25.

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

intimated to the Stock Exchanges where the shares of the Company are listed.

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

Your Company has obtained a secretarial Audit Report of its wholly owned subsidiary company namely Heritage Nutrivet Limited (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, 2024.

Internal Auditors

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 Internal Audit Reports of the company are reviewed by the Audit Committee on monthly basis. The Internal Auditors send the quarterly audit observations to the Company and the same were presented quarterly by the lead internal auditor of the Company to the Audit Committee. The Audit Committee along with Statutory Auditors and the management of the Company meets all Internal Auditors of the Company once in a year and review the internal controls and its adequacy. The Board of Directors on recommendation of the Audit Committee appoints/re-appoints the Internal Auditors every year in compliance with Section 138 of the Act read with the Companies (Accounts) Rules, 2014. List of Internal Auditors is provided in the corporate information section in the Annual Report.

Internal Audit & Control Systems

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, managed, 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 organizations 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.

Effective internal audit and control systems contribute to better governance, risk management, and internal controls within an organization. They provide management and stakeholders with confidence that risks are managed appropriately, financial information is reliable, and operations are conducted with integrity. By continuously monitoring and evaluating controls, internal audit helps organizations stay ahead of emerging risks, adapt to changing business environments, and enhance overall performance and accountability.

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

Significant Material Orders Passed by the Regulators

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

Your Company has complied with all the Acts, Rules, Regulations and Guidelines issued/prescribed by the

Securities Exchange Board of India, Reserve Bank of India, Ministry of Corporate Affairs and other statutory authorities.

Annual Return

The Annual Return as on March 31, 2024 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>)

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.

During the year, such controls were tested and no reportable material weakness in the design or operation was observed by the consultant namely, M/s. Kapasi Bangad & Co., appointed by the Board of Directors of the Company, Hyderabad appointed by the Board of Directors of the company.

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

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

During the year, the 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.

CEO & CFO Certification

The Vice Chairperson & Managing Director, Chief Executive Officer and Chief Financial Officer of the Company have given annual certification on financial reporting and internal controls to the Board in terms of Regulation 17(8) of the SEBI (Listing Obligation & Disclosure Requirements) Regulation, 2015. Vice Chairperson & Managing Director, Chief Executive Officer and Chief Financial Officer also give

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

Corporate Social Responsibility (CSR)

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

The CSR activities / projects as per the provisions of the Companies Act, 2013 and rules made thereof, is undertaken directly by the Company or through a registered trust or a registered society. During the Financial Year 2023-24 the CSR Committee of the Board evaluated various options to implement the CSR activities and decided to contribute the mandated CSR amount to the following implementing Agency:

Sl. No	Name of the implementing Agency	List of Activities
1.	NTR Memorial Trust, NTR Bhavan, Rd No. 2, Banjara Hills, Hyderabad -500034, Telangana	To carry out the activities such as promoting education, enhancing the vocational skill & supply of clean drinking water, disaster management, relief and rehabilitation etc.

NTR Memorial Trust

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

The total CSR obligation of the Company for spending in FY 2023-24 was ₹ 31.42 million on ongoing/multiyear projects. The details of the CSR initiatives undertaken by the Company on CSR activities during the year are set out in Annexure-4 forming part of the Board's Report in the format prescribed in the Companies (Corporate Social Responsibility Policy) Rules, 2014.

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

Business Responsibility 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 March 31, 2024 your Company was at sl no. 789 under top 1000 listed Company. In compliance with the regulation, the BRSR is provided in a separate section and forms an integral part of this Report.

Energy Conservation, Technology Absorption & Foreign Exchange Earnings & Outgo

The particulars as prescribed under Sub-section (3)(m) of Section 134 of the Companies Act 2013, read with the Companies (Accounts) Rules, 2014 are provided in the Annexure-5 to the Board Report.

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 ₹ 16,84,803 /- (Sixteen Lakhs Eighty Four Thousand Eight Hundred Three Only) for the year 2015-16 was transferred to the Investor Education and Protection Fund during the financial year 2023-24.

In compliance with the provisions of Section 124 of the Companies Act, 2013, the Company has transferred 5,198 (Five Thousand One Hundred Ninety Eight) no of equity shares belongs to 14 members of the company to Investor Education and Protection fund Authority (IEPF) on October 13, 2023 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 2016-17 shall be transferred to the Investor Education and Protection Fund during the financial year 2024-25.

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, 2024	
			Amount outstanding (₹ in Rupees)	No. of Shares
2016-17	23-08-2017	27-09-2024	2,843,592.00	7,10,898
2017-18	30-08-2018	04-10-2025	1,439,944.00	7,19,972
2018-19	30-08-2019	04-10-2026	1,414,052.00	7,07,026
2019-20	28-08-2020	03-10-2027	16,16,523.50	4,91,471
2020-21	30-07-2021	03-09-2028	23,66,387.00	5,46,894
2021-22	21-10-2021 (1st Interim Dividend)	25-11-2028	12,62,679.50	5,96,345
2021-22	29-07-2022 (Final Dividend)	02-09-2029	13,61,023.50	6,20,841
2022-23	22-08-2023	26-09-2030	15,81,934.00	7,14,146

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.

Risk Management

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

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

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

Policy on Sexual Harassment

The Company 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 2023-24:

No. of complaints at the beginning of financial year: Nil

No. of complaints filed during the financial year : Nil

No. of complaints disposed during the financial year : Nil

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

Vigil Mechanism policy

The Board of Directors of the Company had adopted the Whistle Blower Policy in compliance with the provisions of Section 177 of the Companies Act, 2013 and Regulation 22 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. A mechanism has been established for employees to report concerns about unethical behaviour, actual or suspected fraud, or violation of Code of Conduct and Ethics. It also provides for adequate safeguards against the victimization of employees who avail of the mechanism and allows direct access to the Chairperson of the Audit Committee in exceptional cases. The Audit Committee reviews periodically the functioning of whistle blower mechanism. No complaints have been received during the Financial Year ended March 31, 2024. No personnel have been denied access to the Audit Committee during the Financial Year 2023-24.

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

Indian Accounting Standards (Ind AS)

The Company has adopted Indian Accounting Standards (Ind AS) with effect from April 1, 2017 pursuant to Ministry



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

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.

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 year under review, there has been due compliance with the said code.

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

Reconciliation of Share Capital Audit

As required by the SEBI Listing Regulations, quarterly audit of the Company's share capital is being carried out by an independent Practicing Company Secretary with a view to reconcile the total share capital admitted with NSDL and CDSL and held in physical form, with the issued and listed capital. The Practicing Company Secretary's Certificate in regard to the same is submitted to BSE and the NSE and is also placed before the Board of Directors.

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 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 your 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.

Last but not least, we would like to extend our heartfelt thanks to all our 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 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 Girijakumar
Chairperson
(DIN : 02921377)

Place : Hyderabad
Date : May 29, 2024

FORM NO. AOC-2

Annexure-1

(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, 2024 were at arm's length basis and in the ordinary course of business of the Company.

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

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

Sr. No.	Name(s) of the related party	Nature of Relationship	Nature of contracts/ arrangements/ transactions	Value of contracts/ arrangements/ transactions during the Year (₹ In Millions)	Duration of contracts/ arrangements/ transactions
1.	Heritage Nutrivet Limited (HNL)	Wholly Owned Subsidiary Company	Investment made (including financial guarantee)	1.18	During FY 2023-24
			Sale of products	6.88	Sale order/Invoice
			Financial guarantee income	3.35	During FY 2023-24
			Purchases	998.96	Purchase order/ Invoice
			Expenditure incurred on behalf of HNL	1.87	During FY 2023-24
			Brand income	1.46	As per agreement
2.	Heritage Novandie Foods Private Limited (HNFPL)	Joint Venture Company	Investment made (including financial guarantee)	98.00	During FY 2023-24
			Sale of products	10.87	Sale order/Invoice
			Financial guarantee income	2.20	During FY 2023-24
			Lease rental income	1.25	As per agreement
			Expenditure incurred on behalf of HNFPL	8.08	During FY 2023-24
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	1,823.36	As per agreement
			Cattle loan facilitation charges	3.95	As per agreement
			Deposit paid	15.58	As per the lease agreement
			Lease rentals paid	81.93	
			Others	0.80	
4.	NTR Memorial Trust	Enterprise over which Vice-Chairperson & Managing Director and Executive Director of the Company exercise significant influence	CSR expenditure	11.12	As per CSR initiatives
			Sale of Products	1.63	Sale order
5.	Mrs. N. Bhuvaneshwari	Key Managerial personnel (Vice Chairperson and Managing Director)	Short-term employee benefits	77.62	As per the terms of appointment
			Post-employment benefits	0.97	
			Other long-term benefits	0.87	
6.	Mrs. N. Brahmani	Key Managerial personnel (Executive Director)	Short-term employee benefits	62.10	As per the terms of appointment
			Post-employment benefits	0.49	
			Lease Rentals	11.67	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	11.67	As per the lease agreement
8.	Dr. M. Sambasiva Rao	Key Managerial personnel (President)	Short-term employee benefits	30.92	As per terms of appointment
			Post-employment benefits	0.89	
9.	Mr. Srideep M Kesavan	Key Managerial personnel (CEO)	Short-term employee benefits	17.51	As per terms of appointment
			Post-employment benefits	0.95	
10.	Mr. A. Prabhakara Naidu	Key Managerial personnel (Chief Financial Officer)	Short-term employee benefits	10.08	As per terms of appointment
			Post-employment benefits	0.54	
			Other long-term benefits	0.50	
11.	Mr. Umakanta Barik	Key Managerial personnel (Company Secretary & Compliance Officer)	Short-term employee benefits	4.68	As per terms of appointment
			Post-employment benefits	0.25	
12.	Mr. N Srivishnu Raju	Non-Executive Independent Director	Sitting fees	0.40	During FY 2023-24
13.	Mr. Rajesh Thakur Ahuja	Non-Executive Independent Director	Sitting fees	0.85	During FY 2023-24
14.	Mrs. Aparna Surabhi	Non-Executive Independent Director	Sitting fees	0.76	During FY 2023-24
15.	Mr. Muthu Raju Paravasa Raju Vijay Kumar*	Non-Executive Independent Director	Sitting fees	0.70	During FY 2023-24
16.	Mr. A V Girijakumar	Non-Executive Independent Director	Sitting fees	0.39	During FY 2023-24
17.	Dr. V Nagaraja Naidu	Non-Executive Director	Sitting fees	0.56	During FY 2023-24

* Hereinafter referred as Mr. M P Vijay Kumar

Note:

- Appropriate approvals has been taken from the Audit Committee and Board for the above related party transactions by the Company and no amount paid in advance for the above related party transactions.
- The Audit committee / Board approved all the tentative Related party transactions before the commencement of financial year 2023-24 and in every quarter committee/Board review and approved the above Related party transactions, that are mostly repetitive in nature.
- Approvals under first proviso to section 188(1) from shareholders are not required for the above related party transactions during FY 2023-24.

For and on behalf of
HERITAGE FOODS LIMITED

Place: Hyderabad
Date: May 29, 2024

A V Girijakumar
Chairperson
(DIN : 02921377)

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

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

Sl No	Name of the director	Title	Ratio of remuneration to MRE
Sitting Fees			
1	Mr. A V Girijakumar#	Non-Executive Independent Director	1.42:1
2	Mr. N Sri Vishnu Raju*	Non-Executive Independent Director	1.45:1
3	Mr. Rajesh Thakur Ahuja	Non-Executive Independent Director	3.09:1
4	Mrs. Aparna Surabhi	Non-Executive Independent Director	2.76:1
5	Mr. M. P. Vijay Kumar	Non-Executive Independent Director	2.54:1
6	Dr V Nagaraja Naidu	Non-Executive Director	2.04:1
Remuneration			
7	Mrs. N. Bhuvaneswari	Vice Chairperson & Managing Director	282.17:1
8	Mrs N Brahmani	Executive Director	225.75:1

MRE: Median Remuneration of Employees

Mr. A V Girijakumar has been appointed as a Non-Executive Independent director w.e.f. 01.06.2023.

* Mr. N. Srivishnu Raju ceased to be an Independent Director being completion of his second and final term w.e.f. 21.10.2023

Note:Sl No 1 to 6 are related to sitting fees paid to Non-Executive Director

Sl No. 7 & 8 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

Sl No	Name of the director	Title	% Increase/ (Decrease) in Remuneration
Sitting Fee[^]			
1	Mr. A V Girijakumar#	Non-Executive Independent Director	-
2	Mr. N Sri Vishnu Raju*	Non-Executive Independent Director	(49.37)
3	Mr. Rajesh Thakur Ahuja	Non-Executive Independent Director	23.19
4	Mrs. Aparna Surabhi	Non-Executive Independent Director	(13.64)
5	Mr. M. P. Vijay Kumar	Non-Executive Independent Director	(11.39)
6	Dr V Nagaraja Naidu	Non-Executive Director	(17.65)
Remuneration[§]			
7	Mrs. N. Bhuvaneswari	Vice Chairperson & Managing Director	62.05
8	Mrs N Brahmani	Executive Director	62.05
9	Dr. M Sambasiva Rao	President	29.62
10	Mr. Srideep N Kesavan	CEO	8.69
11	Mr. A. Prabhakara Naidu	CFO	11.75
12	Mr. Umakanta Barik	CS	16.06

Mr. A V Girijakumar has been appointed as a Non-Executive Independent director w.e.f. 01.06.2023.

* Mr. N. Srivishnu Raju ceased to be an Independent Director being completion of his second and final term w.e.f. 21.10.2023

§ Remuneration includes monthly salary, perquisites and annual/performance pay

- iii. **The percentage increase in the median remuneration of employees in the financial year:** 29.82%
- iv. **The number of permanent employees on the rolls of Company:** There are 3,225 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 excluding key managerial personnel is 13.64%.

The key managerial personnel remuneration was increased around 10% excluding two Whole-time Directors and President of the Company. However the amount may vary due to the variation of period of increment.

The President remuneration was increased around 8% and he is eligible for performance incentive. The amount is vary due to the profitability.

As per the shareholders approval the two Whole-time Directors are drawing 9% 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, 2024

Sl. No.	Director/ Employee Name	Designation	Annual Gross Remuneration Received for FY23-24** (₹ in Million)	Qualification	Total Years of Experience	Date of Joining in the Company	Age (Yrs)	Last Employment before Joining the Company	No of Equity Shares held in the Company
(i) Director									
1	Mrs. N Bhuvaneshwari	VC&MD	77.62	B.A	30	12-12-1994	62	-	2,26,11,525
2	Mrs. N. Brahmani	ED	62.10	B. Tech., MBA	16	22-04-2013	36	Vertex Venture Management Private Limited, Singapore.	4,30,952
(ii) Employee									
1	Mr. M Sambasiva Rao	President	30.92*	M. Sc, PhD	40	23-Jan-06	67	Joint Secretary, Ministry of Commerce & Industry, Govt of India	93,078
2	Mr. Srideep M Kesavan	CEO	17.51	B. Tech, MBA (PGDBM, Mkt. XLRI)	27	09-Aug-21	51	Coca Cola India Private Limited	4,800
3	Mr. A Prabhakara Naidu	CFO	10.08	B. Sc, C.A	35	07-Aug-92	63	Heritage Foods Limited	-
4	Mr. Jangam Samba Murthy	COO	9.75	MBA (Marketing)	35	01-Apr-07	58	Reliance Life Sciences Limited	1,272
5	Mr. Makarand Shastri	VP	8.91	MBA (Marketing)	21	18-Jan-22	47	Adani Wilmar Limited.	1,060
6	Mr. Puneet Kusumbia	VP	5.96	MBA (Marketing)	22	12-Jun-23	46	Innovative Nutrition Solutions	-
7	Mr. Balaji Adivishnu	Sr.GM	5.37	MBA (Mkt), M. Sc (Maths)	24	27-Jun-19	48	Real Time Governance - Govt of India	-

Sl. No.	Director/ Employee Name	Designation	Annual Gross Remuneration Received for FY23-24** (₹ in Million)	Qualification	Total Years of Experience	Date of Joining in the Company	Age (Yrs)	Last Employment before Joining the Company	No of Equity Shares held in the Company
8	Mr. Dheeraj Tandon	Sr.GM	5.36	MBA (HR),PG Dip.(T&D)	25	05-Oct-16	48	Meritor Commercial Vehicle Systems (India) Private Limited	85
9	Mr. Nanduri Kiran	Sr.GM	5.04	B. Tech (Mech) IIT Madras PGPM IIM Indore	19	25-Feb-22	43	DXC Technology	-
10	Mr. L.Srinivas	VP	5.01	B.E (Mechanical)	33	14-Oct-94	55	Chengalva Engineers Private Limited	-

* Remuneration includes Salary & Performance incentive

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

Employee Name	Designation	Educational qualification	Age	Experience (in years)	Date of joining	Gross Remuneration Paid (₹ in Million)	Previous employment and designation
Dr. M Sambasiva Rao	President	M.Sc, PhD	67	40	23-Jan-06	30.92*	Joint Secretary, Ministry of Commerce and Industry Govt. of India
Mr. Srideep M Kesavan	CEO	MBA (PGDBA, Marketing), B.Tech	51	27	09-Aug-21	17.51	Vice President Marketing, Juices and value added category, Coca cola India & South-West Asia BU

* Remuneration includes Salary & Performance incentive

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

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

All the above appointments are contractual and they are not relative of any Director of the company except Mrs. N. Bhuvaneshwari and Mrs. N. Brahmani are related to each other.

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

For and on behalf of
HERITAGE FOODS LIMITED

Place : Hyderabad
 Date: May 29, 2024

A V Girijakumar
 Chairperson
 (DIN : 02921377)



Form No. MR-3

Annexure-3

SECRETARIAL AUDIT REPORT

 For the Financial year ended 31st March, 2024

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

To

The Members,

Heritage Foods Limited

CIN:L15209TG1992PLC014332

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

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

Based on our verification of the Company's, books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the company has during the audit period covering the financial year ended on 31st March, 2024

- complied with the statutory provisions listed hereunder and
- proper Board-processes and compliance - mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March, 2024 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made there under as amended from time to time;
- (ii) The 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; -- N.A.
- (e) The Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021; -- N.A.
- (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; -- N.A.
- (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018; -- N.A.
- (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 duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors & Woman Directors and there are changes in the composition of the Board of Directors that took place during the period under review.
- 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 duly recorded and signed by the Chairperson, the decisions of the Board were approved by majority and no dissenting views have been recorded.
- All Independent Directors of the Company were registered as an independent director in the independent directors databank maintained by the IICA.

We further report that based on the review of the compliance mechanism established by the company and on the basis of the compliance certificate(s) issued by the various departments and taken on record by the Board of Directors at their meetings. We are of the opinion that there are adequate systems and processes in the Company that commensurate with the size and operations of the Company to monitor and ensure compliance with the applicable laws, rules, regulations and guidelines.

We further report that during the audit period the Company made an application to the Stock Exchanges where the shares of the Company are Listed i.e., BSE Limited and National Stock Exchange of India Limited on August 28, 2023 and has received approval from BSE Limited, vide ref. no LIST/COMP/BS/2395/2023-2024 dated December 12, 2023 and National Stock Exchange of India Limited, vide ref. no. NSE/LIST/329 dated December 12, 2023 for re-classification of the shareholders of the Company from Promoters and Promoter Group category to Public Category in accordance with the Regulation 31A of SEBI (Listing Obligations and Disclosure Requirements) Reg. 2015

We further Report that, during the audit period of the Company: There was no instance of: Demerger/ Restructuring/ Scheme of Arrangement.

We further Report that, during the audit period, the Company has appointed Mr. A. V. Girijakumar (DIN: 02921377), as an Additional Director in the category of Non- Executive Independent Director of the Company for a term of 5 (five) consecutive years w.e.f. June 01, 2023 and further regularised his appointment as Non-Executive Independent Director of the Company at the 31st AGM held on August 22, 2023.

We further Report that, during the audit period, Mr. N Sri Vishnu Raju (DIN:00025063) ceased to be a Non-Executive Independent Director and Chairperson/Member of the Committees of the Company w.e.f. the closing business hour on October 21, 2023.

We further Report that, during the audit period, the Company has appointed Mr. A V Girijakumar Non-Executive Independent Director as Chairperson of the Company.

We further report that, during the audit period the company has also sought the approval of its members through postal ballot concluded on March 14, 2024 in compliance with the MCA and SEBI Circulars for

1. Re-Appointment of Mrs. Aparna Surabhi (DIN: 01641633) as Non - Executive Independent Woman Director of the Company.
2. Re-Appointment of Mrs. N. Bhuvanewari (DIN: 00003741) as Whole-time Director designated as Vice-Chairperson and Managing Director (VC&MD) of the Company.
3. Re-Appointment of Mrs. N. Brahmani (DIN: 02338940) as Whole-time Director designated as Executive Director of the Company.

We further report that, our Audit was subjected only to verifying adequacy of systems and procedures that are in place for ensuring proper compliances on the part of the Company and we are not responsible for any lapses in those compliances on the part of the Company.

For **SAVITA JYOTI ASSOCIATES**

Savita Jyoti

Partner

M. No. FCS No. 3738

CP. No. 1796

PR: 1326/2021

UDIN : F003738F000324245

Place: Hyderabad

Date: May 07, 2024

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,

Heritage Foods Limited

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.

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 **SAVITA JYOTI ASSOCIATES**

Savita Jyoti

Partner

Place: Hyderabad

Date: May 07, 2024

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

PR: 1326/2021

UDIN: F003738F000324245

SECRETARIAL COMPLIANCE REPORT

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

M/S 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

- I, Savita Jyoti partner of M/s. Savita Jyoti Associates, Practicing Company Secretary (CP No: 1796, M. No. 3738), have examined:
- The specific Regulations, whose provisions and the circulars/ guidelines issued thereunder, have been examined, include:-
- | | |
|--|--|
| <p>(a) all the documents and records made available to us and explanation provided by M/s. Heritage Foods Limited (the listed entity)</p> <p>(b) the filings/ submissions made by the listed entity to the stock exchanges,</p> <p>(c) website of the listed entity,</p> <p>(d) any other document/ filing, as may be relevant, which has been relied upon to make this certification, for the year ended 31st March, 2024 in respect of compliance with the provisions of:</p> <p>(i) the Securities and Exchange Board of India Act, 1992 ("SEBI Act") and the Regulations, circulars, guidelines issued thereunder; and</p> <p>(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");</p> | <p>(a) Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;</p> <p>(b) Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;</p> <p>(c) Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;</p> <p>(d) Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018; Not Applicable during the year under review</p> <p>(e) Securities and Exchange Board of India (Share based employee benefits and Sweat Equity) Regulations, 2021; Not Applicable during the year under review</p> <p>(f) Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021; Not Applicable during the year under review</p> <p>(g) Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;</p> <p>(h) Securities and Exchange Board of India (Depositories and Participants) Regulations, 2018;</p> |
|--|--|

and based on the above examination, I/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:-

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 -----										

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

Sr. No.	Particulars	Compliance Status (Yes/NO/NA)	Observations/ Remarks by PCS
1.	<p>Secretarial Standards:</p> <p>The compliances of the listed entity are in accordance with the applicable Secretarial Standards (SS) issued by the Institute of Company Secretaries India (ICSI)</p>	Yes	None
2.	<p>Adoption and timely updation of the Policies:</p> <ul style="list-style-type: none"> • 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	None
3.	<p>Maintenance and disclosures on Website:</p> <ul style="list-style-type: none"> • 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	None
4.	<p>Disqualification of Director:</p> <p>None of the Director of the Company are disqualified under Section 164 of Companies Act, 2013</p>	Yes	None
5.	<p>To examine details related to Subsidiaries of listed entities:</p> <ul style="list-style-type: none"> a. Identification of material subsidiary companies b. 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 listed is having a wholly owned subsidiary Company namely Heritage Nutrivet Limited.
6.	<p>Preservation of Documents:</p> <p>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.</p>	Yes	None
7.	<p>Performance Evaluation:</p> <p>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</p>	Yes	None
8.	<p>Related Party Transactions:</p> <ul style="list-style-type: none"> a. The listed entity has obtained prior approval of Audit Committee for all Related party transactions b. 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

Sr. No.	Particulars	Compliance Status (Yes/NO/NA)	Observations/ Remarks by PCS
9.	<p>Disclosure of events or information:</p> <p>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.</p>	Yes	None
10.	<p>Prohibition of Insider Trading:</p> <p>The listed entity is in compliance with Regulation 3(5) & 3(6) SEBI (Prohibition of Insider Trading) Regulations, 2015</p>	Yes	None
11.	<p>Actions taken by SEBI or Stock Exchange(s), if any:</p> <p>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</p>	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.
12.	<p>Resignation of statutory auditors from the listed entity or its material subsidiaries</p> <p>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.</p>	NA	No such event occurred
13.	<p>Additional Non-compliances, if any:</p> <p>No any additional non-compliance observed for all SEBI regulation/circular/guidance note etc.</p>	Yes	No additional non-compliance was observed for any SEBI regulation/ circular/ guidance note etc. during the year under review.

For **SAVITA JYOTI ASSOCIATES****Savita Jyoti**

Partner

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

PR: 1326/2021

UDIN: F003738F000324267

Place: Hyderabad
Date: May 07, 2024



Annexure-3(ii)

CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

(pursuant to Regulation 34(3) and Schedule V Para C clause

(10)(i) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015)

To

The Members,

Heritage Foods Limited

CIN: L15209TG1992PLC014332

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

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

Jubilee Hills, Hyderabad, Telangana, 500033

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

In our opinion and to the best of our information and according to the verifications (including Directors Identification Number (DIN) status at the portal www.mca.gov.in) as considered necessary and explanations furnished to us by the Company & its officers, we hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on 31st March, 2024 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs or any such other Statutory Authority.

Sr. No.	Name of Director	DIN	Date of Last appointment in Company
1.	Mr. A. V. Girijakumar	02921377	01/06/2023
2.	Mr. Rajesh Thakur Ahuja	00371406	30/07/2021
3.	Mrs. Aparna Surabhi#	01641633	01/04/2024
4.	Mr. Muthu Raju Paravasa Raju Vijay Kumar	05170323	01/11/2021
5.	Dr. Vadlamudi Nagaraja Naidu*	00003730	29/07/2022
6.	Mrs. N Bhuvaneswari#	00003741	01/04/2024
7.	Mrs. N Brahmani#	02338940	01/04/2024

The members approved the reappointment wef. April 01, 2024 through postal ballot concluded on March 14, 2024 and the result of the same has been declared on March 15, 2024.

* Date of re-appointment as per Retiring by Rotation is considered for the date of last appointment of Non-Executive Non-Independent Director.

Note: Mr. N Sri Vishnu Raju (DIN:00025063) ceased to be the Non-Executive Independent Director of the Company w.e.f., the closing business hour on October 21, 2023.

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

For **SAVITA JYOTI ASSOCIATES**

Savita Jyoti

Partner

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

PR: 1326/2021

UDIN F003738F000324223

Place : Hyderabad

Date : May 07, 2024



FORM No. MR-3

SECRETARIAL AUDIT REPORT

For the Financial year ended 31st March, 2024

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

To,
The Members,

Heritage Nutrivet Limited

CIN: U15400TG2008PLC062054

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

Plot No. 1286, Road No. 1 & 65,

Jubilee Hills, Hyderabad, Telangana, 500033

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

Based on my verification of the Company's, books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the company has during the audit period covering the financial year ended on 31st March, 2024 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March, 2024 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made there under as amended from time to time;
- (ii) The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;
- (iii) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act') to the extent applicable to the company:-
 - a. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011; Not Applicable
 - b. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015; Not Applicable
 - c. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009, as amended from time to time; Not Applicable

- d. The Securities and Exchange Board of India (Share Based employee Benefits and Sweat Equity) Regulations, 2021; Not Applicable
 - e. The Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities), Regulations, 2021; Not Applicable
 - f. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client; Not Applicable
 - g. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021; Not Applicable
 - h. The Securities and Exchange Board of India (Buy-back of Securities) Regulations, 2018; Not Applicable
 - i. The Securities and Exchange Board of India (Listing Obligation & Disclosure Requirements) Regulations, 2015; Not Applicable
- (iv) The other laws, as informed and certified by the management of the Company which are specifically applicable to the Company are:
- The Andhra Pradesh Animal Feed (Regulation of Manufacture, Quality 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 was held on August 16, 2023.
- d) Minutes of the proceedings of General meetings and of the Board Meetings.



- e) Constitution of the Board of Directors, appointment, retirement and reappointment of Directors including the Managing Director.
- f) During the year under review the Board of Directors met 5 times, i.e May 18, 2023, July 28, 2023, October 17, 2023, January 23, 2024 and March 15, 2024. The time gap between the two Board meetings is within 120 days as per the Secretarial Standard-1.
- g) No Payment of remuneration was made to Directors including the Managing Director/Whole-time Directors except sitting fee.

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

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

For KLB & Associates

CS Khusboo Laxmi Bhagat

M. No: 9376, CP No:14703

UDIN: F009376F000353808

PR: 3403/2023

Place: Hyderabad

Date: May 11, 2024

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

CS Khusboo Laxmi Bhagat

M. No: 9376, CP No:14703

UDIN: F009376F000353808

PR: 3403/2023

Place: Hyderabad

Date: May 11, 2024

The Annual Report on CSR Initiatives

1. Brief outline on CSR Policy of the Company

The Board of Directors has adopted a CSR policy to enable the Company to carry out CSR activities in one or more 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 2023-24 were within the broad framework of Schedule VII to the Companies Act, 2013. Details of the CSR policy of the Company is available on the website of the Company at 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 Tahkur Ahuja	Chairperson	1	1
2	Mr. N Srivishnu Raju*	Member	1	1
3	Mrs. N Bhuvanewari	Member	1	1
4	Mr. AV. Girijakumar#	Member	-	-

* Mr. N Srivishnu Raju ceased to be a member of the committee w.e.f. October 21, 2023.

Mr. A V Girijakumar appointed as a member of the committee w.e.f. October 21, 2023.

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/policy>

CSR Projects: <https://www.heritagefoods.in/static/images/pdf/CSR%20Activities%20for%20FY%202023-24.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 : ₹ 1570.90million for FY 2022-23

(b) Two percent of average net profit of the Company as per section 135(5): ₹ 31.42 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): ₹ 31.42 million

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

(1) Sl. No.	(2) Name of the Project	(3) Item from the list of activities in Schedule VII to the Act	(4) Local area (Yes/No)	(5) Location of the project		(6) Project duration	(7) Amount allocated for the project (₹ in Mn)	(8) Amount spent in The current financial Year (₹ In Mn)	(9) Amount Transferred to Unspent CSR Account for the Project as per Section 135(6) (In Mn).	(10) Mode of implementation - Direct (Yes/No)	(11) Mode of implementation - Through implementing agency		
				State	District						Name	CSR registration number	
1	Health and Education support	Promoting Healthcare	Yes	Andhra Pradesh	Vijaywada	3year	30.00	-	30.00	No	NTR Memorial Trust	CSR00001602	
2	Education, Disaster Management and Environmental Sustainability	Promoting Education, Disaster Management and Environmental Sustainability	Yes	Andhra Pradesh/	Telangana	-	3year	1.42	-	1.42	Yes	-	-
Total							31.42	-	31.42				

(b) Amount spent in Administrative Overheads : Nil

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

(d) Total amount spent for the Financial Year [(a)+(b)+(c)] : Nil

(e) CSR amount spent or unspent for the financial year: 31.42 million

Total Amount Spent for the Financial Year 2023-24 (₹ 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
-	31.42	22.04.2024	NA	Nil	NA

The unspent amount of ₹ 31.42 million will be spent in accordance with the CSR Amendment Rules.

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

Sl. No.	Particulars	Amount (₹ in Mn)
i)	Two percent of average net profit of the company as per section 135(5)	31.42
ii)	Total amount spent for the Financial Year	Nil
iii)	Excess amount spent for the financial year [(ii)-(i)]	Nil
iv)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	Nil
v)	Amount available for set off in succeeding financial years [(iii)-(iv)]	Nil

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 a Fund as 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
					Amount (₹ In Mn).	Date of transfer.		
1	2020-21	-	-	-	-	-	-	NA
2	2021-22	11.58	11.58	11.58	-	-	-	NA
3	2022-23	11.12	11.12	11.12	-	-	-	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)	Details of entity/ Authority/ beneficiary of the registered owner		
				CSR Registration Number, if applicable	Name	Registered address
Infrastructure for executing the Health care Project Address: NTR Memorial Trust Road No.2, Banjara Hills, Hyderabad, Telangana	500034	Apr 1, 2023 to Mar 31, 2024	7.24	CSR00001602	NTR Memorial Trust	Road No.2, Banjara Hills, Hyderabad, Telangana
Sewage Treatment Plant Address: Gandipet, Hyderabad. Chilukur Balaji Temple Road, Himayath Nagar Village, Moinabad Mandal, R.R. Dist., Telangana	500075	Apr 1, 2023 to Mar 31, 2024	3.88	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 FY 2023-24, the Company has not spent any amount on CSR Projects. The unspent amount of ₹31.42 millions was transferred to unspent CSR account and will be spent in accordance with the CSR Amendment Rules. However as on the report date ₹ 30 million was spent towards CSR activities for FY 2023-24.

Place : Hyderabad
Date: May 29, 2024

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 required under The Companies (Accounts) Rules, 2014

A) Energy Conservation

Your Company, a renowned company in the food and dairy industry, has always been committed to energy conservation and environmental sustainability. Recognizing the critical importance of minimizing energy consumption and reducing carbon emissions, your Company has implemented various initiatives to promote energy conservation throughout its operations.

One of the key strategies employed by your Company is the adoption of energy-efficient technologies. The company has invested in state-of-the-art equipment and machinery that are designed to optimize energy usage while maintaining the highest standards of productivity. By utilizing energy-efficient systems, your Company has significantly reduced its overall energy consumption, thereby minimizing its carbon footprint. Furthermore, your Company places great emphasis on employee awareness and engagement in energy conservation. The company conducts regular training programs and workshops to educate its employees about the importance of energy efficiency and provides them with practical tips to conserve energy in their daily work routines. This approach not only empowers employees to make conscious choices but also fosters a culture of sustainability within the organization.

In addition to internal efforts, 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. By staying at the forefront of technological advancements and best practices, your Company strives to continually improve its energy conservation efforts.

Overall, your Company sets a commendable example in the food and dairy industry by prioritizing energy conservation and sustainability. Through the adoption of energy-efficient technologies, employee engagement, and strategic collaborations, the company demonstrates its commitment to reducing energy consumption, minimizing environmental impact, and building a greener future for generations to come. Your company has won the 2nd prize in Dairy Sector for the year 2023 on December 14, 2023 at all India level for the effective energy conservation process/methods for our Dairy Plant, situated at: Bayyavaram (V), Kasimakota (M), Visakhapatnam District, Andhra Pradesh-531031

B) Technology Absorption

Your Company, a dairy and food processing 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 plants, cold storage facilities, and distribution centres with state-of-the-art equipment and machinery.

2. **Automated 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. **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. **Supply Chain Management:** 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. **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. **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.
8. **The benefits derived like product Improvement, cost reduction, product development or import substitution:** Energy saving & reduction of cost of products, improved product quality.
9. **In case of imported technology (imported during the last three years reckoned from the beginning of the financial year) :** Nil
10. **The Expenditure incurred on Research and Development :** ₹13.04 Million

C) Foreign Exchange Earnings and Outgo

During the year under review foreign exchange earnings was ₹15.65 Million (previous Year ₹5.07 Million) and foreign exchange outgo was ₹8.30 Million (Previous year ₹5.36 Million)

For and on behalf of the Board of Directors

Place: Hyderabad
Date: May 29, 2024

A V Girijakumar
Chairperson
(DIN : 02921377)

BUSINESS RESPONSIBILITY & SUSTAINABILITY REPORT

In today's business landscape, the adoption of the Business Responsibility & Sustainability Reporting (BRSR) framework has become imperative for organizations aspiring to elevate their Environmental, Social and Governance (ESG) disclosures. By embracing BRSR, companies set a new standard for transparency and accountability, ensuring standardized reporting on ESG parameters, sustainability-related risks, and opportunities. This strategic move not only drives long-term value creation but also empowers investors with comprehensive ESG data, enabling them to make well-informed decisions.

Recognizing the significance of proactive ESG engagement, your Company has taken diligent measures to address ESG issues. We proactively identify areas for improvement and demonstrate an unwavering commitment to sustainable practices. Adhering to the BRSR framework, we aim to provide stakeholders with clear and reliable information that enables them to comprehend our ESG performance and progress. This unwavering commitment to transparency fosters trust among investors, customers, and the wider community, reinforcing our position as a responsible and sustainable organization.

SECTION A: GENERAL DISCLOSURES

I. Details of 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
5.	Corporate address	No.8-2-293/82/A/1286, Plot No: 1286, Road No. 1 & 65, Jubilee Hills, Hyderabad, Telangana, 500033
6.	E-mail id	hfl@heritagefoods.in
7.	Telephone	040-23391221
8.	Website	www.heritagefoods.in
9.	Financial year reported	2023-2024
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. Products/services

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

Sl. No.	Description of Main Activity	Description of Business Activity	% of turnover of the Company
1	Manufacturing	Manufacture of dairy products	99.76%

* Heritage Foods also has Renewable energy and Feed as business activities

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

Sl. No.	Product/Service	NIC Code	% of total Turnover contributed
1	Milk and Milk products	1050	99.76%

III. Operations

19. Number of locations where plants and/or operations/offices of the Company are situated:

Location	Number of plants*	Number of offices#	Total
National	215	51	266
International	0	0	0

* Plant Includes : Packing Stating, Chilling Centre, Mini Chilling Unit, Ice Plant .

Office Includes : Regd. Office, Regional Office, Sales Office

20. Markets served by the Company

a. Number of locations

Locations	Number
National (No. of States)	12
International (No. of Countries)	0

b. What is the contribution of exports as a percentage of the total turnover of the Company?

0.04%

The major exports are Heritage Pure Ghee in Bulk and Consumer Packs, Heritage Butter in Bulk and Consumer Packs, Heritage SMP (Skimmed Milk Powder) in Bulk & Consumer Packs.

c. Brief on types of customers

The Company process/manufactures milk & milk products and serves more than 1.5 million households' daily basis through Distributors, Parlours, Retail outlets : Heritage Happiness Points, Institutions, Modern Formats & E-Commerce channels.

IV. Employees

21. Details as at the end of Financial Year, i.e., March 31, 2024

a. Employees and workers (including differently abled):

Sl. No.	Particulars	Total (A)	Male		Female	
			No. (B)	% (B/A)	No. (C)	% (C/A)
EMPLOYEES						
1.	Permanent (D)	3225	3163	98.08	62	1.92
2.	Other than Permanent (E)	0	0	0	0	0
3.	Total employees (D+E)	3225	3163	98.08	62	1.92
WORKERS						
4.	Permanent (F)	0	0	0	0	0
5.	Other than Permanent (G)	3263	2638	80.85	625	19.15
6.	Total workers (F+G)	3263	2638	80.85	625	19.15

b. Differently abled Employees and workers:

Sl. No.	Particulars	Total (A)	Male		Female	
			No. (B)	% (B/A)	No. (C)	% (C/A)
DIFFERENTLY ABLED EMPLOYEES						
1.	Permanent (D)	0	0	0	0	0
2.	Other than Permanent (E)	0	0	0	0	0
3.	Total differently abled employees (D+E)	0	0	0	0	0
DIFFERENTLY ABLED WORKERS						
4.	Permanent (F)	0	0	0	0	0
5.	Other than Permanent (G)	0	0	0	0	0
6.	Total differently abled workers (F+G)	0	0	0	0	0

- Permanent employees mean employees are on the rolls of Heritage Foods Limited
- Workers means persons engaged through labour contractor/third party
- In terms of gender ratio, about 27.1% of dairy farm workers are women and 72.9% are men. Heritage Foods endeavours to maintain these industry baseline standards , however in summation these figures can vary significantly depending on the region and specific sub-sectors within the dairy industry. The above mentioned figures provided a generalized view across product lines and States of operation.

22. Participation/Inclusion/Representation of women

	Total (A)	No. and percentage of Females	
		No. (B)	% (B/A)
Board of Directors	7	3	42.86%
Key Management Personnel*	6	2	33.33%

* including Directors.

This is higher than the industry average of 15%-23% women in Dairy boards as published by IICA 2023 as a result Heritage Foods has higher Women Empowerment in CXO compared to the industry baseline standards.

23. Turnover rate for permanent employees and workers (disclose trends for the past 3 years)

	FY 2024				FY2023				FY2022			
	Male	Female	Others	Total	Male	Female	Others	Total	Male	Female	Others	Total
Permanent Employees(%)	18.62	0.28	0	18.91	22.30	1.20	0	23.50	24.77	0.50	0	25.27
Permanent Workers(%)	0	0	0	0	0	0	0	0	0	0	0	0

- As per National Dairy Board, the estimated turnover in the Dairy industry for 2023-24 is at 38%.in comparison, Heritage Foods have maintained a lower 18.91% in comparison to industry baseline and striving several employee and worker welfare activities year on year thereby reducing the Employee/Workers Turnover by 4.59% in FY2023-24. This included providing Health care facilities such as free clinic medical services to underprivileged communities on a daily basis and providing healthcare services and treatment to individuals in rural areas through Mobile Clinic by the CSR Implementing agency NTR Memorial Trust.

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

24. Name of holding/subsidiary/associate companies/joint ventures

Sl. No.	Name of the holding/subsidiary/associate companies/joint ventures (A)	Indicate whether Holding/Subsidiary/Associate/ Joint Venture	% of shares held by the Company	Does the entity indicated at column A, participate in the Business Responsibility initiatives of the Company (Yes/No)
1	Heritage Nutrivet Limited	Subsidiary	100%	No
2	Skil Raigam Power (India) Limited	Associate	43.33%	No
3	Heritage Novandie Foods Private Limited	Joint Venture	50%	No

VI. CSR Details

25. (i) Whether CSR is applicable as per section 135 of Companies Act, 2013: Yes
- (ii) Turnover (in ₹ Mn) : 37,343.45
- (iii) Net worth (in ₹ Mn) : 8,034.98

During FY 2023-24, the Company has allocated ₹ 31.42 million for carrying out the CSR Activities under Ongoing/ multi-year project and the company has yet to spend the said amount as on 31st March, 2024. The unspent amount of ₹ 31.42 millions was transferred to unspent CSR account and will be spent on or before 31st March 2027 in accordance with the CSR Amendment Rules. However as on the report date ₹ 30 million was spent towards CSR activities for FY 2023-24.

Initiatives like :

- Health care facilities - Free Clinic Health care facilities by providing free clinic medical services to underprivileged communities on a daily basis and providing healthcare services and treatment to individuals in rural areas through Mobile Clinic by the Implementing agency NTR Memorial Trust;* *VET Care for Milch Animals and Fodder Feed improvement and reduction of Methane content and Milk production increase at lower cost and Animal Hygiene,*Free Medical Checkup camps in villages and for workers.*Setup of Oxygen Centres in Underdeveloped areas.

VII. Transparency and Disclosure Compliances

26. Complaints/Grievances on any of the principles (Principle 1 to 9) under the National Guidelines on Responsible Business Conduct:

Stakeholder group from whom compliant is received	Grievance Redressal Mechanism in place (Yes/No) (If yes, then provide weblink for grievance redressal policy)	FY2024			FY2023		
		No. of complaints filed during the year	No. of complaints pending resolution at close of the year	Remarks	No. of complaints filed during the year	No. of complaints pending resolution at close of the year	Remarks
Communities	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.
Investors (other than shareholders)		0	0		0	0	
Shareholders		0	0		0	0	
Employees and workers		0	0		0	0	
Customers		0	0		0	0	
Value Chain Partners		0	0		0	0	
Other (please specify)		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 customer@heritagefoods.in

27. Overview of the entity's material responsible business conduct issues

Please indicate material responsible business conduct and sustainability issues pertaining to environmental and social matters that present a risk or an opportunity to your business, 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 or opportunity (R/O)	Rationale for identifying the risk/opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the 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 out of 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 ²³ . 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 cost. 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 or opportunity (R/O)	Rationale for identifying the risk/opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the 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 resilient supply chain which has helped edit 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 leveling it up.
4	Human Rights	Risk	Changing regulations related to human rights may pose a challenge. Adherence on 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 Health and Safety	Risk	This can lead to decreased productivity.	ISO14001:2015 (Environmental Management System) has been implemented and rigorously adopted , along with regular EHS trainings 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 is adopted and published in the company website. Link	Positive + Any investment in employee health and safety will payoff 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 cyber-attack, 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.

Sl. No.	Material issue identified	Indicate whether risk or opportunity (R/O)	Rationale for identifying the risk/ opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
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 with completion targeted in 2025-26.	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 helping businesses demonstrate the structures, policies and processes put in place towards adopting the NGRBC Principles and Core Elements.

Disclosure Questions		P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9
Policy and management processes										
1.	a. Whether the Company's policy/ policies cover each principle and its core elements of the NGRBCs. (Yes/No)	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
	b. Has the policy been approved by the Board? (Yes/No)	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
	c. Weblink of the policies, if available	Policies are available in the link mentioned below 1. https://www.heritagefoods.in/policy 2. https://www.heritagefoods.in/static/images/pdf/policies/hfl-br-policy.pdf								
2.	Whether the Company has translated the policy into procedures. (Yes/No)	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
3.	Do the enlisted policies extend to the Company's value chain partners? (Yes/No)	No	No	No	No	No	No	No	No	No
4.	Name of the national and international codes/ certifications/ labels/ standards (e.g. Forest Stewardship Council, Fairtrade, Rainforest Alliance, Trustea) standards (e.g. SA 8000, OHSAS, ISO, BIS) adopted by the Company and mapped to each principle.	<ul style="list-style-type: none"> ▪ 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) ▪ HALAL Certification by JUHF ▪ FSSC 22000 v 5.1 <p>The Company also has AgMark, BIS and EIA certificates.</p>								
5.	Specific commitments, goals and targets set by the Company with defined timelines, if any.	To be a nationally recognised brand for healthy and fresh products in dairy , drinkables segment .								

Disclosure Questions	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9										
6. Performance of the Company against the specific commitments, goals and targets along with reasons, in case the same are not met.	<p>Key Performance targets across ESG parameters are set internally and tracked and acted upon continuously. These are Waste Generation, Water usage , Energy Consumption Efficiency, cost reduction through technology . Over the past year, Heritage Foods has invested in energy-efficient equipment, implemented water-saving measures, and launched a comprehensive recycling program. It has also worked to improve supply chain sustainability by promoting responsible farming practices among its suppliers . In cases where sustainability targets are not met, the company has a plan in place to identify the root causes and take corrective action. This may include investing in new technologies, revising operational procedures, or providing additional training for staff that is planned until FY 2025.</p> <p>Heritage Foods has also implemented ISO 14001:2015 (Environmental Management System) and ESG KPI and actual results are now being technologically tracked from FY 24-25 onwards for more control over the sustainability measures in the company and its operations .</p>																		
Governance, leadership and oversight																			
7. Statement by Director, responsible for the business responsibility report, highlighting ESG related challenges, targets and achievements (<i>listed entity has flexibility regarding the placement of this disclosure</i>) Mrs. N. Bhuvaneshwari - Vice Chairperson & Managing Director As the Managing Director responsible for business responsibility, the Company has made significant progress in addressing key Environmental, Social and Governance (ESG) challenges. Our focus on sustainability has not only helped us meet our targets but also improved the overall impact of our operations on the environment, our stakeholders and the communities we serve. The Company has achieved important milestones such as reducing our carbon footprint, increasing our engagement with suppliers to ensure ethical sourcing practices and investing in local communities through various initiatives. We are committed to continuously improving our ESG performance and are setting new targets for the future.																			
8. Details of the highest authority responsible for implementation and oversight of the Business Responsibility policy(ies)	Mrs. N. Bhuvaneshwari - Vice Chairperson & Managing Director and Mrs. N. Brahmani - Executive Director under the guidance of the Board of Directors and its Committees.																		
9. Does the Company have a specified Committee of the Board/ Director responsible for decision making on sustainability related issues? (Yes / No). If yes, provide details.	The Company does not have a committee for decision-making on sustainability concerns. However, the Board of Directors and the Senior Management team monitor various aspects of social, environmental, governance and economic responsibilities of the Company on a continuous basis.																		
10. Details of review of NGRBCs by the Company:																			
	Indicate whether review provided below taken by Director/Committee of the Board/any other Committee								Frequency (Annually/Half-yearly/ Quarterly/Any other – please specify)										
	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9	P 10	P 11	P 12	P 13	P 14	P 15	P 16	P 17	P 18	P 19
Performance against above policies and follow up action	Committee of the Board								Annually updated. Periodically reviewed under Operational policies and governance reviews. The Department heads and the leadership team review the Company's Business Responsibility Policies on a regular basis or as needed. Efficacy of policies is reviewed, and necessary modifications to policies and processes are implemented during this assessment Refer : https://www.heritagefoods.in/static/images/pdf/policies/hfl-br-policy.pdf										
Compliance with statutory requirements of relevance to the principles, and, rectification of any non-compliances									Annually . The Company is following all applicable regulations.										

11.	Has the entity carried out independent assessment /evaluation of the working of its policies by an external agency? (Yes/No). If yes, provide the name of the agency.	P1	P2	P3	P4	P5	P6	P7	P8	P9
		No								
		However, all the policies and process 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	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9
The entity does not consider the Principle 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)									
It is planned to be done in the next financial year (Yes/No)									
Any other reason (please specify)									

Not Applicable as Heritage Foods is in adherence to its set Policies given under Business responsibility policy published in its website.

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

The company's proactive stance is exemplified by the implementation of a comprehensive Code of Conduct that precisely outlines the organization's objectives, responsibilities, and guidelines for employees and senior management team. This code leaves no room for ambiguity and is mandatory for every individual within the company. The unwavering commitment to upholding the highest ethical standards is evident in this initiative. By setting clear expectations and providing guidance through the Code of Conduct, the company equips employees with the necessary tools and knowledge to seamlessly integrate ethical principles into their daily practices. This proactive approach creates an environment where ethical conduct becomes inherent in every employee's professional journey, thereby enhancing the overall integrity and reputation of the organization. This is enshrined in the website Link : https://www.heritagefoods.in/uploads/investors/pdf/1605093903916-Code_of_Conduct_for_Senior_Management_and_Board.pdf

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	%age of persons in respective category covered by the awareness programmes
Board of Directors	5	The Board of Directors of the Company is periodically briefed on various developments concerning ESG initiatives as well as various Government Regulations and its impact on the Company's operations. The KMPs and Senior Management are also kept up to date on the Company Code of Conduct, the provisions of SEBI (Prohibition of Insider Trading) Regulations and Whistle Blower Policy.	100%
Key Managerial Personnel	3	Leadership/Winning ways	100%
Employees other than Board of Directors and KMPs	214	<ul style="list-style-type: none"> • Functional • Behavioural • Health and safety • Trade . Dairy industry innovation awareness trainings for existing and new product lines. 	92%
Workers	-	-	-

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:**

(Note: the entity shall make disclosures based on materiality as specified in Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and as disclosed on the entity's website)

Monetary					
	NGRBC Principle	Name of the regulatory/ enforcement agencies/ judicial institutions	Amount (In INR) Brief of the Case Has an appeal	Brief of the Case	Has an appeal been preferred? (Yes/No)
Penalty/ Fine	Principle-1	Assistant Commissioner of Central Tax, Ameerpet GST Division, Hyderabad, Telangana	9,702	Penalty levied on account certain ineligible Input tax credit	No
Settlement					
Compounding fee					
Non-Monetary					
	NGRBC Principle	Name of the regulatory/ enforcement agencies/ judicial institutions	Brief of the Case	Has an appeal been preferred? (Yes/No)	
Imprisonment	Nil	Nil	Nil	Nil	
Punishment	Nil	Nil	Nil	Nil	

3. **Of the instances disclosed in Question 2 above, details of the Appeal/Revision preferred in cases where monetary or non-monetary action has been appealed.**

Case Details	Name of the regulatory/enforcement agencies/judicial institutions
Nil- not applicable	

4. **Does the Company have an anti-corruption or anti-bribery policy? If yes, provide details in brief and if available, provide a web-link to the policy.**

Yes, The Company has an anti-corruption and anti-bribery 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. it is available on the website of the Company at 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 2023-24	FY 2022-23
Directors	0	0
KMPs	0	0
Employees	0	0
Workers	0	0

6. **Details of complaints with regard to conflict of interest**

	FY 2023-24		FY 2022-23	
	Number	Remarks	Number	Remarks
Number of complaints received in relation to issues of Conflict of Interest of the Directors	0	NA	0	NA
Number of complaints received in relation to issues of Conflict of Interest of the KMPs	0	NA	0	Nil

7. **Provide 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 conflict of interest.**

There are no material fines, penalties levied, or actions taken by regulators, law enforcement agencies or judicial institutions related to cases of corruption and conflicts of interest, however Assistant Commissioner of Central Tax, Ameerpet GST Division, Hyderabad, Telangana levied a penalty of Rs,9,702 on account certain ineligible Input tax credit..

8. Number of days of accounts payables

	FY 2023-24	FY 2022-23
i) Accounts payable x 365 days	30149580000	26346870000
ii) Cost of goods/services procured	10590000000	7175600000
iii) Number of days of accounts payables	28	37

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 2023-24	FY 2022-23
Concentration of Purchases	a. i) Purchases from trading houses	0	0
	ii) Total purchases	0	0
	iii) Purchases from trading houses as % of total purchases	0	0
	b. Number of trading houses where purchases are made	0	0
	c. i) Purchases from top 10 trading houses	0	0
	ii) Total purchases from trading houses	0	0
	iii) Purchases from top 10 trading houses as % of total purchases from trading houses	0	0
Concentration of Sales	a. i) Sales to dealer / distributors	0	0
	ii) Total Sales	0	0
	iii) Sales to dealer / distributors as % of total sales	0	0
	b. Number of dealers / distributors to whom sales are made	0	0
	c. i) Sales to top 10 dealers / distributors	0	0
	ii) Total Sales to dealer / distributors	0	0
	iii) Sales to top 10 dealers / distributors as % of total sales to dealer / distributors	0	0
Share of RPTs in	a. i) Purchases (Purchases with related parties)	1001391047.67	745290635.40
	ii) Total Purchases	28928890000.00	27709810000.00
	iii) Purchases (Purchases with related parties as % of Total Purchases)	3.46%	2.69%
	b. i) Sales (Sales to related parties)	1,93,78,089.77	2,04,80,000.00
	ii) Total Sales	37343450000	32086750000
	iii) Sales (Sales to related parties as % of Total Sales)	0.05%	0.06%
	c. i) Loans & advances given to related parties	0	0
	ii) Total loans & advances	34140000	25470000
	iii) Loans & advances given to related parties as % of Total loans & advances	0.00%	0.00%
	d. i) Investments in related parties	98000000.00	55500000
	ii) Total Investments made	1712210000	650900000
	iii) Investments in related parties as % of Total Investments made	5.72%	8.53%

Leadership Indicators

1. Awareness programmes 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	%age of value chain partners covered (by value of business done with such partners) under the awareness programmes
---	--	--

The Company has not organised dedicated training sessions on the NGRBC principles for our value chain partners for FY 2023 -24. We plan to do this by FY'25 as part of the onboarding process. However the sustainability KPI's on energy consumption efficiency, fuel consumption, Sustainable fodder and other core components of the principles are discussed during vendor onboarding, evaluation and periodic review meetings with some of the important vendors.

2. **Does the entity have processes in place to avoid/ manage conflict of interests involving members of the Board? (Yes/No) If Yes, provide details of the same.**

Yes, the Company has a Code of Conduct for the Board and Senior Management, which includes areas of ethics, integrity, 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 companies website : https://www.heritagefoods.in/uploads/investors/pdf/1605093903916-Code_of_Conduct_for_Senior_Management_and_Board.pdf

Principle 2: Business should provide goods and services in a manner that is sustainable and safe.

The Company understands the risks associated with goods and services and the subsequent environmental impacts they may have. To ensure an eco-friendly sourcing process, the Company actively engages in various Environmental and Social Impact (ESI) initiatives that support and empower farmers in supplying milk. These initiatives not only ensure a sustainable supply chain but also promote responsible farming practices and benefit the agricultural community as a whole.

Moreover, the Company is committed to mitigate the adverse effects of plastic waste. It actively participates in plastic recycling initiatives, recognizing the importance of responsible waste management. By promoting recycling and seeking innovative solutions, the Company strives to minimize plastic waste and contribute to a circular economy that conserves resources and reduces environmental harm.

Through these combined efforts, the Company demonstrates its dedication to sustainable practices, environmental stewardship, and positive socio-economic impacts. By prioritizing responsible sourcing and actively engaging in recycling initiatives, the Company sets an example for others in the industry to adopt similar environmentally conscious practices. Together, we can work towards a greener and more sustainable future.

Essential Indicators

1. **Percentage of R&D and capital expenditure (capex) investments in specific technologies to improve the environmental and social impacts of products and processes to total R&D and capex investments made by the entity, respectively.**

Segment	FY2024	FY2023	Details of improvements in environmental and social impacts
R&D	25.00%	30.00%	<ul style="list-style-type: none"> Developed innovative process/solutions can- reduced the environmental footprint of food production Eeg. Utilization of whey instead of disposing. Developed multiple products with improved nutrition & diversion and inclusions. Eg. Millet sweets, Easy digestion, Probiotics & fortified milk etc. Developing the recyclable packaging solutions etc.
Capex	8.44%	11.00%	The Company is taking a lot of initiatives for conservation of energy. The Company is continuously investing in latest technologies and efficiencies to conserve energy and improve the environmental and social impacts of products and processes.

2. **a. Does the entity have procedures in place for sustainable sourcing? (Yes/No)**

No. The Company is planning to introduce sustainable sourcing in the coming years starting FY25 as part of the NETZERO Carbon reduction footprint.

Over the last 32 years, the Company's milk sourcing has risen many folds. The Company has a sustainable sourcing strategy from farmers across the states in which we operate. To keep the sourcing environment-friendly, the Company engages in a variety of initiatives which help farmers keep supplying milk to the Company. The Company has also implemented green energy measures in order to generate power from renewable sources.

b. If yes, what percentage of inputs were sourced sustainably?

Not Applicable. This is planned in 2 years' time horizon , with technology automation and AI innovation.

3. **Describe the processes in place to safely reclaim your products for reusing, recycling and disposing at the end of life, for (a) Plastics (including packaging) (b) E-waste (c) Hazardous waste and (d) other waste.**

Since, the Company is dairy based Company, all the products are of perishable in nature (consumption base) they are not meant to be recycled. However, during the production process, the Company recycle effluent water used in our production facilities for washing milk storage tankers and crates, gardening etc.

1. **(a) Plastics (including packaging):** Plastic plays a crucial role in maintaining product safety and reducing leaks and thus making it a significant component. However, the plastic waste generated by factories is a major contributor to environmental pollution. The company is dedicated to mitigating the effects of plastic waste

by actively participating in plastic recycling initiatives. Heritage foods limited is ideating and in the process of adopting the following :

1. Awareness Campaigns to educate consumers about the importance of recycling and how to properly dispose of plastic milk packets.
2. Collection Programs: setup to collect used milk packets from consumers for recycling in Pilot localities in FY24-25.
3. Partnerships with Recyclers being discussed for FY'25 to ensure that collected milk packets are properly recycled and other last mile consumer incentive programs to return milk packets from some of the Indian industry organic milk dairy practice use cases.

(b) E-waste: As environmentally responsible organization, the Company is disposing off electronic waste to authorised IT dismantling, refurbishing & servicing facility after using up to maximum period. All such E-wastes are being disposed of through registered E-waste vendors and -e-waste certificate issued.

(c) Hazardous waste: The waste -water effluent Chemical Oxygen Demand (COD) and generated wastewater from dairy processing facilities can contribute to significant organic content and biochemical oxygen demand (BOD). This has been treated with anaerobic digestion or aerobic treatment systems to break down organic matter in wastewater to ensure that 1.63MT of wastewater is safely disposed during the year.

(d) Other waste: Our Company engages with certified waste handlers for disposal of waste, such as Waste from cleaning of dairy equipment , waste from farming operations such as manure , used bedding material .

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, provide 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?

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
No Life Cycle Assessments have been conducted yet.					

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 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	
	FY2024	FY2023
	NA	

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	FY2024			FY2023		
	Re-used	Re-cycled	Safely Disposed	Re-used	Re-cycled	Safely Disposed
Plastics*						
(including packaging)						
• Plastic Scrap/Pre consumer waste	0	473.65 MT	473.65 MT	0	707.30 MT	707.30 MT
• Post-Consumer Waste	0	4066.90 MT	4066.90 MT	0	2428.41 MT	2428.41 MT
E-waste	0	0	0.80 MT	0	0	0.76 MT
Hazardous waste	0	1.63 MT	1.63 MT	0	1.28 MT	1.28 MT
Other waste	260.93 MT	0	260.93 MT	205.59 MT	0	205.59 MT
- (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: Business should respect and promote the wellbeing of all employees, including those in their value chains.

Heritage is an organization that prioritizes its people, recognizing that employee well-being is crucial for driving productivity and overall success. The company is committed to fair employment practices and equal opportunities, ensuring that individuals with the necessary qualifications are given a fair chance to contribute. Moreover, Heritage places a strong emphasis on the health and safety of its employees.

By embracing fair employment practices, Heritage cultivates a diverse and inclusive workforce, where every individual has an equal opportunity to thrive, fostering a sense of belonging, team performance, and innovation.

Furthermore, Heritage values the well-being of its employees, understanding that a healthy and safe work environment is essential for engagement, motivation, and productivity. The company implements robust health and safety measures, continually striving to create a workplace that supports both physical and mental well-being.

Essential indicators:

1. **a. Details of measures for the wellbeing of employees:**

Category	% of employees covered by										
	Total (A)	Health insurance		Accident insurance		Maternity benefits		Paternity benefits		Day Care facilities	
		Number (B)	% (B/A)	Number (C)	% (C/A)	Number (D)	% (D/A)	Number (E)	% (E/A)	Number (F)	% (F/A)
Permanent employees											
Male	3163	3163	100	3163	100	0	0	3163	100	0	0
Female	62	62	100	62	100	62	100	0	0	62	100
Total	3225	3225	100	3225	100	62	1.90	3163	98.10	62	100
Other than Permanent employees											
Male	0	0	0	0	0	0	0	0	0	0	0
Female	0	0	0	0	0	0	0	0	0	0	0
Total	0	0	0	0	0	0	0	0	0	0	0

b. Details of measures for the wellbeing of workers:

Category	Total (A)	% of workers covered by									
		Health insurance		Accident insurance		Maternity benefits		Paternity benefits		Day Care facilities	
		Number (B)	% (B/A)	Number (C)	% (C/A)	Number (D)	% (D/A)	Number (E)	% (E/A)	Number (F)	% (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
Total	0	0	0	0	0	0	0	0	0	0	0
Other than Permanent Workers.											
Male	2638	0	0	2638	100	0	0	0	0	0	0
Female	625	0	0	625	100	0	0	0	0	0	0
Total	3263	0	0	3263	100	0	0	0	0	0	0

2. Details of retirement benefits, for Current FY and Previous Financial Year.

Benefits	FY2024			FY2023		
	No. of employees covered as a % of total employees	No. of workers covered as a % of total workers	Deducted and deposited with the authority (Y/N/N.A.)	No. of employees covered as a % of total employees	No. of workers covered as a % of total workers	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	18.38%	0	YES	21%	0	YES
Others- please specify	-	-	-	-	-	-

3. Accessibility of workplaces

Are the premises / offices of the Company 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 Company in this regard.

Yes, the offices of the Company are accessible to all its employees including differently abled persons. There are awareness trainings held during the year for inclusion and PWD. The company does not have PWD workers at present.

4. Does the Company have an equal opportunity policy as per the Rights of Persons with Disabilities Act, 2016? If so, provide a web-link to the policy.

By 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	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
Other than permanent workers	No Non-permanent workers on plants are contracted via a third party and their grievance redressal mechanism rests with the contractors. The Company ensures that all norms and regulations are followed while working on plants.
Permanent employees	Yes, The Company has a policy for Whistle Blower and Protection of Whistle Blower Policy in place which provides guidance to raise a complaint(s) and protection of the person in case of any concerns. The company has constituted the grievance committee and also provided complain/suggestion boxes for any type of complaints/grievances across the locations it operates.
Other than permanent employees	No All Employees working in India are permanent employees.

7. **Membership of employees and worker in association(s) or Unions recognised by the listed entity:**

Category	FY2024			FY2023		
	Total employees/workers in respective category (A)	No. of employees / workers in respective category, who are part of association(s) or Union (B)	% (B/A)	Total employees/workers in respective category (C)	No. of employees / workers in respective category, who are part of association(s) or Union (D)	% (D/C)
Total Permanent Employees	3225	0	0	3212	0	0
-Male	3163	0	0	3150	0	0
-Female	62	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

Note: Heritage Foods, primarily engaged in the procurement, processing, manufacturing and distribution of milk and other dairy products. The company operates in several states across India and has a significant workforce but not having any employee's association or unions.

8. **Details of training given to employees and workers:**

Category	FY2024					FY2023				
	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	3163	2300	72.72%	2907	92.91%	3150	2200	69.84%	1700	53.97%
Female	62	62	100%	62	100%	62	36	58.06%	32	51.61%
Others	0	0	0	0	0	0	0	0	0	0
Total	3225	2362	86%	2969	95%	3212	2236	69.61%	1732	53.92%
Workers										
Male	2638	1989	75.40%	1674	63.45%	2039	1370	67.19%	1039	50.96%
Female	625	498	79.68%	498	79.68%	1097	690	62.90%	671	61.17%
Others	0	0	0	0	0	0	0	0	0	0
Total	3263	2487	76.22%	2172	66.56%	3136	2060	65.69%	1710	54.53%

9. **Details of performance and career development reviews of employees and workers:**

Category	FY2024			FY2023		
	Total (A)	No. (B)	% (B/A)	Total (C)	No. (D)	% (D/C)
Employees						
Male	3163	3163	100%	3150	3150	100%
Female	62	62	100%	62	62	100%
Others	0	0	0	0	0	0
Total	3225	3225	100%	3212	3212	100%
Workers						
Male	2638	0	0%	2039	0	0
Female	625	0	0%	1097	0	0
Others	0	0	0	0	0	0
Total	3263	0	0%	3136	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 Safety & Health Management system covers activities across all manufacturing locations, offices & research laboratories and ensuring the protection of environment and health & safety of its employees, contractors, visitors, and relevant stakeholders.

The Company has implemented OHSAS 18001 for ensuring the health and well-being of its employees. Awareness sessions are conducted on safety related aspects for the employees. Training related to Hazard Analysis Critical Control Point (HACCP) and Total Productive Maintenance are also provided. The Company is focused on both, the physical and mental health of its employees and has organised various programmes and discussions with well-being specialists and medical practitioners.

b. **What are the processes used to identify work-related hazards and assess risks on a routine and non-routine basis by the entity?**

The entity deployed a range of processes to systematically identify work-related hazards and assess risks on both routine and non-routine base. These processes are instrumental in ensuring a safe and healthy work environment for employees.

- Gemba walk
- Hazard identification & Risk assessment with Shop floor people
- Internal and External audit
- Why-why analysis

c. **Whether you have processes for workers to report 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 themselves from such risks.

d. **Do the employees/ worker of the entity have access to non-occupational medical and healthcare services? (Yes/ No) : No**

11. **Details of safety related incidents, in the following format:**

Safety Incident /Number	Category	FY2024	FY2023
Lost Time Injury Frequency Rate (LTIFR) (per one million-person hours worked)	Employees	0	0
	Worker		
Total recordable work-related injuries	Employees	0	0
	Worker		
No. of fatalities	Employees	0	0
	Worker		
High consequence work-related injury or ill-health (excluding fatalities)	Employees	0	0
	Worker		

12. **Describe the measures taken by the entity to ensure a safe and healthy workplace.**

The Company priorities 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 the employees and workers can dedicate their time efficiently towards their personal wellbeing and professional work. The Company also conducts awareness sessions covering safety aspects. Trainings related to Hazard Analysis Critical Control Point (HACCP).

13. **Number of Complaints on the following made by employees and workers:**

	FY2024			FY2023		
	Filed during the year	Pending resolution at the end of the year	Remarks	Filed during the year	Pending resolution 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. **Provide 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.**

Against the backdrop of the pandemic, the Company has been following standard operating procedures to comply with state/local level regulations while ensuring safety and hygiene protocol. It is also ensure that appropriate social distancing is being followed by all employees and workers in the offices and manufacturing plants. During the reporting period, the Company reported no fatalities of any employee while on duty by adhering to OHSAS 18001 guidelines, for ensuring 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).**

Yes, the Company provides 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 the measures undertaken by the entity to ensure payment of statutory dues by the value chain partners.**

The statutory payment due and paid thereof by the value chain partner and reminded them if it was not honoured in time and ensure that the statutory payment honoured the value chain partner, where ever required.

3. **Provide the number of employees / workers having suffered grave consequences due to work-related injury / ill-health / fatalities (as reported in Q11 of Essential Indicators above), who are rehabilitated and placed in suitable employment or whose family members have been placed in suitable employment:**

Category	Total No. 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	
	FY2024	FY2023	FY2024	FY2023
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)**

The Company does not provide transition aid programmes to facilitate continued employability and the management of career endings due to retirement or termination of employment. However depending upon the retiring employee health and other conditions, he/she may be engaged for further period.

5. Details on assessment 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:

1. Heritage Foods provide comprehensive training and orientation programs to farmers, focusing on best practices for health and safety milch animals.
2. The company conducts regular hazard assessments on the farms to identify potential risks and hazards that could affect the health and safety of farmers.
3. Heritage Foods collaborated with healthcare professionals for providing regular health check-ups and screenings for farmers. 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.

Particulars	% of value chain partners (by value of business done with such partners) that were assessed
Health and safety practices	- 0.00% - The farmers supplying milk constitute the major part of the value chain partner of the company.
Working Conditions	- 0.00% - The Company have a mechanism to demonstrate health and safety practices to all of its farmers.

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:** Not applicable

Principle 4: Business should respect the interests of and be responsive to all its stakeholders

Stakeholder engagement is a strategic tool that enables the company to navigate market dynamics, regulatory requirements, and social expectations. Through proactive communication and collaboration, the company builds strong relationships based on mutual understanding.

By engaging with stakeholders effectively, the company earned trust and credibility, demonstrating its commitment by meeting their expectations. By actively listening to their needs and preferences, the company gains valuable insights to make informed decisions, develop sustainable strategies, and improve overall performance.

1. Describe the processes for identifying key stakeholder groups of the Company.

The company believes in fostering meaningful and transparent relationships by actively engaging with its stakeholders. The company aims to establish long-term partnerships based on trust and a shared willingness to collaborate. The company defines stakeholders as individuals, groups, or organizations that have a material influence on, or are materially influenced by, its activities. The Company regularly engages with the stakeholders through various channels to ensure effective communication. The company proactively shares relevant information through multiple means such as meetings, annual reports, CSR reports, press releases, and more. The company strives to make this communication process a two-way, encouraging feedback and dialogue. The company values the input from its stakeholders as it helps identify areas for improvement and enhance its operations. The company welcomes feedback from its stakeholders and believes it is crucial in shaping its growth. By actively listening to their concerns and suggestions, the company can continuously learn and evolve. The following table mentions different modes through which we engage with our stakeholders and concerns discussed with them. Presently, the key stakeholders are Shareholders, Employees, Vendors, Customers, Regulators, Suppliers and Farmers.

2. List stakeholder groups identified as key for the Company and the frequency of engagement with each stakeholder group.

Sr. No.	Stakeholder Group	Whether identified as Vulnerable & Marginalized Group	Channels of communication	Details of Other Channels of communication	Frequency of engagement	Details of Other Frequency of engagement	Purpose and scope of engagement including key topics and concerns raised during such engagement
1	Employees	No	Other	Digital as well as physical channels of communication including but not limited to e-mails	Others – please specify	Ongoing	The Company follows an open-door policy.

Sr. No.	Stakeholder Group	Whether identified as Vulnerable & Marginalized Group	Channels of communication	Details of Other Channels of communication	Frequency of engagement	Details of Other Frequency of engagement	Purpose and scope of engagement including key topics and concerns raised during such engagement
2	Shareholders and investors	No	Other	Emails, Newspaper, Analyst Calls, Quaterly/ Annual Result, Press Release, Presentation, Stock Exchanges and Website	Others – please specify	Ongoing	To give an update on the developments in the Company
3	Customers	No	Other	Advertisements, Website	Others – please specify	Ongoing	Stay in touch with customers and to receive their feedback on various products that the Company manufactures and deals with.
4	Vendors and suppliers	No	Other	Email, Meetings and Website	Others – please specify	Ongoing	Stay in touch with vendors and suppliers, who supply and deal in the products of the Company.
5	Farmers	No	Other	APP, SMS and Meetings	Others – please specify	Ongoing	Timely payment for milk procurement and also the Company engages with dairy farmers and other farmers who form a part of the value chain directly or indirectly for training/awareness on good farming practices, helping them to grow high genetics, providing high quality feed, and develop resilient, sustainable farms.
6	Communities and NGOs	No	Community Meetings		Others – please specify	On need basis	For supporting various initiatives taken for community development
7	Regulatory Authorities	No	Other	Email and submissions	Others – please specify	On need basis	In relation to Compliances with applicable laws, Industry concerns, changes in regulatory frameworks, skill and capacity building, employment

Leadership Indicators

- 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.

- Whether stakeholder consultation is used to support the identification and management of environmental, and social topics (Yes / No). If so, provide details of instances as to how the inputs received from stakeholders on these topics were incorporated into policies and activities of the entity.**

Yes, the stakeholder engagement included consultation of ESG topics. The materiality assessment identified a list of material themes that are the most relevant and applicable to the Company, and measures will be taken in response to them. The Company make certain that it incorporates stakeholder inputs into processes and policies. Link : <https://www.heritagefoods.in/static/images/pdf/brsr.pdf>

- Provide details of instances of engagement with, and actions taken to, address the concerns of vulnerable/ marginalized stakeholder groups.**

The Company conducts need based assessments in the communities it operates prior to starting the projects there. All the projects involve active stakeholder consultations and engagements to understand their stance and address their concerns.

Principle 5: Business should respect and promote human rights.

The Company understands that safeguarding human rights is not just a moral obligation but also a vital responsibility that shapes its business practices. It is committed to fostering an inclusive, equal, and respectful culture that values every individual, regardless of their background. By upholding the inherent dignity and rights of all, the Company strives to create a positive and empowering work environment that enables everyone to thrive.

Recognizing the importance of human rights, the Company promotes diversity, inclusivity, and equal opportunities for its employees. It ensures fair and respectful treatment for all individuals and values diverse perspectives and experiences. By nurturing such an environment, the Company encourages creativity, innovation, and collaboration among its workforce, driving sustainable and ethical business operations.

Essential Indicators

1. **Employees and workers who have been provided training on human rights issues and policy(ies) of the entity, in the following format:**

Category	FY2024			FY2023		
	Total (A)	No. of /workers covered (B)	% (B/A)	Total (C)	No. of employees / workers covered (D)	% (D/C)
Employees						
Permanent	3225	3225	100	3212	3212	100%
Other than Permanent	0	0	0	0	0	0
Total Employees	3225	3225	100	3212	3212	100%
Workers						
Permanent	0	0	0	0	0	0
Other than Permanent	3263	3263	100	3136	3136	100%
Total Workers	3252	3252	100	3136	3136	100%

2. **Details of minimum wages paid to employees and workers, in the following format:**

Category	Total (A)	FY2024				FY2023				
		Equal to Minimum Wage		More than Minimum Wage		Equal to Minimum Wage		More than Minimum Wage		
		No. (B)	% (B/A)	No. (C)	% (C/A)	No. (E)	% (E/D)	No. (F)	% (F/D)	
Employees										
Permanent	3225	0	0	3225	100	3212	77	2.39%	3135	97.60
Male	3163	0	0	3163	100	3150	75	2.38%	3075	97.62%
Female	62	0	0	62	100	62	2	3.45%	60	96.77%
Others	0	0	0	0	0	0	0	0	0	0
Other than 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
Others	0	0	0	0	0	0	0	0	0	0
Workers										
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
Others	0	0	0	0	0	0	0	0	0	0
Other than Permanent	3252	3252	100%	0	0%	3136	3136	100%	0	0%
Male	2638	2638	100%	0	0%	2039	2039	100%	0	0%
Female	652	625	100%	0	0%	1097	1097	100%	0	0%
Others	0	0	0	0	0	0	0	0	0	0

3. **Details of remuneration/salary/wages, in the following format:**

	Male		Female	
	Number	Median remuneration/salary/wages of respective category	Number	Median remuneration/salary/wages of respective category
Board of Directors (BoD)*	4	6,30,000	3	6,21,00,000
Key Managerial Personnel (KMP)**	4	1,37,95,000	2	6,98,60,000
Employees other than BoD and KMP	3,159	2,77,029	60	3,07,683

* Includes salary, perquisite, performance/annual pay and sitting fees

** Including Whole-Time Directors

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 its 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 all 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. **Number of Complaints on the following made by employees and workers:**

Particulars	FY2024			FY2023		
	Filed during the year	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	0	0
Discrimination at workplace	0	0	0	0	0	0
Child Labour	0	0	0	0	0	0
Forced Labour/Involuntary Labour	0	0	0	0	0	0
Wages	0	0	0	0	0	0
Other Human rights related issues	0	0	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:

	FY (2023-24)	PY (2022-23)
i) Total Complaints reported under Sexual Harassment on of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 (POSH)	0	0
ii) Female employees / workers	0	0
iii) Complaints on POSH as a % of female employees / workers		
iv) 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.

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. **Assessment for the year:**

Particulars	% of the Company's plants and offices that were assessed (by the Company or statutory authorities or third parties)
Child Labour	100%
Forced Labour/Involuntary Labour	100%
Sexual Harassment	100%
Discrimination at workplace	100%
Wages	100%
Other- please specify	Nil

Note: The Internal & external Auditors conduct assessments as per the Audit schedule. Assessments are also carried out by respective Government authorities and the Company has not received any non-compliance certification.

11. **Provide details of any corrective actions taken or underway to address significant risks / concerns arising from the assessments at Question 9 above.**

The company has various policies which are updated from time-to-time which address concerns arising from the assessments.

Leadership Indicators

1. **Details of a business process being modified / introduced because of addressing human rights grievances/ complaints.**

The Company regularly reviews all its policies and business processes and updates are made as applicable, in line with regulatory changes or internal requirements. .

2. **Details of the scope and coverage of any Human rights due diligence conducted.**

Currently, HFL does not conduct human rights due diligence.

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:**

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	0
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.**

Not applicable

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

The organization recognizes the significant interdependence between its operations and the environment and actively takes measures to minimize its ecological footprint and contribute to the restoration of natural surroundings. With a strong commitment to sustainability, the organization has implemented a range of initiatives aimed at enhancing energy efficiency and reducing emissions.

Aligned with its environmental stewardship, the organization embraces the principles of a circular economy throughout its value chain, placing a strong emphasis on resource reduction, reuse, and recycling. By adopting this approach, the organization maximizes resource efficiency, minimizes waste, and creates new avenues for sustainable growth and innovation.

Furthermore, the organization prioritizes compliance with environmental regulations and laws to ensure the protection of the environment and uphold responsible practices. By doing so, it strives to maintain a harmonious balance between its operations and the natural world.

Essential Indicators

1. **Details of total energy consumption (in Joules or multiples) and energy intensity, in the following format:**

Whether total energy consumption and energy intensity is applicable to the company?		Yes	
		FY 2023-24	FY 2022-23
Revenue from operations (in ₹)		37343450000.00	32086750000.00
Parameter	Units	FY 2023-24	FY 2022-23
From renewable sources			
Total electricity consumption (A)	Gigajoule (GJ)	67287.16	57439.91
Total fuel consumption (B)	Gigajoule (GJ)	0.00	0.00
Energy consumption through other sources (C)	Gigajoule (GJ)	0.00	0.00
Total energy consumed from renewable sources (A+B+C)	Gigajoule (GJ)	67287.16	57439.91
From non-renewable sources			
Total electricity consumption (D)	Gigajoule (GJ)	165052.52	149842.09
Total fuel consumption (E)	Gigajoule (GJ)	3317.81	4786.35
Energy consumption through other sources (F)	Gigajoule (GJ)	0.00	0.00
Total energy consumed from non-renewable sources (D+E+F)	Gigajoule (GJ)	168370.33	154628.44
Total energy consumed (A+B+C+D+E+F)	Gigajoule (GJ)	235657.49	212068.35
Energy intensity per rupee of turnover (Total energy consumed / Revenue from operations)	Gigajoule (GJ) / ₹	0.0000063105	0.0000066092
Energy intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP) (Total energy consumed / Revenue from operations adjusted for PPP)	Gigajoule (GJ) / ₹	0.0000063105	0.0000083192
Energy intensity in terms of physical Output	Gigajoule (GJ)	0.0003198	0.0003076
Energy intensity (optional) – the relevant metric may be selected by the entity			

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.

2. **Does the Company 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, provide the remedial action taken, if any.**

No

3. **Provide details of the following disclosures related to water, in the following format:**

Parameter	FY2024	FY2023
Water withdrawal by source (in kilolitres)		
(i) Surface water	0.00	0.00
(ii) Groundwater	886674.82	835101.09
(iii) Third party water	32968.25	50881.93
(iv) Seawater / desalinated water	0.00	0.00
(v) Others	0.00	0.00
Total volume of water withdrawal (in kilolitres) (i + ii + iii + iv + v)	919643.07	885983.02
Total volume of water consumption (in kilolitres)	919643.06	885983.02
Water intensity per rupee of turnover (Total water consumption / Revenue from operations)	0.0000246266	0.0000276121
Water intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP) (Total water consumption / Revenue from operations adjusted for PPP)	0.0000246266	0.0000267616
Water intensity in terms of physical output	0.004493	0.004626

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.

2. **Provide the following details related to water discharged:**

Parameter	FY2024	FY2023
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	790232.54	746011.71
(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)	790232.55	746011.71

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

5. **Has the Company 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 details of air emissions (other than GHG emissions) by the Company, in the following format:**

Parameter	Unit	FY2024	FY2023
NOx	µg/m ³	22.14	24.73
SOx	µg/m ³	20.03	22.44
Particulate matter (PM)	µg/m ³	61.29	58.33
Persistent organic pollutants (POP)	0	0	0
Volatile organic compounds (VOC)	0	0	0
Hazardous air pollutants (HAP)	0	0	0
Others – please specify	0	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. **Provide details of greenhouse gas emissions (Scope 1 and Scope 2 emissions) & its intensity, in the following format:**

Parameter	Unit	FY2024	FY2023
Total Scope 1 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	0	0
Total Scope 2 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	0	0
Total Scope 1 and Scope 2 emission intensity per rupee of turnover (Total Scope 1 and Scope 2 GHG emissions / Revenue from operations)	MtCO ₂ e / ₹	0	0
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)	MtCO ₂ e / ₹	0	0
Total Scope 1 and Scope 2 emission intensity in terms of physical output	MtCO ₂ e	0	0
Total Scope 1 and Scope 2 emission intensity (optional) – the relevant metric may be selected by the entity		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.

8. **Does the Company have any project related to reducing Green House Gas emission? If yes, then provide details.**

The Company has rolled out several initiatives to increase energy efficiency and reduce emissions. Some of the initiatives implemented in FY 2023-24 are as follows:

- 1) Switchover to LED lights
- 2) Solar/wind power plant installation

As a result of this there is a reduction in energy consumption by 96,857.83 GJ , which is a 36.91% increase in Scope 1 Energy efficiency between FY'24 and FY'23.

9. **Provide details related to waste management by the Company, in the following format:**

Parameter	FY2024	FY2023
Total Waste generated (in metric tonnes)		
Plastic waste (A)	4066.90	2428.41
E-waste (B)	0.80	0.76
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. Please specify, if any - waste oil generation. (G)	1.63	1.28
Other Non-hazardous waste generated (H) . Please specify, if any. (Break-up by composition i.e., by materials relevant to the sector) - ETP sludge generation	260.93	205.59
Total (A+B + C + D + E + F + G + H)	4330.25	2636.04
Waste intensity per rupee of turnover (Total waste generated / Revenue from operations)	0.000000116	0.0000000822
Waste intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP) (Total waste generated / Revenue from operations adjusted for PPP)	0.000000116	0.0000000822
Waste intensity in terms of physical output	0.000021	0.000014
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	FY 2023-24	FY 2022-23
(i) Recycled	4066.90	2428.41
(ii) Re-used	0	0
(iii) Other recovery operations	0	0
Total	4066.90	2428.41

For each category of waste generated, total waste disposed of through disposal method (in metric tonnes)

Category of waste	FY 2023-24	FY 2022-23
(i) Incineration	0	0
(ii) Landfilling	260.93	205.59
(iii) Other disposal operations	1.63	1.28
Total	262.56	206.87

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.

10. **Briefly describe the waste management practices adopted in your establishment. 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 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, please specify details in the following format:**

Sl. 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.
Nil			

12. **Details of environmental impact assessments 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
The Company has not conducted any environmental impact assessment in FY 2023-24					

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:

S. 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
NA				

The Company complies with all applicable environmental regulations. There have been no reported or detected incidents of non-compliance from the Company's end related to the environment in FY'23-24.

Leadership Indicators -

1. **Water withdrawal, consumption and discharge in areas of water stress (in kilolitres):**

For each facility or 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	FY2024	FY2023
Water withdrawal by source (in kilolitres)		
(i) Surface water	0	0
(ii) Groundwater	0	0
(iii) Third party water	0	0
(iv) Seawater / desalinated water	0	0
(v) Others	0	0
Total volume of water withdrawal (in kilolitres)	0	0
Total volume of water consumption (in kilolitres)	0	0
Water intensity per rupee of turnover (Water consumed / turnover)	0	0
Water intensity (optional) – the relevant metric may be selected by the entity	0	0
Water discharge by destination and level of treatment (in kilolitres)		
i) Into Surface water	0	0
- No treatment	0	0
- With treatment – please specify level of treatment	0	0
(ii) Into Groundwater	0	0
- No treatment	0	0
- With treatment – please specify level of treatment	0	0
(iii) Into 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 independent assessment was carried out by any external agency

2. **Please provide details of total Scope 3 emissions & its intensity, in the following format:**

Parameter	Unit	FY2024	FY2023
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)		NA	
Total Scope 3 emissions per rupee of turnover			
Total Scope 3 emission intensity (optional) – the relevant metric may be selected by the entity			

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

3. **With respect to the ecologically sensitive areas reported in Question 10 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 provided below taken any specific initiatives or used innovative technology or solutions to improve resource efficiency, or reduce impact due to emissions / effluent discharge / waste generated, please provide details of the same as well as outcome of such initiatives, as per the following format:**

Sr. No	Initiative undertaken	Details of the initiative (Web-link, if any, may be provided along-with summary)	Outcome of the initiative	Outcome of the initiative
1	All plants are operating Effluent Treatment plants	During the production process, the Company recycle effluent water used in our production facilities for washing milk storage tankers and crates, gardening etc.	Saved water	NA

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 concerned state.

Principle 7: Businesses, when engaging in influencing public and regulatory policy, should do so in a manner that is responsible and transparent.

The organization demonstrates a strong awareness of the influence that public policy and regulatory frameworks exert on its operations and the wider ecosystem. Collaboration with regulatory authorities allows the organization to effectively fulfill its duties towards a diverse range of stakeholders, including customers, consumers, employees, suppliers, vendors, and communities. By forging these partnerships, the organization ensures that its actions are conducted in an effective and responsible manner, keeping the welfare of stakeholders at the forefront.

Essential indicators

1. **a. Number of affiliations with trade and industry chambers/associations.**

The 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 Company is a member of/affiliated to.**

S. No.	Name of the trade and industry chambers/ associations	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 anti-competitive conduct by the Company, based on adverse orders from regulatory authorities.

Name of the authority	Brief of the case	Corrective action taken
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There are no incidences of corrective action taken or underway on concerns related to anti-competitive conduct by the Company in FY 2023-24

Leadership Indicators

1. Details of public policy positions advocated by the Company:

S. 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)	Web Link, if available
Nil					

Principle 8: Businesses should promote inclusive growth and equitable development.

The organization firmly upholds the belief that inclusive growth is a fundamental prerequisite for attaining long-term success. It acknowledges the imperative of creating an environment that enables equitable access to development opportunities for all members of society. With a steadfast commitment to sustainable value creation, the organization actively works towards serving the collective interests of the community.

Through its dedicated Corporate Social Responsibility programs, the Company strategically allocates resources and efforts to initiatives that foster equitable growth. It recognizes that promoting social inclusion and addressing societal challenges are integral to its role as a responsible corporate entity. By investing in various social development projects and initiatives, the organization seeks to empower marginalized communities, bridge socio-economic gaps, and facilitate equal opportunities for all.

Essential Indicators

1. Details of Social Impact Assessments (SIA) of projects undertaken by the Company, based on applicable laws, in the current financial year.

Name and brief details of project	SIA Notification No.	Date of notification	Whether conducted by independent external agency (Yes / No)	Results communicated in public domain (Yes / No)	Relevant Web link
Company has not undertaken any social impact assessment of its projects					

2. Provide information on project(s) for which ongoing Rehabilitation and Resettlement (R&R) is being undertaken by the Company, in the following format:

S. No.	Name of Project for which R&R is ongoing	State	District	No. of Project Affected Families (PAFs)	% of PAFs covered by R&R	Amount paid to PAFs in the FY (In INR)
Nil						

3. Describe the mechanisms to receive and redress grievances of the community.

The Company understands the importance of providing community with accessible channels to report their grievances and concerns. It has established a comprehensive system that enables community 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:

	FY2024	FY2023
Directly sourced from MSMEs/small producers	30.47%	22.65%
Sourced directly from within the district and neighbouring districts	0.00	0.00

* The Company shall start monitoring and reporting this data in future

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 Company in the designated aspirational districts as identified by government bodies:

S. No.	State	Aspirational District	Amount spent (In INR)
NA			

During FY 2023-24, the Company has allocated ₹ 31.42 million for carrying out the CSR Activities under Ongoing/ multi-year project and the company has yet to spend the said amount as on 31st March 2024. The unspent amount of ₹ 31.42 million was transferred to unspent CSR account and will be spent on or before 31st March 2027 in accordance with the CSR Amendment Rules. However as on the report date the Company has transferred an amount of ₹ 30 million to NTR Memorial Trust, implementing agency out of the unspent amount of FY 2023-24.

3. (a) Do you have a preferential procurement policy where you give preference to purchase from suppliers comprising 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 the milk procured directly from farmers

4. Details of the benefits derived and shared from the intellectual properties owned or acquired by your entity (in the current financial year), based on traditional knowledge:

S. 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 authority	Brief of the Case	Corrective action taken
Nil		

6. Details of beneficiaries of CSR Projects:

S. No.	CSR Project	No. of persons benefitted from CSR Projects	% of beneficiaries from vulnerable and marginalised groups
NA			

During FY 2023-24, the Company has allocated ₹ 31.42 million for carrying out the CSR Activities under Ongoing/ multi-year project and the company has yet to spend the said amount as on 31st March, 2024. The unspent amount of ₹ 31.42 millions was transferred to unspent CSR account and will be spent on or before 31st March 2027 in accordance with the CSR Amendment Rules. However as on the report date the Company has transferred an amount of ₹ 30 million to NTR Memorial Trust, implementing agency out of the unspent amount of FY 2023-24.

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

The organization is driven by a consumer-centric approach, where it places the highest priority on actively engaging with its consumers and aligning its business strategies to surpass their expectations and deliver exceptional value.

Essential indicators

1. Describe the mechanisms 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 percentage to 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	

3. **Number of consumer complaints in respect of the following:**

Particulars	FY2023		Remarks	FY2022		Remarks
	Received during the year	Pending resolution at end of year		Received during the year	Pending resolution at end of year	
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
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 (product related)	0	0	0	0	0	0

4. **Details of instances of product recalls on account of safety issues:**

	Number	Reasons for recall
Voluntary recalls	0	NA
Forced recalls	0	NA

5. **Does the Company have a framework/policy on cyber security and risks related to data privacy? (Yes/No) If available, provide a web-link of the policy.**

Yes .The Company has an policy in place for ensuring cyber security, the same was 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 along-with impact: 0
- Percentage of data breaches involving personally identifiable information of customers: 0
- Impact, if any, of the data breaches: 0

Leadership Indicators

1. **Channels/platforms where information on products and services of the Company can be accessed (provide web-link, if available).**

This is the web-link from which information on the products and services of the Company can be accessed: <https://www.heritagefoods.in/>

2. Steps taken to inform and educate consumers about safe and responsible usage of products and/or services.

The Company takes utmost care to ensure that its products provide comprehensive information regarding safety measures, aiming to inform and educate consumers about the responsible and safe usage of the products.

3. Mechanisms in place to inform consumers of any risk of disruption/discontinuation of essential services.

The Company ensures consumers are aware of any risk of disruption or discontinuation of essential services through surveys that include information on procedures, risks involved, benefits and alternatives available.

The Company is also bound under the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 to promptly inform the Stock Exchanges and upload in its website about any material event that may have a bearing on the Company's operations.

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, provide details in brief.

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



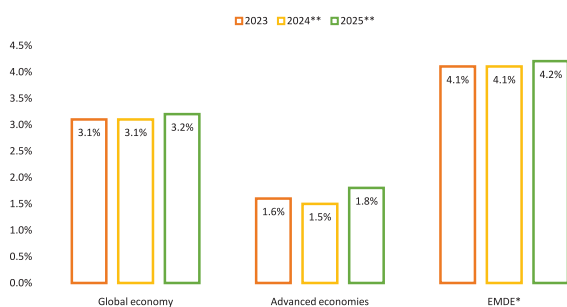
Management Discussion and Analysis

Global economy

The International Monetary Fund (IMF) has reported that the global economy began 2024 on a stable footing and has estimated a growth rate of 3.1% for the year. This is projected to further increase to 3.2% in 2025. This growth is anticipated to be primarily driven by the resilience of the US economy, several large emerging markets and developing economies, along with fiscal support in China that will help stabilise the country's economy.

These positive indicators notwithstanding, potential challenges may arise due to factors such as continued monetary policy tightening to control inflation, withdrawal of fiscal support, and low underlying productivity growth. It is important for central banks and policymakers to navigate these hurdles with a long-term lens to ensure sustained and homogenous economic growth in the coming years.

Global economic growth



(Source: <https://www.imf.org/en/Publications/WEO/Issues/2024/01/30/world-economic-outlook-update-january-2024>) [*Emerging Market and Developing Economies] [**Projected]

For advanced economies, growth is projected to decline slightly from 1.6% in 2023 to 1.5% in 2024 before rising to 1.8% in 2025. An upward revision of 0.1% point for 2024 reflects stronger-than-expected US growth, partly offset by weaker-than-expected growth in the euro area. Growth in the euro area is projected to recover from its low rate of an estimated 0.5% in 2023, which reflected relatively high exposure to the war in Ukraine, to 0.9% in 2024 and 1.7% in 2025. Stronger household consumption as the effects of the shock due to energy prices subside and inflation falls, supporting real income growth, is expected to drive the recovery.

In emerging market and developing economies, growth is expected to remain at 4.1% in 2024 and rise to 4.2% in 2025. GDP growth in China is estimated at 4.6% in 2024 and 4.1% in 2025, backed by stronger-than-expected

growth in 2023 and increased government spending on capacity building, infrastructure, etc. Growth in India is projected to remain strong at 6.5% in both 2024 and 2025, reflecting resilience in domestic demand, backed by government policies, such as PLI, etc.

According to IMF, global headline inflation is expected to moderate to 5.8% in 2024 and 4.4% in 2025, but still it would be above pre-pandemic (2017–19) levels of about 3.5%. Advanced economies are expected to see faster disinflation, with inflation declining by 2 percentage points in 2024 to 2.6%. For emerging market and developing economies inflation is expected to decline by just 0.3 percentage points to 3.1%.

Global trade growth is projected to grow at 3.3% in 2024 and 3.6% in 2025, below its historical average growth rate of 4.9%. Rising trade distortions and geoeconomic fragmentation are expected to continue to weigh on global trade. However, growing government and private spending, real disposable income gains supporting consumption amid still-tight – though easing – labour markets and households drawing down on their accumulated pandemic-era savings may support relative buoyancy in trade growth.

Outlook

The global economy is improving, largely due to the strength of the U.S. economy, but global growth is expected to be slow due to tight monetary policy, restrictive financial conditions, and sluggish trade and investment. U.S. GDP growth is forecasted to be supported by robust household spending and a strong labour market. In contrast, growth in the Euro area and China is projected to slow down. While there are positive developments, challenges remain that could impact growth, including geopolitical tensions, financial strain, inflation, trade disruptions and climate-related disasters. Strong and synchronous global cooperation is the need of the hour to address these challenges.

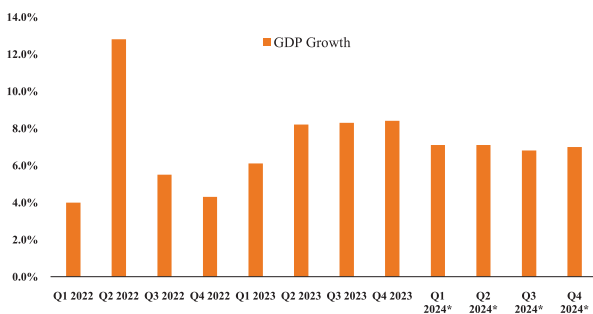
Emerging market and developing economies (EMDEs), especially commodity exporting countries, face challenges related to fiscal policy pro-cyclicality and volatility. Effective policies and strong institutions are essential for boosting investment and enhancing long-term prospects across all EMDEs. The medium-term outlook for many developing economies, especially those with major interlinkages to global supply chains, has dimmed due to slowing growth in large developed economies, sluggish global trade, and stringent financial conditions. Borrowing costs for developing economies are expected to remain high as global interest rates remain at four-decade highs in terms of inflation-adjusted terms.

Indian economy

The Indian economy, one of the fastest-growing in the world, is projected to grow at 6.7% annually from 2024 to 2031, surpassing the pre-pandemic average of 6.6%. This growth is attributed to the government's investment-driven approach and key policy support, increased capital expenditure, revival of the private sector capex cycle, and accelerated infrastructure development.

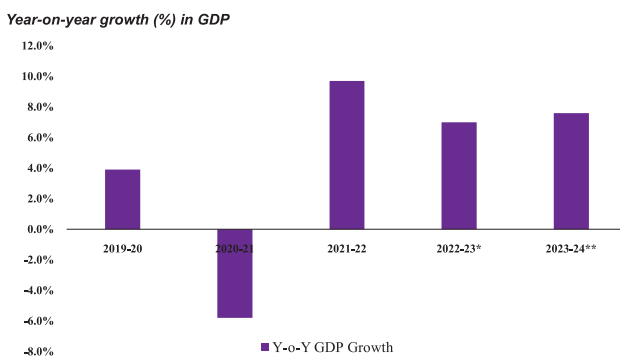
For FY2024, the economy is expected to grow by 7.3%, reflecting optimism on the back of pick up in manufacturing activity and infrastructure and capex spending. Despite challenges, the Indian economy remained resilient in 2023, growing at its fastest pace in one-and-half years, particularly in the last quarter of the fiscal year with a growth of 8.4%. The government's monitoring of the Middle East conflict's impact on energy and logistics costs also contributed to this resilience.

Indian economic growth projection on a quarterly basis



[Source: <https://tradingeconomics.com/india/gdp-growth-annual/>] [*Projected]

Year-on-year growth (%) in GDP



[Source: Ministry of Statistics and Programme Implementation] [*First revised estimate; **Second advance estimate]

The strong growth in manufacturing was driven mainly by the easing of global commodity prices across energy, metal and food categories, which boosted profitability

of manufacturing firms. The construction sector gained from higher government capex and demand sustenance for commercial and residential real estate, especially in urban areas due to return-to-office call by most major organisations. Additionally, financial, real estate and professional services are expected to witness robust growth, likely due to buoyant bank credit growth, strong demand for real estate, and growth in professional services, especially global capability centres (GCCs) in India.

Global dairy industry


The global dairy industry walked on a tightrope in 2023, owing to the softening of commodity prices, sluggish demand, and weaker underlying fundamentals. However, in 2024, the global dairy industry is expected to undergo a period of transformation led by expansion and consolidation, especially with major dairy players exploring efficiency-led profitability enhancement while focusing on widening their presence in the premium value-added dairy categories.

Valued at around US\$ 620 billion in 2024, the global dairy industry is expected to reach a size of US\$ 768.80 billion by 2029 after growing at a CAGR of 4.40%. Rapid urbanization, increasing awareness about health and nutrition, significant technological advancements, rising popularity of dairy-based snacking, shifting dietary preferences, and favourable government policies and regulations are some of the major underlying factors supporting growth of the market.

The global dairy food market spans across diverse categories, such as milk, butter, cheese, dry and evaporated products, as well as ice cream and frozen desserts that are household staples with high consumption frequency. Variable distribution channels, from supermarkets to online platforms, offer consumers access to a wide array of food options, thus enabling dairy companies to create multiple customer outreach points. The Asia-Pacific, with its large, growing and aspirational population with disposable income currently stands as the largest region in the dairy world, with Western Europe following closely.

The latest industry estimates suggest that there will be a modest increase of 0.25% in the global milk production across key producing regions of the world in 2024. This is slightly higher than the 0.05% increase recorded in 2023. Although production is likely to increase, there is expected to be variability and non-homogeneity across regions due to uneven demand and supply situation.

Few major trends that are likely to shape the global dairy market in 2024 are discussed below:

	<p>Technological innovations spearheading market transformation</p> <p>Technological advancements, specifically comprising the seamless integration of IoT and automation, are poised to transform the dairy food industry. These innovations enable enhanced product tracking, ensuring the safety and quality of dairy goods across the entire supply chain. By leveraging IoT technologies, companies gain precise monitoring capabilities, resulting in increased efficiency and consumer confidence in the handling and safety of dairy products.</p>
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<p>Created by Aksh Design from Nour Project</p>	<p>Organic and sustainable farming influencing consumer choice</p> <p>Organic and sustainable food production methods are exerting a positive influence on the dairy food market. Consumers are increasingly drawn to products linked with health, environmental sustainability, and even animal welfare. The growing demand for organic dairy products is poised to create substantial opportunities for dairy producers worldwide. This consumer shift towards organic</p>
<p>Created by Aksh Design from Nour Project</p>	<p>Cold chain developments boosting market prospects</p> <p>Advancements in sophisticated and technology-oriented cold chains play a pivotal role in the dairy food industry. These enhancements boost product freshness, safety and shelf life. With improved cold chain infrastructure, producers can expand their market presence, meet the demand for dairy products across various regions, adhere to food safety standards, and offer convenience to end-users.</p>
<p>Created by Aksh Design from Nour Project</p>	<p>Focus on clean label products</p> <p>Key players in the dairy food market have been prioritizing innovation, especially in the realm of clean label products. Consumers increasingly favour food items with transparent ingredient lists, devoid of artificial and unwanted additives. Companies that adapt to meet these demands are poised to strengthen their market presence and capitalize on the demand drive towards these products, especially with consumers becoming more aware and conscious of ingredients used in making food products.</p>

The growth of the global dairy food market is likely to be reshaped not only by increasing consumer demand but also by strategic initiatives undertaken by the major industry players. As technology and sustainability take centerstage in consumer preferences, the market is poised for dynamic evolution that aligns with these core shifts. In the years ahead, the industry expects to witness the full impact of these trends, propelling it toward a projected valuation exceeding a trillion dollars.

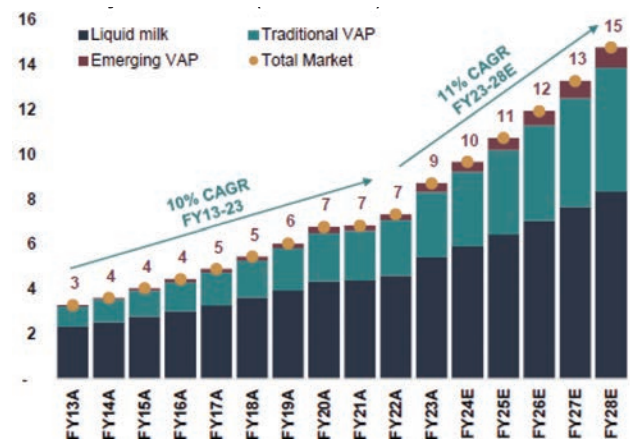
Indian dairy industry

The Indian dairy sector, traditionally a vital part of the country's agrarian economy, is undergoing significant transformation due to innovative government initiatives and consumer demand shifts. To meet growing consumer demand for dairy products, new policies and programs are being introduced, paving the way for expansion and sustainable growth.

India leads in global dairy production and consumption, with dairy products playing a crucial role in Indian cuisine—whether consumed directly, in restaurants, or as packaged food products. Approximately 45% of Indian households' food budget is allocated to dairy and packaged foods, driven by factors like population growth, changing lifestyles, rising incomes, and growing health consciousness. Valued at approximately ₹16,792.1 billion at the close of 2023, the Indian dairy sector presently commands a 25% share of the worldwide milk production, standing as the leader globally due to its substantial contributions in both the quantity and variety of dairy offerings. Supported by advantageous market dynamics and continuous operational transformation, the sector is projected to rise to a size of ₹49,953.5 billion by 2032, marking a CAGR growth of 13%.

It is paradoxical that India, despite being the largest producer of dairy products in the world, has low per capita consumption compared to developed countries. As consumption rise, this suggests significant unlocking of growth potential in the future. The Indian dairy industry thus offers an attractive opportunity for investors to capitalise on the country's rising discretionary consumption trend, across both its rural and urban markets.

India dairy market size (₹ in trillion)



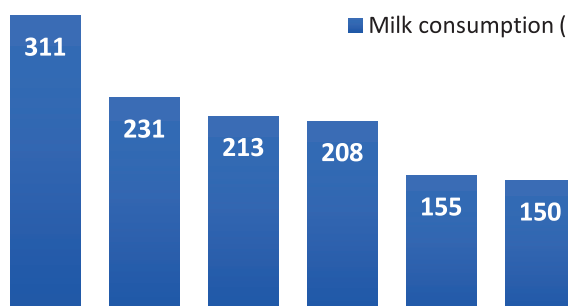
(Source: Investec India, Research report on India Dairy Sector Milking the Rising Consumption Trend)

Indian dairy industry is the single largest agricultural commodity and contributes 5% of the national economy and employs over 80 million farmers directly. The liquid milk segment accounts for approximately 61% of the overall national dairy market, with traditional value-added products making up 34% and emerging value-added products comprising the balance 5%.

Constituting nearly one-fourth of global milk production, milk production in India has grown at a CAGR of 5.85% over the past nine years from 146.31 million tonnes during 2014-15 to 230.58 million tonnes during 2022-23, whereas per capita availability of milk stood at 459 grams per day during 2022-23, vs. 322 grams per day in 2014-15, thus registering a growth of around 42.5% over the period.

Buffaloes as a species and as a key asset for farmers are mostly of milch breed in the country. A growing number of farmers are engaged in buffalo rearing, which has resulted in the share of buffaloes in the bovine population steadily going up over the years, with almost 56% of the milk consumed in India being derived from buffaloes. For the farmers too, buffalo milk fetches a higher price as it contains 7% - 7.5% fat, almost twice that from cows.

India's per capita milk consumption compared to other major global players



(Source: Investec India, Research report on India Dairy Sector Milling the Rising Consumption Trend)

Indian dairy companies, especially in the private sector, have been instrumental in reshaping the nation's dairy industry, which today holds a profound significance across multiple facets. Engaging over 80 million rural households, predominantly consisting of small-scale and marginal farmers, the players, including cooperatives, have catalysed self-reliance among farmers, providing them with a dependable means of livelihood. Promoting equality and equivalence, they have transcended barriers of gender, caste, religion and community, fostering an inclusive environment for shared prosperity. Women, who constitute the backbone of the dairy workforce, have found not just employment but also empowerment through this sector, underscoring its pivotal role in promoting gender equality.

Key trends shaping the Indian dairy industry

I. Buffalo rearing gaining popularity amongst milk farmers

In light of the substantial surge in milk prices in 2023, especially for milk fat, farmers are accelerating the rearing of buffaloes instead of traditional dairy cows. As mentioned earlier, the richer fat content of buffalo milk renders it more lucrative for sale compared to that of cow milk. Furthermore, the economic advantage is enhanced by the sale of spent buffaloes for meat and leather, thus making buffalo farming

more financially rewarding than raising dairy cows.

II. Rising input costs lead to value- for-money options

In 2022 and 2023, inflationary pressures disrupted the dairy industry, farmers' income and raising consumer prices. Dairy producers have been developing pricing strategies that reflect the balance between meeting competitive market dynamics and dairy products as necessary consumer staple items. The focus has shifted to creating value-added products like cheese, curd, yogurt and probiotic drinks, which offer better margins and meet consumer demands for health and convenience too. This shift is fuelled by greater health consciousness, a growing middle class with disposable income and new dietary preferences, prompting dairy companies to innovate and market these profitable alternatives.

III. Rising demand for next-generation products

In the ever-evolving landscape of the dairy industry, the year 2023 witnessed a pronounced emphasis on health benefits. This has been achieved through fortification of dairy offerings with high-quality proteins, probiotics and prebiotics. Such advancements have transformed dairy products into food items offering distinct health advantages. Notably, the integration of probiotics and prebiotics long recognized for their positive effects on digestive (gut) and immune health into dairy products is becoming more prevalent. This strategic inclusion aims to cultivate a harmonious gut microbiome, which is increasingly understood to exert influence over stress, mental alertness, etc.

IV. Technological advancements in dairy processing

Technological innovation is transforming the dairy industry by enhancing farm management, milk processing, packaging and logistics. Automation, IoT, etc., are key to improving efficiency, quality and safety, while cold chain technologies maintain product freshness and nutrition during transport and storage, thus extending shelf life and helping build consumer trust.

V. Changing distribution channels and emergence of B2C startups

B2C startups are revolutionizing the Indian dairy industry by leveraging digital platforms for direct delivery to consumers, focusing on premium products and even offering subscription services with benefits. The latter represents a key innovation considering the high-frequency consumption nature of the products. This shift towards e-commerce is enhancing convenience, freshness and quality, leading to a shift in consumer behaviour and inducing evolution of the traditional way of doing business.

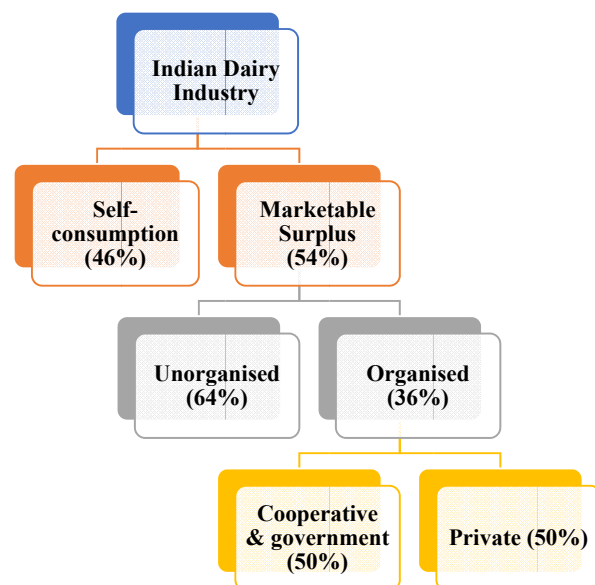
Growth drivers for the Indian dairy industry

Escalating consumption to spur growth	<ul style="list-style-type: none"> The primary catalyst for the expansion of India's dairy sector is expected to be the surge in consumption and consumer base, driven by population increase and rising income Increased disposable money has allowed more people to purchase nutritious foods, notably dairy products, which is a key component of traditional Indian diet. Demographic growth and increased buying power have driven dairy producers to expand and modernize their operations, securing a growing share of the market Growth in the dairy market from the consumers' side is primarily homogenous, thus prompting players to expand their operations beyond their home state
Growing health awareness to spur demand	<ul style="list-style-type: none"> Rising demand for nutrient-rich dairy products, including proteins, vitamins and minerals, is anticipated to propel market expansion Dairy companies are responding by offering a variety of enhanced products such as flavoured yogurts, fortified milk and probiotic drinks that cater to health-conscious consumers.
Changing distribution channels and emergence of B2C startups	Dairy startups leverage e-commerce trends for subscription services and doorstep deliveries, prioritizing freshness and convenience. Harvesting data analytics, especially q-commerce firms, they customize offerings, thus reshaping consumer habits and prompting industry-wide distribution model revisions.
Technological advancements in dairy processing	Technological advancements in the Indian dairy sector, including automation, IoT and AI, enhance farm management, processing and logistics for increased efficiency, quality and safety. Cold chain technology preserves product freshness and nutritional integrity during transit and storage, supporting sustainability and productivity improvements, even elongating shelf life.
Shift towards value-added dairy products	In a notable trend observed in recent years, the Indian dairy market is shifting towards value-added products like curd, cheese, yogurt, flavoured milk and probiotic drinks to meet growing consumer demand for health, convenience and diversity, coinciding with growth in discretionary spending power. This trend is driven by health consciousness, a growing middle-class and changing dietary habits, prompting dairy companies to innovate and expand their product range beyond traditional milk offerings. This trend also builds on established milk distribution/supply chains which ensures throughput for other products as well.
Rising income	India's per capita income has surged by 80% over the past decade to \$2.6K in 2023, with the IMF forecasting a rise to \$4K by 2028. This economic growth is poised to create 140 million more middle-income and 21 million high-income households by 2030, increasing the middle-income share from 54% to 78%. Higher incomes are expected to boost demand for premium, nutritious foods, including dairy products.

In India, 46% of milk is consumed or sold locally in rural areas, with the rest 54% being sold through a combination of organized and unorganized players. Organized entities ensure consistent milk quality, while unorganized players, such as local milkmen, exhibit potential adulteration risks. Growing health and quality consciousness is also driving the shift from loose, unpackaged to packaged milk products.

Regional players dominate the Indian dairy market. This is mainly due to preference for fresh liquid milk and perishable dairy products. Transport limitations and the importance of a trusted farmer network also contribute to this regional focus. Many companies prioritize establishing a strong local presence before expanding further. However, having built a strong brand in their home markets, dairy companies are encouraged to explore other regions and territories as well as they take their strong operational knowhow to build other regions in their pursuit for growth and value creation.

Structure of the Indian dairy industry



Shifting consumption trend in the Indian dairy industry

The Indian dairy landscape remains largely influenced by liquid milk consumption. Yet, recent trends reveal a notable shift towards value-added dairy products, including curd, ghee, cheese, and paneer, which are rapidly gaining popularity. An increasing number of consumers are opting to purchase these products rather than preparing them at home. In response to this shift, dairy companies are intensifying their efforts to innovate, offering an array of products characterized by superior packaging, extended shelf-life, and enhanced quality. This evolution in consumer preferences is anticipated to persist, positioning value-added dairy products to level with the share of liquid milk in the foreseeable future.

Key focus segments within the Indian dairy industry

Liquid milk

Liquid milk holds the leading position in the Indian dairy market as the foremost product category, a status it has earned due to its indispensable role in daily diet, its nutritional value as a fundamental food item, its widespread cultural endorsement, and its affordability to match household budgets. As of 2019, liquid milk accounted for approximately 23% of the market and is projected to command a 50% market share by 2025. Additionally, the production capacity for liquid milk is anticipated to surge to 300 million metric tons by 2030.

To enhance efficiency in milk collection and processing, investment in technologies such as bulk milk coolers is recommended, along with high-pressure processing methods. Moreover, there are prospects for establishing structured and certified livestock farms dedicated to the nurturing and breeding of high-quality milch breeds. This sector presents attractive investment possibilities in advanced technologies like blockchain, as well as in radio-frequency identification (RFID) and sensor-equipped vehicles and packaging systems.

A2 milk

A2 milk is rapidly becoming a prominent category in India's dairy industry, propelled by the rising consumer perception of its superior digestibility and potential health advantages over conventional milk. The surge in demand for A2 milk is largely fuelled by heightened consumer knowledge of its health benefits. The D2C delivery of premium fresh or organic milk, either from controlled farms or sourced from a verified network of farmers, has contributed to the expansion of this market segment. Considering the mere 0.9% global market share and 0.2% share within the Indian dairy market, A2 milk exhibits significant growth potential.

Skimmed milk powder (SMP)

As per the latest data available, during the fiscal year 2021-22, India's milk powder exports reached 48,778.02 metric tons, with a value of USD 141.74 million, accounting

for 44% of the nation's total dairy exports. The production of milk powder witnessed a CAGR of 9.58% from 2015 to 2020 and is anticipated to continue this trend in the future too. The sports nutrition and infant food sectors are expected to be significant revenue streams for SMP market participants.

Other value-added products

Within the realm of the Indian dairy industry, cheese and curd stand as the two most rapidly burgeoning value-added products. Presently appraised at approximately USD 1.5 billion, the Indian cheese market is poised for a robust growth trajectory, anticipated to surge at a CAGR of 18% until 2026. Meanwhile, the yogurt market, currently valued at approximately USD 6.02 billion, is forecasted to maintain a steady ascent, with an expected CAGR of 15.3% until 2026. In tandem, the ice cream market in India attained a worth of USD 2.37 billion in 2022, and projections indicate a robust CAGR of 17.5% from 2023 to 2028. Similarly, the flavoured milk market concluded 2022 with a size of USD 0.40 billion and is poised for impressive growth, projected at a CAGR of 22.01% from 2022 to 2027.

Key challenges faced by the Indian dairy industry

Despite its remarkable growth, the Indian dairy industry faces its fair share of challenges.

- **Fragmented industry structure:** A key issue for the Indian dairy industry is its fragmented structure, leading to supply chain inefficiencies and challenges in scaling up production to meet increasing demand.
- **Low milk yields per animal:** A major challenge in India's dairy sector is the relatively low milk yield per animal, particularly in native breeds. Factors include scarce quality feed, traditional practices, insufficient veterinary care, limited high-quality livestock and inefficient breeding programs.
- **Inefficient feed and fodder management:** Inadequate availability of nutritious feed and fodder, especially during lean season, affects the nutritional status of dairy animals and leads to suboptimal milk production.
- **Lack of QA/QC and testing facilities:** Quality assurance and testing are vital for dairy safety and quality. Challenges include limited access to testing facilities, weak quality control and inconsistent quality standards, affecting product consistency.
- **Resource efficiency:** Dairy farming demands significant resources, such as land, water, feed, and energy. Inefficiency and unsustainable methods lead to environmental issues like land degradation, water scarcity, and deforestation.
- **Transportation and logistics:** Transportation and logistical issues hinder dairy distribution, with a shortage of specialized vehicles for perishables leading to quality loss and spoilage.

Outlook

Despite the challenges, India's dairy sector is on the cups of a promising future, bolstered by demographic growth, heightened nutritional knowledge and increasing customer awareness. Demand is set to rise, with governmental backing and infrastructural enhancements key to furthering its economic significance. At this pivotal juncture, the industry is ready to navigate the challenges and seize the opportunities. Through technological advancements, supply chain fortification, sustainability efforts and stakeholder collaboration, it can realize its full potential and sustain its global dairy leadership position.

Company overview

Heritage Foods Limited (HFL) stands as a distinguished entity in India's dairy industry, specializing in milk and value-added dairy products. With a legacy spanning over three decades, the company has carved a niche for itself by offering a range of innovative value-added dairy products, such as curd, paneer, ghee, fresh cream, UHT milk, lassi, immunity-boosting milk and an assortment of ice-creams and frozen desserts. The company has fortified its operations by successfully establishing 18 cutting-edge milk processing units, enabling it to establish a wide-ranging presence in more than 12 states.

HFL's diverse product mix, robust innovation focus and prudent growth strategies have catapulted it to the forefront of the fast-moving consumer goods (FMCG) arena, underpinned by a formidable distribution network and a multi-channel market approach. The company boasts a standardized distribution matrix featuring 237 Heritage happiness points dispersed over 12 states. Through enduring partnerships with over 300,000 dairy farmers spanning 9 states, the company has successfully secured steady milk supply.

HFL has further strengthened its digital footprint by marking its presence across 16 e-commerce platforms. The company's commitment to innovation is matched by its investment in state-of-the-art manufacturing and processing technologies, ensuring unparalleled quality control managed by a team of specialised professionals. With 18 processing plants and a fleet of 203 bulk coolers, alongside a network of mini chilling centers, HFL is dedicated to delivering fresh and nutritious products straight to the consumer's table.

Throughout its history, the company has periodically launched several value-added products. These products have not only significantly boosted the company's revenue but have also brought joy to its consumers. The company's ice cream and frozen dessert segment has recently experienced an impressive growth spurt, demonstrating the company's capacity to meet consumers demands. Moreover, the company has implemented initiatives for the welfare of farmers and their animals, aiming to improve dairy production and the living conditions of dairy farmers.

Going forward, the company is poised to broaden its reach within existing markets, fostering innovation across various channels. In the forthcoming years, the company is set to unveil a range of pioneering dairy offerings, with a special focus on expanding the ice cream, frozen dessert and beverage segments, thereby bolstering its growth trajectory and ensuring sustainable value creation for shareholders and all stakeholders.

Strategic priorities

	Grow and strengthen network advantage
	Deliver operational and organisational efficiencies
	Ensure disciplined capital allocation and improved cash flow generation
	Innovate offerings and services to create new value levers
	Build a talented workforce

Our product categories

Milk	Value-added products	Fat products
Fresh milk	Curd	Ghee
A2 milk	Paneer	Butter
UHT milk	Cheese	Cream
	Buttermilk	
	Flavoured milk	
	Milkshake	
	Sweets	
	Lassi	
	Ice cream/ frozen deserts	

Milk

Fresh milk holds a prominent position as India's most widely consumed product and a trusted nutrient powerhouse.



As the population grows, so does the demand for milk. Factors such as health awareness, dietary requirements, and improving living standards significantly contribute to the rising demand for fresh milk across the country.

A2 Milk is sourced exclusively from buffalo milk, thereby retaining its full cream richness. Collected directly from farms, it undergoes sterilization in the company's state-of-the-art facilities. This milk boasts of high A2 protein content, bolstering immunity and ensuring easy digestion.

UTH Milk or ultra-high temperature milk, undergoes a high-heat treatment to eliminate pathogens, ensuring preservation of its full nutritional profile. This process allows it to be stored at ambient temperatures for extended periods without the need for preservatives. Its convenience surpasses that of traditional milk, as it requires no refrigeration or boiling prior to use. The market for UHT milk is propelled by its storage simplicity, enabling efficient transport to areas even with limited milk access. Additional factors contributing to its popularity include user-friendliness, extended shelf life and shifts in dietary preferences. The IMARC Group's report reveals that India's UHT milk market volume stood at 1,156.2 million litres at the close of 2023. The market is projected to expand to 3,588.2 million litres by 2032, demonstrating a robust CAGR of 13%.

Value-added segment

Curd serves as a vital component of a nutritious diet and is also suitable for those with lactose intolerance. Its rich composition of calcium, vitamin D, proteins and phosphorus not only fortifies bones but also enhances digestive health. The expansion of the yogurt market is being propelled by factors such as demographic growth, rising disposable income, heightened awareness of health and wellness among consumers and cost-effectiveness. According to IMARC report, the India yogurt market reached ₹2.4 billion in 2023 and is expected to reach ₹12.7 billion by 2032, exhibiting a robust CAGR of 20.57%.

Paneer, a non-fermentative and heat-resistant cheese crafted through the acid-induced coagulation of milk, stands as a staple in Indian culinary traditions. Identified for its versatility, paneer is a prominent feature in a myriad of vegetable dishes and is a part of India's gastronomic heritage, especially vegetarian cuisine. Market expansion for the product is driven by demographic surge, urban development, and advancement in the cold supply chain and chilling infrastructure. IMARC report indicates that the Indian paneer market attained a value of ₹570.8 billion in 2023. It is projected to burgeon to ₹1,848.9 billion by 2032, displaying a CAGR of 13.5%.

Cheese delights the senses with its exquisite taste and velvety texture. Heritage Mozzarella and processed cheeses are crafted from 100% pure cow's milk, boasting extended longevity. Rich in vital nutrients such as protein, calcium, essential minerals and fats, cheese is a nutritional

powerhouse. Growing appetite for Western cuisine, rising incomes, organised retail channels, and demand for protein-enriched diets are accelerating the market expansion of cheese. IMARC report forecasts that the cheese market in India reached ₹88.9 billion in 2023 and is expected to reach ₹512.1 billion by 2032, exhibiting a CAGR of 20.9% during the period.

Buttermilk is renowned for its digestibility, surpassing that of many other dairy offerings. It contributes to dental well-being too, reinforcing skeletal strength, while also aiding in regulating cholesterol and blood pressure. As a rich source of calcium, it is an indispensable element of a well-rounded diet. While buttermilk is savoured as a cooling beverage, it also serves as a soothing antidote to India's intense summers. According to IMARC report, the buttermilk market in India reached ₹162.3 billion in 2023 and is expected to reach ₹819.4 billion by 2032, exhibiting a CAGR of 19.1% during the period.

Flavoured milk, a delightful and invigorating dairy delight, is available in glass or PP bottles. Crafted from fresh, wholesome, double-toned milk, it offers a spectrum of tastes. Recognised for its nutritional richness, flavoured milk encompasses the full suite of vital nutrients such as calcium, phosphorus, magnesium, potassium, protein, riboflavin, niacin and vitamins A, B12, and D, making it a favoured choice. According to IMARC report, the Indian flavoured milk market reached ₹52 billion in 2023 and is expected to reach ₹322.8 billion by 2032, exhibiting a strong CAGR of 21.8% during the period.

Milkshakes primarily appeal to the youth demographic. The surge in the popularity of milkshakes is attributed to a host of factors, including growing youth population, evolving lifestyle patterns, allure of convenience, enhanced product offerings, and increasing emphasis on health and wellness. Immunity-boosting milk, infused with anti-inflammatory ingredients, promotes well-being and is offered in an array of flavours such as turmeric, ginger and ashwagandha, catering to a health-conscious audience. According to IMARC report, the Indian milkshake market reached ₹6.4 billion in 2023 and is expected to reach ₹29.9 billion by 2032, exhibiting a CAGR of 18% during the period.

Milk-based confections, including the delectable doodh peda (a traditional Indian sweetmeat) and milk cake, are crafted from milk and clarified butter (ghee). The doodh peda tempts the palate with its tender consistency, aromatic essence and a delightful dissolution upon tasting. It strikes a perfect balance of sucrose, offering great taste. Meanwhile, milk cake boasts of a creamy smoothness and a sumptuous flavour, owing to ingredients such as premium skimmed milk powder and pure ghee.

Lassi, a fermented beverage crafted from pasteurized and homogenized curd, brims with beneficial bacteria that promote gut health. Its dense and velvety texture is complemented by a natural elaichi (cardamom) flavour.

Whether enjoyed as a sweet or savoury treat, lassi captivates with its creamy consistency. Rich in lactic acid, vitamin D, protein, and other essential nutrients, lassi offers refreshment and hydration during the scorching summers, boosts energy levels, and contributes to overall well-being. Lassi is truly a favoured choice among Indian consumers. According to IMARC report, India's lassi market size reached ₹47.5 billion at the end of 2024 is poised to reach ₹217.5 billion by 2032, growing at a CAGR of 17.9% during the period.

Ice cream and frozen desserts rank as one of the cherished favourites within India's dairy product spectrum. The sustainable growth of the ice cream sector has been fuelled by the establishment of robust cold chain systems, encompassing temperature-regulated storage facilities, streamlined management practices and skilled professionals. Additionally, the burgeoning food and beverage industry plays a pivotal role in propelling the market forward. IMARC report anticipates that by 2032, the Indian ice cream market will rise to a size of ₹956 billion, up from ₹228.6 billion in 2023, charting a CAGR of 17.4%.

Fat products

Ghee, a concentrated form of clarified butter, is renowned as a culinary staple. It is integral to traditional healing practices and spiritual ceremonies too. Ranking as the second most popular dairy product after milk, ghee is a treasure trove of nutrients, offering calcium, iron, omega-3 fatty acids, vitamins, proteins and carbohydrates. It is known for its anti-inflammatory properties and its role in combating various ailments, bolstering cardiac and cognitive functions. The demand for ghee is on an upswing throughout India, credited to its immune-enhancing benefits, digestive ease, cough relief, and ocular health improvements. IMARC report projects the Indian ghee market to rise to ₹6,931 billion by 2027, from ₹3,203 billion in 2023, growing at a CAGR of 8.72% during the period.

Butter is acclaimed globally as an indispensable culinary component, essential in crafting an extensive array of recipes. Its universal application in kitchens worldwide has spurred a steady rise in its international demand. In production facilities, cooking butter is meticulously derived from fresh cream to guarantee superior quality. Heritage Butter is distinguished by its purity, with salt being the sole additive. IMARC report forecasts India's table butter market to surge to a size of ₹326.8 billion by 2032, up from ₹77.3 billion in 2023, registering a CAGR of 16.8%.

Empowering farmer community

Heritage Farmer Welfare Activities (HFWA) prioritize the growth and well-being of the farming community. The company's unwavering commitment revolves around empowering farmers through mutually beneficial milk procurement, promoting best practices, and offering essential support services. These services include free veterinary check-ups and vaccination drives for cattle

aimed at keeping the livestock healthy and productive and enhancing milk yields. Additionally, the company facilitates farm loans, cattle insurance and also supplies nutritious livestock feed. Notably, 2,978 cattle health camps were hosted in FY2024, benefiting 80,133 farmers and enabling the treatment of 1,50,414 cattles. These initiatives contribute to fostering strong bonds between the company and the farming community.

Review of Operation

The financial year 2024 was marked by another period of commendable performance across different geographies and product categories for the company, with market share gains and improvement in operating margins, as compared to the prior fiscal year.

(₹ in million)

Financial year	Revenue from operations	EBIDTA	PAT
FY2024	37,343	1,821	910
FY2023	32,087	1,350	659
FY2022	26,429	1,781	1,015
FY2021	24,070	2,497	1,452
FY2020	26,811	1,330*	571*

*EBITDA and PAT are before fair value in derivative liabilities of Investments in FRL.

Revenue Trends (₹ in million)

FY2024	37,343
FY2023	32,087
FY2022	26,429
FY2021	24,070
FY2020	26,811

Dairy Vertical

The dairy vertical stands as the flagship business unit of Heritage Foods, contributing 99.98% to the company's total revenues. Below is the five-year revenue trajectory for the dairy vertical:

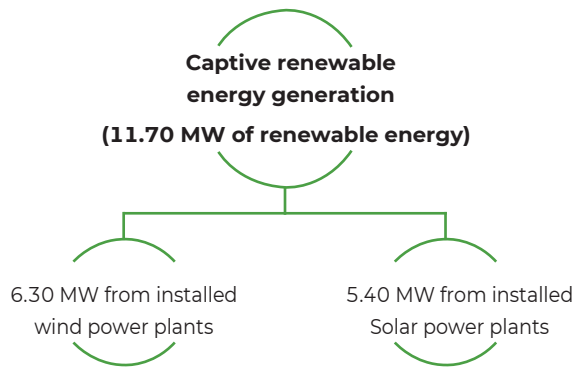
Dairy Revenue (₹ in million)

FY2024	37,335
FY2023	32,080
FY2022	26,413
FY2021	24,065
FY2020	26,794

Renewable energy vertical

Heritage Foods Limited, in its pursuit of a greener footprint, embarked on a clean energy mission by investing in renewable energy projects, primarily for captive consumption. The company has strategically installed

captive solar and wind power plants across its various facilities. These installations collectively generate 11.70 MW of renewable energy, comprising 6.30 MW of installed capacity wind power and 5.40 MW of installed capacity solar power, all dedicated to meeting the company's internal energy needs. This commitment to sustainable practices underscores Heritage Foods' dedication to environmental stewardship and operational efficiency.



Revenue from operation achieved during FY2024 was ₹90.29 million, as against ₹78.22 million in the previous year, registering 15.43% year-on-year growth. Profit before tax (PBT) was recorded at ₹26.09 million against ₹23.27 million during the previous year. Profit after tax (PAT) for the year stood at ₹32.42 million vs. ₹30.23 million in the previous year. For FY2024, EBITDA grew by 11.76% YoY to ₹6.60 million in FY2024, compared to ₹56.10 million in FY2023.

Heritage Nutrivet Limited

Heritage Nutrivet Limited (HNL) is a wholly-owned subsidiary Company of Heritage Foods Limited, is committed to advancing animal nutrition via an array of livestock feeds and supplements. The company's mission is to bolster milk production and reproductive efficiency in dairy animals by ensuring their comprehensive health and robust immunity. HNL's product suite is meticulously tailored to meet diverse animal requirements. Beyond supplying nutritional solutions, HNL extends technical assistance and shares knowledge among dairy farmers to elevate milk yields and enhance economic gains, all while delivering financially viable options to the agricultural community.

Heritage Novandie Foods Private Limited

Heritage Foods Limited has formed an 50:50 joint venture company with Novandie, France, known as Heritage Novandie Foods Private Limited (HNFPL). This collaboration aims to produce and market a diverse range of premium yoghurt variants in India. HNFPL commenced commercial

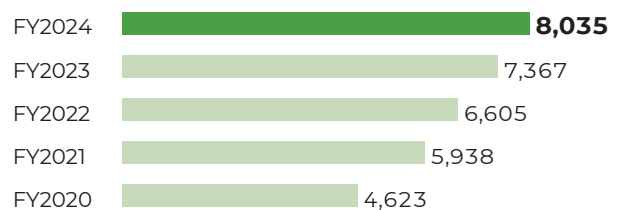
operations in February 2021. The company strategically targets Indian consumers prioritising nutritious food choices. A key differentiator for HNFPL lies in its offering of the first French yoghurt, backed by robust manufacturing facilities and stringent quality control measures for ingredients and processes.

Financial overview

The Company has delivered significant returns to its stakeholders and it continues to traverse the path towards becoming a nationally recognised brand for healthy and fresh products. Mentioned below is the Company's performance for the last 5 years in various parameters.

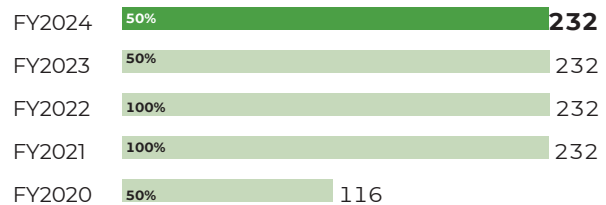
Net worth

The Net worth for the last five years is as follows.



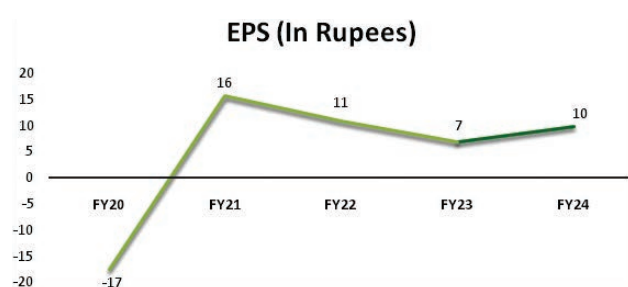
Dividend

The dividend % declared in last five years.



Earnings per share

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



Note: EPS has been adjusted for all the years on account of issue of rights issue during the FY 22-23

Key financial highlights for FY 2023-24

The following information is standalone information about the Company and should be read in conjunction with the financial statements and related notes for the financial year ended March 31, 2024.

Particulars	2023 - 24		2022 - 23		FY 2024 Vs 2023
	₹ In Millions	% of Revenue	₹ In Millions	% of Revenue	% of Growth
Net Sales	37324.48	99.95	32072.53	99.96	16.38
Other operating income	18.97	0.05	14.22	0.04	33.40
Total Revenue	37343.45	100.00	32086.75	100.00	16.38
Less: Total Expenditure	35354.89	94.67	30736.67	95.79	15.03
Add: Other Income	119.29	0.32	113.48	0.35	5.12
Profit before Interest, Depreciation and Tax	2107.85	5.64	1463.56	4.56	44.02
Less: Finance costs	81.64	0.22	31.68	0.10	157.70
Depreciation & Amortization	584.32	1.56	538.50	1.68	8.51
Profit before tax and exceptional items	1441.89	3.86	893.38	2.78	61.40
Less: Exceptional items	(167.95)	(0.45)	0.00	0.00	0.00
Profit before tax	1273.94	3.41	893.38	2.78	42.60
Less: Provision for current taxation(Including taxation of earlier year)	356.68		227.07		57.08
Less: Provision for deferred taxation	6.88		7.42		(7.28)
Profit / (Loss) after tax	910.38	2.44	658.89	2.05	38.17

Standalone Segment results:

Particulars	2023 - 24		2022 - 23		FY 2024 Vs 2023
	₹ In Millions	% of Revenue	₹ In Millions	% of Revenue	% of Growth
1. Total Revenue					
a. Dairy	37334.99		32079.87		16.38
b. Renewable energy	90.29		78.22		15.43
Total (a+b)	37425.28		32158.09		16.38
2. Inter-segment Revenue					
a. Dairy	-		-		
b. Renewable energy	81.83		71.34		14.70
Total (a+b)	81.83		71.34		14.70
3. External Revenue					
(Incl other operating income)					
a. Dairy	37334.99		32079.87		16.38
b. Renewable energy	8.46		6.88		22.96
Total (a+b)	37343.45		32086.75		16.38
4. Segment Results					
(Profit (+) / (Loss) (-) before tax and finance costs)					
a. Dairy	1481.28	3.97	899.97	2.81	64.59
b. Renewable energy	29.00	32.12	22.93	29.31	26.47
Total (a+b)	1510.28	4.04	922.90	2.88	63.65
Less: Finance Cost	81.64		31.68		
Unallocable expenses	199.37		30.36		
Add: Interest income	3.56		2.33		
Unallocable income	41.11		30.19		
Total Profit before Tax	1273.94	3.41	893.38	2.78	42.60

Segment wise Revenue Break-up :

	(₹ in Millions)	
	2023 - 24	2022 - 23
Dairy		
Finished goods sold		
Milk	22190.44	20517.53
Value Added Products	11011.20	9260.06
Fat Products	3045.85	1501.00
Skimmed Milk Powder	7.28	3.40
Total	36254.77	31281.99

(₹ in Millions)

	2023 - 24	2022 - 23
Traded goods		
E&I	986.40	699.95
Value Added Products	51.42	62.12
Others	1.83	1.94
Total	1039.64	764.01
Sale of Service	23.87	21.60
Other operating income	16.71	12.27
Total Dairy Revenue	37334.99	32079.87
Renewable Energy		
Finished goods sold	6.21	4.93
Other operating income	2.25	1.95
Total Renewable Energy Revenue	8.46	6.88
Total Revenue	37343.45	32086.75

CASH FLOW

Cash Inflows

₹ in Millions

Particulars	2023 - 24	%	2022 - 23	%
Operating Cash flow	2031.48	40.29	1373.41	47.96
Proceeds from rights issue (Net)	-	-	222.20	7.76
Change in working capital (net)	2,086.15	41.37	-	-
Interest Received	3.30	0.07	2.69	0.09
Rent Received	13.68	0.27	21.70	0.76
Proceeds from Short Term Borrowings	-	-	1243.58	43.43
Proceeds from Long Term Borrowings	908.00	18.01	-	-
Total	5042.61	100.00	2863.58	100.00

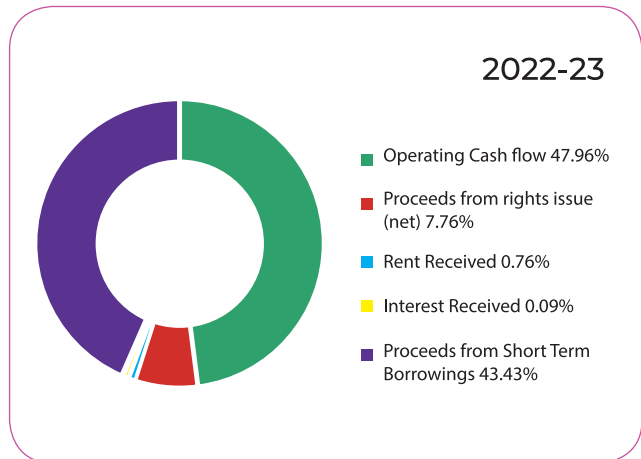
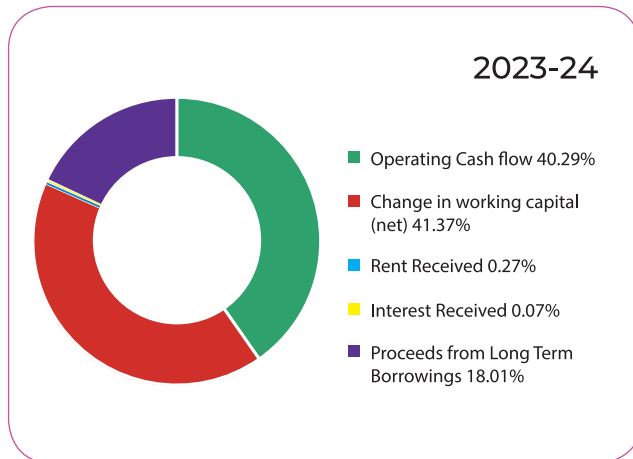
Cash Outflows

₹ in Millions

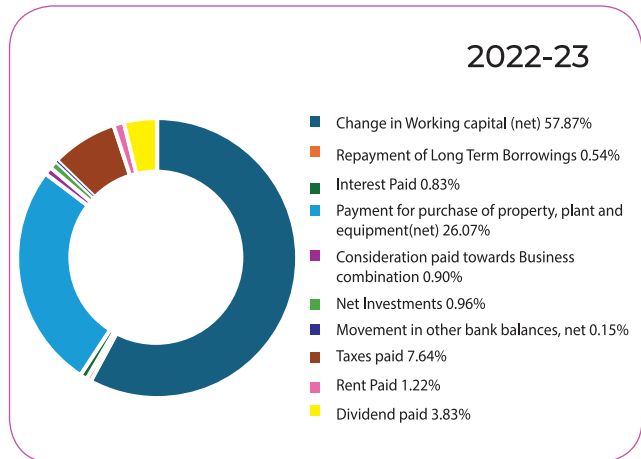
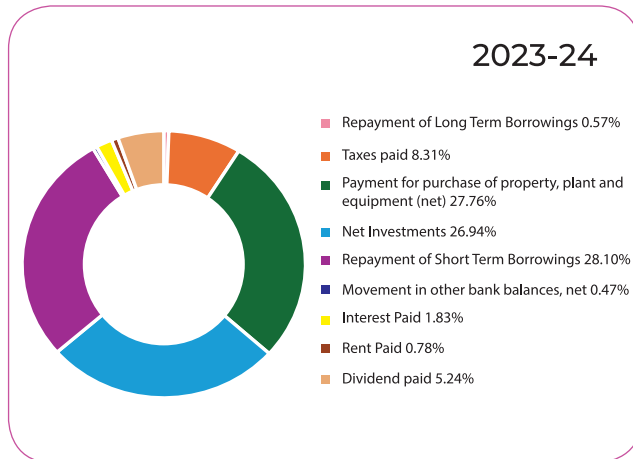
Particulars	2023 - 24	%	2022 - 23	%
Repayment of Long Term Borrowings	25.39	0.57	16.37	0.54
Change in Working capital (net)	-	-	1750.71	57.87
Taxes paid	367.89	8.31	230.97	7.64
Payment for purchase of property, plant and equipment (net)	1228.25	27.76	788.56	26.07
Consideration paid towards Business combination	-	-	27.11	0.90
Net Investments	1192.03	26.94	29.06	0.96
Repayment of Short Term Borrowings	1243.58	28.10	-	-
Movement in other bank balances, net	20.63	0.47	4.43	0.15
Interest Paid	81.02	1.83	25.09	0.83
Rent Paid	34.51	0.78	36.84	1.22
Dividend paid	231.99	5.24	116.00	3.83
Total	4425.29	100.00	3025.14	100.00
Net increase /(decrease) in cash and cash equivalents	617.32		(161.56)	
Add: Opening Cash and Cash Equivalents	163.20		324.76	
Cash and cash equivalents at the end of the period	780.52		163.20	
Cash and cash equivalents include :				
Cash on hand	1.46		2.32	
Balances with banks in current accounts	779.06		160.88	

CASH FLOW

Cash Inflows



Cash Outflows



Key ratios

Particulars	FY24	FY23
Current ratio	1.70	1.44
Debt equity ratio	0.16	0.22
Debt Service coverage ratio	11.04	14.26
Return on equity ratio / return on investment ratio	11.82	9.43
Inventory turnover ratio	9.70	9.28
Trade receivables turnover ratio	131.98	139.86
Trade payables turnover ratio	28.47	36.72
Net capital turnover ratio	18.10	24.04
Net Profit Margin (%)	2.44%	2.05%
Return on capital employed	15.79	10.60







Growth levers in brief

- Growing market share in our existing markets of presence
- Tapping into new markets that exhibit high growth potential
- Growing the share of value-added products in our portfolio
- Focusing on digitalisation initiatives, especially with regards to app development for better farmer outreach, digital payments, distribution monitoring etc.
- Expanding our distribution ecosystem, especially in the new areas of quick-commerce, D2C (direct-to-consumer), etc.

Outlook

Heritage Foods is focused on expanding its market reach within its areas of presence. By leveraging its vast distribution network and an expanding array of products, the company is making significant inroads into both metropolitan and Tier-1 and 2 cities. Concurrently, the organization is reinforcing its foothold in these markets, focusing on strategic brand-building initiatives through customer outreach, etc.

Our risk management process

 <p><small>Created by Anshu Kishor From the Atlas Project</small></p>	 <p><small>Created by Anshu Kishor From the Atlas Project</small></p>	 <p><small>Created by Iulcv Fish</small></p>	 <p><small>Created by Anshu Kishor From the Atlas Project</small></p>
<p>Identification and assessment approach</p>	<p>Prevention and control strategy</p>	<p>Monitoring and surveillance</p>	<p>Review and reporting</p>
<p>Forecasting and assessing the probability of occurrence, magnitude, category and rating of the risk</p>	<p>Devising plan of action to prevent risk and reduce the aftermath, while ensuring activation of the right strategy to capture potential upsides</p>	<p>Gauging the potency of controls with a view to improve risk identification, monitoring and surveillance</p>	<p>Overseeing the risk process at regular intervals, especially spearheaded by the Board Risk Management Committee</p>

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 organization's risk profile
- Integrates risk-management reporting with the Board's overall reporting framework

The company will continue to focus on building an effective supply chain designed to cater to the rising demand for value-added products. With the shifting demand patterns, the company will continue to focus on growing its value-added segment through ensuring the right product-market fit to suit local tastes and preferences and also by adopting innovative marketing strategies. This is rooted in continuous innovation and broadening of the product portfolio, backed by an unwavering commitment to consumer delight.

Moving forward, the company plans to adopt industry-leading practices to boost capacity utilization and operational efficiency that will have a positive bearing on profitability. To further stimulate growth, the company aims to expand its cattle feed business too, establishing the necessary infrastructure and leveraging strong farmer relationships built over decades.

Risk management

A comprehensive risk-management framework allows us to pre-emptively monitor risks spawning from the internal and external environment. As a result, navigating the challenges of the industry, we have been able to create durable value for our stakeholders.

The company functions under a well-defined organization structure. Flow of information is well defined to avoid any conflict or communication gap between two or more departments. Second-level positions are created in most of the department to continue the work without any interruption in case of nonavailability of functional heads. Proper policies are followed in relation to maintenance of inventories of raw materials, consumables, key spares and tools to ensure their availability for planned production programmes. Effective steps are being taken to reduce the cost of production on a continuing basis, taking various changing scenarios in the market.

Key risks and concerns

Risk	Definition	Mitigation
Regulatory Risk	The risk of regulation changes can affect operations.	The company conscientiously adheres to all Safety, Health, and Environment (SH&E) standards. It implements various waste minimization and recycling practices and ensures strict adherence to all pollution control and emission regulations.
Raw material risk	The unavailability of raw materials and fluctuation in raw material prices are significant threats to our business.	HFL's milk processing units are located in close proximity to some of the largest milk producing regions of India. Further, the company has built a widespread farmer network with over 3,00,000 farmers. The company has developed a multi-decadal relationship with its farmer community, thus ensuring a regular and timely supply of quality raw material.
Competition risk	The company operates in a competitive environment and faces competition from local players, large private players and even international players.	The Company focuses on operational excellence, from milk processing to R&D, ensuring prompt product delivery through an efficient network. The company's brand-building and diversification into related categories aim to boost market share, while data-driven targeting and pricing strategies are informed by attractive price-value propositions.
Innovation risk	The ability to innovate and improvise in the dairy business is crucial for growth and profitability.	The company is an R&D-driven focused organization with a team of technically competent persons in the dairy industry. The company focuses on consistently innovating its portfolio to match the changing consumer demand and market trends.
Customer retention risk	The risk of being unable to retain clients due to the rising complexity in demand may lead to a decline in profitability.	The company has meticulously developed a distinguished dairy portfolio, positioning HFL to serve a diverse clientele. The firm's robust focus on research and development, coupled with its drive for innovation and commitment to delivering cost-effective products, underpins the enduring appeal of HFL's offerings and sustains customer interest.
Geographical concentration risk	Higher dependency on any region or market may cause a dip in profitability in case of adverse condition in the region or market	The Company has expanded its product reach to over 12 Indian states, gaining a notable market share in high dairy consumption areas. The company has strategically grown its market influence, moving from a basic retail presence to capturing a significant consumer spending share. This broad distribution helps reduce risks linked to regional instabilities.
Product concentration risk	High concentration on any one product, especially in the dairy industry, may adversely impact revenues and profitability	The Company has established a large portfolio of dairy products. The company has embraced a product diversification strategy, venturing into the Flavored Milk and Ice Cream segments to reduce the risk of product concentration. Furthermore, the company is continually seeking new avenues for further diversification within related markets.
Distribution risk	Dairy products are perishable. Thus, inability to supply finished products within a particular time may lead to waste and loss if products are not sold and consumed within their shelf life.	The company ensured that its products are available through a vast network of retail outlets spread across different states. This has been made possible by a fleet of 6000+ milk and fresh product distributors, 237 Happiness Points, 300+ value added product distributors, 850+ parlours, all reaching nearly 180,000 retail outlets in the General Trade Outlets and a strong presence across all national modern trade and E-Commerce retail. This ensured that fresh products are made available at the convenience of its customers.

Internal control system and adequacy

The company has in place strong internal control procedures commensurate with its size and operations. The company believes that safeguarding of assets and business efficiency can be prolonged by exercising adequate internal controls and standardizing operational processes. The internal control and risk management system is structured and applied in accordance with the principles and criteria established in the corporate governance code of the organisation. It is an integral part of the general organisational structure of the company and involves a range of personnel who act in a coordinated manner while executing their respective responsibilities. The Board of Directors offers guidance, support and strategic supervision to the Executive Directors and management, monitoring and support committees.

Human resources

Heritage Foods values its human and intellectual capital as the key drivers of its success, with employee satisfaction playing a crucial role. The company believes in nurturing its workforce, as their growth directly influences the company's achievements. The Company is dedicated to fostering a diverse and inclusive environment that promotes personal development and wellbeing. The company's ability to attract, develop and retain talent has been a cornerstone of its growth trajectory.

Teamwork and collective professional advancement define the company's ethos. It invests in training and upskilling to support the career growth of its employees. By adopting a transparent communication structure, it encourages open dialogue between staff and management. These practices have been instrumental in attracting and maintaining a dedicated workforce. HFL's employee count stands at 3,225 as of 31st March 2024.

Quality, health and safety measures

Ensuring personnel safety is our top priority. Factory managers lead our safety efforts, conducting regular reviews across all our sites regarding occupational health and safety. We have implemented multiple measures to enhance personnel health and safety, including organizing small teams at each manufacturing site for rapid detection and effective management of safety issues. Our company strictly adheres to comprehensive health and safety protocols. Wellness programs were also organised to support the mental and psychological health of employees.

Quality and safety are paramount for the company. It adheres to stringent quality control and inspection processes to ensure its diverse product range meets high industry standards for quality, safety and nutrition. The company prioritizes milk quality and safety and holds certifications in both the Safety and Health Management System (ISO 45001:2018) and Environment Management System (ISO 14001:2015).

Our sustainable model

The company is committed to minimizing its environmental footprint and fostering a sustainable business approach. It places high priority on energy conservation, ensuring efficient energy utilization across all its operational units. As a utility-conscious entity, the company boasts of a renewable energy generation capacity of 11.70 MW, sourced from renewable energy systems for in-house use. In its pursuit to alleviate the strain on natural resources, the company is dedicated to lowering its carbon footprint. As a validation of this focus, it has earned the distinction of winning all three prestigious CII National Energy Conservation Awards in 2021 and 2023 and holds certifications for its environmental management systems, in compliance with ISO 14001:2015 standards.

Packaging and plastic waste management

Plastic plays a crucial role in ensuring product safety and preventing leaks. As a responsible organization, we acknowledge the impact of our business operations on the natural ecosystem. Consequently, we are committed to shaping a greener future by actively participating in plastic recycling initiatives, etc.

Cautionary statement

The statements made in the Management Discussion and Analysis describing the company's objectives, projections, estimates and expectations may be "forward-looking statements" within the meaning of applicable securities laws and regulations. Actual results could differ materially from those expressed or implied. Important factors that could make a difference to the company's operations include economic conditions affecting demand-supply and price conditions in the markets in which the company operates, changes in government regulations, tax laws and other statutes, and other incidental 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 2023-24 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, 2024, the Board consists of Seven (7) members out of which two (2) are Executive/ Whole-time Women Directors, three (3) are Non-Executive Independent Directors, one (1) is Non-Executive Independent Woman Director and one (1) is Non-Executive Director.

Ethics/Governance Policies:

Your company has adopted a set of policies and Codes and ensure 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

- Code of Conduct for Fair Disclosure of Unpublished Price Sensitive Information
- Code of Conduct to Regulate, Monitor & Report Trading by Insiders
- Whistle Blower Policy
- Policy on Materiality of Related Party Transactions
- Corporate Social Responsibility Policy
- Board Diversity and Nomination & Remuneration Policy
- Board Evaluation Framework
- Policy for Determining Material Subsidiaries
- Risk Management Policy
- Familiarisation Programme for Independent Directors
- Policy on Preservation of Documents
- Archival Policy
- Policy on Determination of Materiality of Events
- Business Responsibility Policy
- Dividend Distribution Policy
- Policy and procedure of inquiry in case of leak or suspected leak of UPSI
- Anti-Sexual Harassment – Safe work environment policy
- Anti Bribery and Anti-Corruption Policy
- Cyber Security 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 Seven 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 Obligations and Disclosure Requirements) Regulations, 2015 as amended from time to time. As on March 31, 2024, the Board consists of Seven (7) members, out of which Two (2) are Executive/Whole-time Women Directors, Three (3) are Non- Executive Independent Directors, one (1) is Non-Executive Independent Woman Director and one (1) is Non- Executive Director. The Board periodically evaluates the need for change in its composition and size.



None of the Independent Directors on the Board serve as an independent director in more than seven listed entities and none of the Directors on the Board is a member of more than 10 Committees excluding private limited companies, foreign companies and companies under Section 8 of the Companies Act, 2013 ("the Act") or Chairman of more than 5 Committees as specified in Regulation 26 of SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015, across all the Companies in which he/she is a Director. The Directors have made the necessary disclosures regarding Committee positions during the period under review. For the purpose of determination of limit of the Board Committees, Chairpersonship and Membership of the Audit Committee and Stakeholders' Relationship Committee has been considered as per Regulation 26(1)(b) of SEBI Listing Regulations.

Roles, Responsibilities and Duties of the Board

The 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 (LODR) 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) 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. Other Committee meetings are held based on the requirements but at least one meeting of each committee is held in a financial year. In the case of business exigencies or urgency of matters, resolutions are passed by circulation. Video conferencing facility is provided to the Directors who are not able to attend the meetings due to some emergencies. The location of the Board meetings in person



is informed well in advance to all the Directors. Five (5) Board meetings were held during the year ended March 31, 2024, and the gap between any two meetings did not exceed one hundred and twenty days. The said meetings were held on: May 25, 2023, July 31, 2023, October 18, 2023, January 29, 2024, and March 19, 2024.

Agenda and relevant information to Directors:

The agenda for each Board/Committee meeting is circulated well in advance to the Directors. All material information is incorporated in the agenda facilitating meaningful and focused discussions in the meeting. Every Board / Committee Member is free to suggest items for inclusion in the agenda. Being a responsible environment friendly Company, agendas and other relevant documents / information to Board / Committee members are provided in secured electronic mode.

Board Meetings - Matters:

All divisions / departments of the Company are advised to schedule their work plans in advance, particularly with regard to matters requiring discussion / approval / decision of the Board meetings. All such matters are communicated to the Company Secretary in advance so that the same could be included in the Agenda for the Board / Committee meetings. Agendas for such meetings are finalized in discussion with the Vice-Chairperson & Managing Director 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 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 of the Meeting. Suggestions of the Directors are properly incorporated in the Minutes. Final Minutes are recorded in the Minutes Book within 30 days of the Meeting. Certified copies of the signed minutes are sent to the Directors within 7 days of sign by the Chairperson of the Board/Committee meeting.

Post Board Meeting Mechanism

All the Proceedings of the Board Meetings are recorded as per the requirements of the Companies Act, 2013 and SEBI Listing Regulations. All the decisions taken by the Board and its Committees are promptly communicated to the concerned departments or divisions. All the Post Board Meeting filings on the Stock Exchange / Registrar of Companies are done as per the requirement of the SEBI Listing Regulations and Companies Act, 2013 and rules made there under as amended from time to time. Action taken/status reports on decisions of the previous meeting(s) are followed-up and placed at the next meeting for information and further recommended actions, if any.

Selection of Independent Directors

Considering the requirement of skill sets on the Board, eminent people having an independent standing in their respective field/profession and who can effectively contribute to the Company's business and policy decisions are considered by the Nomination and Remuneration Committee for appointment as Independent Director on the Board. The Committee, inter alia, considers qualification positive attributes, area of expertise and number of Directorships and Memberships held in various committees of other Companies by such persons in accordance with the Company's Policy for Selection of Directors and determining Directors' independence. The Committee evaluates the balance of skills, knowledge and experience on the Board and on the basis of such evaluation, prepare a description of the role and capabilities required of an independent director. The person recommended to the Board for appointment as an independent director shall have the capabilities identified in such

description. The Board considers the Committee's recommendation and takes appropriate decision.

Meetings of Independent Directors

Pursuant to Schedule IV of the Companies Act, 2013 & Rules made there under and SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 as amended from time to time, the independent directors of the Company shall hold at least one meeting in a year, without the attendance of non-independent directors and members of the Management. The meeting shall review the performance of non-independent directors and the Board as a whole; review the performance of the Chairperson of the Board, taking into account the views of the executive directors and non-executive directors; assess the quality, quantity and timeliness of flow of information between the Management and the board that is necessary for it to effectively and reasonably perform its duties. One meeting of Independent Directors was held during the year i.e. on May 25, 2023.

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 August 22, 2023
	Held	Attended	
Independent Director			
Mr. N. Srivishnu Raju*	5	2	Yes
Mr. Rajesh Thakur Ahuja	5	5	Yes
Mrs. Aparna Surabhi	5	5	Yes
Mr. M.P. Vijay Kumar	5	5	Yes
Mr. A V Girijakumar#	5	4	Yes
Non-Executive Director			
Dr. V. Nagaraja Naidu	5	5	Yes
Whole-time Director			
Mrs. N Bhuvaneswari	5	5	Yes
Mrs. N Brahmani	5	5	Yes

* Mr. N. Srivishnu Raju ceased to be an Independent Director being completion of his second and final term w.e.f. 21.10.2023

Mr. A V Girijakumar has been appointed as a Non-Executive Independent director w.e.f. 01.06.2023 for a period of 5 consecutive years.

Video conferencing facilities and other audio-visual means are provided to the Directors to participate in the meetings.

c) **Name and number of other board of directors or committees in which a director is a member or chairperson as on March 31, 2024:**

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 31-03-2024
		Member	Chairperson	
Non-Executive Independent Director				
Mr. A V Girijakumar#	1	2	-	Nil
Mr. Rajesh Thakur Ahuja	5	2	-	Nil
Mrs. Aparna Surabhi	5	1	1	Nil
Mr. M. P. Vijay Kumar	4	3	1	Geogit Financial Services - Non Executive Independent Director Life Insurance Cooperation of India - Non Executive Independent Director
Non-Executive Director				
Dr. V. Nagaraja Naidu	3	2	1	Nil
Whole-time Director				
Mrs. N Bhuvanewari	5	1	-	Nil
Mrs. N Brahmani	6	-	-	Nil

* The directorships held by directors as mentioned above, does not include directorships in Foreign Companies.

Mr. A V Girijakumar has been appointed as a Non-Executive Independent director w.e.f. 01.06.2023.

^ In accordance with Regulation 26 of the Listing Regulations, Membership(s) / Chairmanship(s) of only Audit Com March 19, 2024. 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, 2024, the Board consists of Seven (7) members, out of which (2) are Executive/Whole-time Women Directors, three (3) are Non-Executive Independent Directors, one (1) is Non-Executive Independent Woman Director and one (1) is Non-Executive Director.

None of the Directors has relations with each other except Executive Director/Whole-time director of the Company. Mrs. N. Brahmani, Executive Director of the Company is the daughter-in-law of Mrs. N Bhuvanewari, 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, 2024.

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 at <https://www.heritagefoods.in/familiarization-programme>.

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 Bhuvanewari	√	√	√	-	√	√	√	-
Mrs. N Brahmani	√	√	√	√	√	√	√	√



These skills/competencies are broad-based, encompassing several areas of expertise/experience. Each Director may possess varied combinations of skills/experience within the described set of parameters, and it is not necessary that all Directors possess all skills/experience listed therein.

i) Declaration by Independent Directors

All the Independent Directors of the Company have given declarations and confirmed that they meet the criteria of Independence as provided under Section 149(6) of the Act and Regulation 16(1)(b) of the Listing Regulations and that they are not aware of any circumstance or situation, which exist or may be reasonably anticipated, that could impair or impact their ability to discharge their duties with an objective independent judgment and without any external influence. They also declare that apart from receiving director's remuneration (sitting fees) they did not have any pecuniary relationship or transactions with the company, its promoter, its directors, senior management and they are not a material supplier, service provider or customer or a lessor or lessee of the company, which may affect their independence, and was not a substantial member of the company i.e. owning two percent or more of the block of voting shares.

j) Reason for resignation of an Independent Director

None of the Independent Director resigned from the Board during the period under review. However during the year under review Mr. N Srivishnu Raju (DIN: 00025063) Non-executive Independent Director of the Company ceased to be an Independent Director being completion of his second and final term as a Non-Executive Independent Director w.e.f. October 21, 2023

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, 2024.

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 of the Company is liable to retire by rotation.

During the year under review, Mr. A. V. Girijakumar (DIN: 02921377) has been appointed as a Non-Executive Independent Director of the Company w.e.f. June 01, 2023, for a period of 5 consecutive years, the said appointment was approved by shareholders at the 31st Annual General Meeting of the Company held on August 22, 2023.

During the year under review, 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. Bhuvanewari (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.

m) BOARD COMMITTEES

The Board of Directors of the Company are having 7 (Seven) Committees during the FY 2023-24 i.e.

- i. Audit Committee
- ii. Nomination & Remuneration Committee
- iii. Stakeholders Relationship Committee
- iv. CSR Committee
- v. Risk Management Committee
- vi. Management Committee
- vii. Rights Issue 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 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, 2024:

Name	Designation	Category
Mrs. Aparna Surabhi	Chairperson	Non Executive Independent Women Director
Mr. N Srivishnu Raju*	Member	Non Executive Independent Director
Mr. Rajesh Thakur Ahuja	Member	Non Executive Independent Director
Mr. M.P. Vijay Kumar	Member	Non Executive Independent Director
Mr. A V Girijakumar#	Member	Non Executive Independent Director
Dr. V. Nagaraja Naidu	Member	Non Executive Director

* Mr. N Srivishnu Raju ceased to be a member of the committee w.e.f. October 21, 2023.

Mr. A V Girijakumar appointed as a member of the committee w.e.f. October 21, 2023.

c) Meeting and attendance during the year:

Five meetings of the Audit Committee were held during the financial year 2023-24, i.e. May 25, 2023, July 31, 2023, October 18, 2023, January 29, 2024 and March 19, 2024. The attendance details of the Committee Meeting are as follows:

Name	No. of Meetings	
	Held	Attended
Mrs. Aparna Surabhi	5	5
Mr. N Srivishnu Raju*	5	2
Mr. Rajesh Thakur Ahuja	5	5
Mr. M.P. Vijay Kumar	5	5
Mr. A V Girijakumar#	5	2
Dr. V Nagaraja Naidu	5	5

* Mr. N Srivishnu Raju ceased to be a member of the committee w.e.f. October 21, 2023.

Mr. A V Girijakumar appointed as a member of the committee w.e.f. October 21, 2023.

Mrs. N. Bhuvaneshwari, Vice Chairperson & Managing Director, Mrs. N. Brahmani, Executive Director, Dr. M. Sambasiva Rao, President, 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 for their appointment and removal;

- v. Whether to extend or continue the term of appointment of the independent director, on the basis of the report of performance evaluation of Independent Directors;
- vi. Recommend to the Board, all remuneration, in whatever form payable to senior management
- vii. Evaluate the 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, 2024:

Name	Designation	Category
Mr. N Srivishnu Raju*	Chairperson	Non-Executive Independent Director
Mrs. Aparna Surabhi [^]	Chairperson	Non-Executive Independent Woman Director
Mr. Rajesh Thakur Ahuja	Member	Non-Executive Independent Director
Mr. M.P. Vijay Kumar	Member	Non-Executive Independent Director
Mr. A V Girijakumar [#]	Member	Non-Executive Independent Director

* Mr. N Srivishnu Raju ceased to be a chairperson of the committee w.e.f. October 21, 2023.

[^] Mrs. Aparna Surabhi* appointed as chairperson of the committee w.e.f. October 21, 2023.

[#] Mr. A V Girijakumar appointed as a member of the committee w.e.f. October 21, 2023.

c) Meeting and attendance during the year:

The Nomination & Remuneration Committee held five meetings during the financial year 2023-24 i.e. on May 25, 2023, July 25, 2023, October 18, 2023, January 29, 2024 and March 19, 2024. The attendance details of the Committee Meetings are as follows:

Name	No. of Meetings	
	Held	Attended
Mr. N Srivishnu Raju*	5	2
Mr. Rajesh Thakur Ahuja	5	5
Mrs. Aparna Surabhi	5	5
Mr. M.P. Vijay Kumar	5	5
Mr. A V Girijakumar [#]	5	2

* Mr. N Srivishnu Raju ceased to be a chairperson of the committee w.e.f. October 21, 2023.

[#] Mr. A V Girijakumar appointed as a member of the committee w.e.f. October 21, 2023.

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.

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:

Dr. V Nagaraja Naidu – Non-executive Director

b) Name and designation of compliance officer:

Mr. Umakanta Barik, Company Secretary & Compliance Officer acts as the Secretary for the Committee, who is designated as Compliance Officer in pursuant to SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 as amended from time to time.

c) Details of the Complaints/request during Financial Year 2023-24 as follows:

No of complaints/request received: 88

No of complaints/request resolved: 88

No of pending complaints/request: NIL

d) Composition, name of members and chairperson:

Composition of the Committee as on March 31, 2024:

Name	Designation	Category
Dr. V Nagaraja Naidu	Chairperson	Non-Executive Director
Mrs. N Bhuvaneswari	Member	Executive Director
Mr. N Srivishnu Raju*	Member	Non-Executive Independent Director
Mr. Rajesh Thakur Ahuja	Member	Non-Executive Independent Director
Mr. A V Girijakumar#	Member	Non-Executive Independent Director

* Mr. N Srivishnu Raju ceased to be a member of the committee w.e.f. October 21, 2023.

Mr. A V Girijakumar appointed as a member of the committee w.e.f. October 21, 2023.

Two (2) Stakeholders Relationship Committee meeting was held during the financial year 2023-24 on May 25, 2023 and October 18, 2023. The attendance details of the Committee Meeting are as follows:-

e) Stakeholders Relationship Committee Attendance:

Name	No. of Meetings	
	Held	Attended
Dr. V Nagaraja Naidu	2	2
Mr. N Srivishnu Raju*	2	1
Mrs. N Bhuvaneswari	2	2
Mr. Rajesh Thakur Ahuja	2	2
Mr. A V Girijakumar#	2	-

* Mr. N Srivishnu Raju ceased to be a member of the committee w.e.f. October 21, 2023.

Mr. A V Girijakumar appointed as a member of the committee w.e.f. October 21, 2023.

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, 2024:

Name	Designation	Category
Mr. Rajesh Thakur Ahuja	Chairperson	Non-Executive Independent Director
Mrs. N Bhuvanewari	Member	Executive Director
Mr. N Srivishnu Raju*	Member	Non-Executive Independent Director
Mrs. Aparna Surabhi	Member	Non-Executive Independent Woman Director
Mr. A V Girijakumar#	Member	Non-Executive Independent Director

* Mr. N Srivishnu Raju ceased to be a chairperson of the committee w.e.f. October 21, 2023.

Mr. A V Girijakumar appointed as a member of the committee w.e.f. October 21, 2023.

Two (2) Risk Management committee meetings were held during the financial year 2023-24 i.e. on September 15, 2023 and January 29, 2024.

Risk Management committee Attendance:

Name	No. of Meetings	
	Held	Attended
Mr. Rajesh Thakur Ahuja	2	2
Mrs. N Bhuvanewari	2	1
Mr. N Srivishnu Raju*	2	1
Mrs. Aparna Surabhi	2	2
Mr. A V Girijakumar#	2	1

* Mr. N Srivishnu Raju ceased to be a chairperson of the committee w.e.f. October 21, 2023.

Mr. A V Girijakumar appointed as a member of the committee w.e.f. October 21, 2023.

Mrs. N. Brahmani, Executive Director, Dr. M. Sambasiva Rao, President, 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 Committee (CSR)

The Corporate Social Responsibility Committee is constituted in pursuance to the Provision of Section 135 of the Companies Act, 2013 and the rules made there under as amended from time to time.

The Committee's prime responsibility is to assist the Board in discharging its 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, 2024:

Name	Designation	Category
Mr. Rajesh Thakur Ahuja	Chairperson	Non-Executive Independent Director
Mr. N Srivishnu Raju*	Member	Non-Executive Independent Director
Mrs. N. Bhuvanewari	Member	Executive Director
Mr. A V Girijakumar#	Member	Non-Executive Independent Director

* Mr. N Srivishnu Raju ceased to be a chairperson of the committee w.e.f. October 21, 2023.

Mr. A V Girijakumar appointed as a member of the committee w.e.f. October 21, 2023.

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 2023-24 on July 31, 2023. The attendance details of the Committee Meeting are as follows:

Name	No. of Meetings	
	Held	Attended
Mr. Rajesh Thakur Ahuja	1	1
Mr. N Srivishnu Raju*	1	1
Mrs. N Bhuvanewari	1	1
Mr. A V Girijakumar#	1	-

* Mr. N Srivishnu Raju ceased to be a chairperson of the committee w.e.f. October 21, 2023.

Mr. A V Girijakumar appointed as a member of the committee w.e.f. October 21, 2023.

Mrs. N Brahmani, Executive Director, Dr. M Sambasiva Rao, President and Mr. A Prabhakara Naidu Chief Financial Officer of the Company are permanent invitees to the Committee Meeting. Mr. Umakanta

Barik Company Secretary & Compliance Officer of the Company is the Secretary to the Committee.

5(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 require for the approval of the Board.

Composition, name of members and chairperson:

Composition of the Committee as on March 31, 2024:

Name	Designation	Category
Mrs. N. Bhuvanewari*	Chairperson	Executive Director
Mr. Aparna Surabhi	Member	Non-Executive Independent women Director
Mr. M.P. Vijay Kumar	Member	Non-Executive Independent Director
Mr. N Srivishnu Raju*	Member	Non-Executive Independent Director
Mr. A V Girijakumar#	Member	Non-Executive Independent Director

^ Mrs. N. Bhuvanewari appointed as a Chairperson of the committee w.e.f. October 21, 2023.

* Mr. N Srivishnu Raju ceased to be a member of the committee w.e.f. October 21, 2023.

Mr. A V Girijakumar appointed as a member of the committee w.e.f. October 21, 2023.

No Management Committee meetings was held during the financial year 2023-24.

Mrs. N Brahmani, Executive Director, Dr. M. Sambasiva Rao, President, 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.

5(E).Rights Issue Committee

The Rights Issue Committee formed on September 30, 2022, was dissolved with effect from October 18, 2023 upon completion of the Corporate Action i.e. Rights issue of equity shares. The members of the committee relived from their duties of the Committee upon dissolution of 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 is no pecuniary relationship or transactions between the company and Non-Executive directors except the sitting fees they are getting for attending the board/committee meeting and dividend on shares held by him/her.

b) Criteria of making payments to Non-Executive Directors:

The Non-Executive Directors are paid 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 Performa 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/15583611854draft-apt-letter-for-execu-dirt.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, 2024 is as follows:

(₹ in Millions)

Name	Sitting Fees	Remuneration	Perquisites/ Perks	Performance / Annual Pay	Total
Independent Directors					
Mr. N Srivishnu Raju*	0.40	-	-	-	0.40
Mr. Rajesh Thakur Ahuja	0.85	-	-	-	0.85
Mrs. Aparna Surabhi	0.76	-	-	-	0.76
Mr. M.P. Vijay Kumar	0.70	-	-	-	0.70
Mr. A. V. Girijakumar#	0.39	-	-	-	0.39
Non-Executive Directors					
Dr. V Nagaraja Naidu	0.56	-	-	-	0.56
Whole-time Directors					
Mrs. N. Bhuvanewari	-	18.00	-	59.62	77.62
Mrs. N Brahmani	-	9.00	-	53.10	62.10

* Mr. N Srivishnu Raju ceased to be a member of the committee w.e.f. October 21, 2023.

Mr. A V Girijakumar appointed as a member of the committee w.e.f. October 21, 2023.

ii. Details of fixed component and performance linked incentives, along with the performance criteria:

The Non-Executive Directors of the Company were paid only sitting fees and reimbursement of actual expenses for attending the Board/ Committee meetings. The performance criteria for two Executive Directors/Wholetime Directors entitled for Performance Linked Incentive as determined by the Nomination & Remuneration Committee, Board of Directors and approved by the members of the Company.

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 also 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 Bhuvanewari 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, 2024.

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. 2022-23, 2021-22 & 2020-21 are as follows:

Financial year ended	Date and time	Venue
March 31, 2023	August 22, 2023 at 10.00 am	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, 2022	July 29, 2022 at 10.00 am	
March 31, 2021	July 30, 2021 at 10:30 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, 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
March 31, 2021	July 30, 2021 at 10:30 am	• Re-appointment of Mr. Rajesh Thakur Ahuja (DIN: 00371406) as Non-Executive Independent Director for a term of five years respectively

c) Postal ballot:

During the financial year 2023-24, 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 January 29, 2024 was sent on February 12, 2024 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. February 09, 2024 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 Friday, February 09, 2024.

The Company had published a notice in the newspaper on February 13, 2024, 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 9:00 a.m. on February 14, 2024, and ended at 5:00 p.m. on March 14, 2024. 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 February 09, 2024. The resolutions were approved by requisite majority on March 14, 2024. The result of the Postal Ballot conducted through E-voting for the Special Resolutions is as under:

Sl No	Particulars of the Resolution	Postal Ballots Results						No of Votes Abstain	No of Less Votes
		Total e-voting received	No of Votes in Favor		No of Votes Against				
			Votes	%	Votes	%			
1	Re-Appointment of Mrs. Aparna Surabhi (DIN:01641633) as Non-Executive Independent Woman Director of the Company.	61,670,171	56,756,551	92.03	4,912,913	7.97	703	4	
2	Re-Appointment of Mrs. N. Bhuvaneshwari (DIN:00003741) as Whole-time Director designated as Vice-Chairperson and Managing Director of the Company	61,670,171	51,193,952	83.01	10,475,499	16.99	702	18	
3	Re-Appointment of Mrs. N. Brahmani (DIN:02338940) as Whole-time Director designated as Executive Director of the Company	61,670,171	51,194,012	83.01	10,475,449	16.99	692	18	

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 Company Secretaries, Practicing Company Secretaries, Hyderabad 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 March 15, 2024.

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, and more.

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 (LO&DR) 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 32nd Annual General Meeting, Directors' Report including Annexure thereto, Secretarial Audit 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/>

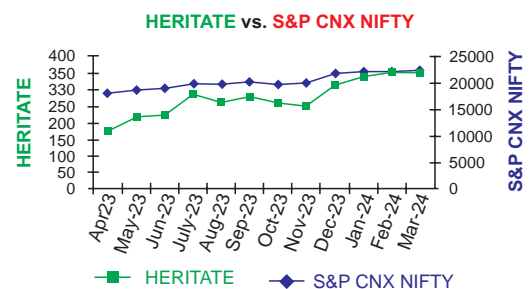
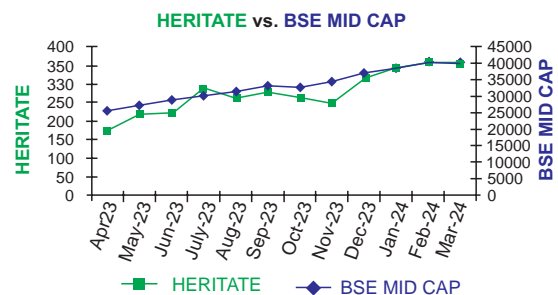
9. GENERAL SHAREHOLDER INFORMATION

a)	Company Identification No (CIN)	L15209TG1992PLC014332
	Annual General Meeting - Date and Time	Wednesday, August 21, 2024, at 10:00 a.m. (IST)
	Venue	The Company will conduct the 32 nd AGM for FY 2023-24 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, 2024 – Last week of July, 2024 September 30, 2024 – Last week of October, 2024 December 31, 2024 - Last week of January, 2025 March 31, 2025 - Last week of May, 2025 Annual General Meeting - July, 2025
	Date of Book Closure	Wednesday, August 14, 2024 to Wednesday, August 21, 2024 (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 28, 2024 subject to deduction of applicable taxes. The dispatch of dividend warrants/demand drafts will be completed on same day.
d)	Listing on Stock Exchanges	BSE Limited (BSE) Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai - 400 001 National Stock Exchange of India Limited (NSE) "Exchange Plaza", Bandra-Kurla Complex, Bandra (E), Mumbai – 400051
	Payment of Listing Fee	Annual listing fee for the year 2024-25 has been paid by the Company to BSE and NSE.
e)	Stock / Scrip Code	BSE – 519552 NSE – HERITGFOOD (Shares of the Company are trading in demat form only as per the SEBI regulations)
	ISIN Number	INE978A01027

(f) Market Price Data – high, low during each month of the financial year 2023-24

Month	NSE (in ₹ per share)		BSE (in ₹ per share)	
	High	Low	HIGH	LOW
Apr-23	176	144	176	144
May-23	219	168	219	168
Jun-23	223	203	223	202
Jul-23	287	210	287	210
Aug-23	261	237	261	238
Sep-23	279	218	279	217
Oct-23	262	209	262	209
Nov-23	250	217	248	218
Dec-23	315	232	315	233
Jan-24	343	288	343	288
Feb-24	355	310	354	311
Mar-24	355	306	354	306

(g) Performance in comparison to broad based indices – BSE MID CAP & NSE NIFTY



h) During the year under review the shares of your Company are not suspended from trading by any of the stock exchange where the shares are listed.

i) Registrar to an issue and share transfer agent:

KFin Technologies Limited
Karvy Selenium Tower B, 6th Floor,
Plot 31-32, Gachibowli, Financial District.
Nanakramguda, Hyderabad – 500 032
Tel: +91-40-67161566
Toll Free No.: 1800-4258-998;
Fax: +91-40-23114087

j) Share transfer system:

SEBI vide its notification No. SEBI/LAD-NRO/GN/2018/24 dated June 08, 2019, notified that except in case of transmission or transposition of securities, requests for effecting transfer of

securities shall not be processed unless the securities are held in dematerialized form with a depository and came into effect from April 01, 2019. The Board has delegated the authority for approving transmission, etc. of the Company's securities to the Vice Chairperson & Managing Director/Executive Director. A summary of transmission of securities of the Company so approved by the Vice Chairperson & Managing Director/ Executive Director are placed at every Stakeholder's Relationship Committee.

The Company obtains from a Company Secretary in Practice yearly certificate of compliance with the share transfer formalities as required under Regulation 40(9) of SEBI (Listing Obligations & Disclosure Requirement) Regulations 2015 and files a copy of the said certificate with Stock Exchanges.

k) Distribution of Shareholding as on March 31, 2024

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	51	1,27,60,133	13.75
2	Non-institutions	56,168	4,17,08,125	44.95
	Total (B)	56,219	5,44,68,258	58.70
(C)	Shares held by Custodians and against which Depository Receipts have been issued			
1	Promoter and Promoter Group	-	-	-
2	Public	-	-	-
	Total (A+B+C)	56,225	9,27,96,000	100.00

* The number of shareholders were arrived after clubbing the same PAN

Reclassification of Promoters group:

During the year under review, The Board of Directors at their Meeting held on May 25, 2023, approved the re-classification for the below mentioned Promotes from "Promoter Group" category to "Public" category and the same was approved by the shareholders' on the 31st Annual General Meeting (Shareholders Meeting) held on August 22, 2023.

- Mrs. Durga Ramakrishna N P
- Mrs. Neelima N P
- Mrs. Kathya N P
- Mr. N P Ramakrishna
- Mr. Sivasankara Prasad Alapati

Your Company had made an application to the Stock Exchanges where the shares of the Company are Listed i.e., BSE Limited and National Stock Exchange of India Limited on August 28, 2023.

Your Company has received approval from BSE Limited, vide ref. no LIST/COMP/BS/2395/2023-2024 dated December 12, 2023 and National Stock Exchange of India Limited, vide ref. no. NSE/LIST/329 dated December 12, 2023 for re-classification of the shareholders of the Company from Promoters and Promoter Group category to Public Category in accordance with the Regulation 31A of SEBI (Listing Obligations and Disclosure Requirements) Reg. 2015.

The below mentioned is the Promoter & Promoters Group shareholding pre and post reclassification with effect from December 12, 2023 pursuant to the above approval.

Pre-Reclassification				Post-Reclassification			
Sl No	Name of the Shareholder	No. of shares held	% of total Shares	Sl No	Name of the Shareholder	No. of Shares held	% of total Shares
1	N Bhuvaneswari	2,26,11,525	24.37	1	N Bhuvaneswari	2,26,11,525	24.37
2	N Lokesh	1,00,37,453	10.82	2	N Lokesh	1,00,37,453	10.82
3	Megabid Finance & Investment Pvt Ltd	51,90,937	5.59	3	Megabid Finance & Investment Pvt Ltd	51,90,937	5.59
4	N Brahmani	4,30,952	0.46	4	N Brahmani	4,30,952	0.46
5	N Devaansh	56,075	0.06	5	N Devaansh	56,075	0.06
6	Ramakrishna Nandamuri	800	0.00	6	Ramakrishna Nandamuri	800	0.00
7	V Nagaraja Naidu	-	-	7	V Nagaraja Naidu	-	-
8	N Balakrishna	-	-	8	N Balakrishna	-	-
9	Ramakrishna N P	1,16,971	0.13				
10	Durga Ramakrishna N P	71,590	0.08				
11	Neelima N P	64,950	0.07				
12	Kathya N P	-	-				
13	Sivasankara Prasad Alapati	-	-				
	Total	3,85,81,253	41.58		Total	3,83,27,742	41.30

Shareholding Pattern by Size as on March 31, 2024

Category (No. of Shares)	No. of Shareholders	No. of Shares	% of Total Shares
Up to 500	52940	6561046	7.07
501 - 1000	1535	2259595	2.44
1001 - 2000	808	2323375	2.50
2001 - 3000	307	1512456	1.63
3001 - 4000	127	907792	0.98
4001 - 5000	113	1038582	1.12
5001 - 10000	186	2742483	2.96
10001 - Above	209	75450671	81.31
TOTAL	56,225	9,27,96,000	100.00

I) Dematerialization of shares and liquidity:

Total Shares in Demat and Physical form as on March 31, 2024

Sl. No	Category	Total Shares	% To Equity
1	Physical	4,92,468	0.53
2	NSDL	7,97,76,736	85.97
3	CDSL	1,25,26,796	13.50
Total		9,27,96,000	100.00

Dematerialisation of Shares

99.47% of the Company's paid-up Equity share capital has been dematerialised as on March 31, 2024. The total holdings of shares of promoters/PAC are in Demat form. The trading of the Equity shares of the company is permitted only in dematerialised form as per the notification issued by SEBI.

The Company has complied the Regulation 31(2) of SEBI (Listing Obligation & Disclosure Requirement) Regulation 2015, as follows:

Category of Shareholder	Total		Shares In Demat Form	
	No of Shareholders	Number of shares Held	No of Shares	% of Respective Shareholding
Promoters & Promoters Group	6	3,83,27,742	3,83,27,742	100.00%
Public	56,219	5,44,68,258	5,39,75,790	99.10%
Total:	56,225	9,27,96,000	9,23,03,532	99.47%

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. Kotha Kota

Bering (V), Sankarapuram (Post), Kothakota (M), Chittoor Dist-517370, Andhra Pradesh, India

Bayyavaram

Bayyavaram (V), Kasimakota, (M), Visakhapatnam Dist.-531031. Andhra Pradesh, India

Bengaluru

Yadavanhalli (V) Neraluru Post, Attibele Hobli Anekal Taluk Bengaluru South-562107. Karnataka, India

Bobbili

Mettavalasa (V), Growth Center, Bobbili, Vizianagaram Dist-535 558 Andhra Pradesh, India

Gokul

Kasipentala (V), Charndragiri (M), Chittoor Dist-517101 Andhra Pradesh, India

Kalluru

Koralagudam (V) Kalluru (M), Khammam Dist-507209 Telangana, India

Manor

Survey No. 13/1 & 13/2, Village – Durves, Near Manor, Palghar Taluk, Dist-Thane, Maharashtra-401403

Narketpalli

Cheruguttu (V), Narketpalli (M), Nalgonda Dist-508 254. Telangana, India

Pamaru

Yendagandi (V), K. Gangavaram (M), East Godavari Dist-533 305 Andhra Pradesh, India

Rai

D No.497, Food Park, Phase 1, Sector-38, Industrial Estate-HSIIDC, Rai, Sonipat Dist-131 029. Haryana, India

Sangvi

Milakt No. 892. AT/Post - Sangavi, Phaltan taluka, Satara Dist-415 523 Maharashtra, India

Shameerpet

Survey No 174,198, 203, Sampanbole Village, Shamirpet Mandal, Medchal Dt-500 078, Telangana, India

Uppal

C- 10 Raoad No 7, IDA Uppal, Hyderabad-500 039, Telangana, India

Vadamadurai

MorePatti (V), Vadamadurai, Dindigul Dist-624 802, Tamilnadu, India

p) Address for Correspondence

To Registrar and Share Transfer Agent

KFin Technologies Limited

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:

- a) Credit rating obtained by the company: in respect to long term and short-term debts
- b) Name of the credit rating agency: CRISIL Ratings Limited (CRISIL)
 - i. Long-term Rating: CRISIL A+/Stable
 - ii. Short term Rating: CRISIL A1
- c) Date on which the credit rating was obtained:
April 02, 2024 (valid up to March 31, 2025)
- d) Revision in the credit rating:
During the under review no revision in the credit rating. CRISIL Ratings Limited has reaffirmed its rating on long-term and short-term bank facilities of the Company.
- e) Reasons provided by the rating agency for a downward revision: NA
Pursuant to Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("the Regulation"), your Company has intimated such to the stock exchanges, where the 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, 2024.

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

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	5.73	0.70	0.69
Limited review fee	2.53	-	-
Certification fee	0.57	-	-
Tax audit fee	1.01	0.39	-
Taxation matters	-	-	-
Reimbursement of Expenses	0.27	0.05	-
Total	10.11	1.14	0.69

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 2023-24 from the M/s. PHSK & Associates, Chartered Accountant in Practice (F No:014784S) with a certification fee of Rs.5,000/-.

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 Mrs. Savita Jyoti, Partner of, M/s. Savita Jyoti Associates, Practicing Company Secretary (CP No:1796), Hyderabad - 500094, Telangana stating that none of the directors on the Board of the Company have been debarred or disqualified from being appointed or continuing as directors of companies by SEBI/Ministry of Corporate Affairs or any such statutory authority which forms part of the Annual Report [Annexure-3(ii) in the 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.

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 2023-24:

- a) No. of complaints filed during the financial year: Nil
- b) No. of complaints disposed of during the financial year: Nil
- c) 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, 2024. 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 2023-24 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 2023-24, 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 Vice Chairperson & Managing Director, Chief Executive Officer and the Chief Financial Officer of the Company have given annual certification on financial reporting and internal controls to the Board in terms of Regulation 17(8) of the SEBI (Listing Obligation & Disclosure Requirements) Regulation, 2015. Vice Chairperson & Managing Director, Chief Executive Officer and the Chief Financial Officer also provide quarterly certification on financial results while placing the financial results before the Board in terms of Regulation 33(2)(a) of the SEBI (Listing Obligation & Disclosure Requirements) Regulation, 2015. The annual certificate given by the Vice Chairperson & Managing Director, Chief Executive Officer and the Chief Financial Officer is part of the Annual Report.

15. Compliance Certificate from the Auditors

Certificate from Statutory Auditors of the Company namely, M/s. Walker Chandiook & 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 unclaimed Rights Equity share suspense account

During the Financial Year 2022-23. the Company has issued and made allotment of 4,63,98,000 equity shares of face value of Rs.5 each (Issue Shares) for cash at a price of Rs.5 per Equity Share (Right Issue Price), aggregating up to Rs.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 (Rs.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 numbers of 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 all those shares were transferred to Heritage Foods Limited - Rights Shares unclaimed suspense account. At the beginning of the financial year i.e., April 01, 2023, the 205 shareholders holding 56,633 equity shares are lying in the 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 in respect of equity shares lying in the suspense account:

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, 2023	205	56,633
Number of shareholders who approached listed entity for transfer of shares from suspense account during the year	163	52,776
Number of shareholders to whom shares were transferred from suspense account during the year	163	52,776
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, 2024	*42	3,857

* Out of the aggregate number of shareholders and the outstanding shares in the suspense account lying at the end of the year i.e. March 31, 2024, 21 shareholders holding 2,645 equity shares were transferred from the Unclaimed Suspense account as on April 22, 2024. Hence as on the date of this report 21 shareholders holding 1,212 equity shares are lying in the Unclaimed Suspense account.

The voting rights on the shares outstanding in the suspense account as on March 31, 2024 shall remain froze till the rightful owner of such shares claim the shares.

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 ₹16,84,803 /- (Sixteen Lakhs Eighty Four Thousand Eight Hundred Three only) towards the unclaimed/unpaid dividend amount for the financial year 2015-16 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 5,198 equity shares belongs to 14 members of the company to the Investor Education and Protection fund Authority (IEPF) on October 13, 2023 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 2016-17 shall be transferred to the Investor Education and Protection Fund during the financial year 2024-25.

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: F003738F000324267) dated May 07, 2024 from Mrs. Savita Jyoti, Partner, M/s. Savita Jyoti Associates, Practicing Company Secretary (M.No:3738, CP No:1796), Hyderabad - 500094, Telangana, which forms part of the Annual Report and the same was also intimated to the Stock Exchanges where the shares of the Company are listed.

As per Section 204 of the Companies Act, 2013 and the Rules made thereof, the Board of Directors of the Company appointed Mrs. Savita Jyoti, Partner, M/s. Savita Jyoti Associates, Practicing Company Secretary (M.No:3738, CP No:1796), Hyderabad - 500094, Telangana, to conduct Secretarial Audit. The Secretarial Audit Report (UDIN: F003738F000324245) dated May 07, 2024 for the financial year ended March 31, 2024, 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 the Board of Directors appointed Mr. A Ravi Shankar, (M No: FCS- 5335, CP No: 4318), Partner of M/s. Ravi & Subramanyam Company Secretaries Hyderabad, Telangana as the Secretarial Auditors of the Company for the financial year 2024-25.

20. No Disqualification Certificate from Practicing Company Secretary:

Certificate (UDIN: F003738F000324223) Dated May 07, 2024 from Ms. Savita Jyothi, Partner, M/s. Savita Jyoti Associates, Practicing Company Secretary (CP No:1796), Hyderabad - 500 094, 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. 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, I N Bhuvanewari, Vice Chairperson & Managing Director hereby confirm that all the Members of the Board and Senior Management Personnel of the Company have affirmed the compliance of the Company's Code of Conduct for the Board of Directors and Senior Management for the financial year 2023-24.

For and on behalf of
HERITAGE FOODS LIMITED

Place : Hyderabad
Date: May 29, 2024

N. Bhuvanewari
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, N Bhuvanewari, Vice-Chairperson and Managing Director, Srideep Madhavan Nair. Kesavan, Chief Executive Officer and A. Prabhakara Naidu, Chief Financial Officer of Heritage Foods Limited ("the Company") to the best of our knowledge and belief certify that

- a. We have reviewed the Financial Statements and the Cash Flow Statements for the financial year ended March 31, 2024 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 29, 2024
Place: Hyderabad

N. Bhuvanewari
Vice Chairperson &
Managing Director
DIN: 00003741

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 October 8, 2023.
2. We have examined the compliance of conditions of corporate governance by Heritage Foods Limited ('the Company') for the year ended on 31 March 2024, 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 2024.

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

Sanjay Kumar Jain

Partner

Membership No.: 207660

UDIN: 24207660BKERHU9557

Place: Hyderabad

Date : May 29, 2024

Independent Auditor's Report

To

the Members of **Heritage Foods Limited**

Report on the Audit of the Standalone Financial Statements

Opinion

- We have audited the accompanying standalone financial statements of Heritage Foods Limited ('the Company'), which comprise the Standalone Balance Sheet as at 31 March 2024, the Standalone Statement of Profit and Loss (including Other Comprehensive Loss), 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.
- 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 2024, and its profit (including other comprehensive income/(loss)), its cash flows and the changes in equity for the year ended on that date.

Basis for Opinion

- We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Standalone Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ('ICAI') together with the ethical requirements that are relevant to our audit of the 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

- 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 financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.
- We have determined the matters described below to be the key audit matters to be communicated in our report.

Key audit matter	How our audit addressed the key audit matter
<p>Revenue recognition</p> <p>Refer Note 3(c) to the accompanying standalone financial statements for material accounting policy on revenue recognition and Note 24 for details of revenue from operations.</p> <p>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.</p> <p>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.</p> <p>Considering the significance of amount, multiplicity of Company's products, volume of transactions including discounts offered, size of distribution network, nature of customers</p>	<p>Our audit procedures relating to revenue recognition included, but was not limited to, the following:</p> <ul style="list-style-type: none"> 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 trip sheets, invoices, shipping documents and evidence of collection of receipts, 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 analysis, price volume variance analysis, geographical



Key audit matter	How our audit addressed the key audit matter
<p>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.</p> <p>Impairment assessment of investment in Joint venture (Heritage Novandie Foods Private Limited)</p> <p>Refer Note 3(k) to the accompanying standalone financial statements for material accounting policy on impairment assessment.</p> <p>As described in Note 9, the Company has an investment amounting to INR 423.35 millions in a joint venture, Heritage Novandie Foods Private Limited. The joint venture has incurred losses over the years and its net-worth has been substantially eroded on account of accumulated losses, indicating possible impairment.</p> <p>In view of above, the management of the Company, during the current year ended 31 March 2024, has carried out an impairment assessment to assess recoverability of the aforesaid investment in accordance with Ind AS 36, Impairment of Assets ('Ind AS 36') by estimating the recoverable amount of investment with the help of an external valuation expert engaged by the management.</p> <p>The recoverable value of the investment is determined using a discounted cashflow method which require management to make significant estimates and assumptions such as expected growth rate basis business plans, successful launch of new products, industry outlook, EBDITA margins, selection of discount rates, etc.</p> <p>Pursuant to the same, an impairment loss of INR 167.95 million was recognised in the standalone statement of profit and loss during the current year.</p> <p>Considering the materiality of the amounts involved and significant degree of management judgement and subjectivity involved in business plans used in determining the recoverable value, and significant auditor attention required to test such management's judgements, estimates and key assumptions, impairment assessment of such investment has been determined as a key audit matter for the current year audit.</p>	<p>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</p> <ul style="list-style-type: none"> • Evaluated adequacy and appropriateness of disclosures made in the standalone financial statements in accordance with applicable accounting standards. <p>Our audit procedures relating to impairment assessment of investment in joint venture included, but was not limited to, the following:</p> <ul style="list-style-type: none"> • Evaluated the design and tested the operating effectiveness of controls over the management's assessment of the impairment indicators and the impairment testing performed; • Reconciled the cash flow projections to the business plans as approved by the Company's board of directors and evaluated the appropriateness of the assumptions used in such plan as revenue growth, expected EBIDTA margins, operating costs etc., basis our understanding of the business, market conditions and industry outlook, as relevant; • Assessed the professional competence, objectivity and capability of the external valuation expert engaged by the management for performing the required valuations to estimate the recoverable value of the amounts invested in the joint venture; • Involved auditors' valuation expert to assess the reasonableness of the assumptions used such as discount rate, long-term growth rates including comparison to economic and industry forecasts where appropriate and evaluate the appropriateness of valuation methodology used by management's expert; • Applied sensitivity analysis to certain key assumptions such as discount and growth rates to determine estimation uncertainty involved and impact on conclusions drawn basis headroom available; and • Assessed the appropriateness and adequacy of the disclosures made by the management in the standalone financial statements, in accordance with applicable accounting standards.
<p>Information other than the Financial Statements and Auditor's Report thereon</p> <p>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.</p> <p>Our opinion on the standalone financial statements does not cover the other information and we do not</p>	<p>express any form of assurance conclusion thereon.</p> <p>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</p>



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 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 financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

11. As part of an audit in accordance with Standards on Auditing, specified under Section 143(10) of the Act we exercise professional judgment and maintain professional skepticism throughout the audit. We also:
 - Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
 - Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls;
 - Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management;
 - Conclude on the appropriateness of Board of Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern; and
 - Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

12. We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

13. We also provide those charged with governance with a statement that we have complied with relevant

ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

14. From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

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:
- 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;
 - In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books, except for the matters stated in paragraph 17(h)(vi) below on reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014 (as amended);
 - The standalone financial statements dealt with by this report are in agreement with the books of account;
 - In our opinion, the aforesaid standalone financial statements comply with Ind AS specified under Section 133 of the Act;
 - On the basis of the written representations received from the directors and taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2024 from being appointed as a director in terms of Section 164(2) of the Act;

- 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);
- With respect to the adequacy of the internal financial controls with reference to financial statements of the Company as on 31 March 2024 and the operating effectiveness of such controls, refer to our separate report in **Annexure B** wherein we have expressed an unmodified opinion; and
- 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:
 - the Company, as detailed in note 42(b) to the standalone financial statements, has disclosed the impact of pending litigation(s) on its financial position as at 31 March 2024;
 - the Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses as at 31 March 2024;
 - 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 2024;
 - 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;
 - 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 2024 in respect of such dividend declared in the previous year is in accordance of 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 2024 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 2023, has used an accounting software for maintaining its books of account which has a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the software except that 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.

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

Sanjay Kumar Jain
Partner
Membership No.: 207660
UDIN: 24207660BKERHW5646

Place: Hyderabad
Date: 29 May 2024

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 2024

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

- (i) (a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of property, plant and equipment, 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 not revalued its property, plant and equipment (including right-of-use assets) or intangible assets during the year.
- (e) No proceedings have been initiated or are pending against the Company for holding any benami property under the Prohibition of Benami Property Transactions Act, 1988 (as amended) and rules made thereunder.
- (ii) (a) The management has conducted physical verification of inventory at reasonable intervals during the year, except for 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 ₹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 investments in, provided any guarantee or granted any loans or advances in the nature of loans to firms, limited liability partnerships during the year. The Company has also not provided any security to companies, firms, limited liability partnerships or any other parties during the year. Further, the Company has made investments in, provided guarantee and granted unsecured loans or advances in the nature of loans to companies or any other parties during the year, in respect of which:
- (a) The Company has not provided any security to any other entity. The Company has provided loans and guarantee to Subsidiaries, Joint Ventures and Others during the year as per details given below:

(Amounts in ₹ million)

Particulars	Guarantees	Loans
Aggregate amount provided / granted during the year (₹).		
- Subsidiaries	80.00	-
- Joint Ventures	50.00	-
- Others	-	3.47
Balance outstanding as at balance sheet date in respect of above cases (₹).		
- Subsidiaries	-	-
- Joint Ventures	220.00	-
- Others	-	0.24

- (b) In our opinion, and according to the information and explanations given to us, the investments made, guarantees provided and terms and

conditions of the grant of all loans and guarantees provided are, prima facie, not prejudicial to the interest of the Company.

- (c) In respect of loans granted by the Company, the schedule of repayment of principal has been stipulated and the repayments of principal are regular. Further, no interest is receivable on such loans and advances in the nature of loans.
- (d) There is no overdue amount in respect of loans or advances in the nature of loans granted to such companies, firms, LLPs or other parties.
- (e) The Company has granted loan or advance in the nature of loans which had fallen due during the year and were repaid on or before the due date. Further, no fresh loans were granted to any party to settle the overdue loans/advances in nature of loan.
- (f) The Company has not granted any loan or advance in the nature of loan, which is repayable on demand or without specifying any terms or period of repayment.
- (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, 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), Bangalore
		2.15	1.58	2011-12	
		0.73	0.73	2012-13	

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
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	
Haryana Murrah Buffalo and other Milch Animal Breed Act, 2001	Milk cess	28.93	3.48	December 2014 to December 2023	The Supreme Court of India
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	
Central GST Act, 2017	Short payment of GST on Flavored Milk	88.83	35.18	July 2017 to March 2020	The High Court of Judicature at Amaravati for the State of Andhra Pradesh
Income Tax Act, 1961	Initiation of Penalty proceedings u/s 271D	2.24	-	2020-21	Commissioner of Income Tax (Appeals)
	Disallowance of expenses	5.18	0.48	2017-18 and 2020-21	Commissioner of Income Tax (Appeals)

- (viii) According to the information and explanations given to us, no transactions were surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (43 of 1961) which have not been previously recorded in the books of accounts.
- (ix) (a) According to the information and explanations given to us, the Company has not defaulted in repayment of its loans or borrowings or in the payment of interest thereon to any lender.
- (b) According to the information and explanations given to us including representation received from the management of the Company, and on the basis of our audit procedures, we report that the Company has not been declared a willful defaulter by any bank or financial institution or government or any government authority.
- (c) In our opinion and according to the information and explanations given to us, 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 subsidiaries, associate or joint venture.
- (f) According to the information and explanations given to us, the Company has not raised any loans during the year on the pledge of securities held in its subsidiaries, joint venture or associate.
- (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 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(xxii) of the Order is not applicable in respect of audit of standalone financial statements of the Company. Accordingly, no comment has been included in respect of said clause under this report.

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

Sanjay Kumar Jain
Partner
Membership No.: 207660
UDIN: 24207660BKERHW5646

Place: Hyderabad
Date: 29 May 2024



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 2024

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

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

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

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

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

and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements were established and maintained and if such controls operated effectively in all material respects.

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

5. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls with reference to standalone 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 standalone financial statements and such controls were operating effectively as at 31 March 2024, based on the internal financial controls with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note issued by the ICAI.

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

Sanjay Kumar Jain
Partner
Membership No.: 207660
UDIN: 24207660BKERHW5646

Place: Hyderabad
Date: 29 May 2024

Standalone Balance Sheet as at 31 March 2024

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

	Notes	As at	
		31 March 2024	31 March 2023
ASSETS			
Non-current assets			
(a) Property, plant and equipment	6	6,235.90	5,426.85
(b) Right of use assets	6	349.97	305.84
(c) Capital work-in-progress	6(a)	200.63	199.33
(d) Investment property	8	42.04	43.12
(e) Other intangible assets	7	30.04	34.52
(f) Intangible assets under development	7(a)	-	1.06
(g) Financial assets			
(i) Investment in subsidiary, joint venture and associate	9	582.10	650.87
(ii) Other investments	10	3.20	3.02
(iii) Other financial assets	11	108.41	99.99
(h) Other non-current assets	12	24.55	49.89
Total non-current assets		7,576.84	6,814.49
Current assets			
(a) Inventories	13	2,492.18	3,660.98
(b) Financial assets			
(i) Investments	10	1,130.11	0.03
(ii) Trade receivables	14	286.82	279.09
(iii) Cash and cash equivalents	15(a)	780.52	163.20
(iv) Bank balances other than (iii) above	15(b)	53.14	28.25
(v) Loans	11(a)	0.24	0.31
(vi) Other financial assets	11	126.64	104.78
(c) Current tax assets (net)		46.25	35.03
(d) Other current assets	12	104.76	125.57
Total current assets		5,020.66	4,397.24
Total assets		12,597.50	11,211.73
EQUITY AND LIABILITIES			
Equity			
(a) Equity share capital	16	463.98	463.98
(b) Other equity	17	7,571.00	6,903.00
Total equity		8,034.98	7,366.98
Liabilities			
Non-current liabilities			
(a) Financial liabilities			
(i) Borrowings	18	735.53	7.77
(iia) Lease liabilities	43	329.13	271.94
(iib) Other financial liabilities	19	3.67	6.08
(b) Government grant	48	72.81	79.55
(c) Provisions	20	222.81	178.69
(d) Deferred tax liabilities (net)	21	241.59	238.26
Total non-current liabilities		1,605.54	782.29
Current liabilities			
(a) Financial liabilities			
(i) Borrowings	18	155.51	1,256.91
(iia) Lease liabilities	43	49.09	48.89
(iib) Trade payables	23		
- total outstanding dues of micro and small enterprises;		83.03	61.23
- total outstanding dues of creditors other than micro and small enterprises		1,297.45	676.29
(iii) Other financial liabilities	19	1,019.15	707.14
(b) Other current liabilities	22	241.99	218.28
(c) Government grant	48	6.73	6.73
(d) Provisions	20	104.03	86.99
Total current liabilities		2,956.98	3,062.46
Total equity and liabilities		12,597.50	11,211.73

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 Chandiok & Co LLP**
Chartered Accountants
Firm's Registration No: 001076N/N500013

For and on behalf of Board of Directors of
Heritage Foods Limited

N Bhuvanewari
Vice Chairperson and
Managing Director
DIN: 00003741

N Brahmani
Executive Director
DIN: 02338940

M Sambasiva Rao
President

Sanjay Kumar Jain
Partner
Membership No: 207660

Srideep Madhavan Nair Kesavan
Chief Executive Officer

A Prabhakara Naidu
Chief Financial Officer
M.No.FCA 200974

Umakanta Barik
Company Secretary &
Compliance Officer
M.No. FCS 6317

Place : Hyderabad
Date : 29 May 2024

Place : Hyderabad
Date : 29 May 2024

Standalone Statement of Profit and Loss

for the year ended 31 March 2024 (All amounts in ₹ millions, except share data and where otherwise stated)

	Notes	For the year ended	
		31 March 2024	31 March 2023
Income			
Revenue from operations	24	37,343.45	32,086.75
Other income	25	119.29	113.48
Total income		37,462.74	32,200.23
Expenses			
Cost of materials consumed	26	28,019.36	26,971.59
Purchase of stock-in-trade		1,094.29	846.78
Changes in inventories of finished goods, semi finished goods, stock-in-trade and work-in-progress	27	720.49	(1,758.67)
Employee benefit expenses	28	2,479.98	2,039.18
Finance costs	29	81.64	31.68
Depreciation and amortisation expense	6, 7 & 8	584.32	538.50
Impairment losses	6	6.68	2.08
Other expenses	30	3,034.09	2,635.71
Total expenses		36,020.85	31,306.85
Profit before exceptional items and tax		1,441.89	893.38
Exceptional Items	9 & 35	(167.95)	-
Profit before tax		1,273.94	893.38
Tax expense	31		
Current tax expense		356.68	227.07
Deferred tax expense		6.88	7.42
Profit for the year		910.38	658.89
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		(10.57)	(3.06)
(ii) Net gain on FVTOCI equity securities		0.18	0.09
Total other comprehensive loss for the year		(10.39)	(2.97)
Total comprehensive income for the year		899.99	655.92
Earnings per equity share [EPES]			
Par value per equity share (in ₹ terms)	32	5.00	5.00
Basic and Diluted EPES (in ₹ terms)		9.81	7.19

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 Chandiook & Co LLP**
Chartered Accountants
Firm's Registration No: 001076N/N500013

Sanjay Kumar Jain
Partner
Membership No: 207660

Place : Hyderabad
Date : 29 May 2024

For and on behalf of Board of Directors of
Heritage Foods Limited

N Bhuvanewari
Vice Chairperson and
Managing Director
DIN: 00003741

Srideep Madhavan Nair Kesavan
Chief Executive Officer

Place : Hyderabad
Date : 29 May 2024

N Brahmani
Executive Director
DIN: 02338940

A Prabhakara Naidu
Chief Financial Officer
M.No.FCA 200974

M Sambasiva Rao
President

Umakanta Barik
Company Secretary &
Compliance Officer
M.No. FCS 6317

Standalone Statement of Cash Flow

for the year ended 31 March 2024 (All amounts in ₹ millions, except share data and where otherwise stated)

	For the year ended	
	31 March 2024	31 March 2023
Cash flow from operating activities		
Profit before tax	1,273.94	893.38
Adjustments:		
Depreciation and amortization expense	584.32	538.50
Impairment losses on assets	6.68	2.08
Impairment losses on investments	167.95	-
Provision for doubtful advances	-	0.80
Provision for doubtful debts and bad debts written off	9.86	6.24
Advances written off	0.96	0.72
Profit on sale of Property, plant and equipment ("PPE")	(26.83)	(23.37)
Gain on investments	(35.55)	(25.94)
Provisions no longer required/ credit balances written back	(10.24)	(12.96)
Interest income	(3.55)	(2.32)
Interest expenses	75.73	25.09
Guarantee income	(5.55)	(4.25)
Property, plant and equipment written off	12.93	4.43
Amortisation of government grants	(6.74)	(6.74)
Lease rental income	(12.42)	(22.24)
Dividend income on long term investments	(0.01)	(0.01)
Operating profits before working capital changes	2,031.48	1,373.41
Movements in working capital:		
Changes in inventories	1,168.80	(1,703.57)
Changes in trade receivables	(17.59)	(105.57)
Changes in loans	0.07	0.58
Changes in other assets	20.04	46.26
Changes in other financial assets	(44.87)	(56.81)
Changes in trade payables	642.96	(88.99)
Changes in provisions	47.03	17.93
Changes in other financial liabilities	244.50	29.46
Changes in other liabilities	25.21	110.00
Cash generated from / (used in) operating activities	4,117.63	(377.30)
Income tax paid, net	(367.89)	(230.97)
Net cash generated from / (used in) operating activities (A)	3,749.74	(608.27)

Standalone Statement of Cash Flow

for the year ended 31 March 2024 (All amounts in ₹ millions, except share data and where otherwise stated)

	For the year ended	
	31 March 2024	31 March 2023
Cash flow from investing activities		
Purchase of PPE and other intangible assets, including CWIP and intangible assets under development	(1,267.38)	(830.70)
Proceeds from sale of PPE	39.13	42.14
Consideration paid towards Business combination	-	(27.11)
Investment in a joint venture	(97.50)	(55.00)
Purchase of investments	(2,300.00)	(2,500.00)
Proceeds from sale of investments	1,205.47	2,525.94
Interest received	3.29	2.68
Movement in other bank balances, net	(20.63)	(4.43)
Rent received	13.68	21.70
Dividend income received	0.01	0.01
Net cash used in investing activities (B)	(2,423.93)	(824.77)
Cash flow from financing activities		
Proceeds from long-term borrowings	908.00	-
Proceeds from rights issue	-	231.99
Payment in relation to rights issue	-	(9.79)
Repayments of long-term borrowings	(25.39)	(16.37)
Proceeds from / (Repayment of) short term borrowings, net	(1,243.58)	1,243.58
Interest paid	(81.02)	(25.09)
Lease rentals paid	(34.51)	(36.84)
Dividend paid	(231.99)	(116.00)
Net cash generated from / (used in) financing activities (C)	(708.49)	1,271.48
Net Change in cash and cash equivalents during the year (A + B + C)	617.32	(161.56)
Cash and cash equivalents at the beginning of the year	163.20	324.76
Cash and cash equivalents at the end of the year (Note 1)	780.52	163.20
Note 1:		
Cash and cash equivalents include:		
Cash on hand	1.46	2.32
Balances with banks in current accounts	779.06	160.88
	780.52	163.20

This is the Standalone Statement of Cash Flow referred to in our report of even date.

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

Sanjay Kumar Jain
Partner
Membership No: 207660

Place : Hyderabad
Date : 29 May 2024

For and on behalf of Board of Directors of
Heritage Foods Limited

N Bhuvaneshwari
Vice Chairperson and
Managing Director
DIN: 00003741

Srideep Madhavan Nair Kesavan
Chief Executive Officer

Place : Hyderabad
Date : 29 May 2024

N Brahmani
Executive Director
DIN: 02338940

A Prabhakara Naidu
Chief Financial Officer
M.No.FCA 200974

M Sambasiva Rao
President

Umakanta Barik
Company Secretary &
Compliance Officer
M.No. FCS 6317

Standalone Statement of Changes in Equity for the year ended 31 March 2024

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

A. Equity Share Capital

	Notes	Number of shares	Amount
As at 1 April 2022		4,63,98,000	231.99
Changes in equity share capital	16	4,63,98,000	231.99
As at 31 March 2023		9,27,96,000	463.98
Changes in equity share capital	16	-	-
As at 31 March 2024		92,796,000	463.98

B. Other equity (refer note 17)

	Capital reserve	Capital redemption reserve	Securities premium	Reserves and Surplus		General reserve	Retained earnings	Changes in fair value of equity instruments	Total
				Warrants money appropriated	OCI				
Balance as at 1 April 2022	12.11	8.10	378.41	31.87	842.74	5,100.19	(0.55)	6,372.87	
Profit for the year	-	-	-	-	-	658.89	-	658.89	
Expense incurred in relation to the rights issue	-	-	(9.79)	-	-	-	-	(9.79)	
Payment of dividend (₹2.5 per equity share)	-	-	-	-	-	(116.00)	-	(116.00)	
Other comprehensive income/ (loss), net of taxes	-	-	-	-	-	(3.06)	0.09	(2.97)	
Balance as at 31 March 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	

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: 001076/N/500013

Sanjay Kumar Jain
 Partner
 Membership No: 207660

Place : Hyderabad
 Date : 29 May 2024

For and on behalf of Board of Directors of
Heritage Foods Limited

N Bhuvaneshwari
 Vice Chairperson and
 Managing Director
 DIN: 00003741

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Place : Hyderabad
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N Brahmani
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 M.No.FCA.200974

M Sambasiva Rao
 President

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 (“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 2024. These standalone financial statements were authorised for issuance by the Company’s Board of Directors on 29 May 2024.

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

- (a) Financial assets are measured at either at fair value or at amortised cost depending upon the classification.
- (b) Employee defined benefits assets / (liability) are recognised as the net total of the fair value of plan assets, plus actuarial losses, less actuarial gains and the present value of the defined benefit obligations.
- (c) Long-term borrowings are measured at amortised cost using the effective interest rate method; and
- (d) Right-of-use assets are recognised at present value of lease payments, that are not paid at that date, adjusted for any lease payments made at or before the commencement date, lease incentives received and initial direct cost incurred, if any.

The 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.

The Company's management determines the policies and procedures for both recurring fair value measurement, such as derivative instruments and unquoted financial assets measured at fair value, and for non-recurring measurement, such as assets held for distribution in discontinued operations.

External valuers are involved for valuation of significant assets, such as unquoted financial assets, and significant liabilities, such as contingent consideration. Involvement of external valuers is decided upon annually by the management. Selection criteria include market knowledge, reputation, independence and whether professional standards are maintained.

At each reporting date, the management analyses the movements in the values of assets and liabilities which are required to be re-measured or re-assessed as per the Company's accounting policies. For this analysis, the management verifies the major inputs applied in the latest valuation by agreeing the information in the valuation computation to contracts and other relevant documents.

For the purpose of fair value disclosures, the Company has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

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 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 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)	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 derecognition 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. Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is their fair value at the date of acquisition. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses. Internally generated intangibles, excluding capitalised development costs, are not capitalised and the related expenditure is reflected in the standalone statement of profit and loss in the period in which the expenditure is incurred.

The useful lives of intangible assets are assessed as either finite or indefinite. Intangible assets with finite lives are amortised on straight line basis over the estimated useful economic life. The amortisation expense on intangible assets with finite life is recognised in the standalone

statement of profit and loss under the head Depreciation and amortization expense.

The estimated useful life of intangible assets is mentioned below:

Asset	Useful life (years)
Brand	5
Non-compete	3
Procurement	5
Computer software	5
Distribution network	5

Intangible assets with finite lives are assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortisation period or method, as appropriate, and are treated as changes in accounting estimates. The amortisation expense on intangible assets with finite lives is recognised in the standalone statement of profit and loss unless such expenditure forms part of carrying value of another asset.

Intangible assets with indefinite useful lives are not amortised, but are tested for impairment annually, either individually or at the cash-generating unit level. The assessment of indefinite life is reviewed annually to determine whether the indefinite life continues to be supportable. If not, the change in useful life from indefinite to finite is made on a prospective basis.

An intangible asset is derecognised upon disposal (i.e., at the date the recipient obtains control) or when no future economic benefits are expected from its use or disposal.

Gains or losses arising from de-recognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the standalone statement of profit and loss when the asset is derecognised.

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 Company as a lessee

The Company's lease asset classes primarily consist of leases for land, buildings and plant and equipments. 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.

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 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.

I. Provision and contingencies

Provisions

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

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

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 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".

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 three 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.

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

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

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

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

ECL impairment loss allowance (or reversal) recognized during the period is recognized as income/ expense in the standalone statement of profit and loss. This amount is reflected under

the head 'other expenses' in the standalone statement of profit and loss. The standalone balance sheet presentation for various financial instruments is described below:

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

Financial liabilities

Initial recognition and measurement

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

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

The Company's financial liabilities include trade and other payables, loans and borrowings including financial guarantee contracts and derivative financial instruments.

Subsequent measurement

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

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.

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, 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.

p. 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.

q. 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.

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. 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. For the year ended 31 March 2024, MCA has not notified any new standards or amendments to the existing standards applicable to the Company.

Summary of the material accounting policies and other explanatory information

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

6. Property, Plant and Equipment and Right-of-use assets

	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 2022	476.49	1,745.85	3.13	4,412.97	30.43	103.18	65.61	6,837.66	122.87
Additions during the year *	20.74	114.13	75.89	4,02.04	23.58	57.68	6.41	700.47	282.31
Disposals/transfers during the year	0.21	(2.00)	3.13	174.75	5.88	13.30	2.41	197.68	-
Balance as at 31 March 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
Accumulated depreciation									
Up to 1 April 2022	-	253.80	0.75	1,273.29	14.82	44.15	20.35	1,607.16	55.06
Depreciation charge for the year	-	73.37	1.59	373.06	4.61	16.93	8.95	478.51	44.28
Adjustment for disposals/transfers	-	(1.69)	0.75	156.23	5.48	11.76	1.62	174.15	-
Impairment loss	-	-	-	1.54	0.07	0.47	-	2.08	-
Up to 31 March 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
Net carrying value									
As at 31 March 2023	497.02	1,533.12	74.30	3,148.60	34.11	97.77	41.93	5,426.85	305.84
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

Notes:

- (i) For details of assets pledged as security, refer note 18(a).
- (ii) 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.
- (iii) The company has recognised impairment loss on account of physical wear and tear of assets.
- (iv) *The Company had purchased Property, plant and equipment amounting to ₹26.11 and intangible assets amounting to ₹1.00 from Suguna Dairy Private Limited under a business combination.

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 2024	31 March 2023
(i) Ageing schedule of capital work-in-progress (CWIP)		
Projects in progress		
< 1 Year	195.23	194.66
1-2 Years	5.40	4.67
2-3 Years	-	-
> 3 Years	-	-
Projects in progress (total)	200.63	199.33
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 2022	73.73
Additions during the year *	805.33
Capitalisations during the year	(679.73)
Closing as at 31 March 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

* includes borrowing cost capitalized aggregating to ₹6.64 (31 March 2023: Nil)

7. Other intangible assets

	Computer Software	Brand	Non-competete	Procurement network	Distribution Network	Total
Gross Block						
As at 1 April 2022	90.56	74.55	32.18	43.20	50.25	290.74
Additions during the year	3.98	-	-	0.56	0.44	4.98
As at 31 March 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
Accumulated amortization						
Up to 1 April 2022	46.66	74.55	32.18	43.08	50.10	246.57
Amortization charge for the year	14.09	-	-	0.27	0.27	14.63
Up to 31 March 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
Net carrying amount						
As at 31 March 2023	33.79	-	-	0.41	0.32	34.52
As at 31 March 2024	29.63	-	-	0.23	0.18	30.04

Summary of the material accounting policies and other explanatory information

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

7(a) Intangible assets under development:

	As at	
	31 March 2024	31 March 2023
(i) Ageing schedule of Intangible assets under development (IAUD)		
Projects in progress		
< 1 Year	-	1.06
1-2 Years	-	-
2-3 Years	-	-
> 3 Years	-	-
Projects in progress (total)	-	1.06
Projects temporarily suspended	-	-
(ii) The Company does not have any material IAUD which is overdue or has exceeded its cost compared to its original plan and hence the disclosure of IAUD completion schedule is not applicable.		
(iii) IAUD movement schedule:		
		Total
Opening as at 1 April 2022		1.09
Additions during the year		3.95
Capitalisations during the year		(3.98)
Closing as at 31 March 2023		1.06
Additions during the year		4.22
Capitalisations during the year		(5.28)
Closing as at 31 March 2024		-

8. Investment property

	Land	Building	Total
Gross Block			
As at 1 April 2022	23.30	26.67	49.97
Additions / transfers during the year	-	-	-
As at 31 March 2023	23.30	26.67	49.97
Additions / transfers during the year	-	-	-
As at 31 March 2024	23.30	26.67	49.97
Accumulated depreciation			
Up to 1 April 2022	-	5.77	5.77
Depreciation charge for the year	-	1.08	1.08
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
Net carrying amount			
As at 31 March 2023	23.30	19.82	43.12
As at 31 March 2024	23.30	18.74	42.04

Summary of the material accounting policies and other explanatory information

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

(a) Information of net income derived from Investment property

	For the year ended	
	31 March 2024	31 March 2023
Lease rental income	9.41	16.49
Less: Depreciation	(1.08)	(1.08)
Net income derived from Investment property	8.33	15.41

(b) Description of valuation technique and key assumptions used

	31 March 2024		31 March 2023	
	Land	Building	Land	Building
Valuation technique: Discounted Cash Flow ("DCF") method				
Estimated rental value per month (in absolute ₹ terms)	75,000	NA	75,000	NA
Estimated rental value per square feet per month (in absolute ₹ terms)	NA	28	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 2022	345.68
Transferred to Property, plant and equipment during the year	-
Increase in fair value of an existing Investment property	4.16
Fair value as on 31 March 2023	349.84
Transferred to Property, plant and equipment during the year	-
Increase in fair value of an existing Investment property	-
Fair value as on 31 March 2024	349.84

9. Investment in subsidiary, joint venture and associate

	As at	
	31 March 2024	31 March 2023
Unquoted		
Investment in a subsidiary		
3,709,464 (31 March 2023: 3,709,464) equity shares of ₹10 each fully paid held in Heritage Nutrivet Limited	326.70	325.52
	326.70	325.52
Investment in an associate*		
6,50,000 (31 March 2023: 6,50,000) 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		
64,64,727 (31 March 2023: 54,89,727) equity shares of ₹10 each fully paid held in Heritage Novandie Foods Private Limited	423.35	325.35
Less: Impairment of investment *	(167.95)	-
	255.40	325.35
	582.10	650.87
Aggregate market value of quoted investments	-	-
Aggregate amount of unquoted investments	582.10	650.87
Aggregate amount of impairment in value of investments in associate and joint venture	174.45	6.50

(*) The impairment loss provided is presented as an exceptional item in the standalone statement of profit and loss for the year ended 31 March 2024.

Refer note 35 on disclosures related to the impairment loss.

Summary of the material accounting policies and other explanatory information

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

10. Investments

	As at	
	31 March 2024	31 March 2023
Non-current		
Investments at fair value through other comprehensive income ("FVTOCI")		
Investments in equity instruments		
117 (31 March 2023: 117) quoted equity shares of ₹10 each fully paid held in Union Bank of India Limited	0.02	0.01
1,740 (31 March 2023: 1,740) quoted equity shares of ₹2 each fully paid held in Bank of Baroda Limited	0.46	0.29
200,000 (31 March 2023: 200,000) unquoted equity shares of ₹10 each fully paid held in Heritage Finlease Limited	2.60	2.60
	3.08	2.90
Investments at amortized cost		
Investments in government securities	0.12	0.12
	0.12	0.12
	3.20	3.02
Aggregate market value of quoted investments	0.48	0.30
Aggregate value of unquoted investments	2.72	2.72
Current		
Investment in Mutual Funds (measured at FVTPL)		
1,066,838 (2023: Nil) units held in Aditya Birla Sun Life Liquid Fund Growth (Erstwhile Aditya Birla Sun Life Cash Plus)	411.44	-
53,189 (2023: Nil) units held in Kotak Liquid Fund Regular Plan Growth (Erstwhile Kotak Liquid Scheme - Regular Plan Growth)	257.43	-
9,050,680 (2023: Nil) units held in Kotak Equity Arbitrage Fund Regular Plan Growth	310.49	-
6,184,722 (2023: Nil) units held in Aditya Birla Sun Life Arbitrage Fund Growth (Erstwhile Aditya Birla Sun Life Enhanced Arbitrage)	150.72	-
	1,130.08	-
Investments at amortized cost		
Investments in government securities	0.03	0.03
	1,130.11	0.03
Investments in equity instruments		
Aggregate market value of quoted investments	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 2024	31 March 2023
Non-current		
Unsecured, considered good		
Interest accrued but not due on bank deposits	-	0.44
Margin money deposits with banks	0.07	4.62
Security deposits	108.34	94.93

Summary of the material accounting policies and other explanatory information

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

	As at	
	31 March 2024	31 March 2023
Current	108.41	99.99
Unsecured, considered good		
Interest accrued but not due on bank deposits	0.78	0.08
Rent receivable	1.77	3.03
Security deposits	34.79	27.15
Others	89.30	74.52
	126.64	104.78

11(a) Loans

	As at	
	31 March 2024	31 March 2023
Current		
Unsecured, considered good		
Salary advance	-	0.07
Other advances	0.24	0.24
	0.24	0.31

12. Other assets

	As at	
	31 March 2024	31 March 2023
Non-current		
Unsecured, Considered good		
Capital advances	23.53	48.68
Prepaid expenses	1.02	1.21
	24.55	49.89
Unsecured, Considered doubtful		
Capital advances	1.25	2.41
Less: Allowance for doubtful capital advances	(1.25)	(2.41)
	-	-
	24.55	49.89
Current		
Unsecured, Considered good		
Balance with Statutory authorities	14.88	16.40
Prepaid expenses	55.98	84.01
Advances to suppliers and others	33.90	25.16
	104.76	125.57
Unsecured, Considered doubtful		
Other advances	7.77	7.77
Less: Provision for doubtful advances	(7.77)	(7.77)
	-	-
	104.76	125.57

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.

Summary of the material accounting policies and other explanatory information

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

13. Inventories

	As at	
	31 March 2024	31 March 2023
Raw materials	258.26	711.58
Work-in-progress	17.79	12.03
Semi finished goods	1,179.94	1,457.42
Finished goods	798.63	1,246.11
Stock-in-trade	69.08	70.37
Packing materials	114.01	105.37
Stores, spares and consumables	54.47	58.10
	2,492.18	3,660.98

Note:

The write down of inventories to net realisable value during the year ended 31 March 2024 aggregated to ₹66.79 (31 March 2023 : ₹ 41.57). This write down is included in the changes in inventories of finished goods, semi finished goods and stock-in-trade in the statement of profit and loss.

14. Trade receivables

	As at	
	31 March 2024	31 March 2023
Unsecured, considered good	286.97	279.23
Unsecured, significant increase in credit risk	11.68	9.06
Unsecured, credit impaired	69.27	65.45
	367.92	353.74
Less: Allowance for credit loss	(80.95)	(74.51)
Less: Expected credit loss	(0.15)	(0.14)
	286.82	279.09

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

	For the year ended	
	March 31, 2024	March 31, 2023
Opening balance at beginning of the year	74.65	70.94
Add: Provision made during the year	9.86	6.24
Less: Bad debts written off during the year	(3.41)	(2.53)
Closing balance at end of the year	81.10	74.65

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 - 1 year	1-2 years	2-3 years	More than 3 years	
Undisputed						
Considered good	286.97	-	-	-	-	286.97
Significant increase in credit risk	8.23	-	-	-	-	8.23
Credit impaired	-	3.82	2.04	63.41	-	69.27
Disputed						
Considered good	-	-	-	-	-	-
Significant increase in credit risk	-	-	-	-	3.45	3.45
Credit impaired	-	-	-	-	-	-

Summary of the material accounting policies and other explanatory information

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

Trade Receivables ageing schedule as on 31 March 2023

Particulars	Outstanding for following periods from due date of payment					Total
	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
Undisputed						
Considered good	279.23	-	-	-	-	279.23
Significant increase in credit risk	5.61	-	-	-	-	5.61
Credit impaired	-	2.04	63.41	-	-	65.45
Disputed						
Considered good	-	-	-	-	-	-
Significant increase in credit risk	-	-	-	-	3.45	3.45
Credit impaired	-	-	-	-	-	-

Trade receivables include dues aggregating to ₹0.26 (31 March 2023: ₹2.21) receivable from Heritage Novandie Foods Private Limited, in which Director of the Company is a Director.

15. Cash and Bank Balances

	As at	
	31 March 2024	31 March 2023
(a) Cash and cash equivalents		
Balances with banks in current accounts	779.06	160.88
Cash on hand	1.46	2.32
	780.52	163.20
(b) Bank balances other than cash and cash equivalents		
Earmarked balances with banks		
Unpaid dividend	13.89	14.18
CSR unspent money (Refer note 30(ii))	31.42	11.12
Margin money deposits with banks	7.83	2.95
	53.14	28.25

16. Equity share capital

i. Authorised share capital

	31 March 2024		31 March 2023	
	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 2024		31 March 2023	
	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

Summary of the material accounting policies and other explanatory information

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

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

	31 March 2024		31 March 2023	
	Number	Amount	Number	Amount
Equity shares				
At the beginning of the year	9,27,96,000	463.98	4,63,98,000	231.99
Add: Issues during the year - Rights issue	-	-	4,63,98,000	231.99
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.

v. Details of shareholders holding more than 5% equity shares in the Company

Name of the equity shareholders	31 March 2024		31 March 2023	
	Number	% holding	Number	% holding
N Bhuvanewari	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%
N 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%	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 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 Bhuvanewari	2,26,11,525	24.37%	2,26,11,525	24.37%	0.00%
N 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%
V Naga Raja Naidu	-	0.00%	-	0.00%	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	-	0.00%	1,16,971	0.13%	(0.13)%
Durga Ramakrishna N P	-	0.00%	71,590	0.08%	(0.08)%
Neelima N P	-	0.00%	64,950	0.07%	(0.07)%

Summary of the material accounting policies and other explanatory information

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

Shareholding of Promoters as at 31 March 2023

Name of the promoter *	As at 31 March 2023		As at 31 March 2022		% Change during the year
	No. of Shares	% of total shares	No. of Shares	% of total shares	
N Bhuvanewari	22,611,525	24.37%	10,661,652	22.98%	1.39%
N Lokesh	10,037,453	10.82%	4,732,800	10.20%	0.62%
Megabid Finance & Investment Private Limited	5,190,937	5.59%	2,447,600	5.28%	0.32%
N Brahmani	430,952	0.46%	203,200	0.44%	0.03%
V Naga Raja Naidu	-	0.00%	100,000	0.22%	(0.22)%
N Devaansh	56,075	0.06%	26,400	0.06%	0.00%
Ramakrishna Nandamuri	800	0.00%	400	0.00%	0.00%
N P Ramakrishna	116,971	0.13%	56,971	0.12%	0.00%
Durga Ramakrishna N P	71,590	0.08%	33,756	0.07%	0.00%
Neelima N P	64,950	0.07%	30,625	0.07%	0.00%

* Details of promoters are identified based on information submitted with the stock exchanges as per SEBI (LODR) Regulations, 2015 (as amended) and the Annual Returns filed in accordance with the provisions of Section 92 of the Act.

17. Other equity

	As at	
	31 March 2024	31 March 2023
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	6,307.84	5,640.02
	7,571.28	6,903.46
Item of OCI		
Changes in fair value of equity instruments	(0.28)	(0.46)
	(0.28)	(0.46)
	7,571.00	6,903.00

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.

Summary of the material accounting policies and other explanatory information

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

Warrants money appropriated

Warrants money appropriated represents forfeiture of share application money made during the earlier years.

General reserve

The reserve has arisen on transfer of a portion of the net profit pursuant to the provisions of the erstwhile Companies Act, 1956. Mandatory transfer to general reserve is not required under the Act.

Changes in fair value of equity instruments

This represents the cumulative gains and losses arising on the fair valuation of equity instruments measured at FVTOCI, under an irrevocable option, net of amounts reclassified to retained earnings when such assets are disposed off.

Retained earnings

Retained earnings are the profits that the Company has earned till date, less any transfers to general reserve, dividends or other distribution to the shareholders.

18. Borrowings

	As at	
	31 March 2024	31 March 2023
Non-current		
Secured		
Term loans from banks [refer note 18(a)]	735.53	-
Deferred payment liabilities [refer note 18(iv)]	-	7.77
	735.53	7.77
	735.53	7.77
Current		
Secured		
Current maturities of long term borrowings [refer note 18(a)]	147.74	-
Loans repayable on demand from banks [refer note 18(b)]	-	993.58
Current maturities of deferred payment liabilities [refer note 18(iv)]	7.77	13.33
	155.51	1,006.91
Unsecured		
Loans repayable on demand from banks [refer note 18(b)]	-	250.00
	-	250.00
	155.51	1,256.91

(i) Reconciliation of liabilities arising from financial activities*

	For the year ended	
	31 March 2024	31 March 2023
Balance at beginning of the year	-	-
Proceeds from long term borrowings	908.00	-
Repayments of long term borrowings	(12.05)	-
Others	(12.68)	-
Balance at end of the year	883.27	-

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

Summary of the material accounting policies and other explanatory information

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

(ii) Reconciliation of interest accrued but not due on term loans from banks

	For the year ended	
	31 March 2024	31 March 2023
Balance at beginning of the year	-	-
Interest expense for the year	20.52	-
Interest paid during the year	20.52	-
Balance at end of the year	-	-

(iii) The Company has been sanctioned working capital limits in excess of ₹5 crores by banks and 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 ended by November 2023 for its Bayyavaram plant. The Company has created a charge on its specified fixed assets.

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 2024	31 March 2023
Bank of Baroda	One year MCLR +0.25% per annum	Repayable in 24 quarterly instalments commencing from March 2024	Mortgage of Shamirpet plant and charge on plant and machinery of Shamirpet plant	276.35	-
ICICI Bank	One year MCLR +0.10% per annum	Repayable in 24 quarterly instalments commencing from June 2024	- First charge by way of equitable mortgage over the identified immovable fixed assets - First charge by way of hypothecation of movable fixed assets of above identified immovable fixed assets.	606.92	-
				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 2024	31 March 2023
ICICI Bank	Six months MCLR + 0.50% per annum		-	292.95
Bank of Baroda	One year MCLR + 0.25% per annum	First pari passu charge on current assets and second	-	369.32
Union Bank of India	One year MCLR + 0.10% per annum	pari passu charge on fixed assets of the Company, excluding project specific assets.	-	202.73
Kotak Mahindra Bank	6 Months MCLR + 0.30% per annum		-	78.51
HDFC Bank	One Month MCLR + 2.01% per annum		-	50.07
ICICI Bank	3 Months MCLR + 0.50% per annum	Unsecured	-	250.00
			-	1,243.58

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 2024	31 March 2023
Non-current		
Financial guarantee	3.67	6.08
	3.67	6.08
Current		
Current maturities of financial guarantee	2.16	3.62
Capital creditors	177.80	111.71
Employee related payables	338.30	178.91
Security deposits	446.89	376.14
Unpaid dividend	13.89	14.18
Other payables	40.11	22.58
	1,019.15	707.14

20. Provisions

	As at	
	31 March 2024	31 March 2023
Non-current		
Compensated absences	222.81	178.69
	222.81	178.69
Current		
Gratuity (refer note a below)	-	-
Compensated absences	104.03	86.99
	104.03	86.99

(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 2024	31 March 2023
Projected benefit obligation at the beginning of the year	164.24	150.23
Service cost	20.65	18.61
Interest cost	11.35	8.95
Actuarial loss - experience	11.75	9.24
Actuarial loss - demographic assumptions	-	-
Actuarial gain - financial assumptions	1.90	(6.51)
Benefits paid	(8.87)	(16.28)
Projected benefit obligation at the end of the year	201.03	164.24

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 2024	31 March 2023
Fair value of plan assets at the beginning of the year	169.45	155.76
Interest income	12.82	9.97
Contribution made	31.03	21.36
Return on plan assets greater / (lesser) than discount rate	(0.47)	(1.36)
Benefits paid	(8.87)	(16.28)
Fair value of plan assets at the end of the year	203.96	169.45

(iii) Reconciliation of present value of projected benefit obligation and fair value of plan assets

	As at	
	31 March 2024	31 March 2023
Present value of projected benefit obligation	201.03	164.24
Funded status of plan assets	203.96	169.45
Net liability / (asset) recognised in the balance sheet	(2.93)	(5.21)

(iv) Expense recognized in the Statement of Profit and Loss

	For the year ended	
	31 March 2024	31 March 2023
Interest cost	11.35	8.95
Service cost	20.65	18.61
Interest income	(12.82)	(9.97)
	19.18	17.59

(v) Expense recognized in OCI

	For the year ended	
	31 March 2024	31 March 2023
Actuarial loss, net	14.12	4.09
	14.12	4.09

(vi) Key actuarial assumptions

	As at	
	31 March 2024	31 March 2023
Discount rate	6.90%	7.10%
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.

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 2024 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 2024	
	Increase	Decrease
Discount rate (1% movement)	9.16	10.11
Salary escalation rate (1% movement)	9.51	8.83
Attrition rate (1% movement)	0.96	1.01

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

(ix) Maturity analysis of Gratuity as on 31 March 2024 is as follows:

	31 March 2024	31 March 2023
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	36.71	32.17
2 to 5 years	100.96	108.45
More than 5 years	94.13	171.82
	231.80	312.44

21. Deferred tax liabilities (net)

	As at	
	31 March 2024	31 March 2023
Deferred tax liabilities arising on account of:		
Property, Plant and Equipment	386.02	364.47
	386.02	364.47
Deferred tax assets arising on account of:		
Provision for trade receivables and advances	(22.67)	(21.36)
Provision for employee benefits	(85.75)	(70.12)
Receipt of government grant	(19.59)	(21.25)
Interest on GST liability	(8.69)	(8.69)
Right-of-use assets	(7.10)	(4.17)
Revaluation of investments at FVTOCI to fair value	(0.62)	(0.62)
	(144.42)	(126.21)
	241.59	238.26

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

	Borrowings	Property, plant and equipment	Provision for employee benefits	Receipt of government grant	Interest on GST liability	Others	Total
As at 1 April 2022	-	350.16	(64.41)	(22.93)	(8.69)	(22.26)	231.87
Charged							
- to Statement of Profit and Loss	-	14.31	(4.68)	1.68	-	(3.89)	7.42
- to OCI	-	-	(1.03)	-	-	-	(1.03)
As at 31 March 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

22. Other liabilities

	As at	
	31 March 2024	31 March 2023
Current		
Advances from customers*	111.95	124.96
Capital advances	-	1.50
Statutory dues payable	130.04	91.82
	241.99	218.28

*represents contract liabilities against which the Company has recognized a revenue of ₹124.96 (31 March 2023: ₹29.33) from the amounts included under advances from customers at the beginning of the year.

23. Trade payables

	As at	
	31 March 2024	31 March 2023
Total outstanding dues of micro and small enterprises	83.03	61.23
Total outstanding dues of creditors other than micro and small enterprises	1,297.45	676.29
	1,380.48	737.52

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
(iii) Disputed dues - MSME	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-
	1,379.94	0.21	0.14	0.19	1,380.48

Trade payables ageing schedule as on 31 March 2023

Particulars	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) MSME	61.23	-	-	-	61.23
(ii) Others	675.51	0.50	0.15	0.13	676.29
(iii) Disputed dues - MSME	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-
	736.74	0.50	0.15	0.13	737.52

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 2024	31 March 2023
Sale of products	37,300.61	32,050.93
Sale of services	23.87	21.60
Other operating income		
- Sale of renewable energy certificates	-	1.95
- Scrap sales and others	18.97	12.27
	37,343.45	32,086.75

(i) Reconciliation of revenue from sale of products with the contracted price

	For the year ended	
	31 March 2024	31 March 2023
Revenue as per contracted price	38,722.75	33,355.13
Adjusted for:		
Discounts	(1,400.79)	(1,283.93)
Sales returns	(21.35)	(20.27)
Total revenue from contracts with customers	37,300.61	32,050.93

(ii) Revenue disaggregation geography wise is as follows:

	For the year ended	
	31 March 2024	31 March 2023
India	37,327.80	32,081.68
Other than India	15.65	5.07
	37,343.45	32,086.75

Notes:

- The Company has no single customer from whom the revenue is more than 10% of the revenue from operations for the year ended 31 March 2024 and 31 March 2023.
- Revenue from goods or services is transferred to customers at a point in time basis.

25. Other income

	For the year ended	
	31 March 2024	31 March 2023
Interest income from bank and other deposits	3.55	2.32
Guarantee income	5.55	4.25
Dividend income on long term investments	0.01	0.01
Subsidy transferred from deferred government grant (under capital subsidy scheme)	6.74	6.74
Lease rental income	12.42	22.24
Provisions no longer required/ credit balances written back	10.24	12.96
Gain on foreign exchange fluctuations, net	0.03	0.02
Gain on sale of Property, plant and equipment (net)	26.83	23.37
Gain on investments (net)	35.55	25.94
Other non operating income	18.37	15.63
	119.29	113.48

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 2024	31 March 2023
Raw Material*		
Opening stock	711.58	783.25
Add: Purchases during the year	26,273.28	25,658.18
Less: Closing stock	258.26	711.58
	26,726.60	25,729.85
Packing Material*		
Opening stock	105.37	100.81
Add: Purchases during the year	1,301.40	1,246.30
Less: Closing stock	114.01	105.37
	1,292.76	1,241.74
	28,019.36	26,971.59

*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 2024	31 March 2023
Opening balance		
- Finished goods	1,246.11	625.79
- Semi finished goods	1,457.42	348.32
- Work-in-progress	12.03	14.45
- Stock-in-trade	70.37	38.70
	2,785.93	1,027.26
Closing 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
	720.49	(1,758.67)

28. Employee benefit expenses

	For the year ended	
	31 March 2024	31 March 2023
Salaries and wages	2,187.65	1,793.53
Contribution to provident and other funds (refer note a below)	104.85	97.23
Gratuity expense (refer note 20(a)(iv))	19.18	17.59
Compensated absences expense	107.93	74.52
Staff welfare expenses	60.37	56.31
	2,479.98	2,039.18

(a) The amount recognized as an expense towards contribution to provident fund and employee state insurance schemes for the year ended 31 March 2024 amounts to ₹ 104.85 (31 March 2023: ₹ 97.23).

29. Finance costs

	For the year ended	
	31 March 2024	31 March 2023
Interest on borrowings calculated using effective interest method	43.30	16.88
Interest on lease liabilities	32.43	8.21
Other borrowing costs	5.91	6.59
	81.64	31.68

Summary of the material accounting policies and other explanatory information

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

30. Other expenses

	For the year ended	
	31 March 2024	31 March 2023
Consumption of stores, spares and consumables	315.44	287.17
Power and fuel	513.14	471.10
Rent	176.34	85.19
Repairs and maintenance		
- Buildings	17.25	12.18
- Plant and equipment	42.09	21.20
- Others	98.84	93.94
Insurance	39.16	30.89
Electricity charges	26.05	18.59
Rates and taxes, excluding taxes on income	39.03	38.56
Freight outwards	966.17	879.83
Communication	24.57	20.90
Office maintenance	6.84	15.62
Travelling and conveyance	66.53	56.03
Legal and professional fees	144.59	146.23
Property, plant and equipment written off	12.93	4.76
Payment to auditors (refer note (i) below)	10.11	9.27
Corporate social responsibility (CSR) expenditure (refer note (ii) below)	31.42	30.36
Selling and distribution expenses	362.35	257.28
Provision for doubtful advances	-	0.80
Advances written off	0.96	0.72
Provision towards doubtful debts and bad debts written off	9.86	6.24
Bank charges	3.99	18.26
Advertisement expenses	1.85	1.72
Security charges	71.57	74.78
Printing and stationery	12.36	10.73
Miscellaneous expenses	40.65	43.36
	3,034.09	2,635.71

(i) Details of payments to auditors:

	For the year ended	
	31 March 2024	31 March 2023
As auditor:		
- Statutory audit fee	5.73	5.33
- Tax audit fee	1.01	0.94
- Limited review fee	2.53	2.35
In other capacities:		
- Certification fees*	0.57	0.53
- Reimbursement of expenses	0.27	0.12
	10.11	9.27

*excludes ₹0.60 paid during the year ended 31 March 2023, towards certification services availed in relation to the rights issue, which has been adjusted from the securities premium.

Amounts reported is inclusive of goods and service tax

Summary of the material accounting policies and other explanatory information

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

(ii) Details of CSR expenditure :

	For the year ended	
	31 March 2024	31 March 2023
(a) Gross amount required to be spent during the year	31.42	30.36
(b) Amount spent during the year		
(i) Construction/ acquisition of asset	3.88	14.47
(ii) On purposes other than (i) above	7.24	11.83
(c) Shortfall at the end of the year	31.42	11.12
(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	11.12	7.06
Add: Amount required to be spent during the year	31.42	30.36
Less: Amount spent during the year	(11.12)	(26.30)
Closing provision (refer note 1)	31.42	11.12

Note: 1

As the selected projects for CSR spent are long-term in nature, the balance amount of ₹31.42 pertains to the financial year 2023-24 (31 March 2023 : ₹11.12), which will be spent during the financial year 2024-25. 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.

31. Income tax expense

	For the year ended	
	31 March 2024	31 March 2023
(a) Income tax expense reported in the Statement of Profit and Loss		
Tax expense comprises of:		
Current tax expense	356.68	227.07
Deferred tax expense/(benefit)	6.88	7.42
	363.56	234.49

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 2023: 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 2024	31 March 2023
Profit before tax	1,273.94	893.38
Expected tax expense at the Indian tax rate 25.168% (31 March 2023: 25.168%)	320.63	224.85
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)	(3.90)	(1.21)
Effect of expenses not deductible under the IT Act, 1961	50.18	7.64
Effect of income not subject to tax under the IT Act, 1961	(1.40)	(1.07)
Effect of income subject to higher tax under the IT Act, 1961	1.82	2.15
Others	(3.77)	2.13
Income tax expense	363.56	234.49

Summary of the material accounting policies and other explanatory information

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

32. Earnings per equity share

	For the year ended	
	31 March 2024	31 March 2023
Profit for the year	910.38	658.89
Weighted average number of equity shares outstanding during the year#	9,27,96,000	9,16,34,554
Earnings per equity share (EPES) (in absolute ₹ terms)		
Nominal value per share equity share	5.00	5.00
Basic and Diluted EPES	9.81	7.19

The Company did not have any potential dilutive equity shares as on 31 March 2024 and 31 March 2023.

#The Company had allotted 46,398,000 equity shares of ₹5/- each at face value aggregating to ₹231.99 through right issue on 21 February 2023.

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 2024	31 March 2023
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 ₹2.5 per share during the year ended 31 March 2024 (31 March 2023: ₹2.5 per share) amounting to ₹231.99 (31 March 2023: ₹116.00).

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

The Company had recognised impairment loss in relation to its investment in Heritage Novandie Foods Private Limited, Joint venture entity

	As at
	31 March 2024
Carrying value of investment (excluding corporate guarantee cost)	409.45
Assessed Business value, to the extent of HFL's holding (i.e. 50%)	(241.50)
Impairment loss recognised	167.95

Summary of the material accounting policies and other explanatory information

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

(i) Key assumptions

	As at
	31 March 2024
Weighted average cost of capital (WACC)	27.50%
Terminal growth rate	5.00%
Revenue growth - CAGR for 6 years ending FY30	84.20%

(ii) Sensitivity analysis

Reasonably possible changes as at 31 March 2024, holding other assumptions constant, can affect the impairment loss by the amounts shown below:

	As at 31 March 2024	
	Increase in assumption %	Decrease in assumption %
	Impact on business value (HFL Share)	
Terminal growth rate (0.5% movement)	3.50	(4.00)
WACC (1% movement)	(22.50)	24.50

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 2024	31 March 2023
Financial assets		
Fair value hierarchy (Level 1)		
Quoted equity shares	0.48	0.30
Fair value hierarchy (Level 2)		
Investments in mutual funds	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 2024 and 31 March 2023 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 1 instruments:

The fair value of equity shares is based on the traded price of the share at the reporting date.

Valuation technique and inputs used for level 2 instruments:

The fair value of mutual funds are based on price quotations at the reporting date.

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 2024 and 31 March 2023 are as shown below.

Summary of the material accounting policies and other explanatory information

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

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 2022	2.60
Changes during the year	-
As at 31 March 2023	2.60
Changes during the year	-
As at 31 March 2024	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 ₹6.88 and ₹19.67 as on 31 March 2024 and 31 March 2023 respectively.

Categories of financial instruments

	31 March 2024			31 March 2023		
	FVTPL	FVTOCI	Amortised cost	FVTPL	FVTOCI	Amortised cost
Financial assets*						
Quoted equity shares	-	0.48	-	-	0.30	-
Unquoted equity shares	-	2.60	-	-	2.60	-
Investment in government securities	-	-	0.15	-	-	0.15
Investments in mutual funds	1,130.08	-	-	-	-	-
Trade receivables	-	-	286.82	-	-	279.09
Cash and cash equivalents	-	-	780.52	-	-	163.20
Other bank balances	-	-	53.14	-	-	28.25
Loans	-	-	0.24	-	-	0.31
Other financial assets	-	-	235.05	-	-	204.77
	1,130.08	3.08	1,355.92	-	2.90	675.77

(*) excludes the investment in subsidiary, joint venture and associate, which is carried at cost.

	31 March 2024			31 March 2023		
	FVTPL	FVTOCI	Amortised cost	FVTPL	FVTOCI	Amortised cost
Financial liabilities						
Borrowings	-	-	891.04	-	-	1,264.68
Lease liabilities	-	-	378.22	-	-	320.83
Trade payables	-	-	1,380.48	-	-	737.52
Other financial liabilities	-	-	1,022.82	-	-	713.22
	-	-	3,672.56	-	-	3,036.25

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.

Summary of the material accounting policies and other explanatory information

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

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.

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 ₹2,489.08 and ₹678.67 as of 31 March 2024 and 31 March 2023 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 2024 and 31 March 2023. 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:

Number of days	As at	
	31-Mar-24	31-Mar-23
0-30 days	263.46	201.98
31-60 days	23.01	59.58
61-90 days	0.35	9.89
Greater than 90 days	-	7.64
	286.82	279.09

Summary of the material accounting policies and other explanatory information

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

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.

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 2024				As at 31 March 2023			
	On demand	Up to 1 year	More than 1 year	Total	On demand	Up to 1 year	More than 1 year	Total
Financial guarantees #	63.55	-	-	63.55	189.03	-	-	189.03
Borrowings	-	155.51	735.53	891.04	1,243.58	13.33	7.77	1,264.68
Lease liabilities	-	79.10	560.41	639.51	-	59.80	521.82	581.62
Trade payables	-	1,380.48	-	1,380.48	-	737.52	-	737.52
Other financial liabilities	-	1,016.99	-	1,016.99	-	703.52	-	703.52
	63.55	2,632.08	1,295.94	3,991.57	1,432.61	1,514.17	529.59	3,476.37

Represents loan amount outstanding to the bankers by the entities, against which financial guarantees were extended by the Company as at 31 March 2024 and 31 March 2023.

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 entity is low as it enters very limited transactions in foreign currencies and accordingly any impact on account of change in the exchange rate is not considered as significant.

Summary of the material accounting policies and other explanatory information

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

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 2023: ₹2.60). The impact on account of change in the assumptions are not considered as significant.

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 2024	31 March 2023
Borrowings from banks	883.27	1,243.58
Less: Cash and cash equivalents	(780.52)	(163.20)
Net debt (A)	102.75	1,080.38
Total equity (B)	8,034.98	7,366.98
Net debt and total equity (A) + (B)	8,137.73	8,447.36
Gearing ratio (%)	1.26%	12.79%

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 2024 and 31 March 2023.

No changes were made in the objectives, policies or processes for managing capital during the years ended 31 March 2024 and 31 March 2023.

40. Disclosure of Interest in subsidiary, joint venture and associate:

	Nature of relationship	Country of Incorporation	Ownership interest (%)	
			31 March 2024	31 March 2023
Heritage Nutrivet Limited	Subsidiary	India	100.00%	100.00%
SKIL Raigam Power (India) Limited	Associate	India	43.33%	43.33%
Heritage Employees Welfare Trust	Controlled trust	India	0.00%	0.00%
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)

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 Employees Welfare Trust	Controlled Trust
Heritage Finlease Limited	Enterprise over which Vice - Chairperson and Managing Director, Executive Director and President 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 Bhuvaneswari (Vice Chairperson and Managing Director)	
N Brahmani (Executive Director)	
M Sambasiva Rao (President)	
Srideep Madhavan Nair Kesavan (Chief Executive Officer)	Key Managerial Personnel (KMP)
A Prabhakara Naidu (Chief Financial Officer)	
Umakanta Barik (Company Secretary & Compliance Officer)	
Sri Vishnu Raju Nandyala (upto 21 October 2023)	
Rajesh Thakur Ahuja	
Aparna Surabhi	Non-Executive Independent Directors
Muthu Raju Paravasa Raju Vijay Kumar	
A V Girija Kumar (w.e.f 1 June 2023)	
V Nagaraja Naidu	Non-Executive Director

(b) Transactions with related parties

	For the year ended	
	31 March 2024	31 March 2023
Heritage Nutrivet Limited		
Investment made (including financial guarantee)	1.18	1.00
Sale of products	6.88	5.52
Financial guarantee income	3.35	2.05
Purchases	998.96	743.79
Lease rental income	-	0.41
Purchase of Property, plant and equipment	-	0.45
Expenditure incurred on behalf of HNL	1.87	1.16
Brand income	1.46	1.11
Heritage Novandie Foods Private Limited		
Investment made (including financial guarantee)	98.00	55.50
Sale of products	10.87	14.45
Purchase of products	-	0.04
Financial guarantee income	2.20	2.20

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 2024	31 March 2023
Lease rental income	1.25	1.09
Expenditure incurred on behalf of HNFPL	8.08	8.49
Heritage Employee Welfare Trust		
Other income	-	0.01
Heritage Finlease Limited		
Remittance of loan proceeds collected on behalf of Heritage Finlease Limited	1,823.36	1,860.76
Cattle loan facilitation charges	3.95	3.76
Deposit paid	15.58	25.04
Lease rentals paid	81.93	26.52
Others	0.80	0.59
NTR Memorial Trust		
CSR expenditure	11.12	25.49
Sale of products	1.63	0.51
N Bhuvaneswari		
Short-term employee benefits	77.62	47.90
Post-employment benefits	0.97	0.97
Other long-term benefits	0.87	0.87
N Brahmani		
Short-term employee benefits	62.10	38.32
Post-employment benefits	0.49	0.49
Deposits paid	-	5.74
Lease rentals	11.67	3.83
N Devaansh		
Deposits paid	-	5.74
Lease rentals	11.67	3.83
M Sambasiva Rao		
Short-term employee benefits	30.92	23.85
Post-employment benefits	0.89	0.81
Srideep Madhavan Nair Kesavan		
Short-term employee benefits	17.51	16.11
Post-employment benefits	0.95	0.87
A Prabhakara Naidu		
Short-term employee benefits	10.08	9.02
Post-employment benefits	0.54	0.49
Other long-term benefits	0.50	0.47
Umakanta Barik		
Short-term employee benefits	4.68	4.03
Post-employment benefits	0.25	0.22
Other long-term benefits	-	-
Sitting fees		
Sri Vishnu Raju Nandyala	0.40	0.79
Rajesh Thakur Ahuja	0.85	0.69
Aparna Surabhi	0.76	0.88
Muthu Raju Paravasa Raju Vijay Kumar	0.70	0.79
AV Girija Kumar	0.39	-
V Nagaraja Naidu	0.56	0.68

Summary of the material accounting policies and other explanatory information

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

(c) Balances receivable/(payable)

	As at	
	31 March 2024	31 March 2023
Heritage Nutrivet Limited		
Trade payables	(20.21)	(26.32)
Heritage Finlease Limited		
Security deposits	42.13	26.55
Lease rent payable	(2.22)	(3.51)
Other payables	(49.03)	(1.76)
Other receivables	0.31	0.51
Heritage Novandie Foods Private Limited		
Trade receivables	0.26	2.21
Rent receivable	0.12	0.10
Security deposits	(0.45)	(0.45)
Other receivables	0.80	1.32
N Bhuvaneswari		
Employee related payables	(59.62)	(29.90)
N Brahmani		
Employee related payables	(53.10)	(28.57)
Security deposits	5.74	5.74
Lease rent payable	(1.08)	(1.03)
M Sambasiva Rao		
Employee related payables	(14.50)	(8.84)
Srideep Madhavan Nair Kesavan		
Employee related payables	(0.04)	-
N Devaansh		
Security deposits	5.74	5.74
Lease rent payable	(1.08)	(1.03)
NTR Memorial Trust		
Trade receivables	-	0.26

(d) Guarantees outstanding

	31 March 2024	31 March 2023
Value of guarantees extended during the year		
Heritage Nutrivet Limited	80.00	80.00
Heritage Novandie Foods Private Limited	50.00	50.00
Guarantees outstanding as at balance sheet date		
Heritage Nutrivet Limited	-	207.50
Heritage Novandie Foods Private Limited	220.00	220.00
Borrowings outstanding as at balance sheet date, against which guarantee is extended		
Heritage Nutrivet Limited	-	78.82
Heritage Novandie Foods Private Limited	63.55	110.21

Summary of the material accounting policies and other explanatory information

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

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 2024, the Company has not recorded any impairment of receivables relating to amounts owed by related parties (31 March 2023: Nil). This assessment is undertaken each financial year through examining the financial position of the related parties and the market in which such parties operates.
- (b) Post-employment and other long-term benefits, disclosed above, does not include those benefits which are computed for the Company as a whole.
- (c) The guarantee facility extended to Heritage Nutrivet Limited was discontinued wef. 29 March 2024.

42. Contingent liabilities and commitments

	As at	
	31 March 2024	31 March 2023
(a) Commitments		
(i) Estimated amount of contracts remaining to be executed on capital account and not provided for	221.60	500.01
(ii) Other commitments		
Investment in the Joint venture entity, Heritage Novandie Foods Private Limited*	75.00	195.00

*The Company has committed to provide financial support as necessary, to enable its joint venture company, Heritage Novandie Foods Private Limited to meet its operational requirements as they arise and to meet its liabilities as and when they fall due.

(b) Contingent liabilities, not provided for

	As at			
	31 March 2024		31 March 2023	
	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]	80.93	42.21	60.33	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 2024	31 March 2023
(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	35.28
	- Disputed milk cess levied on installed capacity under the Haryana Murrah Buffalo and other Milch Animal Breed Act, 2001 ^	28.93	10.31
	- Disputed RPPO (Renewable power purchase obligation) charges demand levied by the APERC (Andhra Pradesh Electricity Regulatory Authority)	2.58	0.60
	& litigation pending with Hon'ble High Court of Andhra Pradesh;		
	^ litigation pending with Supreme Court of India upto 31.12.2023		
	Based on the internal assessment and / or legal opinion, the Management is confident that, for the aforesaid mentioned contingent liabilities under paragraph (ii) and (iii) above, no further provision is required to be made as at 31 March 2024.		
(c)	Guarantees excluding financial guarantees	2.93	1.80
(d)	Others		
	Duty including interest liability in case of export obligation if not fulfilled as per EPCG scheme	129.81	49.27

43. Leases

Company as lessee

The Company 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 2024 amounts to ₹273.31 (31 March 2023: ₹305.84).

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 2024 amounts to ₹76.66 (31 March 2023: Nil).

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.

Summary of the material accounting policies and other explanatory information

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

The movement in lease liabilities is as follows:

Particulars	For the year ended	
	31 March 2024	31 March 2023
Balance at the beginning of the year	320.83	75.36
Additions during the year	100.36	282.31
Adjustment for disposals/transfers	(8.46)	-
Finance cost accrued during the year	32.43	8.21
Payment of interest on lease liabilities	(32.43)	(8.21)
Payment of lease liabilities	(34.51)	(36.84)
Lease liabilities at the end of the year	378.22	320.83
Current lease liabilities	49.09	48.89
Non-current lease liabilities	329.13	271.94

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

Particulars	As at	
	31 March 2024	31 March 2023
Less than one year	79.10	59.80
One to five years	247.15	186.10
More than five years	313.26	335.71
Total	639.51	581.62

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

Rental expense recorded for short-term leases for the year ended 31 March 2024 is ₹176.34 (31 March 2023: ₹85.19). Leases not yet commenced to which the Company is committed aggregated to ₹Nil as on 31 March 2024.

Depreciation expenses and Lease rentals paid for the year ended 31 March 2024 are ₹56.23 and ₹66.94 (31 March 2023: ₹44.28 and ₹45.05) respectively.

Company as lessor

The Company has leased its land and buildings located in Manor, Mumbai 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 2024	31 March 2023
Less than one year	12.86	12.57
One to five years	16.20	21.09
More than five years	46.20	48.47
Total	75.27	82.13

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 2024	31 March 2023	Change %
Current ratio = Current assets / current liabilities		1.70	1.44	18.25%
Debt equity ratio = (Long-term borrowings + short-term borrowings + lease liabilities) / Equity	(i)	0.16	0.22	-26.60%
Debt Service coverage ratio = (Net profit + depreciation + finance cost + gain on sale of PPE) / (finance cost + lease payments + principal repayments)		11.04	14.26	-22.58%
Return on equity ratio / return on investment ratio = net profit after tax / average equity	(ii)	11.82	9.43	25.34%
Inventory turnover ratio = cost of goods sold divided by average inventory @		9.70	9.28	4.53%
Trade receivables turnover ratio = revenue from operations / average trade receivables		131.98	139.86	-5.63%
Trade payables turnover ratio = cost of goods sold / average trade payables		28.47	36.72	-22.46%
Net capital turnover ratio = Revenue from operations / (current assets minus current liabilities)		18.10	24.04	-24.72%
Net Profit Margin (%) = (PAT / Revenue from operations)		2.44%	2.05%	18.72%
Return on capital employed = (earnings before finance cost, other income, taxes and exceptional items) / average capital employed #	(ii)	15.79	10.60	48.94%

@ 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 equity ratio is attributed to the repayment of short term borrowings during the year ended 31 March 2024.
- (ii) Principal reason for change in the return on equity ratio / net profit margin / return on capital employed is primarily 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 2024 compared to the year ended 31 March 2023.

46. Research and development expenses

	For the year ended	
	31 March 2024	31 March 2023
Capital expenditure	0.82	0.07
Revenue expenditure	12.22	10.81
Total	13.04	10.88

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 2024	31 March 2023
(i) The principal amount remaining unpaid as at the end of the year.	83.03	61.23
(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 2024	31 March 2023
Opening liability	86.28	93.02
Received during the year	-	-
Released to the statement of profit and loss	(6.74)	(6.74)
Closing liability	79.54	86.28
Current	6.73	6.73
Non-current	72.81	79.55

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

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



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) The Company has not extended any loans or advances in the nature of loans to its promoters, directors, key managerial personnel and its related parties, as defined under the Act, during the years ended 31 March 2024 and 31 March 2023.
- (b) 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.
- (c) The Company has not been declared wilful defaulter by any bank or financial Institution or other lender.
- (d) No transactions are carried out with companies struck off under section 248 of the Act or section 560 of Companies Act, 1956.
- (e) No charges or satisfaction yet to be registered with ROC beyond the statutory period.
- (f) 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.
- (g) No Scheme of Arrangements has been approved by the Competent Authority in terms of sections 230 to 237 of the Act.
- (h) 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.
- (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.
- (j) The Company has not traded or invested in crypto currency or virtual currency during the current or previous year.

This is the summary of material accounting policies and other explanatory information referred to in our report of even date.

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

Sanjay Kumar Jain
Partner
Membership No: 207660

Place : Hyderabad
Date : 29 May 2024

For and on behalf of Board of Directors of
Heritage Foods Limited

N Bhuvanewari
Vice Chairperson and
Managing Director
DIN: 00003741

Srideep Madhavan Nair Kesavan
Chief Executive Officer

Place : Hyderabad
Date : 29 May 2024

N Brahmani
Executive Director
DIN: 02338940

A Prabhakara Naidu
Chief Financial Officer
M.No.FCA 200974

M Sambasiva Rao
President

Umakanta Barik
Company Secretary &
Compliance Officer
M.No. FCS 6317

Independent Auditor's Report

To
the Members of **Heritage Foods Limited**

and the consolidated changes in equity for the year ended on that date.

Report on the Audit of the Consolidated Financial Statements

Opinion

- We have audited the accompanying consolidated financial statements of Heritage Foods Limited ('the Holding Company') and its subsidiaries (the Holding Company and its subsidiaries together referred to as 'the Group'), its associate and joint venture, as listed in **Annexure 1**, which comprise the Consolidated Balance Sheet as at 31 March 2024, the Consolidated Statement of Profit and Loss (including Other Comprehensive Loss), 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 a material accounting policy information and other explanatory information.
- 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 2024, and their consolidated profit (including other comprehensive income), consolidated cash flows

Basis for Opinion

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

Key Audit Matters

- Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.
- We have determined the matters described below to be the key audit matters to be communicated in our report.

Key audit matter	How our audit addressed the key audit matter
<p>Revenue recognition</p> <p>Refer Note 3(d) to the accompanying consolidated financial statements for material accounting policy on revenue recognition and Note 24 for details of revenue from operations.</p> <p>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.</p> <p>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.</p>	<p>Our audit procedures relating to revenue recognition included, but was not limited to, the following:</p> <ul style="list-style-type: none"> 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 trip sheets, invoices, shipping documents and evidence of collection of receipts, 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;



Key audit matter	How our audit addressed the key audit matter
<p>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.</p>	<ul style="list-style-type: none"> • Performed analytical procedures such as customer group ratio 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 consolidated financial statements in accordance with applicable accounting standards.
<p>Impairment assessment of investment in Joint venture (Heritage Novandie Foods Private Limited)</p> <p>Refer Note 3(l) to the accompanying consolidated financial statements for material accounting policy on impairment assessment.</p> <p>As described in Note 9 and 47, the Holding Company has an investment amounting to INR 423.35 million in a joint venture, Heritage Novandie Foods Private Limited. The joint venture has incurred losses over the years and its net-worth has been substantially eroded on account of accumulated losses, indicating possible impairment.</p> <p>In view of above, the management of the Holding Company, during the current year ended 31 March 2024, has carried out an impairment assessment to assess recoverability of the aforesaid investment in accordance with Ind AS 36, Impairment of Assets ('Ind AS 36') by estimating the recoverable amount of investment with the help of an external valuation expert engaged by the management.</p> <p>The recoverable value of the investment is determined using a discounted cashflow method which require management to make significant estimates and assumptions such as expected growth rate basis business plans, successful launch of new products, industry outlook, EBDITA margins, selection of discount rates, etc.</p> <p>Considering the materiality of the amounts involved and significant degree of management judgement and subjectivity involved in business plans used in determining the recoverable value, and significant auditor attention required to test such management's judgements, estimates and key assumptions, impairment assessment of such investment has been determined as a key audit matter for the current year audit.</p>	<p>Our audit procedures relating to impairment assessment of investment in joint venture included, but was not limited to, the following:</p> <ul style="list-style-type: none"> • Evaluated the design and tested the operating effectiveness of controls over the management's assessment of the impairment indicators and the impairment testing performed; • Reconciled the cash flow projections to the business plans as approved by the Holding Company's board of directors and evaluated the appropriateness of the assumptions used in such plan as revenue growth, expected EBIDTA margins, operating costs etc., basis our understanding of the business, market conditions and industry outlook, as relevant; • Assessed the professional competence, objectivity and capability of the external valuation expert engaged by the management for performing the required valuations to estimate the recoverable value of the amounts invested in the joint venture; • Involved auditors' valuation expert to assess the reasonableness of the assumptions used such as discount rate, long-term growth rates including comparison to economic and industry forecasts where appropriate and evaluate the appropriateness of valuation methodology used by management's expert; • Applied sensitivity analysis to certain key assumptions such as discount and growth rates to determine estimation uncertainty involved and impact on conclusions drawn basis headroom available; 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 Holding Company's Board of Directors are also responsible for ensuring accuracy of records including financial information considered necessary for the preparation of consolidated Ind AS financial statements. Further, in terms of the provisions of the Act the respective Board of Directors of the companies included in the Group, and its associate and joint venture covered under the Act are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error. These financial statements have been used for the purpose of preparation of the consolidated financial statements by the Board of Directors of the Holding Company, as aforesaid.
8. In preparing the consolidated financial statements, the respective Board of Directors of the companies included in the Group and of its associate and joint venture are responsible for assessing the ability of the Group and of its 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 consolidated 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 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/ financial statements of the entities or business activities within the Group, and its associate and joint venture, to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of financial statements of such entities included in the financial statements, of which we are the independent auditors.
12. We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.
 13. We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.
 14. From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other Matter

15. The consolidated financial statements also include the Group's share of net loss (including other comprehensive income) of ₹Nil for the year ended 31 March 2024, as considered in the consolidated financial statements, in respect of an associate, whose financial information has not been audited by us. This financial information is unaudited and have been

furnished to us by the management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of the aforesaid 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 consolidated financial statements.

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, has paid remuneration to their 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. 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 is not applicable to the joint venture company covered under the Act, since the joint venture company 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 by us, 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) 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 and the reports of the other auditors, except for the matter stated in paragraph 18(h)(vi) below on reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014 (as amended);



- 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 Group companies and joint venture company, are disqualified as on 31 March 2024 from being appointed as a director in terms of Section 164(2) of the Act.
- f) The qualification relating to the maintenance of accounts and other matters connected therewith 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 company and associate company covered under the Act, and the operating effectiveness of such controls, refer to our separate report in '**Annexure A**' wherein we have expressed a/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 2024;
 - 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 2024.
- iv. a. The respective managements of the Holding Company and its subsidiary company 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 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, 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 have not declared or paid any dividend during the year ended 31 March 2024. 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 2024 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 2024 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 51 to the consolidated financial statements and based on our examination, which included test checks, except for 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 2023, have used accounting software for maintaining their books of account which has 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 which is operated by a third party software service provider for maintaining its books of account. 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 Organisation), 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 recorded in the software or whether there were any instances of audit trail feature being tampered with.

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

Sanjay Kumar Jain
Partner
Membership No.: 207660
UDIN: 24207660BKERHY1625

Place: Hyderabad
Date: 29 May 2024

Annexure 1

List of entities included in the Consolidated Financial Statements Subsidiaries:

- Heritage Nutrivet Limited
- Heritage Employees Welfare Trust

Associate:

- SKIL Raigam Power (India) Limited

Joint venture:

- 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 2024

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')

- In conjunction with our audit of the consolidated financial statements of Heritage Foods Limited ('the Holding Company') and its subsidiaries (the Holding Company and its subsidiaries together referred to as 'the Group'), its associate at and for the year ended 31 March 2024, 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

- 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 ("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

- 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.

- 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.
- 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

- 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

- 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 2024, based on the internal financial controls with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note issued by the ICAI.

Other Matter

9. We did not audit the internal financial controls with reference to financial statements in so far as it relates to one 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 2024 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, 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

Sanjay Kumar Jain

Partner

Membership No.: 207660

UDIN: 24207660BKERHY1625

Place: Hyderabad

Date: 29 May 2024

Consolidated Balance Sheet as at 31 March 2024

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

	Notes	As at	
		31 March 2024	31 March 2023
ASSETS			
Non-current assets			
(a) Property, plant and equipment	6	6,604.42	5,812.57
(b) Right of use assets	6	363.80	320.69
(c) Capital work-in-progress	6(a)	200.63	199.33
(d) Investment property	8	42.04	43.12
(e) Other intangible assets	7	34.40	39.83
(f) Intangible assets under development	7(a)	-	1.06
(g) Investment in associate and joint venture	9	176.71	144.14
(h) Financial assets			
(i) Other investments	10	3.20	3.02
(ii) Other financial assets	11	111.46	103.66
(i) Other non-current assets	12	24.55	49.88
Total non-current assets		7,561.21	6,717.30
Current assets			
(a) Inventories	13	2,619.13	3,789.45
(b) Financial assets			
(i) Investments	10	1,221.86	0.03
(ii) Trade receivables	14	287.06	280.06
(iii) Cash and cash equivalents	15 (i)	785.08	163.36
(iv) Bank balances other than (iii) above	15 (ii)	53.15	28.26
(v) Loans	11 (a)	0.24	0.31
(vi) Other financial assets	11	127.38	105.51
(c) Current tax assets (net)		46.77	36.09
(d) Other current assets	12	109.11	129.80
Total current assets		5,249.78	4,532.87
Total assets		12,810.99	11,250.17
EQUITY AND LIABILITIES			
Equity			
(a) Equity share capital	16	463.98	463.98
(b) Other equity	17	7,617.61	6,794.69
Equity attributable to the owners of the Company		8,081.59	7,258.67
(c) Non-controlling interest		-	-
Total equity		8,081.59	7,258.67
Liabilities			
Non-current liabilities			
(a) Financial liabilities			
(i) Borrowings	18	751.47	44.96
(ii) Lease liabilities	43	343.90	287.04
(iii) Other financial liabilities	19	3.67	5.37
(b) Government grant		72.81	79.55
(c) Provisions	20	225.47	181.28
(d) Deferred tax liabilities (net)	21	261.33	247.39
Total non-current liabilities		1,658.65	845.59
Current liabilities			
(a) Financial liabilities			
(i) Borrowings	18	176.76	1,298.54
(ii) Lease liabilities	45	49.54	49.09
(iii) Trade payables	23		
- total outstanding dues of micro and small enterprises;		91.03	63.77
- total outstanding dues of creditors other than micro and small enterprises		1,358.80	706.72
(iv) Other financial liabilities	19	1,034.24	709.34
(b) Other current liabilities	22	245.80	222.11
(c) Government grant		6.73	6.73
(d) Provisions	20	107.85	89.61
Total current liabilities		3,070.75	3,145.91
Total equity and liabilities		12,810.99	11,250.17

The accompanying notes referred to above form an integral part of the consolidated financial statements. This is the Consolidated Balance Sheet referred to in our report of even date.

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

For and on behalf of Board of Directors of
Heritage Foods Limited

N Bhuvanewari
Vice Chairperson and
Managing Director
DIN: 00003741

N Brahmani
Executive Director
DIN: 02338940

M Sambasiva Rao
President

Sanjay Kumar Jain
Partner
Membership No: 207660

Srideep Madhavan Nair Kesavan
Chief Executive Officer

A Prabhakara Naidu
Chief Financial Officer
M.No.FCA 200974

Umakanta Barik
Company Secretary &
Compliance Officer
M.No. FCS 6317

Place : Hyderabad
Date : 29 May 2024

Place : Hyderabad
Date : 29 May 2024

Consolidated Statement of Profit and Loss

for the year ended 31 March 2024 (All amounts in ₹ millions, except share data and where otherwise stated)

	Notes	For the year ended	
		31 March 2024	31 March 2023
Income			
Revenue from operations	24	37,939.04	32,406.54
Other income	25	119.65	120.57
Total income		38,058.69	32,527.11
Expenses			
Cost of materials consumed	26	28,942.88	27,636.81
Purchase of stock-in-trade		416.09	267.28
Changes in inventories of finished goods, semi finished goods, stock-in-trade and work-in-progress	27	712.97	(1,745.79)
Employee benefits expenses	28	2,575.49	2,114.89
Finance costs	29	90.60	39.02
Depreciation and amortisation expense	6, 7 & 8	608.19	561.47
Impairment losses	6	6.68	2.08
Other expenses	30	3,189.49	2,748.69
Total expenses		36,542.39	31,624.45
Profit before share of loss of an associate and a joint venture from continuing operations		1,516.30	902.66
Share of loss of an associate and a joint venture		(65.43)	(85.23)
Profit before tax from continuing operations		1,450.87	817.43
Tax expense	31		
Current tax expense		375.21	228.33
Deferred tax expense		10.17	9.34
Profit for the year from continuing operations		1,065.49	579.76
Discontinued operations			
Loss before tax	46	-	(0.01)
Tax expense		-	0.03
Loss for the year from discontinued operations		-	(0.04)
Profit for the year		1,065.49	579.72
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		(10.76)	(2.88)
(ii) Net gain on FVTOCI equity securities		0.18	0.09
Total other comprehensive loss for the year		(10.58)	(2.79)
Total comprehensive income for the year		1,054.91	576.93
Profit/(loss) for the year, attributed to Owners of the Company:			
- Profit from continuing operations		1,065.49	579.76
- Profit/(loss) from discontinuing operations		-	-
- Total profit		1,065.49	579.76
- Other comprehensive loss		(10.58)	(2.79)
- Total comprehensive income		1,054.91	576.97
Loss for the year, attributed to Non-controlling interest of the Company:			
- Loss from continuing operations		-	-
- Loss from discontinuing operations		-	(0.04)
- Total loss		-	(0.04)
- Other comprehensive loss		-	-
- Total comprehensive loss		-	(0.04)
Earnings per equity share [EPES]	32		
Nominal value per equity share (in ₹ terms)		5.00	5.00
Basic and Diluted EPES			
- Continuing operations (in ₹ terms)		11.48	6.33
- Discontinuing operations (in ₹ terms)		-	-
- Continuing and discontinued operations (in ₹ terms)		11.48	6.33

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

For and on behalf of Board of Directors of
Heritage Foods Limited

N Bhuvanewari
Vice Chairperson and
Managing Director
DIN: 00003741

N Brahmani
Executive Director
DIN: 02338940

M Sambasiva Rao
President

Sanjay Kumar Jain
Partner
Membership No: 207660

Srideep Madhavan Nair Kesavan
Chief Executive Officer

A Prabhakara Naidu
Chief Financial Officer
M.No.FCA 200974

Umakanta Barik
Company Secretary &
Compliance Officer
M.No. FCS 6317

Place : Hyderabad
Date : 29 May 2024

Place : Hyderabad
Date : 29 May 2024

Consolidated Statement of Cash Flow

for the year ended 31 March 2024 (All amounts in ₹ millions, except share data and where otherwise stated)

	For the year ended	
	31 March 2024	31 March 2023
Cash flow from operating activities		
Profit before tax from continuing operations	1,450.87	817.43
Adjustments:		
Depreciation and amortization expense	608.19	561.47
Impairment losses	6.68	2.08
Provision for doubtful advances	-	0.80
Share of loss of an associate and a joint venture	65.43	85.23
Provision for doubtful debts and bad debts written off	9.86	6.25
Guarantee income	(2.20)	(2.20)
Amortisation of government grants	(6.74)	(6.73)
Property, plant and equipment written off	13.16	4.62
Gain on sale of Property, plant and equipment ("PPE")	(26.64)	(23.37)
Provisions no longer required/credit balances written back	(14.20)	(21.00)
Gain on investments	(37.61)	(26.22)
Interest income	(4.71)	(3.96)
Interest expenses	84.69	32.19
Advances written off	0.96	0.72
Dividend income	(0.01)	(0.01)
Lease rental income	(11.67)	(21.19)
Operating profits before working capital changes	2,136.06	1,406.11
Changes in inventories	1,170.32	(1,731.06)
Changes in trade receivables	(16.86)	(101.51)
Changes in loans	0.07	0.58
Changes in other assets	(2.54)	7.84
Changes in other financial assets	(22.43)	(18.06)
Changes in trade payables	679.34	(127.16)
Changes in provisions	48.03	18.83
Changes in other financial liabilities	260.05	57.51
Changes in other liabilities	25.19	110.24
Cash generated from / (used in) operating activities	4,277.23	(376.68)
Income tax paid, net	(378.48)	(228.37)
Net cash generated from / (used in) operating activities of continuing operations	3,898.75	(605.05)
Net cash used in operating activities of discontinued operations		
Net cash generated from / (used in) operating activities (A)	3,898.75	(605.05)
Cash flows from investing activities		
Purchase of PPE and other intangible assets including CWIP and intangible assets under development	(1,272.77)	(833.53)
Proceeds from sale of PPE	39.38	42.64
Consideration paid towards Business combination	-	(27.11)
Investment in a joint venture	(97.50)	(55.00)
Purchase of investments	(2,460.00)	(2,540.00)
Proceeds from sale of investments	1,275.78	2,566.22
Interest received	4.59	4.29
Movement in other bank balances, net	(20.15)	(4.42)
Rent received	12.93	20.66
Dividend received	0.01	0.01



Consolidated Statement of Cash Flow

for the year ended 31 March 2024 (All amounts in ₹ millions, except share data and where otherwise stated)

	For the year ended	
	31 March 2024	31 March 2023
Net cash used in investing activities of continuing operations	(2,517.73)	(826.24)
Net cash generated from / (used in) investing activities of discontinued operations	-	-
Net cash used in investing activities (B)	(2,517.73)	(826.24)
Cash flows from financing activities		
Proceeds from long term borrowings	908.00	-
Proceeds from rights issue	-	231.99
Payment in relation to rights issue	-	(9.79)
Repayment of long term borrowings	(46.64)	(37.62)
Proceeds from / (Repayment of) short term borrowings, net	(1,263.96)	1,263.96
Interest paid	(90.13)	(32.26)
Lease rentals paid	(34.58)	(36.74)
Dividend paid	(231.99)	(116.00)
Net cash generated from / (used in) financing activities of continuing operations	(759.30)	1,263.54
Net cash generated from / (used in) financing activities of discontinued operations	-	-
Net cash generated from / (used in) financing activities (C)	(759.30)	1,263.54
Net Change in cash and cash equivalents during the year (A + B + C)	621.72	(167.75)
Cash and cash equivalents at the beginning of the year	163.36	331.11
Cash and cash equivalents at the end of the year	785.08	163.36
Note 1:		
Cash and cash equivalents include:		
- Included in cash and cash equivalents		
Cash on hand	1.46	2.32
Balances with banks in current accounts	783.62	161.04
	785.08	163.36

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

For and on behalf of Board of Directors of
Heritage Foods Limited

N Bhuvanewari
Vice Chairperson and
Managing Director
DIN: 00003741

N Brahmani
Executive Director
DIN: 02338940

M Sambasiva Rao
President

Sanjay Kumar Jain
Partner
Membership No: 207660

Srideep Madhavan Nair Kesavan
Chief Executive Officer

A Prabhakara Naidu
Chief Financial Officer
M.No.FCA 200974

Umakanta Barik
Company Secretary &
Compliance Officer
M.No. FCS 6317

Place : Hyderabad
Date : 29 May 2024

Place : Hyderabad
Date : 29 May 2024

Consolidated Statement of Changes in Equity for the year ended 31 March 2024

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

A. Equity Share Capital

	Notes	Number of shares	Amount
As at 1 April 2022		4,63,98,000	231.99
Changes in equity share capital	16	4,63,98,000	231.99
As at 31 March 2023		9,27,96,000	463.98
Changes in equity share capital	16	-	-
As at 31 March 2024		9,27,96,000	463.98

B. Other equity (refer note 17)

	Reserves and Surplus			OCI		Non-controlling interest	Total
	Capital reserve	Capital redemption reserve	Securities premium	General reserve	Retained earnings		
Balance as at 1 April 2022	(14.97)	8.10	378.41	31.87	5,097.91	(0.55)	6,343.55
Profit for the year	-	-	-	-	579.76	-	579.72
Payment of dividend (₹2.50 per equity share)	-	-	-	-	(116.00)	-	(116.00)
Other comprehensive income / (loss), net of taxes	-	-	-	-	(2.88)	0.09	(2.79)
Rights issue expenses adjusted	-	-	(9.79)	-	-	-	(9.79)
Balance as at 31 March 2023	(14.97)	8.10	368.62	31.87	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	6,381.53	(0.28)	7,617.61

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

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

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

For and on behalf of Board of Directors of
Heritage Foods Limited

N Bhuvaneshwari
Vice Chairperson and
Managing Director
DIN: 00003741

N Brahmani
Executive Director
DIN: 02338940

M Sambasiva Rao
President

Sanjay Kumar Jain
Partner
Membership No: 207660

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 : 29 May 2024

Place : Hyderabad
Date : 29 May 2024

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 subsidiaries (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 2024. These consolidated financial statements were authorised for issuance by the Company's Board of Directors on 29 May 2024.

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

- (a) Financial assets are measured at either at fair value or at amortised cost depending upon the classification.
- (b) Employee defined benefits assets / (liability) are recognised as the net total of the fair value of plan assets, plus actuarial losses, less actuarial gains and the present value of the defined benefit obligations.
- (c) Long-term borrowings are measured at amortised cost using the effective interest rate method; and
- (d) Right-of-use assets are recognised at present value of lease payments, that are not paid at that date, adjusted for any lease payments made at or before the commencement date,

lease incentives received and initial direct cost incurred, if any.

The 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:

- (a) Combine like items of assets, liabilities, equity, income, expenses and cash flows of the Parent Company with those of its subsidiaries.
- (b) 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.
- (c) 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. IndAS 12 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 2024	31 March 2023
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%
Heritage Employees Welfare Trust**	Subsidiary	India	#	#

*Declared as Dormant Company as per Section 455(2) of Companies Act, 2013 vide SRN No T42936765 dated 22 September 2021.

**The Board of Directors of the Company passed a resolution on 24 March 2017 to discontinue all the activities of the trust with effect from 1 April 2017, except for loan recoveries from employees.

#Considered as subsidiary by virtue of control being exercised by the Parent Company.

b. Current versus non-current classification

The Group presents assets and liabilities in the consolidated balance sheet based on current/non-current classification.

An asset is treated as current when it is:

- Expected to be realised or intended to be sold or consumed in normal operating cycle
- Held primarily for the purpose of trading
- Expected to be realised within twelve months after the reporting period, or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

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.

The Group's management determines the policies and procedures for both recurring fair value measurement, such as derivative instruments and unquoted financial assets measured at fair value, and for non-recurring measurement, such as assets held for distribution in discontinued operations.

External valuers are involved for valuation of significant assets, such as unquoted financial assets, and significant liabilities, such as contingent consideration. Involvement of external valuers is decided upon annually by the management. Selection criteria include market knowledge, reputation, independence and whether professional standards are maintained.

At each reporting date, the management analyses the movements in the values of assets and liabilities which are required to be re-measured or re-assessed as per the Group's accounting policies. For this analysis, the management verifies the major inputs applied in the latest valuation by agreeing the

information in the valuation computation to contracts and other relevant documents.

For the purpose of fair value disclosures, the Group has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

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. Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is their fair value at the date of acquisition. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses. Internally generated intangibles, excluding capitalised development costs, are not capitalised and the related expenditure is reflected in the consolidated

statement of profit and loss in the period in which the expenditure is incurred.

The useful lives of intangible assets are assessed as either finite or indefinite. Intangible assets with finite lives are amortised on straight line basis over the estimated useful economic life. The amortisation expense on intangible assets with finite life is recognised in the consolidated statement of profit and loss under the head Depreciation and amortization expense. The estimated useful life of intangible assets is mentioned below:

Asset	Useful life (years)
Brand	5
Non-compete	3
Procurement	5
Computer Software	5
Distribution network	5

Intangible assets with finite lives are assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortisation period or method, as appropriate, and are treated as changes in accounting estimates. The amortisation expense on intangible assets with finite lives is recognised in the consolidated statement of profit and loss unless such expenditure forms part of carrying value of another asset.

Intangible assets with indefinite useful lives are not amortised, but are tested for impairment annually, either individually or at the cash-generating unit level. The assessment of indefinite life is reviewed annually to determine whether the indefinite life continues to be supportable. If not, the change in useful life from indefinite to finite is made on a prospective basis.

An intangible asset is derecognised upon disposal (i.e., at the date the recipient obtains control) or when no future economic benefits are expected from its use or disposal.

Gains or losses arising from de-recognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the consolidated statement of profit and loss when the asset is derecognised.

i. 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.

j. Leases

The Group as a lessee

The Group's lease asset classes primarily consist of leases for land, buildings and plant and equipments. 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.

k. 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.

l. 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.

m. 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.

n. 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".

o. 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 three 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 receivables that do not contain a significant financing component.

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

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

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

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

- All contractual terms of the financial instrument (including prepayment, extension, call and similar options) over the expected life of the financial instrument. However, in rare cases when the expected life of the financial instrument cannot be estimated reliably, then the entity is required to use the remaining contractual term of the financial instrument.

- Cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

ECL impairment loss allowance (or reversal) recognized during the period is recognized as income/ expense in the consolidated statement of profit and loss. This amount is reflected under the head 'other expenses' in the consolidated statement of profit and loss.

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

Financial liabilities

Initial recognition and measurement

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

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

The Group's financial liabilities include trade and other payables, loans and borrowings including 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.

p. 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.

q. 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.



r. 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.

s. 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.

t. 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 49 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. For the year ended 31 March 2024, MCA has not notified any new standards or amendments to the existing standards applicable to the Group.

Summary of the material accounting policies and other explanatory information

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

6. Property, Plant and Equipment and Right-of-use assets

	Freehold land	Buildings	Leasehold improvements	Plant and Equipment	Furniture and fixtures	Office equipment	Vehicles	Total	Right-of-use assets
Gross Block									
Balance as at 1 April 2022	527.25	1,990.79	3.13	4,600.99	33.48	110.76	66.50	7,332.90	122.87
Additions during the year *	21.98	114.13	75.89	403.36	23.58	57.72	6.41	703.07	297.51
Disposals/ transfers during the year	0.21	(2.00)	3.13	175.57	5.95	13.84	2.41	199.11	-
Balance as at 31 March 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
Accumulated depreciation									
Up to 1 April 2022	-	291.08	0.75	1,319.16	16.51	48.14	20.54	1,696.18	55.07
Depreciation charge for the year	-	82.36	1.59	384.65	5.07	17.85	9.40	500.92	44.62
Adjustment for disposals/ transfers	-	(1.69)	0.75	156.42	5.55	12.24	1.62	174.89	-
Impairment loss	-	-	-	1.54	0.07	0.47	-	2.08	-
Up to 31 March 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
Net carrying value									
As at 31 March 2023	549.02	1,731.79	74.30	3,279.85	35.01	100.42	42.18	5,812.57	320.69
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

Notes:

- For details of assets pledged as security, refer note 18(a) to 18(b).
- The Group has recognised impairment loss on account of physical wear and tear of assets.
- *The Holding Company has purchased Property, plant and equipment amounting to ₹26.11 and intangible assets amounting to ₹1.00 from Suguna Dairy Private Limited under a business combination.
- 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 2024	31 March 2023
Ageing schedule of capital work-in-progress (CWIP)		
Projects in progress		
< 1 Year	195.23	194.66
1-2 Years	5.40	4.67
2-3 Years	-	-
> 3 Years	-	-
Projects in progress (total)	200.63	199.33
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 2022	73.99
Additions during the year*	805.33
Capitalisations during the year	(679.99)
Closing as at 31 March 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

* includes borrowing cost capitalized aggregating to ₹6.64 (31 March 2023: Nil)

7. Other intangible assets

	Computer software	Brand	Non-compete	Procurement network	Distribution network	Total
Gross Block						
Balance as at 1 April 2022	92.08	74.55	32.18	43.20	50.25	292.26
Additions during the year	9.29	-	-	0.56	0.44	10.29
Balance as at 31 March 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
Accumulated amortization						
Up to 1 April 2022	47.96	74.55	32.18	43.08	50.10	247.87
Amortization charge for the year	14.31	-	-	0.27	0.27	14.85
Up to 31 March 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
Net carrying amount						
As at 31 March 2023	39.10	-	-	0.41	0.32	39.83
As at 31 March 2024	34.03	-	-	0.19	0.18	34.40

Summary of the material accounting policies and other explanatory information

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

7 (a) Intangible assets under development (IAUD)

(i) Intangible assets under development:

Ageing schedule of Intangible assets under development (IAUD)

	As at	
	31 March 2024	31 March 2023
Projects in progress		
< 1 Year	-	1.06
1-2 Years	-	-
2-3 Years	-	-
> 3 Years	-	-
Projects in progress (total)	-	1.06
Projects temporarily suspended	-	-

(ii) The Group does not have any material IAUD which is overdue or has exceeded its cost compared to its original plan and hence the disclosure of IAUD completion schedule is not applicable.

(iii) IAUD movement schedule:

	Total
Opening as at 1 April 2022	1.09
Additions during the year	3.95
Capitalisations during the year	(3.98)
Closing as at 31 March 2023	1.06
Additions during the year	4.35
Capitalisations during the year	(5.41)
Closing as at 31 March 2024	-

8. Investment property

	Land	Building	Total
Gross Block			
Balance as at 1 April 2022	23.30	26.67	49.97
Transfers during the year	-	-	-
Balance as at 31 March 2023	23.30	26.67	49.97
Transfers during the year	-	-	-
Balance as at 31 March 2024	23.30	26.67	49.97
Accumulated depreciation			
Up to 31 March 2022	-	5.77	5.77
Depreciation charge for the year	-	1.08	1.08
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
Net carrying amount			
As at 31 March 2023	23.30	19.82	43.12
As at 31 March 2024	23.30	18.74	42.04

Summary of the material accounting policies and other explanatory information

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

(a) Information of net income derived from Investment property

	For the year ended	
	31 March 2024	31 March 2023
Lease rental income	9.41	16.49
Less: Depreciation	(1.08)	(1.08)
Net income from Investment property	8.33	15.41

(b) Description of valuation technique and key assumptions used

	31 March 2024		31 March 2023	
	Land	Building	Land	Building
Valuation technique: Discounted Cash Flow ("DCF") method				
Estimated rental value per month (in absolute ₹ terms)	75,000	NA	75,000	NA
Estimated rental value per square feet per month (in absolute ₹ terms)	NA	28	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 2022	345.68
Transferred to Property, plant and equipment during the year	-
Increase in fair value of an existing Investment property	4.16
Fair value as on 31 March 2023	349.84
Transferred to Property, plant and equipment during the year	-
Increase in fair value of an existing Investment property	-
Fair value as on 31 March 2024	349.84

9. Investment in associate and joint venture

	As at	
	31 March 2024	31 March 2023
Unquoted		
Investment in an associate *		
650,000 (31 March 2023: 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		
6,464,727 (31 March 2023: 5,489,727) equity shares of ₹10 each fully paid held in Heritage Novandie Foods Private Limited	423.35	325.35
Less: Share of accumulated losses	(246.64)	(181.21)
	176.71	144.14
	176.71	144.14
Aggregate market value of quoted investments	-	-
Aggregate amount of unquoted investments	176.71	144.14
Aggregate amount of impairment in value of investments in associate	6.27	6.27

Summary of the material accounting policies and other explanatory information

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

10. Investments

	As at	
	31 March 2024	31 March 2023
Non current		
Investments at fair value through other comprehensive income ("FVTOCI")		
Investments in equity instruments		
117 (31 March 2023: 117) quoted equity shares of ₹10 each fully paid held in Union Bank of India Limited	0.02	0.01
1,740 (31 March 2023: 1,740) quoted equity shares of ₹2 each fully paid held in Bank of Baroda	0.46	0.29
200,000 (31 March 2023: 200,000) unquoted equity shares of ₹10 each fully paid held in Heritage Finlease Limited	2.60	2.60
	3.08	2.90
Investments at amortized cost		
Investments in government securities	0.12	0.12
	0.12	0.12
	3.20	3.02
Aggregate market value of quoted investments	0.48	0.30
Aggregate value of unquoted investments	2.72	2.72
Aggregate amount of impairment in value of investments	-	-

	As at	
	31 March 2024	31 March 2023
Current		
Investment in Mutual Funds (measured at FVTPL)		
1,066,838 units held in Aditya Birla Sun Life Liquid Fund Growth (Erstwhile Aditya Birla Sun Life Cash Plus)	411.44	-
53,189 units held in Kotak Liquid Fund Regular Plan Growth (Erstwhile Kotak Liquid Scheme - Regular Plan Growth)	257.43	-
11,725,206 units held in Kotak Equity Arbitrage Fund Regular Plan Growth	402.24	-
6,184,722 units held in Aditya Birla Sun Life Arbitrage Fund Growth (Erstwhile Aditya Birla Sun Life Enhanced Arbitrage)	150.72	-
	1,221.83	-
Investments at amortized cost		
Investments in government securities	0.03	0.03
	0.03	0.03
	1,221.86	0.03
Aggregate market value of quoted investments	1,221.83	-
Aggregate value of unquoted investments	0.03	0.03
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)

11. Other financial assets

	As at	
	31 March 2024	31 March 2023
Non-current		
Unsecured, considered good		
Interest accrued but not due on bank deposits	-	0.58
Security deposits	111.39	97.98
Margin money deposits with banks	0.07	5.10
	111.46	103.66
Current		
Unsecured, considered good		
Interest accrued but not due on bank deposits	0.78	0.08
Rent receivable	1.77	3.03
Security deposits	35.53	27.88
Others	89.30	74.52
	127.38	105.51

11(a). Loans

	As at	
	31 March 2024	31 March 2023
Current		
Unsecured, considered good		
Loans to employees	-	0.07
Loans to others	0.24	0.24
	0.24	0.31

12. Other assets

	As at	
	31 March 2024	31 March 2023
Non-current		
Unsecured, Considered good		
Capital advances	23.53	48.68
Prepaid expenses	1.02	1.20
	24.55	49.88
Unsecured, Considered doubtful		
Capital advances	1.25	2.41
Less: Allowance for doubtful capital advances	(1.25)	(2.41)
	-	-
	24.55	49.88

Summary of the material accounting policies and other explanatory information

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

	As at	
	31 March 2024	31 March 2023
Current		
Unsecured, Considered good		
Balance with statutory authorities	15.36	16.40
Prepaid expenses	58.07	85.40
Advances to suppliers and others	35.68	28.00
	109.11	129.80
Unsecured, Considered doubtful		
Other advances	15.40	15.40
Less: Provision for doubtful advances	(15.40)	(15.40)
	-	-
	109.11	129.80

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 2024	31 March 2023
Raw materials	363.74	828.78
Work-in-progress	17.79	12.03
Semi finished goods	1,179.94	1,457.42
Finished goods (including goods in transit of ₹0.42 (31 March 2023: ₹0.26))	809.66	1,251.43
Stock-in-trade	62.56	62.03
Packing materials	122.60	111.77
Stores, spares and consumables	62.84	65.99
	2,619.13	3,789.45

Note:

The write down of inventories to net realisable value during the year ended 31 March 2024 aggregated to ₹66.79 (31 March 2023 : ₹41.57). This write down is included in the changes in inventories of finished goods, semi finished goods and stock-in-trade in the statement of profit and loss.

14. Trade receivables

	As at	
	31 March 2024	31 March 2023
Unsecured, considered good	287.21	280.20
Unsecured, significant increase in credit risk	11.69	12.87
Unsecured, credit impaired	79.90	79.65
	378.80	372.72
Less: Allowance for credit loss	(91.59)	(92.52)
Less: Expected credit loss	(0.15)	(0.14)
	287.06	280.06

Summary of the material accounting policies and other explanatory information

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

- (a) The movement in the allowance for credit loss and expected credit loss for the year ended 31 March 2024 and 31 March 2023 is as follows:

	For the year ended	
	March 31, 2024	March 31, 2023
Opening balance at beginning of the year	92.66	93.98
Provision made during the year	9.86	6.25
Amount recovered during the year	(3.85)	(4.97)
Bad debts written off during the year	(6.93)	(2.60)
Closing balance at end of the year	91.74	92.66

- (b) Trade receivables ageing schedule

Particulars	Outstanding for following periods from due date of payment					Total
	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
As at 31 March 2024						
Undisputed						
Considered good	287.21	-	-	-	-	287.21
Significant increase in credit risk	8.24	-	-	-	-	8.24
Credit impaired	-	3.82	2.04	63.41	-	69.27
Disputed						
Considered good	-	-	-	-	-	-
Significant increase in credit risk	-	-	-	-	3.45	3.45
Credit impaired	-	-	-	-	10.63	10.63
As at 31 March 2023						
Undisputed						
Considered good	280.20	-	-	-	-	280.20
Significant increase in credit risk	5.62	-	-	-	-	5.62
Credit impaired	-	2.04	63.41	-	-	65.45
Disputed						
Considered good	-	-	-	-	-	-
Significant increase in credit risk	-	-	-	-	7.25	7.25
Credit impaired	-	-	-	-	14.20	14.20

Trade receivables include dues aggregating to ₹0.26 (31 March 2023: ₹2.21) 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 2024	31 March 2023
(i) Cash and cash equivalents		
Balances with banks in current accounts	783.62	161.04
Cash on hand	1.46	2.32
	785.08	163.36
(ii) Bank balances other than cash and cash equivalents		
Earmarked balances with banks		
Unpaid dividend	13.89	14.18
CSR unspent money (Refer Note 30(ii))	31.43	11.12
Margin money deposits with banks	7.83	2.96
	53.15	28.26

16. Equity share capital

i. Authorised share capital

	31 March 2024		31 March 2023	
	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 2024		31 March 2023	
	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 2024		31 March 2023	
	Number	Amount	Number	Amount
Equity shares				
At the beginning of the year	9,27,96,000	463.98	4,63,98,000	231.99
Changes during the year - Rights issue		-	4,63,98,000	231.99
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 2024		31 March 2023	
	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%
N 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%	48,61,036	5.24%

vi. 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%
N 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	-	0.00%	1,16,971	0.13%	(0.13%)
Durga Ramakrishna N P	-	0.00%	71,590	0.08%	(0.08%)
Neelima N P	-	0.00%	64,950	0.07%	(0.07%)

Shareholding of Promoters as at 31 March 2023

Name of the promoter *	As at 31 March 2023		As at 31 March 2022		% change during the year
	No. of Shares	% of total shares	No. of Shares	% of total shares	
N Bhuvaneshwari	2,26,11,525	24.37%	1,06,61,652	22.98%	1.39%
N Lokesh	1,00,37,453	10.82%	47,32,800	10.20%	0.62%
Megabid Finance & Investment Private Limited	51,90,937	5.59%	24,47,600	5.28%	0.32%
N Brahmani	4,30,952	0.46%	2,03,200	0.44%	0.03%
V Naga Raja Naidu	-	0.00%	1,00,000	0.22%	(0.22%)
N Devaansh	56,075	0.06%	26,400	0.06%	0.00%
Ramakrishna Nandamuri	800	0.00%	400	0.00%	0.00%
N P Ramakrishna	1,16,971	0.13%	56,971	0.12%	0.00%
Durga Ramakrishna N P	71,590	0.08%	33,756	0.07%	0.00%
Neelima N P	64,950	0.07%	30,625	0.07%	0.00%

* Details of promoters are identified based on information submitted with the stock exchanges as per SEBI (LODR) Regulations, 2015 (as amended) and the Annual Returns filed in accordance with the provisions of Section 92 of the Act.

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

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 2024	31 March 2023
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	6,381.53	5,558.79
	7,617.89	6,795.15
Item of OCI		
Changes in fair value of equity instruments	(0.28)	(0.46)
	(0.28)	(0.46)
	7,617.61	6,794.69

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 2024	31 March 2023
Non-current		
Secured		
Term loans from banks [refer note 18(a)]	751.47	37.19
Deferred payment liabilities	-	7.77
	751.47	44.96
Current		
Secured		
Current maturities of term loans from banks	168.99	21.25
Loans repayable on demand from banks [refer note 18(b)]	-	1,013.96
Current maturities of deferred payment liabilities	7.77	13.33
	176.76	1,048.54
Unsecured		
Loans repayable on demand from banks [refer note 18(b)]	-	250.00
	-	250.00
	176.76	1,298.54

(i) Reconciliation of liabilities arising from financial activities*

	For the year ended	
	31 March 2024	31 March 2023
Balance at beginning of the year	58.44	79.69
Proceeds from long term borrowings	908.00	-
Repayments of long term borrowings	(33.30)	(21.25)
Others	(12.68)	-
Balance at end of the year	920.46	58.44

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

(ii) Reconciliation of interest accrued but not due on term loans from banks

	For the year ended	
	31 March 2024	31 March 2023
Balance at beginning of the year	0.49	0.56
Interest expense for the year	25.44	6.21
Interest paid during the year	25.59	6.28
Balance at end of the year	0.34	0.49

- (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 ended by November 2023 for its Bayyavaram plant. The Holding Company has created a charge on its specified fixed assets.

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 (%) and terms of repayment	Type of security	Outstanding balance as on*	
			31 March 2024	31 March 2023
Bank of Baroda	One year MCLR +0.25% per annum; and repayable in 24 quarterly instalments commencing from March 2024	Mortgage of Shamirpet plant and charge on plant and machinery of Shamirpet plant	276.35	-
ICICI Bank	One year MCLR +0.10% per annum; and repayable in 24 quarterly instalments commencing from June 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.	606.92	-
Kotak Mahindra Bank	Three months MCLR+ spread per annum; and repayable in 24 quarterly instalments commenced from March 2020	- Equitable mortgage on land and building located at Mallavalli village, Krishna District. - Exclusive charge on movable fixed assets located at Mallavalli plant and by second charge on all current assets of the feed division.	37.19	58.44
			920.46	58.44

*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 2024	31 March 2023
ICICI Bank	Six months MCLR + 0.50% per annum		-	292.95
Bank of Baroda	One year MCLR + 0.25% per annum	First pari passu charge on current assets and second pari passu charge on fixed assets of the Holding Company, excluding project specific assets.	-	369.32
Union Bank of India	One year MCLR + 0.10% per annum		-	202.73
Kotak Mahindra Bank	6 Months MCLR + 0.30% per annum		-	78.51
HDFC Bank	One Month MCLR + 2.01% per annum		-	50.07
Kotak Mahindra Bank	6 Months MCLR + spread per annum	First charge on the present and future current assets of the feed division of the group.	-	20.38
ICICI Bank	3 Months MCLR + 0.50% per annum	Unsecured	-	250.00
			-	1,263.96

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 2024	31 March 2023
Non-current		
Financial guarantee	3.67	5.37
	3.67	5.37
Current		
Current maturities of financial guarantee	2.16	2.16
Interest accrued but not due on borrowings	0.34	0.49
Capital creditors	177.80	111.72
Employee related payables	353.06	182.07
Security deposits	446.89	376.14
Unpaid dividend	13.89	14.18
Other payables	40.10	22.58
	1,034.24	709.34

20. Provisions

	As at	
	31 March 2024	31 March 2023
Non-current		
Compensated absences	225.47	181.28
	225.47	181.28
Current		
Gratuity (refer note a below)	-	-
Compensated absences	107.85	89.61
	107.85	89.61

(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 2024	31 March 2023
Projected benefit obligation at the beginning of the year	166.01	151.59
Service cost	21.21	19.18
Interest cost	11.46	9.03
Actuarial loss - experience	12.00	9.03
Actuarial loss - demographic assumptions	-	-
Actuarial gain - financial assumptions	1.91	(6.54)
Benefits paid	(9.35)	(16.28)
Projected benefit obligation at the end of the year	203.24	166.01

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 2024	31 March 2023
Fair value of plan assets at the beginning of the year	173.24	159.30
Interest income	13.07	10.20
Contribution made	31.03	21.36
Return on plan assets greater / (lesser) than discount rate	(0.49)	(1.34)
Benefits paid	(9.35)	(16.28)
Fair value of plan assets at the end of the year	207.50	173.24

(iii) Reconciliation of present value of projected benefit obligation and fair value of plan assets

	As at	
	31 March 2024	31 March 2023
Present value of projected benefit obligation	203.24	166.01
Funded status of plan assets	207.50	173.24
Liability recognised in the Consolidated Balance Sheet	-	-
Asset recognised in the Consolidated Balance Sheet	4.26	7.23

(iv) Expense recognized in the Consolidated Statement of Profit and Loss

	For the year ended	
	31 March 2024	31 March 2023
Interest cost	11.46	9.03
Service cost	21.21	19.18
Interest income	(13.07)	(10.20)
	19.60	18.01

(v) Expense recognized in OCI

	For the year ended	
	31 March 2024	31 March 2023
Actuarial loss, net	14.40	3.83
	14.40	3.83

(vi) Key actuarial assumptions

	As at	
	31 March 2024	31 March 2023
Discount rate	6.90%	7.10%
Salary escalation rate	8%-9%	8%-9%
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 2024 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 2024	
	Increase	Decrease
Discount rate (1% movement)	9.08	10.19
Salary escalation rate (1% movement)	9.59	8.75
Attrition rate (1% movement)	0.92	1.05

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

(ix) Maturity analysis of Gratuity as on 31 March 2024 is as follows:

	As at	
	31 March 2024	31 March 2023
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 discounted basis):		
Within one year	37.08	32.46
Within two to five years	102.47	110.21
More than five years	95.01	174.74
	234.56	317.41

21. Deferred tax liabilities (net)

	As at	
	31 March 2024	31 March 2023
Deferred tax liabilities arising on account of:		
Property, Plant and Equipment ("PPE")	421.17	398.14
	421.17	398.14
Deferred tax assets arising on account of:		
Provision for trade receivables & advances and unrealised gain on inventories	(31.36)	(32.48)
Provision for employee benefits	(87.65)	(71.57)
Minimum alternate tax ("MAT") credit entitlement	(4.44)	(11.85)
Government grant	(19.59)	(21.25)
Interest on GST liability	(8.69)	(8.69)
Revaluation of investments at FVTOCI to fair value	(0.62)	(0.62)
Right-of-use assets	(7.48)	(4.29)
	(159.83)	(150.75)
	261.33	247.39

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 2022	382.12	(65.68)	(10.84)	(66.58)	239.02
Charged/ recognised					
- to Statement of Profit and Loss	16.02	(4.93)	(1.01)	(0.75)	9.33
- to OCI	-	(0.96)	-	-	(0.96)
As at 31 March 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

22. Other current liabilities

	As at	
	31 March 2024	31 March 2023
Current		
Advances from customers *	113.27	126.30
Capital advances	-	1.50
Statutory dues payable	132.53	94.31
	245.80	222.11

*Represents contract liabilities against which the Group has recognized a revenue of ₹126.30 (31 March 2023: ₹30.01) from the amounts included under advances from customers at the beginning of the year.

23. Trade payables

	As at	
	31 March 2024	31 March 2023
Total outstanding dues of micro and small enterprises	91.03	63.77
Total outstanding dues of creditors other than micro and small enterprises	1,358.80	706.72
	1,449.83	770.49

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
(iii) Disputed dues - MSME	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-
	1,449.29	0.21	0.14	0.19	1,449.83

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 2023

	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) MSME	63.77	-	-	-	63.77
(ii) Others	705.94	0.50	0.15	0.13	706.72
(iii) Disputed dues - MSME	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-
	769.71	0.50	0.15	0.13	770.49

24. Revenue from operations

	For the year ended	
	31 March 2024	31 March 2023
Sale of products	37,894.33	32,369.00
Sale of services	23.87	21.60
Other operating income		
- Sale of renewable energy certificates	-	1.95
- Scrap sales and others	20.84	13.99
	37,939.04	32,406.54

(i) Reconciliation of revenue from sale of products with the contracted price

	For the year ended	
	31 March 2024	31 March 2023
Revenue as per contracted price	39,335.84	33,686.16
Adjusted for:		
Discounts	(1,416.72)	(1,293.26)
Sales returns	(24.79)	(23.90)
Total revenue from contracts with customers	37,894.33	32,369.00

(ii) Revenue disaggregation geography wise is as follows:

	For the year ended	
	31 March 2024	31 March 2023
India	37,923.39	32,401.47
Other than India	15.65	5.07
	37,939.04	32,406.54

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 2024 and 31 March 2023.
- (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 2024	31 March 2023
Interest income		
- Bank and other deposits	3.76	2.49
- Others	0.95	1.47
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)	6.73	6.73
Lease rental income	11.67	21.19
Provisions no longer required/ credit balances written back	14.20	21.00
Gain on sale of Property, plant and equipment (net)	26.64	23.37
Gain on redemption of investments (net)	37.61	26.22
Gain on foreign exchange fluctuations, net	0.03	0.02
Other non operating income	15.85	15.87
	119.65	120.57

26. Cost of materials consumed

	For the year ended	
	31 March 2024	31 March 2023
Raw Material*		
Opening stock	828.78	859.68
Add: Purchases during the year	27,157.94	26,343.17
Less: Closing stock	363.74	828.78
	27,622.98	26,374.07
Packing Material*		
Opening stock	111.77	108.22
Add: Purchases during the year	1,330.73	1,266.29
Less: Closing stock	122.60	111.77
	1,319.90	1,262.74
	28,942.88	27,636.81

*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 2024	31 March 2023
Opening balance		
- Finished goods	1,251.43	637.32
- Semi finished goods	1,457.42	348.32
- Work-in-progress	12.03	14.45
- Stock-in-trade	62.04	37.04
	2,782.92	1,037.13

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 2024	31 March 2023
Closing 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	62.04
	2,069.95	2,782.92
	712.97	(1,745.79)

28. Employee benefits expense

	For the year ended	
	31 March 2024	31 March 2023
Salaries and wages	2,272.90	1,858.46
Contribution to provident and other funds (refer note a below)	109.26	101.52
Gratuity expense	19.60	18.02
Compensated absences expense	110.20	77.72
Staff welfare expenses	63.53	59.17
	2,575.49	2,114.89

(a) The amount recognized as an expense towards contribution to provident fund and employee state insurance schemes for the year ended 31 March 2024 amounts to ₹109.26 (31 March 2023: ₹101.52).

29. Finance costs

	For the year ended	
	31 March 2024	31 March 2023
Interest on borrowings calculated using effective interest method	50.97	23.55
Interest on lease liabilities	33.72	8.64
Other borrowing costs	5.91	6.83
	90.60	39.02

30. Other expenses

	For the year ended	
	31 March 2024	31 March 2023
Consumption of stores and spares and consumables	332.69	287.17
Power and fuel	525.52	481.15
Rent	176.34	85.26
Repairs and maintenance		
- Buildings	17.28	12.20
- Plant and equipment	42.90	21.60
- Others	100.85	106.88
Insurance	39.85	31.47
Electricity charges	26.05	18.59
Rates and taxes, excluding taxes on income	41.15	39.81
Freight outwards	1,058.31	944.62
Communication	25.34	22.82
Office maintenance	6.95	15.83

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 2024	31 March 2023
Travelling and conveyance	70.40	60.08
Legal and professional fees	147.05	137.08
Property, plant and equipment written off	13.16	4.95
Payment to auditors	11.25	10.16
Corporate social responsibility (CSR) expenditure	32.24	31.18
Selling and distribution expenses	373.41	264.95
Provision for doubtful advances	-	0.80
Provision towards doubtful debts and bad debts written off	9.86	6.25
Bank charges	4.01	18.34
Advertisement expenses	1.85	1.73
Security charges	74.22	77.17
Miscellaneous expenses	58.81	68.60
	3,189.49	2,748.69

(i) Details of payments to auditors:

	For the year ended	
	31 March 2024	31 March 2023
As auditor:		
- Statutory audit fee	6.43	5.93
- Tax audit fee	1.40	1.23
- Limited review fee	2.53	2.35
In other capacities:		
- Certification fees *	0.57	0.53
- Reimbursement of expenses	0.32	0.12
	11.25	10.16

*excludes ₹0.6 for the year ended 31 March 2023 paid towards certification services availed in relation to the rights issue, which has been adjusted from the securities premium.

Amounts reported is inclusive of goods and service tax

(ii) Details of CSR expenditure:

	For the year ended	
	31 March 2024	31 March 2023
(a) Gross amount required to be spent during the year	32.24	31.18
(b) Amount spent during the year		
(i) Construction / acquisition of asset	4.76	14.47
(ii) On purposes other than (i) above	7.24	12.59
(c) Shortfall at the end of the year	31.42	11.18
(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	Ref Note:41

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 2024	31 March 2023
(h) Movements in the provision during the year		
Opening provision	11.18	7.06
Add: Amount required to be spent during the year	32.24	31.18
Less: Amount spent during the year	(12.00)	(27.06)
Closing provision (Refer Note:1)	31.42	11.18

Note 1

As the selected projects for CSR spent are long-term in nature, the balance amount of ₹31.42 pertains to the financial year 2023-24 (31 March 2023 : ₹11.18), which will be spent during the financial year 2024-25. 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.

31. Income tax expense

	For the year ended	
	31 March 2024	31 March 2023
(a) Tax expense comprises of:		
Current income tax	375.21	228.36
Deferred tax expense	10.17	9.34
Income tax expense reported in the Consolidated Statement of Profit and loss	385.38	237.70

	For the year ended	
	31 March 2024	31 March 2023
Income tax expense attributable to:		
Continuing operations	385.38	237.67
Discontinued operations	-	0.03
	385.38	237.70

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 2023: 25.168%) and the reported tax expense in the Consolidated Statement of Profit and Loss is as follows:

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

	For the year ended	
	31 March 2024	31 March 2023
Profit before tax from continuing operations	1,450.87	817.43
Loss before tax from discontinued operations	-	(0.01)
Expected income tax expense at the Indian tax rate 25.168% (31 March 2023: 25.168%)	365.15	205.73
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)	(3.90)	(1.21)
Effect of expenses not deductible under the IT Act, 1961	24.61	29.09
Effect of income not subject to tax under the IT Act, 1961	(1.40)	(1.07)
Effect of income subject to higher tax under the IT Act, 1961	1.82	2.15
Others	(0.90)	3.01
Income tax expense	385.38	237.70

Summary of the material accounting policies and other explanatory information

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

32. Earnings per equity share (EPES)

	For the year ended	
	31 March 2024	31 March 2023
Attributable to Owners of the Company		
Profit from continuing operations	1,065.49	579.76
Profit from discontinued operations	-	-
Profit for the year	1,065.49	579.76
Weighted average number of equity shares outstanding during the year#	9,27,96,000	9,16,34,554
Earnings per equity share (in absolute ₹ terms)		
Nominal value per equity share	5.00	5.00
Basic and Diluted EPES from continuing operations	11.48	6.33
Basic and Diluted EPES from discontinued operations	-	-
Basic and Diluted EPES from continuing and discontinued operations	11.48	6.33

The Company have potential dilutive equity shares as on 31 March 2024 and 31 March 2023.

#The Holding Company had allotted 46,398,000 equity shares of ₹5/- each at face value aggregating to ₹231.99 through right issue on 21 February 2023.

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 2024	31 March 2023
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 2024 (31 March 2023: ₹2.5 per share) amounting to ₹231.99 (31 March 2023: ₹116.00).

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 2024	31 March 2023
Financial assets		
Fair value hierarchy (Level 1)		
Quoted equity shares	0.48	0.30
Fair value hierarchy (Level 2)		
Investments in mutual funds	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 2024 and 31 March 2023 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 1 instruments:**

The fair value of equity shares is based on the traded price of the share at the reporting date.

Valuation technique and inputs used for level 2 instruments:

The fair value of mutual funds are based on price quotations at the reporting date.

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 2024 and 31 March 2023 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 2022	2.60
Changes during the year	-
As at 31 March 2023	2.60
Changes during the year	-
As at 31 March 2024	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 ₹6.88 and ₹19.67 as on 31 March 2024 and 31 March 2023 respectively.

Categories of financial instruments

	31 March 2024			31 March 2023		
	FVTPL	FVTOCI	Amortised cost	FVTPL	FVTOCI	Amortised cost
Financial assets						
Quoted equity shares	-	0.48	-	-	0.30	-
Unquoted equity shares	-	2.60	-	-	2.60	-
Investment in government securities	-	-	0.15	-	-	0.15
Investment in mutual funds	1,221.83	-	-	-	-	-
Trade receivables	-	-	287.06	-	-	280.06
Cash and cash equivalents	-	-	785.08	-	-	163.36
Other bank balances	-	-	53.15	-	-	28.26
Loans	-	-	0.24	-	-	0.31
Other financial assets	-	-	238.84	-	-	209.17
	1,221.83	3.08	1,364.52	-	2.90	681.31

	31 March 2024			31 March 2023		
	FVTPL	FVTOCI	Amortised cost	FVTPL	FVTOCI	Amortised cost
Financial liabilities						
Borrowings	-	-	920.46	-	-	1,322.40
Lease liabilities	-	-	393.44	-	-	336.13
Deferred payment liabilities	-	-	7.77	-	-	21.10
Trade payables	-	-	1,449.83	-	-	770.49
Other financial liabilities	-	-	1,037.91	-	-	714.71
	-	-	3,809.41	-	-	3,164.83

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.

Summary of the material accounting policies and other explanatory information

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

A. Credit risk

Credit risk is the risk that the counterparty shall not meet its obligations under a financial instrument or customer contract, leading to a financial loss. Credit risk encompasses of both, the direct risk of default and the risk of deterioration of the creditworthiness as well as concentration of risks. Credit risk arises primarily from financial assets such as trade receivables, investment in equity shares, balances with banks, loans and other receivables.

Credit risk is controlled by analyzing credit limits and creditworthiness of the customers on a continuous basis to whom credits have been granted after obtaining necessary approvals. Financial instruments that are subject to concentration of credit risk principally consist of trade receivables, investments, cash and cash equivalents, bank deposits and other financial assets. None of the financial instruments of the Group result in material concentration of credit risk.

Exposure to credit risk

The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk was ₹2,589.43 and ₹684.21 as of 31 March 2024 and 31 March 2023 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 2024 and 31 March 2023. 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.

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 2024	31 March 2023
0-30 days	263.71	202.95
31-60 days	23.01	59.58
61-90 days	0.35	9.89
Greater than 90 days	-	7.64
	287.07	280.06

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.

Summary of the material accounting policies and other explanatory information

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

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

Particulars	As at 31 March 2024				As at 31 March 2023			
	On demand	Up to 1 year	More than 1 year	Total	On demand	Up to 1 year	More than 1 year	Total
Financial guarantees #	63.55	-	-	63.55	110.21	-	-	110.21
Borrowings	-	176.76	751.47	928.23	1,263.96	34.58	44.96	1,343.50
Lease liabilities	-	80.54	586.23	666.77	-	61.17	549.07	610.24
Trade payables	-	1,449.83	-	1,449.83	-	770.49	-	770.49
Other financial liabilities	-	1,032.08	-	1,032.08	-	707.18	-	707.18
	63.55	2,739.21	1,337.70	4,140.46	1,374.17	1,573.42	594.03	3,541.62

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 2024 and 31 March 2023.

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 2023: ₹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.

Summary of the material accounting policies and other explanatory information

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

	31 March 2024	31 March 2023
Borrowings from banks	920.46	1,322.40
Less: Cash and cash equivalents	(785.08)	(163.36)
Net debt (A)	135.38	1,159.04
Total equity (B)	8,081.59	7,258.67
Net debt and total equity (A) + (B)	8,216.97	8,417.71
Gearing ratio (%)	1.65%	13.77%

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 2024 and 31 March 2023.

No changes were made in the objectives, policies or processes for managing capital during the years ended 31 March 2024 and 31 March 2023.

39. Disclosure of Interest in Joint venture and associate:

	Nature of relationship	Country of Incorporation	Ownership interest (%)	
			31 March 2024	31 March 2023
SKIL Raigam Power (India) Limited	Associate	India	43.33%	43.33%
Heritage Novandie Foods Private Limited	Joint venture	India	50.00%	50.00%

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 2024 and 31 March 2023.

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 President 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-Chairperson & Managing Director
N Bhuvanewari (Vice Chairperson and Managing Director)	
N Brahmani (Executive Director)	
M Sambasiva Rao (President)	
Srideep Madhavan Nair Kesavan (Chief Executive Officer)	Key Managerial Personnel (KMP)
A Prabhakara Naidu (Chief Financial Officer)	
Umakanta Barik (Company Secretary & Compliance Officer)	
Sri Vishnu Raju Nandyala (upto 21 October 2023)	
Rajesh Thakur Ahuja	
Aparna Surabhi	Non-Executive Independent Directors
A V Girija Kumar (w.e.f 1 June 2023)	
Muthu Raju Paravasa Raju Vijay Kumar	
V Nagaraja Naidu	Non-Executive Director

Summary of the material accounting policies and other explanatory information

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

(b) Transactions with related parties

	For the year ended	
	31 March 2024	31 March 2023
Heritage Novandie Foods Private Limited		
Investment made (including financial guarantee)	98.00	55.50
Sale of products	10.87	14.45
Purchase of products	-	0.04
Financial guarantee income	2.20	2.20
Lease rental income	1.25	1.09
Expenditure incurred on behalf of HNFPL	8.08	8.49
Heritage Finlease Limited		
Remittance of loan proceeds collected on behalf of Heritage Finlease Limited	1,823.36	1,860.76
Cattle loan facilitation charges	3.95	3.76
Deposit paid	15.58	25.04
Lease rental paid	81.93	26.52
Lease rental income	-	0.04
Others	0.80	0.59
Nirvana Holdings Private Limited		
Lease rental income	-	0.04
NTR Memorial Trust		
CSR expenditure	11.12	25.49
Sale of products	1.63	0.51
Megabid Finance & Investment Private Limited		
Lease rental income	-	0.04
N Bhuvaneswari		
Short-term employee benefits	77.70	47.99
Post-employment benefits	0.97	0.97
Other long-term benefits	0.87	0.87
N Brahmani		
Short-term employee benefits	62.10	38.32
Post-employment benefits	0.49	0.49
Deposits Paid	-	6.08
Lease Rentals	12.35	4.05
N Devaansh		
Deposits Paid	-	6.08
Lease Rentals	12.35	4.05
M Sambasiva Rao		
Short-term employee benefits	30.98	23.92
Post-employment benefits	0.89	0.81
Srideep Madhavan Nair Kesavan		
Short-term employee benefits	17.51	16.11
Post-employment benefits	0.95	0.87

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 2024	31 March 2023
A Prabhakara Naidu		
Short-term employee benefits	10.08	9.02
Post-employment benefits	0.54	0.49
Other long-term benefits	0.50	0.47
Umakanta Barik		
Short-term employee benefits	4.68	4.03
Post-employment benefits	0.25	0.22
Sitting fees		
Sri Vishnu Raju Nandyala	0.40	0.79
Rajesh Thakur Ahuja	0.94	0.76
Aparna Surabhi	0.85	0.97
Muthu Raju Paravasa Raju Vijay Kumar	0.70	0.79
A V Girija Kumar	0.39	-
V Nagaraja Naidu	0.56	0.68

(c) Balances receivable/(payable)

	As at	
	31 March 2024	31 March 2023
Heritage Finlease Limited		
Security deposits	42.13	26.55
Lease rent payable	(2.22)	(3.51)
Other payables	(49.03)	(1.76)
Other receivables	0.31	0.51
Heritage Novandie Foods Private Limited		
Trade receivables	0.26	2.21
Rent receivable	0.12	0.10
Security deposits	(0.45)	(0.45)
Other receivables	0.80	1.32
N Bhuvaneswari		
Employee related payables	(59.62)	(29.90)
N Brahmani		
Employee related payables	(53.10)	(28.57)
Security deposits	6.08	6.08
Lease rent payable	(1.14)	(1.09)
N Devaansh		
Security deposits	6.08	6.08
Lease rent payable	(1.14)	(1.09)
M Sambasiva Rao		
Employee related payables	(14.50)	(8.84)
Srideep Madhavan Nair Kesavan		
Employee related payables	(0.04)	-
NTR Memorial Trust		
Trade receivables	-	0.26

Summary of the material accounting policies and other explanatory information

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

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 2024, the Group has not recorded any impairment of receivables relating to amounts owed by related parties (31 March 2023: ₹Nil). This assessment is undertaken each financial year through examining the financial position of the related parties and the market in which such parties operates.
- (b) As at 31 March 2024, 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 2024 aggregates to ₹63.55 (31 March 2023: ₹110.21).
- (c) 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 2024	31 March 2023
(a) Commitments		
(i) Estimated amount of contracts remaining to be executed on capital account and not provided for	221.60	500.01
(ii) Other commitment		
Investment in the Joint venture entity, Heritage Novandie Foods Private Limited	75.00	195.00

(b) Contingent liabilities, not provided for

	As at			
	31 March 2024		31 March 2023	
	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]	80.93	42.21	60.33	42.21

(*) forms part of "balances with statutory authorities" under "other current assets"

- (i) The Holding 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 Holding Company is remote and accordingly do not foresee any adjustment to these financial statements in this regard. The litigation is currently pending with the Commissioner of Income Tax (Appeals) ("CIT(A)"). The Holding 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 2024	31 March 2023
(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 penalty levied under Central GST Act, 2017 on classification of flavored milk product &	35.28	35.28
	- Disputed milk cess levied on installed capacity under the Haryana Murrah Buffalo and other Milch Animal Breed Act, 2001 ^	28.93	10.31
	- Disputed RPPO (Renewable power purchase obligation) charges demand levied by the APERC (Andhra Pradesh Electricity Regulatory Authority)	2.86	0.60
& litigation pending with Hon'ble High Court of Andhra Pradesh; ^ litigation pending with Supreme Court of India Based on the internal assessment and / or legal opinion, the Management is confident that, for the aforesaid mentioned contingent liabilities under paragraph (ii) and (iii) above, no further provision is required to be made as at 31 March 2024.			
(c) Guarantees excluding financial guarantees		2.93	2.28
(d) Others			
	Duty including interest liability in case of export obligation if not fulfilled as per EPCG scheme	129.81	49.27

4.3. 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 2024 amounts to ₹287.14 (31 March 2023: ₹320.69).

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 2024 amounts to ₹76.66 (31 March 2023: Nil).

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.

Summary of the material accounting policies and other explanatory information

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

The movement in lease liabilities is as follows:

Particulars	For the year ended	
	31 March 2024	31 March 2023
Balance at the beginning of the year	336.13	75.36
Additions during the year	100.35	297.51
Adjustment for disposals/transfers	(8.46)	-
Finance cost accrued during the year	33.72	8.64
Payment of interest on lease liabilities	(33.72)	(8.64)
Payment of lease liabilities	(34.58)	(36.74)
Lease liabilities at the end of the year	393.44	336.13
Current lease liabilities	49.54	49.09
Non-current lease liabilities	343.90	287.04

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

Particulars	As at	
	31 March 2024	31 March 2023
Less than one year	80.54	61.17
One to five years	255.50	194.05
More than five years	330.73	355.02
Total	666.77	610.24

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

Rental expense recorded for short-term leases for the year ended 31 March 2024 is ₹176.34 (31 March 2023: ₹85.26). Leases not yet commenced to which the Group is committed aggregated to ₹Nil as on 31 March 2024.

Depreciation expenses and Lease rentals paid for the year ended 31 March 2024 are ₹57.24 and ₹68.30 (31 March 2023: ₹44.62 and ₹45.38) 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 2024	31 March 2023
Less than one year	12.86	12.57
One to five years	16.20	21.09
More than five years	46.20	48.47
Total	75.27	82.13

44. Research and development expenses

Particulars	For the year ended	
	31 March 2024	31 March 2023
Capital expenditure	0.82	0.07
Revenue expenditure	12.22	10.81
	13.04	10.88

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 2024	31 March 2023
(i) The principal amount remaining unpaid as at the end of the year.	91.03	63.77
(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:

- 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.
- 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. Discontinued operations of Heritage Employees Welfare Trust

(i) The financial performance presented below is for the year ended 31 March 2024 and 31 March 2023:

	For the year ended	
	31 March 2024	31 March 2023
Revenue	-	-
Expenses	-	0.01
Loss before tax from discontinued operations	-	(0.01)
Tax expense	-	0.03
Loss for the year from discontinued operations	-	(0.04)

(ii) The cash flow information for the year ended 31 March 2024 and 31 March 2023 is as follows:

	For the year ended	
	31 March 2024	31 March 2023
Net cash used in operating activities	-	(0.04)
Net cash generated from investing activities	-	-
Net cash generated from financing activities	-	-
Net decrease in cash and cash equivalents	-	(0.04)

Summary of the material accounting policies and other explanatory information

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

47. Interest in a material joint venture

- (a) The Group has interest in a single joint venture ("HNFPL"), which, in the opinion of the Holding Company's Board of Directors, is material to the Group. The principal activity of HNFPL is manufacturing and selling of fruit and flavoured yoghurts. The joint venture has share capital consisting solely of equity shares, which are held directly by the Holding Company. The country of incorporation is also its principal place of business, and the proportion of ownership interest is the same as the proportion of voting rights held. Refer note 39 for further details. Equity shares of the joint venture are unlisted, therefore no quoted price is available.
- (b) The tables below provide summarised financial information about the joint venture. The information disclosed reflects the amounts presented in the financial statements of the joint venture and not the Group's share of those amounts.

(i) Summarised Balance Sheet

	As at	
	31 March 2024	31 March 2023
Assets		
Non-current assets		
Non-current assets	350.13	367.89
Current assets	91.99	59.06
Total assets	442.12	426.95
Liabilities		
Non-current liabilities	48.96	77.00
Current liabilities	48.35	71.27
Total liabilities	97.31	148.27
Net assets	344.81	278.68

(ii) Summarised Statement of Profit and Loss

	For the year ended	
	31 March 2024	31 March 2023
Total income	47.48	31.31
Total expenses	178.32	202.59
Loss before tax	(130.84)	(171.28)
Tax expense	-	-
Loss for the year	(130.84)	(171.28)
Other comprehensive income for the year	1.47	0.83
Total comprehensive loss for the year	(129.37)	(170.45)

(c) Reconciliation of carrying amounts

	As at	
	31 March 2024	31 March 2023
Opening net assets	278.68	338.63
Equity shares issued during the year	195.00	110.00
Loss for the year	(129.37)	(170.45)
Other adjustments made directly to equity	0.50	0.50
Closing net assets	344.81	278.68
Group's share in %	50.00%	50.00%
Group's share in closing net assets	172.41	139.34
Other adjustments	4.30	4.80
Carrying amount (refer note 9)	176.71	144.14

Summary of the material accounting policies and other explanatory information

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

(d) Commitments in respect of a joint venture

	As at	
	31 March 2024	31 March 2023
Commitment to provide Group's share of funding for joint venture's capital commitments, if called for	0.67	1.37
The joint venture had no contingent liabilities as on 31 March 2024 and 31 March 2023.		

- (e) As the joint venture has been incurring year on year losses, resulting in substantial erosion of its net-worth on account of accumulated losses, indicating possible impairment indicators, the Holding Company with the help of an external valuation expert has carried out an impairment assessment to assess recoverability of the aforesaid investment in accordance with Ind AS 36, Impairment of Assets ('Ind AS 36') and has not recognized any impairment loss as at 31 March 2024. Further, basis the sensitivity analysis performed, management believes that any reasonable possible change in the key assumptions would not result in significant decrease in the carrying value of the Company's investment in the aforesaid joint venture.

	31 March 2024
Carrying value of investment	176.84
Assessed Business value, to the extent of HFL's holding (i.e. 50%)	(241.50)
Impairment loss, if any	Nil

(i) Key assumptions

	As at 31 March 2024
Weighted average cost of capital (WACC)	27.50%
Terminal growth rate	5.00%
Revenue growth - CAGR for 6 years ending FY30	84.20%

(ii) Sensitivity analysis

Reasonably possible changes as at 31 March 2024, holding other assumptions constant, can affect the impairment loss by the amounts shown below:

	As at 31 March 2024	
	Increase in assumption %	Decrease in assumption %
Impact on business value (HFL Share)		
Terminal growth rate (0.5% movement)	3.50	(4.00)
WACC (1% movement)	(22.50)	24.50

48. 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 2023: Nil) and ₹Nil (31 March 2023: Nil) respectively in respect of such associate.

49. Segment reporting

The Chief Operating Decision Maker ("CODM") evaluates the Group's performance and allocates the resources based on an analysis of various performance indicators by reportable segments.

The measurement of each segment's revenue, expenses, assets and liabilities is consistent with the accounting policies that are used in preparation of the Group's consolidated financial statements.

The Group has been organised into different verticals based on its products. Three verticals have been identified as reportable operating segments by the Group, which are as follows:

Summary of the material accounting policies and other explanatory information

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

- (i) Dairy vertical: Under this vertical, the Group manufactures and market a complete range of milk and milk products.
- (ii) Renewable energy vertical: Under this vertical, the Group produces power for captive consumption through its solar and wind power plants.
- (iii) Feed vertical: Under this vertical, the Group manufactures wide varieties of cattle and fish feeds.

No operating segments have been aggregated to form the above reportable segments.

Segment performance is evaluated based on revenue and earnings before interest and tax and is measured consistently in line with the measurement principles used in the financial statements, except adjustments not made to operating segments on individual basis. The items which are not allocated to individual operating segments are gains or losses on financial instruments, taxes, impairment on financial instruments, finance costs, interest income among others. Refer reconciliation below for further details.

The table below presents segment wise information of revenue, results, assets and liabilities:

Particulars	For the year ended and as at 31 March 2024				For the year ended and as at 31 March 2023			
	Segment revenue	Segment results	Segment assets	Segment liabilities	Segment revenue	Segment results	Segment assets	Segment liabilities
Dairy	37,334.99	1,481.28	9,080.05	4,245.20	32,079.87	899.97	9,389.46	3,603.01
Renewable energy	90.29	29.00	568.86	75.73	78.22	22.93	522.90	3.49
Feed	1,601.43	83.50	554.96	167.36	1,069.10	24.33	585.93	166.11
Inter-segment revenue	(1,087.67)	-	-	-	(820.65)	-	-	-
Unallocated	-	-	2,607.12	241.11	-	-	751.88	218.89
Total	37,939.04	1,593.78	12,810.99	4,729.40	32,406.54	947.23	11,250.17	3,991.50

Reconciliation of segment results to profit before tax from continuing operations:

	For the year ended	
	31 March 2024	31 March 2023
Amount as per segment results	1,593.78	947.23
Less:		
Finance costs	90.60	39.02
Share of loss of an associate and a joint venture	65.43	85.23
Other unallocable expenses	31.39	37.94
	187.42	162.19
Add:		
Interest income	6.91	6.16
Other unallocable income	37.60	26.23
	44.51	32.39
Profit before tax from continuing operations	1,450.87	817.43

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 2024 and 31 March 2023 were located in India.

Major customers

The Group has no single customer who has contributed more than 10% of the Group's total revenue during the year ended 31 March 2024 and 31 March 2023.

Summary of the material accounting policies and other explanatory information

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

50. 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 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%	461.09	4.89%	52.15	1.80%	(0.19)	4.93%	51.96
Controlled trusts								
Heritage Employee Welfare Trust	0.00%	-	0.00%	-	0.00%	-	0.00%	-
Joint venture								
Heritage Novandie Foods Private Limited	2.19%	176.71	(6.14%)	(65.43)	0.00%	-	(6.20%)	(65.43)
Associate [Refer note 48]								
SKIL Raigam Power (India) Limited	0.00%	-	0.00%	-	0.00%	-	0.00%	-
Non-controlling interest	0.00%	-	0.00%	-	0.00%	-	0.00%	-
Total	107.32%	8,672.78	84.20%	897.10	100.00%	(10.58)	84.04%	886.52
Consolidation adjustments	(7.32%)	(591.19)	15.80%	168.39	0.00%	-	15.96%	168.39
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)

(ii) As at and for the year ended 31 March 2023:

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	101.49%	7,366.98	113.66%	658.89	106.45%	(2.97)	113.69%	655.92
Subsidiary								
Heritage Nutrivet Limited	5.62%	407.94	1.91%	11.08	(6.45)%	0.18	1.95%	11.26
Controlled trusts								
Heritage Employee Welfare Trust	0.00%	-	(0.01)%	(0.04)	0.00%	-	(0.01)%	(0.04)
Joint venture								
Heritage Novandie Foods Private Limited	1.99%	144.14	(14.70)%	(85.23)	0.00%	-	(14.77)%	(85.23)
Associate [Refer note 48]								
SKIL Raigam Power (India) Limited	0.00%	-	0.00%	-	0.00%	-	0.00%	-
Non-controlling interest	0.00%	-	0.01%	0.04	0.00%	-	0.01%	0.04
Total	109.10%	7,919.06	100.87%	584.74	100.00%	(2.79)	100.87%	581.95
Consolidation adjustments	(9.10)%	(660.39)	(0.87)%	(5.02)	0.00%	-	(0.87)%	(5.02)
Net amount	100.00%	7,258.67	100.00%	579.72	100.00%	(2.79)	100.00%	576.93

The disclosure as above represents separate information for each of the consolidated entities before elimination of inter-company transactions. The net impacts on elimination of inter-company transactions/profits or (losses)/consolidation adjustments have been disclosed separately. Based on the Group structure, the management is of the view that the above disclosure is appropriate under the requirements of the Act.

Summary of the material accounting policies and other explanatory information

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

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

The Holding Company and its one subsidiary company is using accounting software for maintaining their books of account, which has a feature of recording audit trail (edit log) facility and the same have operated throughout the year for all relevant transactions recorded in the accounting software. The audit trail logs for direct changes at database level for accounting software is not enabled. The Holding Company and its one subsidiary company has not enabled the feature of recording audit trail (edit log) at the database level for the said accounting software to log any direct data changes as the same consume storage space on the disk and can impact database performance significantly.

Further, the joint venture company, has used an accounting software which is operated by a third-party software service provider. 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 ending March 2024.

52. Additional disclosures

- 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.
- The Group has not been declared wilful defaulter by any bank or financial Institution or other lender.
- No transactions are carried out with companies struck off under section 248 of the Act or section 560 of Companies Act, 1956.
- No charges or satisfaction yet to be registered with ROC beyond the statutory period.
- 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.
- No Scheme of Arrangements has been approved by the Competent Authority in terms of sections 230 to 237 of the Act.
- 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.
- 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.
- 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

Sanjay Kumar Jain
Partner
Membership No: 207660

Place : Hyderabad
Date : 29 May 2024

For and on behalf of Board of Directors of
Heritage Foods Limited

N Bhuvanewari
Vice Chairperson and
Managing Director
DIN: 00003741

Srideep Madhavan Nair Kesavan
Chief Executive Officer

Place : Hyderabad
Date : 29 May 2024

N Brahmani
Executive Director
DIN: 02338940

A Prabhakara Naidu
Chief Financial Officer
M.No.FCA 200974

M Sambasiva Rao
President

Umakanta Barik
Company Secretary &
Compliance Officer
M.No. FCS 6317

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 & Surplus	Total Assets	Total Liabilities	Investments	Turnover	Profit / (Loss) before taxation	Provision for taxation (incl. Deferred Tax)	Profit / (Loss) after Taxation	Proposed Dividend	Exten of Share Holding			
1	Heritage Nutrivet Limited -Subsidiary	01.12.2008															
	As at/ Year Ended:																
			Reporting period same	37.10	423.97	651.79	190.72	-	1,601.43	73.59	21.44	52.15	-	100			
			Reporting period same	37.10	370.84	587.15	179.21	-	1,069.10	16.04	4.95	11.09	-	100			

The Company has given corporate guarantee aggregating to Rs.80.00 Million for the credit facility availed by its wholly owned subsidiary Company namely M/s. Heritage Nutrivet Limited. The guarantee facility was discontinued with effect from 29 March 2024.

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	Profit / (Loss) for the Year		
				No of Shares	Extent of Holding (%)			Balance sheet	Considered in consolidation	
1	Skill Raigam Power (India) Limited- (Associate)*	31.03.2024	2011-12	650000	43.33	N.A	N.A	-	-	(0.03)
			2011-12	650000	43.33	N.A	N.A	-	-	(0.03)
2	Heritage Novandie Foods Private Limited- (Joint Venture) #	31.03.2024	2017-18	6464727	50.00	N.A	N.A	172.28	(65.42)	(65.42)
			2017-18	5489727	50.00	N.A	N.A	139.34	(85.64)	(85.64)

* SKILL Raigam Power (India) Limited has been declared as Dormant Company as per Section 455(2) of Companies Act, 2013 vide SRN No T42936765 dated 22.09.2021. Network attributable to shareholding as per balance sheet as on 31 March 2024 is ₹ 16.83 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 2024 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, 2024 was ₹ 63.55 Million

For and on behalf of Board of Directors of
Heritage Foods Limited

N Bhuvaneshwari
Vice Chairperson and
Managing Director
DIN: 00003741

N Brahmani
Executive Director
DIN: 02338940

M Sambasiva Rao
President

Srideep Madhavan Nair Kesavan
Chief Executive Officer

A Prabhakar Naidu
Chief Financial Officer
M.No.FCA 200974

Umakanta Barik
Company Secretary &
Compliance Officer
M.No. FCS 6317

Place : Hyderabad
Date : 29 May 2024



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