Ref: SECT: STOC: 62-26
June 25, 2026

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

Scrip Code: 519552

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: HERITGFOOD

Sub: 34th Annual Report for FY 2025-26

Dear Sir/Madam,

This is to inform you that the 34th Annual General Meeting (AGM) of the Company is scheduled to be held on **Thursday, July 23, 2026 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.

Pursuant to Regulation 34 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, please find enclosed the 34th Annual Report of the Company for the Financial Year 2025-26.

The 34th Annual Report of the Company for FY 2025-26 is available on the website of the Company at:

34th Annual Report	PDF: https://www.heritagefoods.in/uploads/investors/pdf/34th-annual-report-2025-26.pdf
	Flipbook: https://www.heritagefoods.in/annual-report/2026/flipbook/index.html

The Notice along with the 34th Annual Report for FY 2025-26 ("Annual Report") is being sent electronically to all members whose e-mail IDs are registered with the Company/ Registrar & Share Transfer Agent /Depository Participants. In accordance with Regulation 36(1)(b) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, a physical communication is being sent to those members whose e-mail IDs are not registered, containing the weblink and exact path of the Company's website where the Annual Report can be accessed.

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

Thanks & Regards,

For **HERITAGE FOODS LIMITED**

Umakanta Barik Digitally signed by Umakanta Barik Date: 2026.06.25 15:15:21 +05'30'

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

Encl: a/a

Heritage®

HEALTH AND HAPPINESS

Heritage Foods Limited

34th Annual Report
2025-26

PURE RESOLVE
STRONGER TOMORROW

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PURE RESOLVE.

is the discipline to transform with intent.

To shift from commodities to value-added products.

To build brands that command trust and pricing power.

To enter high-growth, premium categories with confidence.

Every step is deliberate.

Every move is designed to create lasting value.

Because when clarity meets execution, the outcome is inevitable—
a business that is stronger, more resilient and built for the future.

That is our

STRONGER TOMORROW.

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GOLDEN PEACOCK AWARD

IOD'S DISTINGUISHED FELLOWSHIP

THE PROBLEM WE ARE SOLVING: BREAKING FREE FROM THE COMMODITY TRAP

WHY TRADITIONAL DAIRY IS A VALUE DESTRUCTION MACHINE

Traditional dairy companies face a structural challenge: they are hostage to the volatility of raw milk cycles. When milk is abundant ('flush season'), prices collapse. When milk is scarce ('lean season'), costs explode. The result: razor-thin margins (3–5%), cyclical earnings and limited valuation multiples.

WE RECOGNISED THIS AND ASKED OURSELVES: 'WHY BE A PRISONER OF RAW MILK VOLATILITY WHEN WE CAN CREATE VALUE FOR THE CONSUMER?'

THE SOLUTION: A THREE-PART TRANSFORMATION ENGINE

PART 01

VALUE-ADDED PRODUCTS (VAP) – THE MARGIN MULTIPLIER

The easiest way to escape commodity margins is to stop selling commodities. VAP—ghee, paneer, curd, butter, flavoured milk—carry more margins than liquid milk because they are branded, differentiated and price-inelastic.

HERITAGE'S VAP PERFORMANCE: THE NUMBERS TELL THE STORY

VAP

YoY Growth
13% YoY

Strategic Insight
Accelerating shift to high-margin products

PANEER

YoY Growth
32% YoY

Strategic Insight
High-protein demand unlocking premiumisation

CURD

YoY Growth
10% YoY

Strategic Insight
Strong brand recall driving pricing resilience; a daily-consumption category ensuring stable and consistent demand across seasons.

With VAP currently contributing 33.25% of revenue, the Company is focused on increasing its share to over 50% by 2030, strengthening the product portfolio and enhancing long-term growth prospects.

PART 02

ICE CREAM/FROZEN DESSERT – ENTERING THE WELLNESS ECONOMY

India's ice cream market is ₹300+ Bn and growing at a CAGR 16.03% annually. But it's also cluttered with brands that compromise on ingredients to hit price points. Get-A-Way Ice Cream & Desserts saw an opportunity: 'What if dessert could be guilt-free without tasting like compromise?'

BUILDING CAPACITY FOR THE NEXT PHASE OF GROWTH: GREENFIELD ICE CREAM MANUFACTURING FACILITY

Heritage Foods' investment in a state-of-the-art ice cream manufacturing facility at Shamirpet, near Hyderabad, marks a significant milestone in the Company's value-added dairy growth strategy. Designed with advanced automation and quality assurance systems, the facility has an installed capacity of approximately 24 Mn Litres per annum, providing a scalable platform to support future growth.

The facility strengthens Heritage's manufacturing capabilities in the high-growth ice cream category, enhances supply chain efficiencies and creates the capacity required to expand the business significantly over the coming years.

WHY HERITAGE'S 51% STAKE IN GET-A-WAY IS A GAME-CHANGER

Brand-Led Market Entry: Heritage gains access to an established premium ice cream/frozen dessert brand, accelerating its presence in a high-growth category.

Portfolio Expansion: Get-A-Way's differentiated offerings complement Heritage's strategy of building a diversified value-added dairy portfolio.

Integrated Dairy Advantage: Heritage's sourcing capabilities, dairy expertise and cold-chain infrastructure create strong operating synergies and competitive advantages.

Value Chain Synergies: The frozen dessert portfolio leverages Heritage's dairy ingredients ecosystem, enhancing efficiencies and supporting margin expansion.

Creating a Scalable Growth Platform: The combination of the Shamirpet manufacturing facility and the Get-A-Way partnership creates a strong foundation for long-term growth in the premium ice cream and frozen dessert segment.

PART 03

BRAND EQUITY & DISTRIBUTION – BUILDING A CONSUMER FORTRESS

An FMCG company without brand equity is just a logistics business. Heritage has invested ₹60+ Crores in brand building—60% YoY increase—to transition from 'utility' to 'trusted household staple'.

BRAND BUILDING ROI: MEASURABLE, REPEATABLE, SCALABLE

Initiative	Metric	Impact
Campaign	Pure Doodh ki Shakti	47Mn digital views, 40% Share of Voice (GRP)
City: Bangalore	Awareness +12%, Trial +22%	Translates to 3–5% market share expansion
City: Chennai	Trial rates +25%	Foundation for premium product launches
City: Hyderabad	Trial rates +30%	Leading regional dominance, pricing power

This brand equity is the foundation for our premium positioning. As we introduce ₹20, ₹25 and ₹30+ products, the 'Heritage' brand will retain sufficient trust to sustain price leadership. That's gross margin improvement vs commodity milk.

THE COMPETITIVE MOAT: SUPPLY CHAIN MASTERY

What competitors cannot easily replicate is Heritage's vertically integrated supply chain. We don't just sell products; we own the value chain from farm to consumer.

THE SUPPLY CHAIN ADVANTAGE: NUMBERS THAT MATTER

- **Daily Milk Procurement:** 1.7 Mn Litres per day

  Sourced from a network of over 300,000 dairy farmers across 9,000+ villages, providing a strong and reliable supply base.

- **Farmer-Centric Procurement Model**

  Our quality-linked procurement system rewards farmers for superior milk quality, fostering long-term relationships, improving product consistency and strengthening supply reliability.

- **A Sustainable Sourcing Advantage**

  While many industry participants rely on market-driven milk procurement, Heritage benefits from a trusted farmer network built over decades, creating a resilient and dependable sourcing ecosystem.

- **Securing Growth through Vertical Integration**

  Our extensive milk procurement infrastructure provides a strong foundation for expanding value-added dairy products, enabling us to capture greater value across the dairy chain while ensuring uninterrupted supply.

- **Leveraging Distribution Synergies**

  By integrating value-added products into our established sales and cold-chain network, we continue to improve route productivity, enhance market reach and drive operating efficiencies across categories.

THE VALUATION MULTIPLIER: MARGIN EXPANSION ROADMAP TO 2030

The magic of Heritage's transformation is that every lever—VAP mix, ice cream, brand premiumisation, supply chain efficiency—compounds to drive margin expansion.

EXECUTION PROOF: HERITAGE IS ALREADY DELIVERING

Recent Milestones That Validate the Strategy

✓ **Curd Sales:** Crossed 510 tons/day (first time ever)

> Q1 FY26 breakthrough despite weather headwinds; upside to volumes coming

✓ **Heritage Novandie Integration:** Acquired an additional 44.4% stake (total 94.4%)

> Repurposed Mamie Yova into Heritage Livo; removed logistical fragmentation; ready to scale premium yogurt

✓ **Brand Visibility:** Marketing spend up 42% YoY; 47 Mn digital views on lead campaign

> Building consumer franchise; trial rates accelerating; foundation for premiumisation pricing power

✓ **VAP Growth Momentum:** VAP 13% YoY growth

> Portfolio shift happening in real-time; high-margin products gaining traction

These are not promises. This is Heritage executing its Vision 2030 strategy in real time.

THE VALUE SUMMARY

An FMCG company without brand equity is just a logistics business. Heritage has invested ₹60+ Crores in brand building—60% YoY increase—to transition from 'utility' to 'trusted household staple.

BRAND BUILDING ROI: MEASURABLE, REPEATABLE, SCALABLE

Investment Rationale	Heritage's Advantage
Premiumisation & Margin Expansion	Strategic investments in value-added dairy products, the Shamirpet ice-cream facility and the Get-A-Way partnership are strengthening Heritage's presence in high-growth, premium categories and enhancing the overall business mix.
Proven Brand Equity	33 years of trust + ₹60 Crores annual marketing investment = defensible pricing power in premium segments
Vertical Integration Moat	1.7 Mn Liters per day procurement, Nutrivet profitability, logistical synergies = competitors cannot replicate in <5 years
Large TAM, Early Mover	Ice cream (₹300+ Bn market, 16% growth), premium dairy (₹15,000 Crores market, 18–20% growth) = runway for 15% CAGR revenue growth
Long-Term Value Creation	Continued expansion in branded, value-added categories, supported by strong consumer franchises and integrated operations, positions Heritage for enhanced value creation over the long term.

THE BOTTOM LINE: WHY HERITAGE IS THE BEST FMCG OPPORTUNITY IN INDIA

Heritage Foods is at the exact inflection point where a business transitions from a commodity to a branded business.

We have:

- A 33-year brand equity that is worth billions but still undervalued in the market
- A supply chain moat that competitors cannot replicate in less than 5 years
- Three proven margin expansion levers (VAP, ice cream, premiumisation) that are already executing
- A fragmented market where first-mover advantage in branded, integrated dairy-based FMCG is decisive
- A management team that has navigated scale transitions and capital discipline

This is a structural business model transformation that is already underway, de-risked by brand equity, supply chain integration and early execution wins.

MESSAGE FROM THE CHAIRPERSON

"ALIGNED WITH INDIA'S GROWTH AND PREMIUMISATION TRENDS, WE ARE STRENGTHENING OUR MARKET PRESENCE TO DELIVER LONG-TERM STAKEHOLDER VALUE."

Dear Shareholder,

I am honoured to present the Annual Report of your Company for FY26. This milestone marks the completion of 34 years of our remarkable journey — a path defined by resilience, dedication, integrity, trust and consistent advancement. From humble beginnings, we have grown into a respected name in the dairy sector and we now look ahead with renewed confidence towards establishing ourselves as a prominent force in India's evolving consumer landscape. Despite persistent headwinds such as fluctuating input costs and market uncertainties, we delivered resilient performance, recorded healthy revenue and achieved notable improvements across several operational parameters.

India's Promising Economic Horizon

We find ourselves at a pivotal moment filled with promise for the Indian economy. India's unique ability to combine rapid economic development with a thriving democratic framework stands unmatched globally. My conviction in the nation's long-term growth trajectory has never been stronger. The country is approaching a transformative phase where it can address years of under-consumption across products and services. This transition is expected not only to reinforce India's standing among the fastest-growing major economies but also to accelerate its growth trajectory.

Moreover, India's continued economic momentum, rising consumption and rapid urbanisation have further reinforced this positive outlook. The country delivered a healthy real GDP growth of 6.2% in FY26, underscoring the strength of domestic demand and the steady broadening of economic activity across sectors. Private Final Consumption Expenditure grew by 7.0% during the year, reflecting rising household incomes and improving purchasing power. This consumption-led momentum is translating into increased demand for milk and value-added dairy products, creating a fertile environment for consumer-focused businesses like ours to thrive.

PAN India Presence: Driving Nationwide Growth

Multiple regions across India continue to contribute significantly to the country's overall economic growth in FY26. The nation is recording strong, steady expansion, reinforcing the broader growth story. Several high-growth regions across the country are playing a vital role, with their economies progressing at a healthy pace, generating employment, encouraging entrepreneurship and building a conducive atmosphere for sustained business activity. This widespread economic dynamism provides a strong foundation for companies focused on everyday consumer needs.

Rising Disposable Incomes across India: The steady economic momentum in these states is directly contributing to higher household disposable incomes, especially in urban and semi-urban centres. Professionals employed in the services industry, manufacturing units and technology clusters are witnessing better compensation levels. Supportive policy measures, including tax rationalisation and a vibrant job market, are further enhancing net earnings. As a result, families are gradually shifting their spending priorities from essential requirements towards more discretionary and aspirational choices. This rise in purchasing power is particularly evident among young working professionals and the expanding middle-class segments in these progressive states.

Growing Demand for Premium Products: With higher disposable incomes, consumers are showing a clear preference for higher-quality offerings and enriching experiences. There is noticeable growth in demand for luxury food items and premium beverages. Residents in major metropolitan areas are increasingly opting for high-quality products that align with their elevated lifestyles. E-commerce channels and specialised retail formats are witnessing encouraging traction in aspirational segments.

A Virtuous Cycle of Growth and Premiumisation: This positive cycle — encompassing robust regional growth is reinforcing consumption habits. It not only elevates the overall standard of living but also draws additional investments into consumer-centric sectors. Although occasional challenges such as climatic variations continue to exist, the broader consumption trend remains encouraging.

Our Consumer-Driven Approach

At Heritage Foods, we are strategically aligning our operations with these promising macroeconomic trends. Our focused expansion into new geographic territories, backed by a strong distribution network and an integrated omnichannel approach, is helping us extend our presence effectively.

We are especially encouraged by the rapid progress in our e-commerce initiatives, which are improving product accessibility and convenience for a broader consumer base while strengthening our overall market reach. Our business model remains firmly centred on understanding and fulfilling evolving consumer expectations, a focus that has been instrumental in driving consistent success.

Looking Ahead with Confidence

Looking forward, we are committed to navigating market fluctuations with agility while steadily increasing our market share and delivering enhanced value to all stakeholders. Heritage Foods will continue to pursue disciplined growth by strengthening its core dairy operations, accelerating product innovation and improving operational efficiencies.

We are actively exploring both organic and inorganic opportunities to build a future-ready organisation. Investments in capacity enhancement, brand building and value-added segments will remain key priorities as we position ourselves to capitalise on rising demand for reliable dairy and related products.

As we step into the next phase of our evolution, we remain optimistic about the opportunities that lie ahead. With a clear strategic direction, focused execution and a deep sense of purpose, Heritage Foods is well-prepared to create lasting value and achieve new milestones in the coming years.

Recognition of Excellence

The year also brought notable recognition for our commitment to corporate governance. Heritage Foods received the Golden Peacock Award for Excellence in Corporate Governance – 2025 from the Institute of Directors (IOD), India, while our Vice Chairperson & Managing Director, Smt. Bhuvaneswari Nara, was conferred the IOD Distinguished Fellowship – 2025. These honours reaffirm our commitment to the highest standards of governance and stakeholder value creation.

Our Valued Stakeholders

Our journey would not have been possible without the continued partnership of our dairy farmers, whose hard work and trust form the bedrock of our supply chain. We are equally grateful to our employees for their unwavering commitment and to all other stakeholders — including valued customers, business partners and shareholders — for their enduring support. This collective contribution has been central to the steady progress we have achieved so far.

Warm regards,

A V Girijakumar
Chairperson

VICE-CHAIRPERSON AND MANAGING DIRECTOR'S STATEMENT

"I AM CONFIDENT THAT HERITAGE FOODS WILL NO LONGER BE VIEWED MERELY AS A DAIRY COMPANY. WE ARE STEADILY EVOLVING INTO A BRANDED FAST-MOVING CONSUMER GOODS (FMCG) POWERHOUSE."

Dear Shareholder,

It gives me great pleasure to connect with you through this 34th Annual Report for FY26. I extend my warm greetings to all our valued shareholders, partners and well-wishers as we reflect on another year of purposeful progress.

At Heritage Foods, our pursuit of sustainable growth is guided by a consumer-first philosophy that stresses innovation, clear priorities and meticulous execution. This mindset has empowered us to adapt swiftly to changing market realities, strengthen our competitive edge and consistently create superior value for all. As a result, the Company recorded strong performance across key parameters in FY26, supported by volume expansion, premiumisation and resilient profitability.

Navigating Industry Challenges with Strategic Agility

The dairy industry continued to operate in a dynamic and challenging environment during the year. Rising input costs, particularly fuel and fodder prices, led to widespread price adjustments across the sector. We responded with calibrated pricing actions to safeguard farmer interests, maintain product quality and ensure long-term sustainability. This balanced approach enabled us to manage cost pressures without compromising consumer value.

Our priorities for the year were clearly defined: strengthening the core business through operational efficiency and uncompromising quality standards; scaling our value-added portfolio, including Paneer, Lassi, Flavoured Milk, Curd and Ice-cream/Frozen desserts; deepening farmer partnerships to ensure consistent quality, sustainable procurement and timely payments; and advancing digitalisation and green operations to future-proof the organisation.

In FY26, we procured an average of 1.7 Mn Litres of milk per day, though milk availability faced significant disruptions; our strong procurement base made this achievable. By maintaining the highest standards from sourcing to final distribution, we have reinforced our position as a trusted name in millions of households across the country. Our flagship brands — Heritage Toned Milk, Heritage Paneer, Heritage Lassi and Livo — continued to uphold superior benchmarks of quality, traceability and freshness.

During the year, we significantly stepped up our marketing initiatives. We moved beyond traditional regional campaigns and digital-first activations to introduce seasonal SKUs and robust television advertising. These efforts substantially improved brand recall in both urban markets and Tier-2 cities. As a result, our core business was strengthened and more importantly, the contribution of value-added products to overall revenue increased meaningfully, driving improved profitability and operational efficiency.

Strategic Evolution: From Traditional Dairy to Branded FMCG Leader

Heritage Foods stands at a decisive inflection point. The structural shift from a predominantly commodity-led dairy business to a branded Fast-Moving Consumer Goods (FMCG) player is no longer optional—it is an urgent strategic pivot. In a competitive environment characterised by volatile raw milk cycles and compressed commodity margins, this shift has become essential to drive sustainable margin expansion and support a re-rating of our valuation.

More importantly, it is a strategic imperative to preserve long-term stakeholder value and strengthen the Company's overall performance. In line with this direction, our increased focus on branded consumer products is enabling us to move up the value chain, realise better pricing and mitigate the impact of traditional "flush versus lean" seasonal fluctuations inherent in the dairy sector.

As we enter our 35th year of operations, the management has formalised our long-term ambitions through the Vision 2030 roadmap. Our clear objective is to become India's most admired dairy and nutrition company by sustaining a mid-teens revenue growth trajectory of 15% to 16% annually. This ambitious roadmap rests on four strategic pillars:

Premiumisation: Actively enhancing our product mix with high-margin and differentiated offerings such as the Livo platform and other value-added innovations.

Digitalisation: Optimising last-mile logistics and deploying digital-first delivery systems to improve operating leverage and customer convenience.

Sustainability: Building a fully traceable, farmer-first supply chain that guarantees sourcing security and ethical practices.

People-First Governance: Fostering a high-trust workplace culture. We are proud that our efforts have been recognised as one of India's Best Workplaces in the FMCG sector in 2025.

A Future Focused on Nutrition and Sustainability

As we look ahead to FY26 and beyond, I am confident that Heritage Foods will no longer be viewed merely as a dairy company. We are steadily evolving into a nutrition-first food enterprise in which sustainability is a core enabler of long-term growth and operational resilience. Our focus will remain on pure, healthy and convenient products while continuing to empower the farming community that forms the foundation of our business.

On the sustainability front, we have made meaningful progress. Our renewable energy investments currently total over 14.37 MW of installed capacity, positioning Heritage among a select group of Indian dairy companies that integrate green power directly into their operations.

In the coming years, we will further increase investments in renewable energy to reduce our carbon footprint and complete our transition from being recognised as a green brand to becoming a truly green company.

In closing, we extend our heartfelt gratitude to all our stakeholders for their continued trust and confidence. To our dairy farmers — thank you for being our valued partners. To our employees — your dedication and passion drive our success every day. To our distributors, retailers and consumers — your support inspires us to raise the bar higher — and to our shareholders, we remain committed to delivering progressive and sustainable growth in shareholder value year after year.

Together, we will shape the next era of Heritage with purpose, passion and precision.

With regards,

N. Bhuvaneswari
Vice-Chairperson & Managing Director

ABOUT THE COMPANY

FROM MILK TO MARKET LEADERSHIP—HERITAGE FOODS HAS TRANSFORMED EVERYDAY DAIRY INTO A TRUSTED NATIONAL BRAND.

BUILT ON DEEP FARMER RELATIONSHIPS AND EVOLVING CONSUMER NEEDS, IT STANDS AT THE INTERSECTION OF NOURISHMENT, TRUST AND SCALE.

Established in 1992 in Andhra Pradesh, Heritage Foods has grown into one of India's most prominent dairy brands, with a presence across 13 states and a daily reach of 1.5 Mn households. Backed by a robust omnichannel distribution network, the Company delivers high-quality dairy products that are integral to everyday consumption.

Beyond liquid milk, Heritage offers a diverse portfolio of value-added products that cater to evolving consumer preferences. At the core of its success is a strong network of over 3,00,000 farmers, built on trust, transparency and shared growth. Through sustainable procurement and cattle development initiatives, the Company continues to empower farmers while ensuring a consistent, efficient supply chain.

VISION 2030

TO BE THE MOST ADMIRED DAIRY NUTRITION COMPANY IN INDIA

OUR PRODUCT CONTRIBUTION

Milk
56%
Contribution to Net Revenue

VAP
33%
Contribution to Net Revenue

Fat & Other Products
11%
Contribution to Net Revenue

OUR CAPABILITIES

18
Processing Plants

3,327
On-roll Employees

3,140
Workers

SHAREHOLDER VALUE

₹27,268 Mn
Market Capitalisation as on 31st March 2026

MARKET REACH

1.5 Mn
Households across 13 States

VALUE ADDED PRODUCT

₹14,678 Mn
VAP Revenue

13%
Y-o-Y Increase in VAP Revenue

THE STORY BEHIND THE NUMBERS

For over three decades, the journey has begun with a simple promise—to stay true to its purpose while nurturing every life it touches. What started as a commitment to values gradually unfolded into a rich and diverse portfolio, one that supports farmers, delights consumers and nourishes millions. Along the way, it quietly shaped a legacy—a heritage of dairy excellence, built with care and conviction.

Over the years, thoughtful investments have transformed this vision into reality. Facilities evolved, supply chains strengthened and efficiencies deepened—each step translating into tangible outcomes. This long journey found expression in remarkable growth, reflecting resilience and the ability to turn challenges into opportunities through a consumer-first lens.

And the story continues. With technology as its ally and innovation as its compass, the path ahead is clear—streamlined, future-ready and value-driven.

A JOURNEY THAT REMAINS ROOTED IN ITS ORIGINS, YET MOVES FORWARD WITH PURPOSE AND CREATES VALUE FOR ALL STAKEHOLDERS.

34+
Years of Rich Legacy

10 Mn
Consumers Consume Heritage Products Daily

10,000+
Villages Associated with Heritage Foods

423
Heritage Happiness Points

859
Heritage Parlours

2,25,000+
Pan India Retail Outlets

300,000+
Farmers across 9 States

1.7 Mn Litres
Procurement Per Day

CAPITAL ALLOCATION DISCLOSURE

OUR CAPITAL ALLOCATION MODEL

Heritage Foods follows a disciplined and prudent capital allocation framework aimed at balancing investments, operational resilience, financial flexibility and long-term shareholder value creation. The Company continues to deploy capital strategically towards initiatives that strengthen its core dairy business while accelerating high-margin opportunities.

KEY CAPITAL ALLOCATION PRIORITIES

INNOVATION AND MARKET LEADERSHIP

- **Innovation and Premiumisation:** Strengthening innovation capabilities and premium product offerings through focused investments in research, consumer insights, packaging and next-generation dairy solutions.
- **Expanding Value-Added Products (VAP):** Increased investments in high-growth and high-margin categories such as curd, paneer, yogurt, drinkables and ice cream to improve product mix and profitability.

OPERATIONAL AND SUPPLY EXCELLENCE

- **Manufacturing Capacity Enhancement:** Progress on the greenfield ice cream manufacturing facility to boost production efficiency, optimise logistics costs and strengthen presence in the frozen desserts segment.
- **Strengthening Procurement Infrastructure:** Investments in milk collection centres, chilling facilities, digital traceability systems and farmer support programmes to ensure consistent milk supply and improve procurement efficiency.

DIGITAL INTEGRATION

- **Digital Transformation:** Deployment of technology initiatives to enhance operational visibility, supply chain efficiency and data-driven decision making.
- **Distribution and Market Expansion:** Widening retail reach, strengthening channel partnerships and deepening penetration in existing and emerging markets to drive sustainable volume growth.

CAPITAL ALLOCATION PHILOSOPHY

Prioritising investments that generate sustainable long-term returns.

Maintaining an optimal balance between spending and financial flexibility.

Strengthening core dairy operations while scaling higher-margin value-added businesses.

Supporting farmers and supply chain partners to build long-term ecosystem resilience.

Preserving a strong balance sheet and healthy liquidity to seize future growth opportunities.

RECOGNITIONS & ACHIEVEMENTS

Three Times Golden Peacock Award Winner

Heritage Foods Limited was conferred the Golden Peacock Award for Excellence in Corporate Governance - 2025 by the Institute of Directors (IOD), India, at the IOD Annual London Global Convention on Corporate Governance & Sustainability. This marks the third occasion on which the Company has been honoured with this prestigious award, reflecting its sustained commitment to the highest standards of corporate governance.

Distinguished Fellowship Award - 2025

Mrs. Nara Bhuvaneswari, Vice Chairperson & Managing Director, was awarded the IOD's Distinguished Fellowship - 2025 in recognition of her leadership and contribution to advancing corporate governance practices.

Leadership Recognitions

Heritage Foods Vice Chairperson & Managing Director Mrs. Nara Bhuvaneswari has been honoured with the prestigious

"Outstanding Dairy Professional Award – 2025" by the Indian Dairy Association (IDA) South Zone

Heritage Foods Executive Director Mrs. Nara Brahmani, has been honoured as a winner at the Business Today "Most Powerful Women in Business" (BT MPW) Awards 2025, themed 'Profit is Power'.

Excellence in Digital and AI Leadership

Recognising outstanding leadership in digital transformation and technology-led innovation. The IT Head of the Company was honoured with the CIO100 Award in the "Game Changers" category and the CXO100 Vision 2025 Award for driving impactful digital initiatives and enterprise-wide transformation.

Celebrating Our Commitment to Food Safety Excellence

Heritage Foods Ltd. is honoured to receive the Certificate of Appreciation for Commendable Effort in Food Safety (2025) from the Confederation of Indian Industry (CII).

This recognition reflects our continued focus on maintaining the highest standards of food safety, product quality and operational excellence across our operations.

The achievement is a testament to the dedication, passion and collective efforts of every member of the Heritage Foods team.

OUR CORE DIFFERENTIATORS

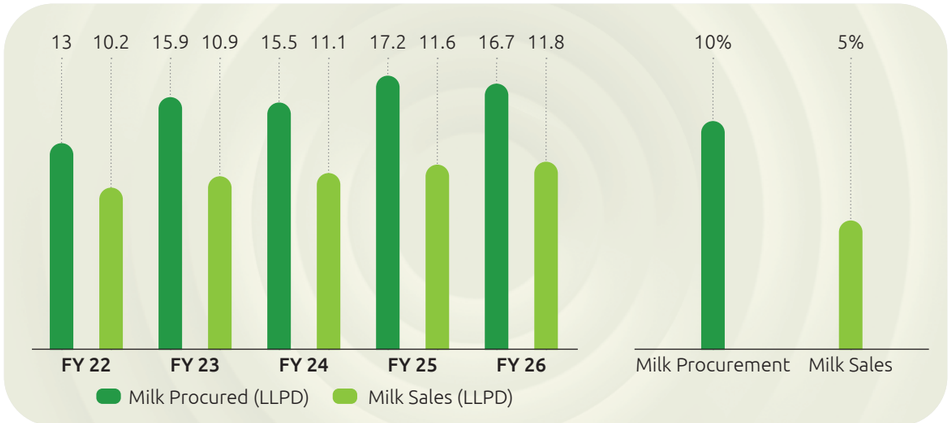
THE HERITAGE EDGE— DEEPLY ROOTED STRENGTHS THAT TRANSLATE INTO SUPERIOR EXPERIENCES FOR EVERY STAKEHOLDER

Excellence is the guiding force at Heritage and the basis of every decision and action. The Company's Excellence Quotient brings together a powerful set of strengths that enable it to stand out in a rapidly evolving world. These strengths include strong relationships, a dependable supply chain and innovation that never stops, a commitment to excellence that never wavers and momentum that continues to build year after year. Together, they shape Heritage Foods' distinct identity and reinforce what excellence truly means for the organisation.

1 DEEP-ROOTED FARMER RELATIONSHIPS

Heritage has built enduring relationships with more than 300,000+ farmers, anchored in a value system that has remained unwavering for decades. These principles are reflected in every stage of procurement—ensuring transparency in measurement, fair pricing linked to milk quality (fat and SNF) and timely payments.

This consistent approach demonstrates a deep understanding of farmers' needs and aligns the company's operations with their long-term growth and well-being. One of the strongest indicators of Heritage's commitment is its impeccable record of never declaring a milk holiday since inception—an assurance of reliability that has made Heritage a trusted and preferred partner across the farming community.



2 A DIVERSE PORTFOLIO FOR EVERY SEASON

Heritage Foods has established a strong pan-India presence, supported by a diversified portfolio of dairy and value-added products, ensuring broad consumer reach and strong market penetration. Its well-integrated procurement network spans nine states, enabling direct sourcing of high-quality milk from a large and dedicated base of farmers, thereby reinforcing supply chain reliability and quality assurance. The Company's product portfolio is thoughtfully curated to address both everyday consumption needs and seasonal preferences, aligning with evolving consumer tastes across geographies. Core staples such as milk, butter and paneer continue to anchor the portfolio, remaining essential household products that are consistently trusted and widely consumed by families nationwide.

3 INTEGRATED SUPPLY CHAIN NETWORK

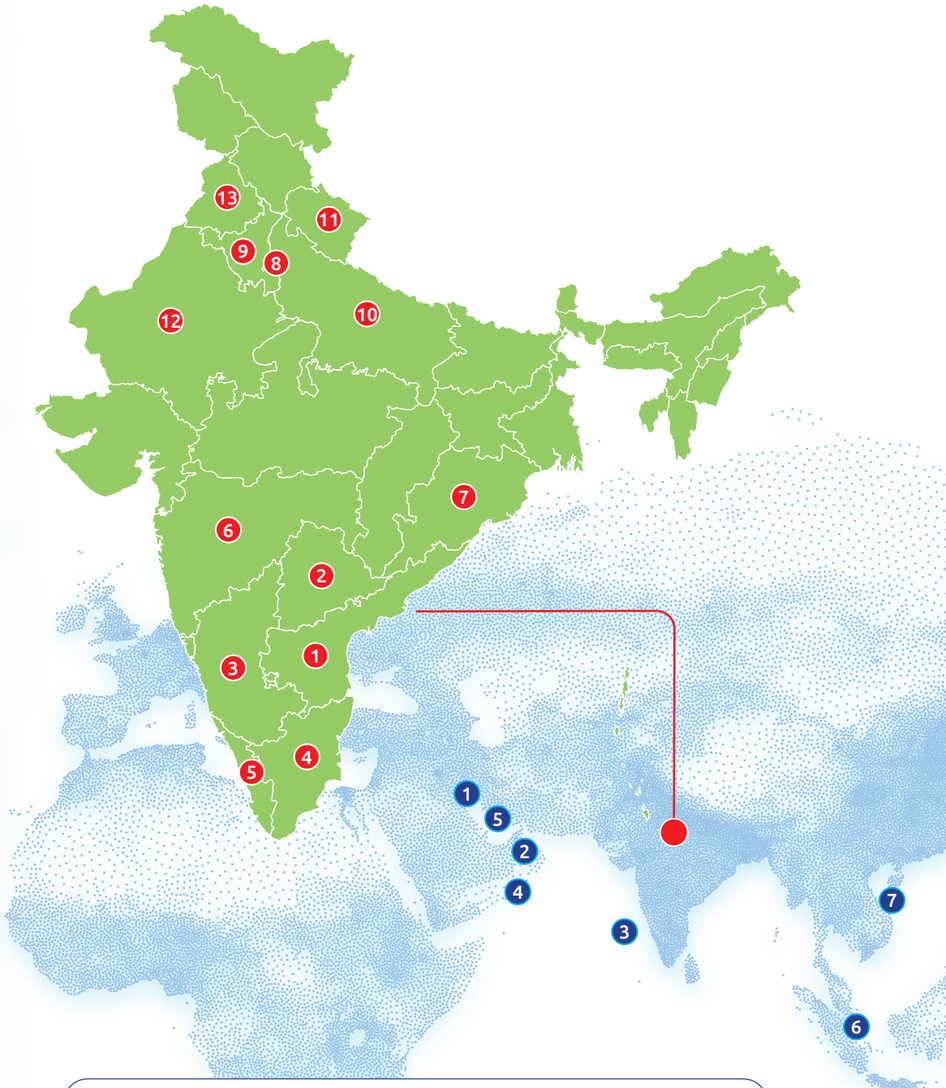
Heritage Foods has developed a robust and efficient supply chain that seamlessly connects its procurement and processing centres with major consumption markets. The strategic closeness of Heritage's procurement, processing and distribution points plays a crucial role in strengthening its cold chain. By reducing the distance milk needs to travel, the Company speeds up turnaround times, minimises transit-related quality deterioration and safeguards the natural freshness and nutritional value of every batch. This well-coordinated network not only improves product uniformity but also enables timely deliveries across markets—ensuring consumers receive dairy products at their optimal quality.

4 ESTABLISHED MARKET PRESENCE

Heritage Foods operates a strong and far-reaching network across India, supplying its dairy and value-added products to consumers in 13 states. This expansive presence supports deep market penetration while ensuring superior convenience and reliable access to fresh and trusted products. Supported by a broad procurement base spanning nine states, the Company sources premium fresh milk directly from thousands of dedicated farmers—strengthening both product quality and its long-standing relationships within the farming community.

13

STATES ACROSS INDIA



Products Exported

1. Bahrain
2. Dubai (UAE)
3. Maldives
4. Oman
5. Qatar
6. Singapore
7. Vietnam

We have a presence in the following 13 states in India

1. Andhra Pradesh
2. Telangana
3. Karnataka
4. Tamil Nadu
5. Kerala
6. Maharashtra
7. Odisha
8. NCR Delhi
9. Haryana
10. Uttar Pradesh
11. Uttarakhand
12. Rajasthan
13. Punjab

5 UNIFIED PHYSICAL AND DIGITAL REACH

Heritage Foods has strategically developed a robust brick-and-click distribution ecosystem, blending company-owned outlets, franchisee-operated stores and a strong online presence.

Heritage CLapp

Customer Live Application enables efficient sales and cost management with accountable support systems.

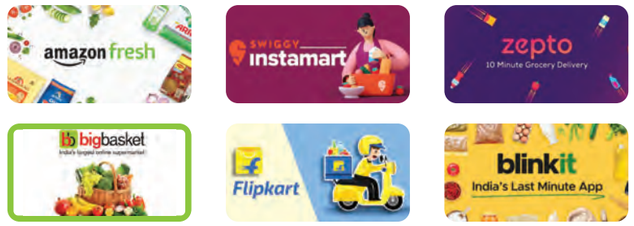
DMS

Distributor Management System streamlines primary and secondary sales across all levels.

Heritage VET+

Heritage VET+ enables comprehensive animal care and nutrition guidance.

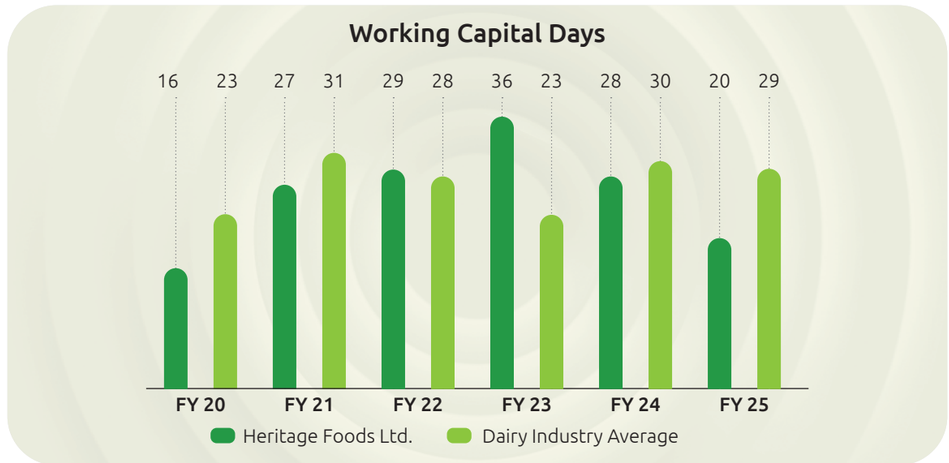
By partnering with major e-commerce and quick-commerce platforms, the Company has seamlessly integrated digital channels into its traditional retail footprint. This hybrid model now covers 75% of India's pin codes, significantly enhancing customer reach and product availability.



6 OPTIMISED WORKING CAPITAL FRAMEWORK

In Heritage Foods' inspired operating model and effective working capital management is the backbone of seamless daily operations—particularly given the need for immediate payouts to suppliers and other stakeholders. On the receivables side, collections tend to take longer to materialise, especially for value-added products, which now contribute more than one-third of the Company's revenue.

Yet, Heritage has consistently strengthened its working capital cycle over the years. Driven by the freshness of its products, an unwavering focus on quality and strong brand equity, this progress has enhanced internal cash generation and improved liquidity. The resulting cash flow efficiencies have enabled the Company to invest in innovation, fund strategic initiatives and accelerate its long-term growth agenda.



BRANDING STRATEGY

SHIFTING FROM PRESENCE TO PREFERENCE

At Heritage Foods, the brand stands for more than what you see on the label—it represents a commitment. A commitment to purity, to honest flavour and to the kind of nourishment families have relied on for decades. Every product is crafted with care, reflecting the essence of health, taste and the traditions that bring people together.

From the everyday essentials—fresh milk, curd, golden ghee, soft paneer—to indulgences like flavoured milk and traditional dairy sweets, each offering is designed to blend seamlessly into modern lifestyles while honouring familiar tastes. Every brand in our portfolio carries its own unique character, yet all share one unmistakable identity: the Heritage promise.

Connection with roots runs deep. That's why festive moments feel special with Heritage—like Sankranti-themed packs that brighten shelves across Andhra Pradesh and Telangana, bringing the warmth of home to every celebration. Heritage Foods embraces the culture of the communities it serves, weaving local flavour and regional pride into every design, message and campaign.

BUILDS TRUST AND CONFIDENCE

Heritage is more than a brand—it is a reassurance. When families choose Heritage, they choose purity, safety and consistency. That dependable experience, especially for everyday essentials like milk and curd, builds lasting peace of mind and deep consumer confidence.

EXPRESSES VALUES AND IDENTITY

Every brand touchpoint tells a story. For Heritage, it is a story of health, nourishment, cultural pride and timeless traditions. Regional campaigns celebrate local identity and strengthen the emotional bridge between the brand and the communities it serves.

SIMPLIFIES CHOICES IN A CROWDED MARKET

In a marketplace full of options, clarity matters. Heritage's strong and consistent brand identity helps consumers instantly recognise the products they trust—whether they are picking up daily staples or exploring value-added dairy offerings. Distinct recall leads to quicker, clearer buying decisions.

STRENGTHENS EMOTIONAL ENGAGEMENT

Initiatives like the Big-Bang Festive Campaign, Pure Doodh ki Shakti and culturally rooted storytelling spark genuine emotional connection. These moments of joy and relatability strengthen loyalty, inspire repeat purchases and turn satisfied buyers into committed brand advocates.

ACCELERATES ACCEPTANCE OF NEW INNOVATIONS

When a brand has earned trust, consumers welcome what comes next. Heritage's credibility allows new products—flavoured milk, ghee, sweets and other dairy innovations—to be embraced with confidence. Trust becomes the foundation for smoother and faster market adoption.

STILL COUNTING....

From every home touched to every smile served, the story grows one moment at a time—shaped by trust, connection and everyday goodness.

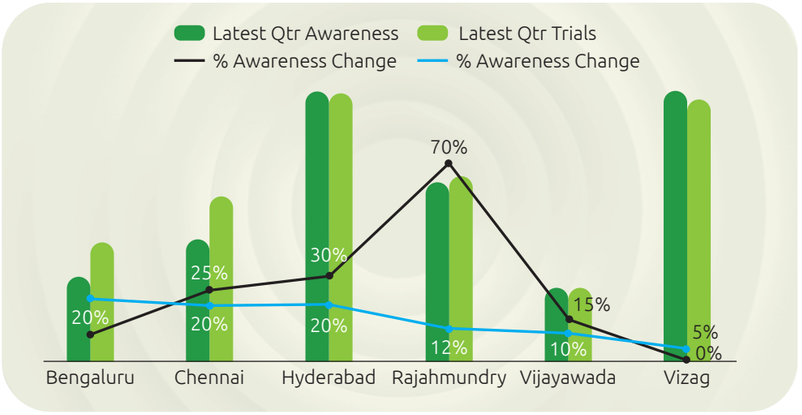
40 Mn+

Views on Heritage Livo Campaign

3 Mn+

Collab Advertisement with Flipkart Minute

Sustained gains in awareness and trials over last 6 quarters across all markets



MESSAGE FROM THE EXECUTIVE DIRECTOR'S DESK

"IN A YEAR MARKED BY CHALLENGES, WE HAVE DELIVERED A STEADY RESULT THAT REINFORCES OUR POSITION AS A RESILIENT AND CONSUMER-FOCUSED DAIRY ENTERPRISE."

Dear Valued Stakeholders,

I extend my warm greetings and sincerely thank you for your continued trust and support. In a year marked by external challenges and evolving industry dynamics, Heritage Foods delivered a resilient performance, underpinned by strong execution and an unwavering focus on consumers.

Financial Performance

FY26 was characterised by steady volume-led growth, reflecting the Company's continued focus on scale, market expansion and operational execution. The consolidated revenue for the year stood at ₹45,260 Mn, registering a growth of 9.47% over the previous fiscal. However, elevated input costs and higher operating expenditures exerted sustained pressure on margins.

In this environment, our strategic emphasis on value-added products (excluding fat-based items) proved beneficial, with their contribution reached to 33.25% of total revenues. This improved product mix, centred on nutrition, quality and convenience, partially offset margin pressures.

Despite cost headwinds, operational performance remained stable. EBITDA stood at ₹2,663 Mn with a margin of 5.88%. Profit After Tax stood at ₹1,501 Mn with a margin of 3.32%, while earnings per share (EPS) moderated to ₹16.22. This performance underscores the inherent strength and adaptability of our business model amid a demanding operating landscape.

A Pivotal Journey

The year marked a pivotal phase for the dairy sector, shaped by structural shifts and heightened volatility. Climate variability influenced consumption patterns and milk production, leading to elevated farmgate prices. At the same time, intensifying competition, players' regional expansion and evolving channel dynamics required greater agility and execution.

Against this backdrop, we undertook focused initiatives to enhance future readiness. We strengthened our product portfolio through targeted launches, expanded our procurement network into over 400 additional villages and onboarded several thousand farmers—reinforcing supply resilience and deepening farmer engagement.

Concurrently, we scaled our presence across traditional retail and emerging quick-commerce platforms, significantly improving market access and responsiveness to changing consumer preferences.

Strategic Expansion and Portfolio Strengthening

A key milestone during the year was the advancement of our greenfield ice cream facility at Shamirpet, backed by an investment of ₹205 Crores. Progressing as planned, the plant is being developed with advanced, scalable technology and will have an installed capacity of 24 Mn Litres per annum. This facility will strengthen our capabilities in the fast-growing frozen desserts segment and support the introduction of premium offerings.

Further strengthening our portfolio, we acquired a 51% stake in Get-A-Way Ice Cream & Desserts. This strategic partnership aligns with our focus on premiumisation and wellness-oriented products. Get-A-Way's differentiated positioning in high-protein, no-added-sugar indulgences complements our portfolio while enabling access to new consumer segments. The integration is expected to unlock synergies across sourcing, manufacturing and distribution, accelerating innovation and enhancing our competitive positioning.

Innovation and Growth Outlook

We continued to invest in product innovation to address evolving consumer needs. Key launches during the year included Heritage Nourish+ High Protein Paneer for health-conscious consumers, Heritage Sampurna A2 Creamy Curd offering a rich, homemade experience and Sarvaguna and Sampurna Milk as versatile everyday solutions. These offerings reflect our continued focus on premiumisation and delivering "nutrition with trust," and have begun to gain encouraging market traction and will support broader market expansion in the coming years.

Looking ahead, we see significant opportunities in the ice cream and frozen desserts segment, which is projected to witness strong growth over the coming years. Leveraging our expanding distribution network, trusted brand equity and strengthened capabilities, we are well-positioned to scale our presence through a combination of organic growth and strategic initiatives. The Indian ice cream market holds immense potential and is expected to reach ₹90,000 Crores over the next 8 years. We are well-positioned to play a larger role in this high-growth segment.

As we move forward, Heritage Foods remains committed to its core purpose of nourishing lives with high-quality dairy products while fostering enduring partnerships with farmers, customers and stakeholders. The initiatives undertaken in FY26 have strengthened our foundation and enhanced our readiness to capitalise on emerging opportunities. During the year, the Company and its leadership received notable recognitions for excellence in leadership and digital transformation.

I would like to express my sincere gratitude to our farmers, employees, channel partners and shareholders for their continued support and confidence. Your trust remains the cornerstone of our journey as we strive to build a stronger and more sustainable future together.

Warm regards,

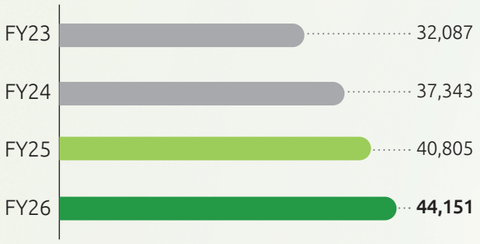
Nara Brahmani
Executive Director

KEY STANDALONE PERFORMANCE INDICATORS

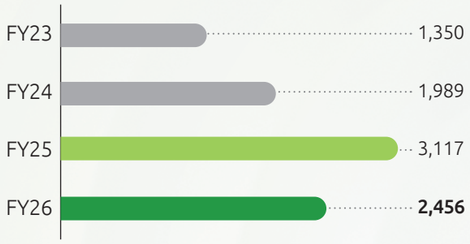
PROGRESSING WITH PURPOSE AND CONSISTENCY

FINANCIAL METRICS

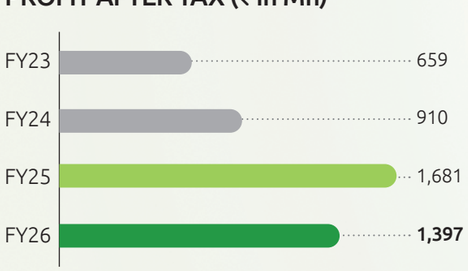
REVENUE (₹ in Mn)



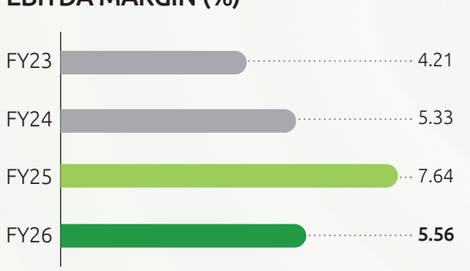
EBITDA (₹ in Mn)



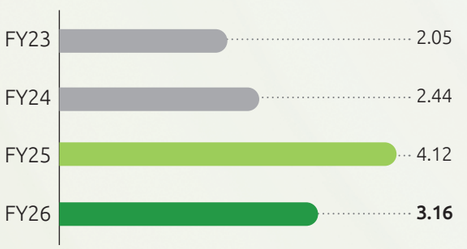
PROFIT AFTER TAX (₹ in Mn)



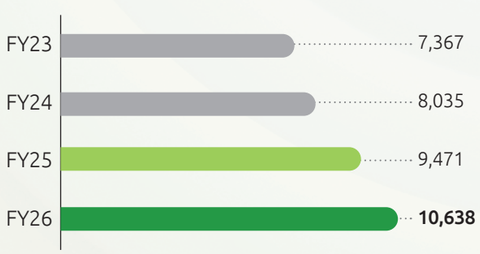
EBITDA MARGIN (%)



PAT MARGIN (%)



NET WORTH (₹ in Mn)



WHOLE-TIME DIRECTOR'S COMMUNIQUE

"SUSTAINABLE RESPONSIBILITY IS OUR COMPETITIVE STRATEGY — THE CORNERSTONE OF LONG-TERM VALUE CREATION."

Dear Shareholders,

It is my privilege to address you through Heritage Foods' Annual Report for FY26. At Heritage, responsible business is not an obligation but the very foundation on which enduring value is built. As the dairy industry navigates climate pressures, resource constraints and shifting consumer expectations, we have used this year to deepen our commitment to environmental stewardship, farmer prosperity and ethical governance.

Building a sustainable dairy ecosystem

Our operations are increasingly aligned with India's Net Zero aspirations and the year saw tangible advances on this front. Heritage maintained renewable energy capacity of 14.37 MW, meeting nearly 37% of our electricity needs from clean sources — a meaningful step in our decarbonisation journey. Our Energy Management framework, certified to ISO 14001:2015, ISO 50001:2018 and ISO 45001:2018, was further strengthened through AI-driven systems that sharpened efficiency, reduced emissions intensity and improved operational responsiveness across facilities.

Building on this momentum, water stewardship received equal focus. We upgraded our Effluent Treatment Plants with advanced filtration and automation, enabling the reuse of treated water for non-potable applications and reducing freshwater dependence at scale. Parallel progress in waste reduction, recyclable packaging, responsible disposal and compliance with Extended Producer Responsibility reinforced our circular-economy approach — closing loops that had previously represented operational leakage.

This environmental discipline naturally extends to how we shape our product portfolio. Expansion in curd, paneer, flavoured milk and protein-led nutrition is improving milk utilisation, lifting value realisation and reducing our exposure to commodity-led cycles. Supporting this shift, AI-enabled logistics, real-time monitoring and digital supply-chain visibility are simultaneously cutting waste and improving service levels — proof that sustainability and competitiveness reinforce each other.

Strengthening rural prosperity

A resilient farming ecosystem underpins everything we do and our farmers remain our most important sustainability partners. Through Heritage VET+, they now receive round-the-clock veterinary care, livestock management guidance and dairy advisory support. Cattle health camps and farmer engagement programmes during the year implemented best practices for thousands of households across our procurement geographies.

We continued to back our farming community through Group Personal Accident insurance, cattle insurance subsidies and targeted nutritional initiatives. Over 47,247 metric tonnes of subsidised cattle feed were supplied during the year to improve herd health and milk productivity — investments that strengthen farmer incomes today and the quality of our milk supply tomorrow.

A culture of responsible governance

Anchoring these efforts is a culture of ethical conduct, transparency and accountability. Guided by an experienced Board and a robust governance framework, we continue to earn stakeholder trust through disciplined and principled business practices. Reflecting this commitment, Heritage Foods Ltd. was honoured with the CII Certificate of Appreciation for Commendable Effort in Food Safety (2025). We are also proud that our Executive Director was recognised at the Business Today "Most Powerful Women in Business" Awards, a distinction that reflects her visionary leadership and the collective dedication, hard work and unwavering support of the entire Heritage Foods family.

Closing note

We remain committed to advancing our ESG journey and creating meaningful impact across the environment, rural communities and our wider ecosystem.

My sincere thanks to our farmers, employees, consumers, shareholders and partners. Your trust continues to inspire our pursuit of responsible growth and lasting value creation.

Warm regards,

Dr. M Sambasiva Rao
Whole-Time Director

OUR STRATEGIC PILLARS

SUSTAINABLE GROWTH ALIGNED WITH PURPOSE AND PROGRESS

Heritage Foods continues to execute its long-term vision through a clear and focused strategy built on six interconnected pillars. These six pillars are driving consistent growth while keeping us firmly rooted in our core purpose: to nourish India with purity, quality and care.

1

PREMIUMISATION

Heritage Foods is steadily advancing the portfolio up the value chain. Investments in high-value liquid milk and a growing range of value-added products are highlighted by the successful launch of Heritage Livo – a high-protein and health-focused brand resonating strongly with consumers. Targeted brand campaigns have further strengthened Heritage's position as a premium dairy brand.

2

VAP-LED GROWTH MOMENTUM

Heritage Foods' growth strategy is increasingly centred around its value-added products portfolio, marking a clear move beyond the commoditised liquid milk segment. The Company is strengthening its focus on higher-margin categories, including curd, paneer, cheese and other innovative dairy offerings, enabling a more profitable and differentiated growth trajectory.

3

BRAND BUILDING AND MARKET EXPANSION

Heritage is now a household name nationwide. Strategic marketing investments continue to strengthen brand equity in core categories like milk, curd and value-added products. With a disciplined volume-led approach in VAP and selective pricing actions, the Company is gaining share in the organised segment while staying competitive against emerging players.

4

DIGITALISATION

Technology is transforming how it operates and serves. From the farm gate to the doorstep, the Company has deployed digital procurement platforms, enhanced supply chain traceability and strengthened its omnichannel presence. These initiatives are driving efficiency, reducing waste and delivering fresher products faster to consumers.

5

SUSTAINABILITY

A responsible dairy ecosystem begins at the farm. Heritage Foods remains committed to a farmer-first and fully traceable supply chain. Through ongoing cattle development programs, training initiatives and sustainable procurement practices, the Company is securing long-term raw material quality while improving farmer incomes and environmental outcomes.

6

PEOPLE-FIRST GOVERNANCE

The Farming families, employees, channel partners and local communities form the core of the Company's ecosystem. Through sustained investment in their development, transparent and fair practices and unwavering ethical standards, the Company is nurturing a value-driven environment that enables long-term shared prosperity.

CAPITALS

HOW WE CREATE VALUE

At Heritage Foods, the value-creation journey is rooted in a holistic multi-capital framework that drives enduring success for both our business and the communities we serve. Anchored in nourishing millions with safe, high-quality and affordable dairy, the Company strategically deploys six interconnected capitals—Financial, Manufactured, Human, Intellectual, Social & Relationship and Natural—to create sustained value throughout our ecosystem.

Each capital plays a distinct yet interconnected role, working in harmony to deliver superior outcomes. Collectively, they underpin our integrated strategy, powering resilient growth, embedding responsible and sustainable practices.

MANUFACTURED CAPITAL

190
Chilling Centres / Bulk Coolers

2.6 MLPD
Chilling Capacity

18
State-of-the-art Milk Processing Plants

SDGs Impacted

2 ZERO HUNGER · 7 AFFORDABLE AND CLEAN ENERGY · 8 DECENT WORK AND ECONOMIC GROWTH · 9 INDUSTRY, INNOVATION AND INFRASTRUCTURE · 12 RESPONSIBLE CONSUMPTION AND PRODUCTION · 13 CLIMATE ACTION

Heritage Foods' cutting-edge processing plants and robust cold-chain network power the company's drive for superior efficiency and unmatched product quality. Strategically located in high-growth markets, these assets embody our uncompromising focus on quality, safety and innovation. With continuous investments in capacity expansion, automation and energy-efficient technologies, the Company is steadily strengthening its operational backbone.

This disciplined asset strategy not only sharpens cost competitiveness and enhances resilience but also accelerates ambition to deliver sustainable and inclusive value across the entire food ecosystem.

Stakeholders Impacted

- Dairy Farmers
- Consumers
- Employees
- Shareholders and Investors
- Suppliers
- Communities
- Regulatory Authorities and Governments
- Dealers and Distribution Partners

HUMAN CAPITAL

3,327
Team Size

351
Training Programmes Conducted

48,384
Training Hours

11,581
Employee Participation

SDGs Impacted

1 NO POVERTY · 2 ZERO HUNGER · 3 GOOD HEALTH AND WELL-BEING · 4 QUALITY EDUCATION · 5 GENDER EQUALITY · 8 DECENT WORK AND ECONOMIC GROWTH · 10 REDUCED INEQUALITIES

Heritage Foods recognises its people as the driving force behind its sustained growth. Its human capital strategy is anchored in inclusivity, collaboration and continuous development, fostering a culture that encourages innovation, embraces diversity and prioritises employee well-being. From attracting top talent to investing in structured training, upskilling programmes and impactful engagement initiatives, Heritage Foods empowers its workforce to realise their potential and contribute meaningfully to the organisation's success. The Company also emphasises transparent communication, leadership development and performance-driven career progression to build a future-ready workforce.

Stakeholders Impacted

- Dairy Farmers
- Employees
- Suppliers
- Communities

FINANCIAL CAPITAL

0.34
Debt-to-Equity Ratio

₹2,254 Mn
Net Cash Flow from Operations

13.24%
Return on Capital Employed

₹10,638 Mn
Net Worth

SDGs Impacted

8 DECENT WORK AND ECONOMIC GROWTH · 9 INDUSTRY, INNOVATION AND INFRASTRUCTURE · 12 RESPONSIBLE CONSUMPTION AND PRODUCTION · 17 PARTNERSHIPS FOR THE GOALS

The Company continues to focus on delivering long-term value for its stakeholders through disciplined and prudent capital allocation. The Company focuses on investing in high-impact growth opportunities while maintaining a strong balance sheet and healthy liquidity. This calibrated approach supports consistent value creation, reinforces financial resilience, enhances investor confidence and positions the Company to accelerate future growth. It also enables the Company to pursue strategic initiatives with agility and capitalise on emerging opportunities in the dairy sector. By balancing growth investments with financial prudence, Heritage Foods ensures steady value generation across economic cycles.

Stakeholders Impacted

- Dairy Farmers
- Consumers
- Employees
- Shareholders and Investors
- Suppliers
- Communities
- Regulatory Authorities and Governments
- Dealers and Distribution Partners

INTELLECTUAL CAPITAL

SDGs Impacted

₹16.61 Mn

R&D Expenses in FY26

131

Trademarks Registered in India

The Company committed to building a future-ready organisation that is agile, responsible and responsive to evolving consumer and stakeholder needs. Driven by a relentless pursuit of operational excellence and a culture of continuous improvement, the Company consistently delivers sustainable and long-term value.

We believe intellectual capital is more than accumulated knowledge—it is a living strength built over decades of experience in the dairy and food ecosystem. The Company blends deep industry insight with strong operational discipline and an instinct for innovation. By consistently investing in research, digital technologies and capability-building, the Company sharpens its expertise and stays in step with the fast-changing demands of the market.

Stakeholders Impacted

- Dairy Farmers
- Consumers
- Employees
- Shareholders and Investors
- Suppliers
- Regulatory Authorities and Governments
- Dealers and Distribution Partners

SOCIAL AND RELATIONSHIP CAPITAL

SDGs Impacted

4,435

Farmer Meetings Organised

44,920

Artificial Inseminations Supported

140,884

Farmers Benefited

0.32 Mn

Farmers VET+ app Registrations

At Heritage Foods, relationships are not statements—they are lived values. Trust forms the foundation of every interaction, shaping deep and enduring bonds with customers, farmers, suppliers, communities and partners. True progress is a collective journey built on openness, respect and a shared sense of purpose.

Stakeholders are heard with intent, engaged with honesty and supported through collaborative efforts that turn shared challenges into shared opportunities. It involves uplifting rural families, empowering women, improving nutrition, strengthening education, or safeguarding the environment. Every initiative is designed to create meaningful and lasting impact—today and for generations to come.

Stakeholders Impacted

- Dairy Farmers
- Consumers
- Employees
- Shareholders and Investors
- Suppliers
- Regulatory Authorities and Governments
- Dealers and Distribution Partners

NATURAL CAPITAL

SDGs Impacted

14.37 MW

Renewable Power Generation Capacity

1.46 L/kg

Water Consumption (Litres per kg of output)

At Heritage Foods, environmental responsibility is not a choice but a guiding principle. Every action is shaped by the belief that the health of the planet directly influences the well-being of communities and the long-term resilience of businesses. Sustainability is built into the way the Company operates—conserving resources, reducing its footprint and strengthening environmental performance across the value chain.

From responsible sourcing to energy efficiency and from effective waste systems to prudent water management, each step reflects a clear and uncompromising commitment to the environment.

Protecting the earth is viewed not only as the right path but as the only way to secure a sustainable and prosperous future.

Stakeholders Impacted

- Dairy Farmers
- Consumers
- Employees
- Shareholders and Investors
- Suppliers
- Regulatory Authorities and Governments
- Dealers and Distribution Partners

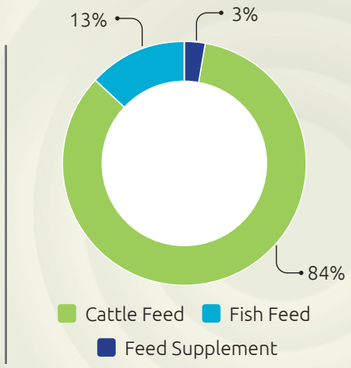
OUR SUBSIDIARIES

HERITAGE NUTRIVET LIMITED

Heritage Nutrivet Limited (HNL), a wholly owned subsidiary of Heritage Foods, is a prominent producer and distributor of livestock feed and feed supplements across nine states in India. The Company plays a vital role in strengthening animal nutrition through a comprehensive portfolio that includes cattle feed, feed supplements, veterinary medicines and fish feed. With a presence across nine states, HNL supports nearly 0.30 Mn farmers and offers specialised products designed to enhance livestock health and productivity.

A strong understanding of on-ground farming practices enables HNL to design nutrition solutions that address the diverse requirements of farm animals. The product range is formulated to keep cattle healthier for longer, improve milk yields and promote efficient reproduction by meeting essential energy and nutrient needs.

30+
Products



Product Portfolio

TURNOVER (₹ in Mn)

₹2,454 Mn
Turnover

₹207 Mn
Profit Before Tax (PBT)

HERITAGE NOVANDIE FOODS LIMITED

Heritage Foods Limited increased its stake in Heritage Novandie Foods Limited (HNFL) through an additional acquisition of 44.4%, taking the total ownership to 94.4% and consequent to which HNFL became a subsidiary of the Company. Originally established in 2017 as a 50:50 Indo-French collaboration between Heritage Foods Limited and Novandie, France, HNFL is currently engaged in the manufacturing of flavoured yoghurt products under the brand name "Livo" for Heritage Foods Limited. The acquisition further strengthens the Company's capabilities in value-added dairy products and supports its long-term growth strategy in the segment.

₹40.46 Mn
Turnover

₹(63.43) Mn
Profit Before Tax (PBT)

PEANUTBUTTER AND JELLY LIMITED

Heritage Foods Limited acquired a 51% majority stake in Peanutbutter and Jelly Limited, further strengthening its portfolio through the addition of a subsidiary in the emerging healthy desserts category. Operating under the brand "Get-A-Way", Peanutbutter and Jelly Limited is a leading curator and retailer of healthy desserts in India, offering an innovative portfolio comprising protein ice creams, keto desserts, vegan ice pops and low-calorie kulfis. With a focus on innovation, quality and healthier indulgence, the brand caters to evolving consumer preferences and continues to expand its presence across e-commerce, q-commerce and retail channels nationwide.

₹333.18 Mn
Turnover

₹(1.81) Mn
Profit Before Tax (PBT)

ENVIRONMENT. SOCIAL. GOVERNANCE (ESG)

PROGRESSING TOWARDS A BETTER FUTURE

Heritage has established a strong and integrated ESG framework that reflects its commitment to sustainable growth, environmental responsibility and social progress. The Company evaluates investments not only through financial returns but also through their broader economic and community impact. By embedding responsible and ethical practices across its operations, Heritage strengthens resilience, manages risks effectively and creates enduring value for stakeholders, partners and society at large.

ENVIRONMENTAL RESPONSIBILITY

8.07 MW
Solar Capacity

6.30 MW
Wind Capacity

ADDRESSING CLIMATE CHANGE

Heritage remains focused on reducing its carbon footprint through resource optimisation, sustainable practices and continuous alignment with global environmental goals.

WASTE MANAGEMENT APPROACH

The Company follows a comprehensive waste management framework centred on waste reduction, recycling and responsible disposal practices across operations.

ENERGY MANAGEMENT

Heritage continues to enhance energy efficiency and renewable energy adoption, with 14.37 MW of renewable energy capacity currently meeting 37% of its electricity requirements.

SOCIAL

Heritage Foods continues to strengthen rural communities by supporting dairy farmers through productivity enhancement initiatives, veterinary care and digital advisory services. Through the VET+ platform, farmers gain round-the-clock access to dairy guidance and cattle healthcare support, improving livestock well-being and operational efficiency. The Company's continued outreach and cattle treatment initiatives contribute to enhanced farmer livelihoods, sustainable income generation and long-term rural prosperity.

4,209
Cattle Health Camps Conducted

95,498
Cattle Treated

4,435
Farmers Meeting

351
Training Programmes

48,384
Training Hours

16,798
Farmers Awareness Programs

Our Welfare Activities

INSURANCE INITIATIVES

Heritage Foods provides Group Personal Accident (GPA) insurance to ensure the safety and financial security of farmers. The company contributed ₹1 Crore towards free insurance coverage to farmer families, resulting in 64 farmer families received claim settlement amounting to ₹69 Lakhs. To encourage livestock protection and reduce the financial burden on farmers, Heritage Foods offers a subsidy of ₹300 per insured animal under its cattle insurance program, ensuring the safety and financial security of farmers' livestock.

DIGITAL INITIATIVES

The Heritage Vet+ YouTube channel and mobile application serve as effective digital knowledge platforms for farmers. These platforms provide guidance on animal health management, disease prevention, silage preparation, clean milk production and other best practices.

NUTRITION SUPPORT

The Company emphasises the importance of proper cattle nutrition for improved productivity. During FY26, Heritage Foods supplied 47,247 metric tonnes of subsidised cattle feed. Farmers also benefited from high-quality feed supplements, mineral mixtures and calcium products that help enhance milk production and maintain animal health. 71,092 farmers benefited from using the feed, while 4,118 MCCs used feed where we lack farmer-wise tracing.

FINANCIAL SUPPORT FOR FARMERS

Through Bank/NBFC, Heritage Foods facilitates access to dairy and mortgage loans tailored to farmers' evolving financial needs. Loan eligibility is linked to milk supply consistency, enabling a farmer-friendly financing process that supports timely credit access, enhances financial inclusion and strengthens livelihood resilience within the farming community.

GOVERNANCE BUILT ON TRUST

6
Total Board Size

200+ years
Cumulative Exposure

THE BOARD COMPOSITION

3
Non-Independent Directors

3
Independent Directors

ETHICAL AND TRANSPARENT GOVERNANCE

Heritage upholds a strong culture of ethical conduct, transparency and accountability, shaped by the enduring values and legacy of the Group. Its governance framework is anchored in integrity, professionalism and responsible decision-making, ensuring the highest standards across all operations. The Company has been honoured with the Golden Peacock Award for Excellence in Corporate Governance for the third occasion, reflecting its sustained commitment to the highest standards of corporate governance.

STRATEGIC GUIDANCE FROM AN EXPERIENCED BOARD

The Company benefits from the leadership of a distinguished Board comprising seasoned professionals with extensive cross-industry expertise. Their strategic insight and independent oversight enable Heritage to respond effectively to evolving business dynamics while consistently safeguarding the interests of stakeholders.

STRENGTHENING STAKEHOLDER TRUST

Through robust governance practices and responsible leadership, Heritage continues to strengthen stakeholder confidence, enhance accountability and create sustainable long-term value for regulators, employees, customers, vendors, investors and society.

BOARD OF DIRECTORS

OUR VISIONARY LEADERS

Heritage Foods is guided by a distinguished Board of Directors that blends rich industry expertise, strategic foresight and an unwavering commitment to governance and sustainable value creation.

MR. A V GIRIJA KUMAR

Chairperson, Non-Executive Independent Director
(DIN: 02921377)

Mr. Girija Kumar, a Commerce graduate, MBA and Associate of the Insurance Institute of India (AIII), brings more than four decades of insurance leadership across India and global markets. Former Chairman & Managing Director of Oriental Insurance Co. Ltd. and currently a Member of the Financial Services Institutions Bureau under the Ministry of Finance, he is also a trusted Independent Director for several of India's leading conglomerates.

His extensive expertise in risk management, governance and strategic oversight brings Heritage Foods a steady and insightful perspective to the Board, adding clarity, rigour and depth to every strategic decision.

MRS. APARNA SURABHI

Non-Executive Independent Woman Director
(DIN: 01641633)

Mrs. Surabhi is a Fellow Member of the Institute of Chartered Accountants of India and holds a Bachelor of Commerce and a Bachelor of Law from Bombay University.

A seasoned finance professional with more than three decades of extensive experience in auditing across diverse sectors, she has served as a consultant to numerous start-ups, providing expert strategic financial and compliance guidance.

She currently holds the positions of Chief Financial Officer (CFO) and Chief Human Resources Officer (CHRO) at Caliber Technologies Private Limited.

MR. M P VIJAY KUMAR

Non-Executive Independent Director
(DIN: 05170323)

Mr. Vijay Kumar is a Fellow Member of the Institute of Chartered Accountants of India (ICAI), the Institute of Cost and Management Accountants of India (ICMA) and the Institute of Company Secretaries of India (ICSI). He also serves on the IFRS Interpretation Committee of the International Accounting Standards Board and the IFRS Advisory Council of the IFRS Foundation, London.

With over three decades of experience in finance, accounting and corporate governance, he brings deep expertise to both corporate and regulatory domains. He previously served as a Council Member of ICAI (2016–2022), chaired the Accounting Standards Board and was an ex-officio member of NFRA (2019–2022). He has also contributed to multiple committees under the MCA, SEBI and the CFO Forum of CII.

Mr. Vijay Kumar is currently the Executive Director and Group CFO of Sify Technologies Limited.

In recognition of his exemplary contributions, he was honoured as the Business World CFO of the Year in 2021 and featured among the 100 Most Influential CFOs in India by CIMA.

MRS. N BHUVANESWARI

Vice-Chairperson and Managing Director
(DIN: 00003741)

Mrs. Bhuvaneswari holds a Bachelor of Arts degree and she has been the driving force behind Heritage Foods' remarkable rise since 1994. A powerhouse of vision and strategic brilliance, she steers every facet of the Company with unwavering focus on efficiency, innovation and sustainable growth. With her sharp business instincts and bold leadership, she continues to propel Heritage Foods towards a brighter future.

DR. M SAMBASIVA RAO

Whole-Time Director
(DIN: 01887410)

Dr. Rao brings a rare blend of bureaucratic rigour and commercial instinct to Heritage Foods. He holds a Doctorate in Zoology. A former Joint Secretary in the Ministry of Commerce and a seasoned Indian Administrative Service officer with nearly two decades of experience, he shapes the Company's trajectory with strategic clarity and quiet authority. With his deep governance insight and forward-looking vision, he continues to shape Heritage Foods' progress with purpose and precision.

MRS. N BRAHMANI

Executive Director
(DIN: 02338940)

Mrs. Brahmani holds a Bachelor of Science in Electrical Engineering from Santa Clara University, an MBA from Stanford University and a degree in Communication Engineering from Chaitanya Bharathi Institute of Technology. She brings unmatched global vision and technical depth to Heritage Foods. Since joining the Company in 2014, she has seamlessly blended cutting-edge expertise with sharp business instincts, powering the next wave of innovation and expansion. With her precision, drive and strategic foresight, she continues to translate Heritage Foods' ambitions into tomorrow's reality.

SENIOR MANAGEMENT

AT THE VANGUARD

MR. SRIDEEP M KESAVAN

Chief Executive Officer

Mr. Srideep is a seasoned professional with over 29 years of experience, including extensive leadership exposure in the packaged food industry. He has held senior roles at Coca-Cola India and Olam International, Singapore and is an alumnus of XLRI and CET Trivandrum.

CA A PRABHAKARA NAIDU

Chief Financial Officer

Mr. Prabhakara is a Fellow Member of the Institute of Chartered Accountants of India and a university rank holder in Science from Sri Venkateswara University. With over 37 years of experience, he has been a key contributor to Heritage Foods' financial management and growth journey since inception.

CS UMAKANTA BARIK

Company Secretary & Compliance Officer

Mr. Umakant holds a Master's degree in Economics along with qualifications in Law (LLB), FCS and LIII. A Fellow Member of the Institute of Company Secretaries of India, New Delhi and a licentiate of the Insurance Institute of India, Mumbai, he brings over 26 years of extensive experience across secretarial, legal, insurance and intellectual property rights functions.

MR. J SAMBAMURTHY

Chief Operating Officer

Mr. Sambamurthy holds an MBA in Marketing and a Bachelor's degree in Science. He has been associated with Heritage Foods since 2007, bringing extensive expertise in sales, marketing and operations. His career spans leadership roles at APDDCF Limited, Visakha Dairy, NDDB and Reliance, with deep experience across the dairy and agribusiness sectors. He possesses strong expertise in driving business growth, strengthening procurement networks and enhancing operational excellence within the dairy ecosystem.

A DECADE OF FINANCIAL PERFORMANCE

Standalone **(in ₹ Mn)**

Particulars	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25	2025-26
Turnover	18,714	23,440	24,823	26,811	24,070	26,429	32,087	37,343	40,805	44,151
Other Income	37	72	111	83	84	103	113	119	273	237
Fair Value gain on Equity Securities	2,468	3,954	1,311	2,945	-	-	-	-	-	-
Total Income	21,219	27,466	26,245	29,839	24,154	26,532	32,200	37,463	41,078	44,388
EBITDA	3,541	1,353	1,820	(841)	2,497	1,781	1,350	1,989	3,117	2,456
Depreciation & Amortisation	249	370	437	480	441	500	539	584	672	765
Finance cost	96	175	207	208	178	32	32	82	150	166
Loss due to changes in fair value of derivative liabilities	385	3,870	1,311	5,116	48	-	-	-	-	-
Exceptional items								167.95	234.85	(95.98)
Profit before tax	3,233	881	1,287	(1,447)	1,962	1,352	893	1,274	2,334	1,858
Provision for Taxation	307	277	452	153	510	337	234	364	653	461
Profit after Tax (PAT)	2,926	604	834	(1,600)	1,452	1,015	659	910	1,681	1,397
Cash Profit/(Loss)	1,092	890	1,271	1,051	1,940	1,515	1,197	1,495	2,352	2,162
Proposed Dividend (%)	40	40	40	50	100	100	50	50	50	50
Proposed Dividend Amount (Incl. tax on dividend)	112	112	112	112	116	232	232	232	232	232
Equity Share Capital	232	232	232	232	232	232	464	464	464	464
Reserves and Surplus	5,700	7,548	7,818	4,391	5,706	6,373	6,903	7,571	9,007	10,174
Net Worth	5,932	7,780	8,050	4,623	5,938	6,605	7,367	8,035	9,471	10,638
Gross Fixed Assets	3,050	4,632	5,551	6,318	7,140	7,376	8,292	9,591	10,909	15,111
Net Fixed Assets	2,874	4,247	4,757	5,156	5,563	5,462	6,011	6,859	7,740	11,246

KEY INDICATORS

Particulars	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25	2025-26
Earnings per share* (₹)	31.98	6.60	9.12	(17.49)	15.87	11.10	7.19	9.81	18.11	15.05
Cash Earnings Per Share* (₹)	11.91	9.71	13.87	11.47	21.17	16.53	13.07	16.11	25.35	23.30
Book Value Per Share (₹)	63.92	83.84	86.75	49.82	63.99	71.17	79.39	86.59	102.06	114.64
Debt:Equity Ratio##	0.26:1	0.35:1	0.35:1	0.63:1	0.10:1	0.02:1	0.22:1	0.16:1	0.18:1	0.34:1
EBITDA/Turnover (%)	18.92%	5.77%	7.33%	-3.14%	10.37%	6.74%	4.21%	5.33%	7.64%	5.56%
Net Profit Margin (%)	15.64%	2.58%	3.36%	-5.97%	6.03%	3.84%	2.05%	2.44%	4.12%	3.16%
RONW (%)	70.24%	8.81%	10.54%	-25.25%	27.49%	16.18%	9.43%	11.82%	19.20%	13.89%

Note:
* EPS and Book Value per share have been adjusted for all the years on account of rights issue during the year FY23
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	**Mr. Rajesh Thakur Ahuja** (DIN: 00371406) Non-Executive Independent Director (Up to March 22, 2026)	**Mrs. Aparna Surabhi** (DIN: 01641633) Non-Executive Independent Woman Director	**Mr. M P Vijay Kumar** (DIN: 05170323) Non-Executive Independent Director
Mrs. N Bhuvaneswari (DIN: 00003741) Vice-Chairperson and Managing Director*	**Mrs. N Brahmani** (DIN: 02338940) Executive Director*	**Dr. M Sambasiva Rao** (DIN:01887410) Whole-Time Director*	

SENIOR MANAGEMENT

Mr. Srideep M Kesavan Chief Executive Officer*	**CA A Prabhakara Naidu** (M.No: FCA 200974) Chief Financial Officer*	**CS Umakanta Barik** (M.No: FCS-6317) Company Secretary & Compliance Officer*	**Mr. J Sambamurthy** Chief Operating Officer

* Key Managerial Personnel

BOARD COMMITTEES

AUDIT COMMITTEE
Mrs. Aparna Surabhi (C)
Mr. Rajesh Thakur Ahuja (M) (up to March 22, 2026)
Mr. M P Vijay Kumar (M)
Mr. A V Girija Kumar (M)
Mrs. N Brahmani (M)^ (w.e.f. May 11, 2026)

NOMINATION & REMUNERATION COMMITTEE
Mr. M P Vijay Kumar (C)
Mr. Rajesh Thakur Ahuja (M) (up to March 22, 2026)
Mrs. Aparna Surabhi (M)
Mr. A V Girija Kumar (M)

STAKEHOLDERS RELATIONSHIP COMMITTEE
Mrs. Aparna Surabhi (C)
Mr. Rajesh Thakur Ahuja (M) (up to March 22, 2026)
Mr. A V Girija Kumar (M)
Mrs. N Bhuvaneswari (M)

RISK MANAGEMENT COMMITTEE
Mr. Rajesh Thakur Ahuja (C) (up to March 22, 2026)
Mrs. Aparna Surabhi (C)
Mr. A V Girija Kumar (M)
Mrs. N Bhuvaneswari (M)

CORPORATE SOCIAL RESPONSIBILITY COMMITTEE
Mr. Rajesh Thakur Ahuja (C) (up to March 22, 2026)
Mrs. N Bhuvaneswari (C)
Dr. M Sambasiva Rao (M)
Mr. A V Girija Kumar (M)

MANAGEMENT COMMITTEE
Mrs. N Bhuvaneswari (C)
Mrs. Aparna Surabhi (M)
Mr. M P Vijay Kumar (M)
Mr. A V Girija Kumar (M)

C- Chairperson M- Member

REGISTERED OFFICE
Heritage Foods Limited
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

REGISTRAR AND TRANSFER AGENTS
Kfin Technologies Limited
CIN: L72400TG2017PLC117649
Karvy Selenium Building, Tower B,
Plot No. 31 & 32, Financial District, Gachibowli,
Hyderabad - 500 032, Telangana
Tel: 040-67162222
Toll-free: 18003094001
E-Mail: einward.ris@kfintech.com

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 Chandiok & Co LLP
Chartered Accountants
(FRN: 001076N/N500013), Unit No – 1,
10th Floor, My Home Twitza,
APIIC, Hyderabad Knowledge City,
Raidurg (Panmaktha) Village, Serilingampally Mandal,
RR District, Hyderabad – 500 081, Telangana

SECRETARIAL AUDITOR
Ravi & Subramanyam Company Secretaries
Practising Company Secretary (CP No: 4318)
#H.No 5-9-22/105, Opp to ESIC Staff Quarters
Adarsh Nagar, Near Birla Mandir,
Hyderabad-500063, Telangana

INTERNAL AUDITORS
- **M/s. Gattamaneni & Co.**, Chartered Accountants, Hyderabad
- **M/s. Satyanarayana & Sushil**, Chartered Accountants, Visakhapatnam
- **M/s. Ajit M. Joshi & Associates**, Chartered Accountants, Kolhapur
- **M/s. SCJY & Associates**, Chartered Accountants, Hyderabad
- **M/s. N R T & Associates**, Chartered Accountants, Chennai
- **M/s. Punniah & Co.**, Chartered Accountants, Guntur
- **M/s. S S A L & Associates,** Chartered Accountants, Madurai
- **M/s. Rama Subba Rao & Co.**, Chartered Accountants, Rajahendravaram
- **M/s. G M J & Co.**, Chartered Accountants, Mumbai
- **M/s. Murali & Venkat**, Chartered Accountants, Bangalore
- **M/s. P Praveen and Associates**, Chartered Accountants, SPSR Nellore
- **M/s. Gupta Dua & Co.**, Chartered Accountants, New Delhi
- **M/s. Raju & Prasad**, Chartered Accountants, Hyderabad
- **M/s. Brahmayya & Co.,** Chartered Accountants, Bengaluru (w.e.f. 01-04-2026)

SHAREHOLDER OUTREACH

The Company is committed to enhancing shareholder experience by providing efficient, transparent and shareholder-centric services through technology-driven initiatives and proactive investor engagement. The Company continuously endeavours to strengthen communication with shareholders, address their specific requirements in a timely manner and raise greater awareness of investor-related matters.

The dedicated Investor Relations team promptly responds to shareholder queries and grievances, thereby fostering trust, transparency and long-term shareholder relationships. Through these initiatives, the Company aims to ensure that shareholders remain well-informed, connected and an integral part of the Company's growth journey. Some of the initiatives towards shareholder outreach are enumerated below:

DIGITAL TRANSFORMATION

Leveraging technology-driven solutions to enhance convenience, accessibility and efficiency for shareholders:

- e-TDS Portal: Enables shareholders to seamlessly download TDS certificates online through the RTA platform at: https://ris.kfintech.com/clientservices/tds/
- Online KYC Modification Facility: Provides shareholders with a digital interface for updating KYC details and records through the RTA platform at https://mfs.kfintech.com/Investor/General/ValidateKYC/

SHAREHOLDER ENGAGEMENT

Strengthening communication with shareholders through timely support, proactive outreach and transparent interactions.

- Dedicated Investor Relations team address shareholder grievances promptly
- Voluntary reminder letters issued to shareholders regarding unclaimed dividends
- Annual reminder communications encouraging shareholders to update KYC details
- Dividend credit intimations have been shared with shareholders who have registered e-mail IDs.
- Timely resolution of shareholder concerns to enhance overall investor experience and build long-term relationships

INVESTOR AWARENESS

- Annual Reports containing key business, financial and non-financial updates are made available on the Company's website.
- Quarterly financial results and analyst call transcripts are shared with registered shareholders.
- Periodic updates through earnings calls, stock exchange filings, newspaper publications and press releases under the 'Investors' section of the Company's website.
- E-mail communications outlining the process for claiming tax exemption on dividends, along with relevant regulatory provisions.
- Continuous dissemination of investor-related information to promote informed shareholder participation.

IEPF-Related Process

Dividends that remain unclaimed for seven consecutive years are transferred to IEPF along with the corresponding shares.

The brief procedure for claiming such dividends and shares from the IEPF Authority is as follows:

Step-1

Submit self-attested copy of required documents to the Company/RTA to obtain Entitlement Letter

Step-2

Submit web form IEPF 5 on MCA portal www.mca.gov.in

Send self-attested copy of web form IEPF 5 along with attachments to the Company/RTA

Step-3

The Company to submit e-verification report to IEPF Authority

Step-4

IEPF Authority to approve the claim or seek clarifications

Details of unclaimed dividend(s) due for transfer to IEPF during FY 2026-27:

Dividend declaration date	Dividend Type	Dividend %	Dividend ₹ per share	Last date to claim unpaid dividend
August 30, 2019	Final Dividend	40%	2.00	October 4, 2026

Shareholders may visit the Company's website at https://www.heritagefoods.in/iepf to view the details of shares transferred to the IEPF Authority.

Online Dispute Resolution (ODR) Portal:

A common ODR Portal (https://smartodr.in/login) has been established by SEBI to raise disputes arising in the Indian Securities Market. After exhausting their options to resolve their grievances through RTA, the Company or the SCORES platform, the investors can initiate dispute resolution through the ODR Portal.

KYC Update:

Shareholders holding shares in physical mode can update their KYC details, i.e. (i) PAN (ii) Contact details (address, mobile no. & e-mail ID) (iii) Specimen Signature (iv) Bank details (Bank & Branch name, Account no., MICR and IFSC) with the RTA/ Company. The relevant forms for registering/updating KYC details are available at:

https://www.heritagefoods.in/static/images/pdf/investor-communication.pdf

https://ris.kfintech.com/clientservices/isc/isrforms.aspx

Notice

NOTICE is hereby given that the 34th Annual General Meeting (AGM) of the members of HERITAGE FOODS LIMITED will be held on Thursday, July 23, 2026 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. Adoption of Audited Standalone Financial Statements

To receive, consider and adopt the Audited Standalone Financial Statements of the Company for the Financial Year ended March 31, 2026, together with the Reports of the Board of Directors and the Auditors thereon and in this regard, to consider and if thought fit, to pass,with or without modification(s), the following resolution as an **Ordinary Resolution:**

"RESOLVED THAT the Audited Standalone Financial Statement of the Company for the financial year ended March 31, 2026 and the reports of the Board of Directors and Auditors' thereon, as circulated to the members be and are hereby considered and adopted."

2. Adoption of Audited Consolidated Financial Statements

To receive, consider and adopt the Audited Consolidated Financial Statements of the Company for the Financial Year ended March 31, 2026, together with the Report of the Auditors thereon and in this regard, to consider and if thought fit, to pass, with or without modification(s), the following resolution as an **Ordinary Resolution:**

"RESOLVED THAT the Audited Consolidated Financial Statement of the Company for the financial year ended March 31, 2026 and the reports of the Auditors' thereon, as circulated to the members be and are hereby considered and adopted."

3. Declaration of Final Dividend:

To declare final dividend on equity shares at the rate of 50% i.e. ₹ 2.50/- per equity share of face value of ₹ 5/-each for the Financial Year ended March 31, 2026 and in this regard, to consider and if thought fit, to pass, with or without modification(s), the following resolution as an **Ordinary Resolution**:

"RESOLVED THAT a final dividend at the rate of 50% i.e. ₹ 2.50/- per fully paid-up Equity Shares of face value of ₹ 5/- each of the Company, as recommended by the Board of Directors be and is hereby declared for the financial year ended March 31, 2026 and the same be paid to those shareholders, in case of shares held in physical form, whose names appear in the register of members as of the close of business hours on July 15, 2026 and in case of shares held in dematerialised form to the beneficiaries as of the close of business hours on July 15, 2026 as per details furnished by the depositories for this purpose."

4. Re-appointment of Director Retiring by Rotation

To appoint a Director in place of Dr. M Sambasiva Rao (DIN:01887410), who retires by rotation and being eligible, offers himself for re-appointment and in this regard, to consider and if thought fit, to pass, with or without modification(s), the following resolution as an **Ordinary Resolution**:

"RESOLVED THAT pursuant to the provisions of Section 152 read with the Companies (Appointment and Qualification of Directors) Rules, 2014 and other applicable provisions of the Companies Act, 2013 Dr. M Sambasiva Rao (DIN:01887410), who retires by rotation at this meeting and being eligible, offers himself for reappointment, be and is hereby reappointed as a Director of the Company, liable to retire by rotation"

SPECIAL BUSINESS:

5. Re-Appointment of Mr. Muthu Raju Paravasa Raju Vijay Kumar (DIN: 05170323) as Non-Executive Independent Director of the Company

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

"RESOLVED THAT pursuant to the provisions of Sections 149, 150, 152 and other applicable provisions of the Companies Act, 2013 ("Act") and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV to the Act and Regulation 16(1)(b) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended from time to time and the Articles of Association of the Company, Mr. Muthu Raju Paravasa Raju Vijay Kumar (DIN:05170323) (DOB: 30-09-1969), Non-Executive Independent Director of the Company, who has submitted a declaration that he meets the criteria of independence as provided in Section 149(6) of the Act and Regulation 16(1)(b) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time and in respect of whom the Company has received a notice in writing from member under Section 160(1) of the Act proposing his candidature for the office of Director and based on the recommendation of the Nomination & Remuneration Committee and the Board of Directors of the Company, consent of the members, be and is hereby accorded for re-appointment Mr. Muthu Raju Paravasa Raju Vijay Kumar (DIN: 05170323) as Non-Executive Independent Director of the Company to hold office for second and final term of 5 (Five) consecutive years starting from November 1, 2026 to October 31, 2031 (both days inclusive) and he shall not be liable to retire by rotation."

"RESOLVED FURTHER THAT the Board of Directors of the Company be and are hereby authorised to do all acts, deeds and things and to take all such steps as may be necessary, proper or expedient to give effect to this resolution and matters incidental consequential and connected therewith and to delegate all or any of its powers herein conferred to any Committee of Directors or Director(s) to give effect to the aforesaid resolution."

By Order of the Board of Directors

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

Place: Hyderabad
Date: May 11, 2026

Registered Office:
CIN: L15209TG1992PLC014332
H.No.8-2-293/82/A/1286, Plot No: 1286,
Road No. 1 & 65, Jubilee Hills,
Hyderabad, Telangana, 500033.
Tel : 040-23391221
E-mail: hfl@heritagefoods.in
Website: www.heritagefoods.in

Notes

1. The Ministry of Corporate Affairs ("MCA") has, vide its General Circular dated September 22, 2025 read together with circulars dated April 8, 2020, April 13, 2020, May 5, 2020, January 13, 2021, December 8, 2021, December 14, 2021, May 5, 2022, December 28, 2022, September 25, 2023 and September 19, 2024 (collectively referred to as "MCA Circulars"), permitted convening the Annual General Meeting ("AGM"/"Meeting") through Video Conferencing ("VC") or Other Audio Visual Means ("OAVM"), without physical presence of the members at a common venue. In accordance with the MCA Circulars and applicable provisions of the Companies Act, 2013 ("Act") read with Rules made thereunder and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations"), the AGM of the Company is being held through VC/OAVM. The deemed venue for the AGM shall be the Registered Office of the Company situated at #H.No.8-2-293/82/A/1286, Plot No: 1286, Road No. 1 & 65, Jubilee Hills, Hyderabad, Telangana, 500033, India.
2. Pursuant to the provisions of the circulars on the VC/OAVM:
   a) Members can attend the meeting through login credentials provided to them to connect to Video Conference VC/OAVM. Physical attendance of the members at the meeting venue is not required.
   b) Body Corporates are entitled to appoint authorized representatives to attend the AGM through VC/OAVM and participate there at and cast their votes through e-voting.
3. The VC/OAVM facility for Members to join the AGM shall be made available 30 minutes before the commencement of the AGM and shall remain open until 15 minutes after the conclusion of the AGM. Members may attend and participate in the AGM through VC/OAVM by following the instructions provided in this 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 MCA Circulars and SEBI Circular, Notice of the 34th AGM along with the Annual Report 2025-26 is being sent only through electronic mode to those members whose e-mail addresses are registered with the Company / Depository Participants/ RTA. Members may note that the Notice and the 34th Annual Report 2025-26 will also be available on the Company's website at www.heritagefoods.in, on the website 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.

   In case any member is desirous of obtaining hard copy of the 34th Annual Report for the financial year 2025-26 they may send a request from the registered e-mail address to the Company's e-mail address at hfl@heritagefoods.in mentioning their Folio no./ DP ID and Client ID.

   Additionally, in accordance with Regulation 36(1)(b) of the Listing Regulations, the Company is also sending a letter to members whose e-mail address is not registered with Company/ Depository Participant providing the exact web-link of Company's website from where the 34th Annual Report for financial year 2025-26 can be accessed.
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. 5 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. M Sambasiva Rao (DIN:01887410), Whole Time Director of the Company is liable to retire by rotation at the ensuing Annual General Meeting and being eligible offers himself for re-appointment. The Board of Directors of the Company recommend his re-appointment.

   The above re-appointment shall not alter any terms and conditions with regard to remuneration, tenure of appointment and such other terms and conditions relating to his appointment as a Whole Time Director of the company for a term of five year (w.e.f. 01.04.2025) as approved by the Members of the Company by way of postal ballot and remote e-voting, the results of which were declared on May 2, 2025.
10. Pursuant to Regulation 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 34th AGM of the Company to be held on Thursday, July 23, 2026 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), 301, 3rd Floor, Naman Chambers, G Block, Plot No-C-32, Bandra Kurla Complex, Bandra East, Mumbai- 400051 for facilitating voting through electronic means, as the authorised agency. The facility of casting votes by a member using remote e-Voting system as well as remote e-Voting during the AGM will be provided by NSDL. In terms of the MCA & SEBI Circulars, voting can be done only by Remote E-voting/E-voting. The members are advised to use the E-voting procedure, as provided in the Notice.
12. (a) The Company has notified closure of Register of Members and Share Transfer Books from July 16, 2026 to July 23, 2026 (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 July 30, 2026. The dispatch of dividend warrants/ demand drafts will be completed on the same day.
13. Members may avail facility of nomination in terms of Section 72 of the Companies Act, 2013, by nominating any person to whom their shares in the Company shall vest in the event of their death.

DISPATCH OF ANNUAL REPORT THROUGH ELECTRONIC MODE:

14. As per the MCA Circulars and SEBI Circular the notice of the AGM along with the 34th Annual Report for the FY 2025-26 is being sent only through electronic mode to those members whose email addresses are registered with the Company/ Depositories unless any member has requested for a physical copy of the same. The company shall also send a letter providing the web-link, including the exact path for viewing and downloading the 34th Annual Report to those shareholder(s) who have not registered their email addresses either with the Company or Depositories. Members may note that the Notice and 34th Annual Report for the FY 2025-26 will also be

available on the Company's website i.e. www.heritagefoods.in, websites of the Stock Exchanges, i.e., BSE Limited and National Stock Exchange of India Limited at www.bseindia.com and www.nseindia.com respectively and on the website of NSDL at www.evoting.nsdl.com.

15. For receiving all communication (including 34th Annual Report for FY 2025-26) 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:

16. 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 LO&DR Regulations and in terms of SEBI Master circular no. HO/49/14/14(7)2025-CFD-POD2/I/3762/2026 dated January 30, 2026 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 Wednesday, July 15, 2026 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 cutoff date i.e. Wednesday, July 15, 2026 may obtain the User ID and Password by sending a request at evoting@nsdl.com. 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 facility will be available during the following voting period:

Commencement of remote e-Voting:	Monday, July 20, 2026 at 9.00 a.m. (IST)
End of remote e-Voting:	Wednesday, July 22, 2026 at 5.00 p.m. (IST)

The remote e-voting will not be allowed beyond the aforesaid date and time and the remote e-Voting module shall be disabled for voting thereafter. Once the vote on a resolution is cast by the Member, the member shall not be allowed to change it subsequently. The voting rights of the Members shall be in proportion to their share of the paid-up equity Share Capital of the Company as on the cut-off date i.e. Wednesday, July 15, 2026.

iv. Members shall be provided the facility for voting through electronic voting system at the AGM and members participating at the AGM, who have not cast their vote on the resolution(s) by remote e-Voting, will be eligible to exercise their right to vote on such resolution(s) upon announcement by the Chairperson. Members who have cast their vote on resolution(s) by remote e-Voting prior to the AGM will also be eligible to participate at the AGM through VC/ OAVM but shall not be entitled to cast their vote on such resolution(s) again. Members who have voted on some of the resolutions during the said voting period are also eligible to vote on the remaining resolutions during the AGM. The e-Voting module on the day of the AGM shall be disabled by NSDL for voting 15 minutes after the conclusion of the Meeting.

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

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, July 18, 2026 (9:00 a.m. IST) to Tuesday, July 21, 2026 (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.com / 022 - 4886 7000.

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

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

Step 1: Access NSDL e-Voting system

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

Details on Step 1 are mentioned below:

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

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

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

Type of shareholders	Login Method
Individual Shareholders holding securities in demat mode with NSDL	**A. NSDL IDeAS facility** If you are already registered, follow the below steps: 1. Visit the e-Services website of NSDL. Open web browser by typing the following URL: https://eservices.nsdl.com/ either on a personal computer or on a mobile. 2. Once the home page of e-Services is launched, click on the 'Beneficial Owner' icon under 'Login' which is available under 'IDeAS' section. 3. A new screen will open. You will need to enter your User ID and Password. After successful authentication, you will be able to see e-voting services under Value Added Services section. 4. Click on 'Access to e-voting' appearing on the left-hand side under e-voting services and you will be able to see e-voting page. 5. Click on options available against Company name or e-voting service provider – NSDL and you will be re-directed to NSDL e-voting website for casting your vote during the remote e-voting period or joining virtual meeting & e-voting during the meeting. **If you are not registered, follow the below steps:** a) Option to register is available at https://eservices.nsdl.com b) Select 'Register Online for IDeAS' Portal or click at https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp c) Please follow steps given in points 1-5 **B. e-voting website of NSDL** 1. Open web browser by typing the following URL: https://www.evoting.nsdl.com/ either on a personal computer or on a mobile phone. 2. Once the home page of e-voting system is launched, click on the icon 'Login' which is available under 'Shareholder/ Member' section. 3. A new screen will open. You will need to enter your User ID (i.e. your sixteen digit demat account number held with NSDL), Password/OTP and a Verification Code as shown on the screen. 4. After successful authentication, you will be redirected to NSDL website wherein you can see e-voting page. Click on options available against Company name or e-voting service provider - NSDL and you will be redirected to e-voting website of NSDL for casting your vote during the remote e-voting period or joining virtual meeting & e-voting during the meeting. **C.** Shareholders/Members can also download NSDL Mobile App 'NSDL Speede' facility by scanning the QR code mentioned below for seamless voting experience.
Individual Shareholders holding securities in demat mode with CDSL	1. Existing users who have opted for Easi/Easiest, they can login through their user id and password. Option will be made available to reach e-Voting page without any further authentication. The URL for users to login to Easi/Easiest are https://web.cdslindia.com/myeasi/home/login or www.cdslindia.com and click on New System Myeasi. 2. After successful login of Easi/Easiest the user will be also able to see the E Voting Menu. The Menu will have links of e-Voting service provider i.e. NSDL. Click on NSDL to cast your vote. 3. If the user is not registered for Easi/Easiest, option to register is available at https://web.cdslindia.com/myeasi/Registration/EasiRegistration 4. Alternatively, the user can directly access e-Voting page by providing demat Account Number and PAN No. from a link in www.cdslindia.com home page. The system will authenticate the user by sending OTP on registered Mobile & e-mail as recorded in the demat Account. After successful authentication, user will be provided links for the respective ESP i.e. NSDL where the e-Voting is in progress.
	1. You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. 2. upon logging in, you will be able to see e-Voting option. Click on e-Voting option, you will be redirected to NSDL/ CDSL Depository site after successful authentication, wherein you can see e-Voting feature. 3. Click on company name or e-Voting service provider i.e. NSDL and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting and e-voting during the meeting.

NSDL Mobile App is available on
App Store | Google Play

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.com 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 18002109911

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?

1. 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 Benefi ciary ID For example if your Benefi ciary 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.com 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.com. 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.com.

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, Practicing Company Secretary, Hyderabad - 500063, 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 at www.heritagefoods.in and on the website of NSDL at www.evoting.nsdl.com. The result will simultaneously be communicated to the stock exchanges where the shares of the company are listed.

19. PROCEDURE FOR INSPECTION OF DOCUMENTS:

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

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

20. DIVIDEND RELATED INFORMATION

i. The Board of Directors at their meeting held on May 11, 2026 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, 2026, subject to approval of the Members at the AGM, the dividend will be paid by Thursday, July 30, 2026, 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 dematerialized mode, to the Members whose names are furnished by National Securities Depository Limited and Central Depository Services (India) Limited as beneficial owners as on that date. The dispatch of dividend warrants/demand drafts will be completed on the same day.

ii. The Company has notified closure of Register of Members and Share Transfer Books from Thursday, July 16, 2026 to Thursday, July 23, 2026 (both days inclusive) for determining the names of member(s) eligible for dividend on Equity Shares, if declared at the Meeting.

iii. As per relevant Circulars, payment of dividend shall be made through electronic mode to the members who have updated their bank account details. Dividend warrants / demand drafts will be dispatched to the registered address of the members who have not updated their bank account details. To avoid delay in receiving dividend, members are requested to update their bank account details with their Depository Participants in case securities are held in demat mode and members holding securities in physical form should send a request for updating their bank details to the Company's Registrar & Share Transfer Agents.

iv. Payment of Dividend shall be subject to deduction of tax at source (TDS) at applicable rates as notified by the Government of India.

v. Members are requested to notify immediately any change of address and other relevant correspondence including NECS/ECS/NEFT/RTGS details and submission of Permanent Account Number (PAN)
   a. to their Depository Participants (DPs) in respect of their electronic share accounts; and
   b. to the Company at its registered office or the Registrar & Transfer Agent, M/s. KFin Technologies Limited (KFintech) (CIN:L72400TG2017PLC117649), Selenium Building, Tower-B, Plot No 31 & 32, Financial District, Nanakramguda, Serilingampally, Hyderabad, Rangareddi, Telangana - 500 032, India in respect of their physical shares, if any, quoting their folio number, Banker's name and account number to ensure prompt and safe receipt of dividend warrants.

i. 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 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.

ii. Pursuant to the amendments introduced by the Finance Act, 2020 the Company will be required to withhold taxes at the prescribed rates on the dividend paid to its members w.e.f. April 01, 2020. No tax will be deducted on payment of dividend to the resident individual members if the total dividend paid does not exceed ₹10,000/-

The withholding tax rate would vary depending on the residential status of the member and documents registered with the Company as follows:

A. RESIDENT MEMBERS:

A.1 Tax Deductible at Source for Resident Members

Sl No	Particulars	Withholding tax rate	Documents required (if any)
1.	Valid PAN updated in the Company's Register of Members	10%	No document required (if no exemption is sought)
2.	No PAN/Valid PAN not updated in the Company's Register of Members/ PAN is not linked with Aadhar in case of an individual	20%	No document required (if no exemption is sought)
3.	Availability of lower/nil tax deduction certificate issued by Income Tax Department u/s 395(1) of Income Tax Act, 2025	Rate specified in the certificate	Lower tax deduction certificate obtained from Income Tax Authority to be submitted on or before July 12, 2026.

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/Depository Participant on or before July 12, 2026.

Sl No	Particulars	Withholding tax rate	Documents required (if any)
1	Submission of form 121 with valid & operative PAN	Nil	Declaration in Form 121 fulfilling certain conditions.
2	Member to whom section 393(1) [Table: Sl. No. 7] of the Income-Tax Act, 2025 does not apply as per section 393(4) [Table: Sl. No. 10] such as LIC, GIC. etc.	Nil	Valid documentary evidence for exemption u/s 393(4) [Table Sl. No 10] of the Income-Tax Act, 2025.
3	Member covered u/s 393(5) of the Income-Tax Act, 2025 such as Government, RBI, Corporations established by Central Act & mutual funds	Nil	Valid documentary evidence for coverage u/s 393(5) of the Income-Tax Act, 2025.
4	Category I and II Alternative investment Fund	Nil	SEBI registration certificate to claim benefit under section 400(1) of the Income-Tax Act, 2025.
5	• Recognised provident funds • Approved superannuation fund • Approved gratuity fund	Nil	Valid 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 393(9) of the Income-Tax Act, 2025. Valid documentary evidence (e.g., relevant copy of registration, notification, order, etc.) to be provided.
7	Any resident member exempted from TDS deduction as per the provisions of the Income-Tax Act, 2025 or by any other law or notification	Nil	Valid documentary evidence substantiating exemption from deduction of TDS.

B. NON-RESIDENT MEMBERS:

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

Sl No	Particulars	Withholding tax rate	Documents required (if any)
1	Foreign Institutional Investors (FIIs) / Foreign Portfolio Investors (FPIs)	20% (plus applicable surcharge and cess)	FPI registration number / certificate
2	Other Non-resident members	20% (plus applicable surcharge and cess) or tax treaty rate whichever is beneficial	To avail beneficial rate of tax treaty following tax documents would be required: i. Tax Residency certificate issued by revenue authority of country of residence of member for the year in which dividend is received ii. PAN or declaration as per Rule 217 of the Income-Tax Rules, 2026 in a specified format iii. E-filed Form 41 iv. Self-declaration for non-existence of permanent establishment/ fixed base in India (Note: Application of beneficial Tax Treaty Rate shall depend upon the completeness of the documents submitted by the Non-Resident member and review to the satisfaction of the Company)
3	Indian Branch of a Foreign Bank	NIL	Lower tax deduction certificate u/s 195(3) obtained from Income Tax Authority Self-declaration confirming that the income is received on its own account and not on behalf of the Foreign Bank and the same will be included in taxable income of the branch in India.
4	Availability of Lower / NIL tax deduction certificate issued by Income Tax Authority	Rate specified in certificate	Lower tax deduction certificate obtained from Income Tax Authority

Notes:

i. The Company will issue soft copy of the TDS certificate to its members through email registered with the Company / RTA post filing of TDS return as per statutory timelines specified under the Income-Tax Act, 2025. Members will be able to download Form 168 from the Income Tax Department's website https://www.incometax.gov.in.

ii. The aforesaid documents such as Form 121, documents under section 393(5), 400(1), FPI / FII Registration Certificate, Tax Residency Certificate, Lower Tax certificate, Rule 203 declaration, etc. can be uploaded on the link https://rkarisma.kfintech.com/dividends/ on or before July 12, 2026 to enable the Company to determine the appropriate TDS / withholding tax rate applicable. Any documents / communication on the tax determination / deduction received after July 12, 2026 shall not be considered.

NSDL has provided a facility for submission of tax documents for claiming nil/low tax deduction from dividend whereby the Resident Non-Individual members i.e. Insurance Companies, Mutual Funds and Alternative Investment Funds (AIF) and other domestic financial institutions established in India and Non-Resident Non-Individual members i.e., Foreign Institutional Investors and Foreign Portfolio Investors may submit the relevant forms / declarations / documents through their respective custodian who is registered on NSDL platform, on or before July 12, 2026.

iii. Application of TDS rate is subject to necessary verification by the Company of the member details as available in Register of Members as on the Record Date and other documents available with the Company / RTA.

iv. In case TDS is deducted at a higher rate, an option is still available with the member to file the return of income and claim an appropriate refund.

v. No TDS will be deducted in case of resident individual members whose dividend does not exceed ₹ 10,000. However, where the PAN is not updated in Company / RTA / Depository Participant records or in case of an invalid PAN and cumulative dividend payment to individual member is more than ₹ 10,000, the Company will deduct TDS / Withholding tax u/s 393(1) [Table: Sl. No. 7] with reference to Section 397(2) of the Income-Tax Act, 2025.

All the members are requested to update their PAN with their Depository Participant (if shares are held in dematerialised mode) and Company / RTA (if shares are held in physical mode) against all their folio holdings on or before July 12, 2026.

vi. 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.

vii. This Communication is not exhaustive and does not purport to be a complete analysis or listing of all potential tax consequences in the matter of dividend payment. Members should consult their tax advisors for requisite action to be taken by them.

21. IEPF RELATED INFORMATION:

Pursuant to the provisions of Investor Education and Protection Fund (Uploading of information regarding unpaid and unclaimed amounts lying with companies) Rules as amended from time to time, the Company has uploaded the details of unclaimed/ unpaid amounts lying with the Company as on July 31, 2025 (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 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, 2026	
			Amount outstanding (₹in Mn)	No. of Equity Shares
2018-19	30-08-2019	04-10-2026	1.35	6,74,411
2019-20	28-08-2020	03-10-2027	1.55	7,01,339
2020-21	30-07-2021	03-09-2028	2.27	5,26,479
2021-22	21-10-2021 (1st Interim Dividend)	25-11-2028	1.21	5,72,393
2021-22	29-07-2022 (Final Dividend)	02-09-2029	1.30	5,94,420
2022-23	22-08-2023	26-09-2030	1.34	6,08,110
2023-24	21-08-2024	26-09-2031	1.77	8,02,081
2024-25	31-07-2025	04-09-2032	1.41	6,28,336

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 ₹ 13,27,930/- (Thirteen lakh twenty seven thousand nine hundred thirty Only) for the year 2017-18 was transferred to the Investor Education and Protection Fund during the financial year 2025-26 on October 14, 2025.

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 2,13,802 (Two lakh thirteen thousand eight hundred two only) equity shares belonging to 145 members of the company who have not claimed dividends for a continuous period of seven years to Investor Education and Protection fund Authority (IEPF) through Corporate Action to Demat account of IEPF Authority dated 27-10-2025.

Further the unclaimed/unpaid dividend and the shares thereof pertaining to the financial year 2018-19 shall be transferred to the Investor Education and Protection Fund during the financial year 2026-27. 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.

22. OTHER INFORMATION

i. The Company's equity shares are Listed at (i) BSE Limited, Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai - 400001, Maharashtra, India; and (ii) National Stock Exchange of India Limited, Exchange Plaza, Floor 5, Plot No. C/1, Bandra (East), Mumbai – 400051, Maharashtra, India and the Company has paid the Annual Listing Fees to the said Stock Exchanges for the year 2025-26.

ii. 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.

SEBI vide its Circular dated July 5, 2025, has prescribed a special window for re-lodgement of transfer deeds lodged prior to April 1, 2019, which were rejected/returned due to deficiencies, for a period of six months from July 7, 2025 to January 6, 2026. Further, SEBI vide its Circular dated January 30, 2026, has provided another special window for transfer and dematerialisation of physical securities purchased or sold prior to April 1, 2019, which shall remain open for one year from February 5, 2026 to February 4, 2027.

In view of the above, Members are advised to dematerialise shares held by them in physical form.

iii. Members holding shares in physical mode are:
   a. required to submit their Permanent Account Number (PAN) and bank account details to 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.

iv. 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.

v. 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.

vi. 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).

vii. 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.

viii. 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.

ix. Pursuant to Section 20 of the Companies Act, 2013, members may request delivery of documents through a particular mode. As the cost of dispatch may vary based on the mode of delivery, weight and destination, the member shall pay the actual expenses incurred by the Company for such dispatch in advance.

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

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

xi. Members may also note that the 34th Annual Report for the financal year 2025-26 will also be available on the Company's website at www.heritagefoods.in. For any communication, the members may also send requests to the Company's investor email id: hfl@heritagefoods.in.

By Order of the Board of Directors

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

Place: Hyderabad
Date: May 11, 2026

Registered Office:
CIN: L15209TG1992PLC014332
H.No.8-2-293/82/A/1286, Plot No: 1286, Road No. 1 & 65,
Jubilee Hills, Hyderabad, Telangana, 500033. Tel : 040-23391221
E-mail: hfl@heritagefoods.in
Website: www.heritagefoods.in

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

The following explanatory Statement sets out all the material facts relating to the Special Business mentioned in Item No. 5 of the Notice of 34th AGM dated July 23, 2026:

Item No: 5

Re-Appointment of Mr. Muthu Raju Paravasa Raju Vijay Kumar (DIN: 05170323) as Non-Executive Independent Director of the Company

Mr. Muthu Raju Paravasa Raju Vijay Kumar (DIN: 05170323) (DOB: 30-09-1969) was appointed as a Non-Executive Independent Director of the Company for the first term by the members through Postal Ballot on November 24, 2021 for a period of 5 (five) consecutive years from November 01, 2021 to October 31, 2026 and is eligible for re-appointment for a second and final term on the Board of Directors of the Company as per Section 149(10) of the Act.

Mr. Muthu Raju Paravasa Raju Vijay Kumar (DIN: 05170323) is currently acting as a Non-Executive Independent Director of the Company and is Chairperson/Member in the following Committees of the Board.

S. No	Name of the Committee	Designation
1.	Audit Committee	Member
2.	Nomination & Remuneration Committee	Chairperson
3.	Management Committee	Member

Based on the recommendation of the Nomination and Remuneration Committee ("NRC"), the Board of Directors, at its meeting held on May 11, 2026, has proposed the re-appointment of Mr. Muthu Raju Paravasa Raju Vijay Kumar (DIN: 05170323) as a Non-Executive Independent Director of the Company for a second and final term of five consecutive years, commencing from November 1, 2026 to October 31, 2031 (both days inclusive), not liable to retire by rotation, subject to the approval of the members by way of a Special Resolution.

Mr. Muthu Raju Paravasa Raju Vijay Kumar (DIN: 05170323), aged about 57 years, with over thirty years of experience in finance, accounting and corporate governance, brings deep expertise to the corporate and regulatory landscape. He currently serves as Executive Director and Group CFO at Sify Technologies Limited. He is a Fellow Member of the Institute of Chartered Accountants of India (ICAI), the Institute of Cost and Management Accountants of India (ICMA) and the Institute of Company Secretaries of India (ICSI). He is also a member of the IFRS Interpretation Committee of the International Accounting Standards Board and the IFRS Advisory Council of the IFRS Foundation, London. He served as a council member of ICAI from 2016 to 2022, was Chairman of the Accounting Standards Board and an ex-officio member of NFRA from 2019 to 2022. He has been a member of various committees under the MCA, SEBI and the CFO Forum of CII. In recognition of his contributions, he was awarded the Business World CFO of the Year in 2021 and named among the 100 most influential CFOs in India by CIMA.

The Board is of the opinion that Mr. Muthu Raju Paravasa Raju Vijay Kumar is a person of integrity and possesses the requisite expertise, experience, knowledge and proficiency required for the role of an Independent Director. Considering his extensive experience in finance, accounting, corporate governance and regulatory matters, his active participation in the deliberations of the Board and its Committees and the valuable guidance provided by him during his tenure, the Board believes that his continued association would be beneficial to the Company and its stakeholders. Accordingly, the Board considers his re-appointment for a second and final term as an Non-Executive Independent Director to be in the best interests of the Company.

Pursuant to the provisions of Sections 149, 150, 152 read with Schedule IV and other applicable provisions of the Act and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and on the recommendation of the Nomination & Remuneration Committee and the Board, Mr. Muthu Raju Paravasa Raju Vijay Kumar (DIN: 05170323) being eligible for re-appointment as Non-Executive Independent Director and offered himself for reappointment. Accordingly, it is proposed to re-appoint him as Non-Executive Independent Director of the Company for a second and final term with effect from November 1, 2026 to October 31, 2031 (both days inclusive) and not liable to retire by rotation and in respect of whom the Company has received a notice in writing from member under Section 160(1) of the Act proposing her candidature for the office of Director.

The Company has also received the following declarations/documents from Mr. Muthu Raju Paravasa Raju Vijay Kumar (DIN: 05170323):

(i) Declaration stating that he meets the criteria of Independence as provided in sub-section (6) of Section 149 of the Companies Act, 2013 and Regulation16(1)(b) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

(ii) the consent in writing to act as Non-Executive Independent Director

(iii) intimation that he is not disqualified under section 164 of the Companies Act, 2013 and

(iv) a declaration to the effect that he is not debarred from holding the office of Director pursuant to any order issued by the Securities and Exchange Board of India (SEBI) or any other authorities.

Mr. Muthu Raju Paravasa Raju Vijay Kumar (DIN: 05170323), Non-Executive Independent Director has also confirmed that he is in compliance with Rules 6(1) and 6(2) of the Companies (Appointment and Qualifications of Directors) Rules, 2014, with respect to his registration with the data bank of Independent Directors maintained by the Indian Institute of Corporate Affairs ('IICA').

In the opinion of the Board, Mr. Muthu Raju Paravasa Raju Vijay Kumar (DIN: 05170323), Non-Executive Independent Director fulfills the conditions specified in the Act, rules made thereunder and the SEBI Listing Regulations for re-appointment as Non-Executive Independent Director and that he is independent of the Management.

The draft letter of re-appointment of Mr. Muthu Raju Paravasa Raju Vijay Kumar has been uploaded on the website of the Company at www.heritagefoods.in and available for inspection.

The other details of Mr. Vijay Kumar in terms of SEBI (Listing Obligation & Disclosure Requirements) Regulations, 2015, Companies Act, 2013 and Secretarial Standard on General Meetings ("SS-2"), issued by the Institute of Company Secretaries of India (ICSI) New Delhi are given in Annexure I to this Notice.

In compliance with the provisions of Section 149 read with Schedule IV to the Act, Regulation 17 of the SEBI Listing Regulations and other applicable provisions of the Act and SEBI Listing Regulations, the re-appointment of Mr. Muthu Raju Paravasa Raju Vijay Kumar (DIN: 05170323) as Non-Executive Independent Director is placed for the approval of the members by a Special Resolution.

The Board recommends the Special Resolution set out in Item No.5 of the accompanying Notice for approval of the members.

None of the Directors or Key Managerial Personnel ('KMP') of the Company or their respective relatives, except Mr. Muthu Raju Paravasa Raju Vijay Kumar (DIN: 05170323) are concerned or interested, financially or otherwise, in the resolution set out at Item No.5 of the accompanying Notice.

By Order of the Board of Directors

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

Place: Hyderabad
Date: May 11, 2026

Registered Office:
CIN: L15209TG1992PLC014332
H.No.8-2-293/82/A/1286, Plot No: 1286,
Road No. 1 & 65, Jubilee Hills, Hyderabad,
Telangana, 500033, Tel : 040-23391221
E-mail: hfl@heritagefoods.in
Website: www.heritagefoods.in

ANNEXURE-1

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

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

Name of the Director	**Dr. Muddana Sambasiva Rao**
Director Identification Number	01887410
Category of Director	Whole Time Director
Date of Birth	05-05-1957
Nationality	Indian
Date of First appointment as a Director of the Company	April 1, 2025
Profile / Qualifications & Experience	Dr. Rao (Retd. IAS), a seasoned professional with nearly two decades of experience in the Indian Administrative Service, including a distinguished tenure as Joint Secretary in the Ministry of Commerce Govt of India, brings strong governance acumen and commercial expertise to Heritage Foods. He plays a vital role in shaping the Company's growth and strategic direction and he holds a Doctorate in Zoology.
Terms and Conditions of Re-appointment and proposed remuneration to be paid	As per the terms of appointment originally approved by the Members of the Company through Postal Ballot and remote e-voting, the results of which were declared on May 2, 2025.
Remuneration last Drawn	As per the terms of appointment originally approved by the Members of the Company through Postal Ballot and remote e-voting, the results of which were declared on May 2, 2025.
*List of Directorships held in other companies	**Name** / **CIN** Heritage Nutrivet Limited / U15400TG2008PLC062054 Heritage Finlease Limited / U65910TG1996PLC023310 XL Marketing Consulting Private Limited / U74900TG2010PTC070468
Number of Board meetings attended:	During the FY 2025-26 Dr. Rao has attended 6 out 6 Board meetings
*Chairman/Member of the Committees of the Boards of other public companies in which he is Director as on 11-05-2026	**Name of the Company** / **Committee** / **Member/ Chairperson** Heritage Nutrivet Limited CIN: U15400TG2008PLC062054 / Nomination & Remuneration Committee / Member Heritage Finlease Limited CIN: U65910TG1996PLC023310 / Audit Committee / Member Heritage Finlease Limited CIN: U65910TG1996PLC023310 / Nomination & Remuneration Committee / Member
Chairman/Member of the Committees of the Boards of other companies resigned in past three financial years	Nil
Shareholding in the Company	93,078 fully paid-up equity shares at FV of ₹5/- each
Relationship with Other Directors, Manager and other Key Managerial Personnel of the Company.	None

* Directorship/Chairmanship/Membership in Heritage Foods Limited is not included.

Name of the Director	**Mr. Muthu Raju Paravasa Raju Vijay Kumar**
Director Identification Number	05170323
Category of Director	Non-Executive Independent Directot
Date of Birth	30-09-1969
Nationality	Indian
Date of First appointment	01-11-2021
Profile / Qualifications & Experience	Mr. Muthu Raju Paravasa Raju Vijay Kumar (DIN: 05170323), aged about 57 years, with over thirty years of experience in finance, accounting and corporate governance, brings deep expertise to the corporate and regulatory landscape. He currently serves as Executive Director and Group CFO at Sify Technologies Limited. He is a Fellow Member of the Institute of Chartered Accountants of India (ICAI), the Institute of Cost and Management Accountants of India (ICMA) and the Institute of Company Secretaries of India (ICSI). He is also a member of the IFRS Interpretation Committee of the International Accounting Standards Board and the IFRS Advisory Council of the IFRS Foundation, London. He served as a council member of ICAI from 2016 to 2022, was Chairman of the Accounting Standards Board and an ex-officio member of NFRA from 2019 to 2022. He has been a member of various committees under the MCA, SEBI and the CFO Forum of CII. In recognition of his contributions, he was awarded the Business World CFO of the Year in 2021 and named among the 100 most influential CFOs in India by CIMA.
Terms and Conditions of Re-appointment and proposed remuneration to be paid	As mentioned in the Resolution no.4/Explanatory Statement/ letter of re-appointment as a Non-Executive Independent Director for second and final term with effect from November 1, 2026 to October 31, 2031. Will be entitled for Sitting Fees for Board and Committee Meetings of the Company.
Remuneration/ Sitting Fees last Drawn	Sitting Fees for Board and Committee Meetings during last five (5) years ₹ in Mn **Financial Year** / **2025-26** / **2024-25** / **2023-24** / **2022-23** / **2021-22** Sitting Fees / 1.15 / 0.95 / 0.70 / 0.79 / 0.15
*List of Directorships held in other companies	**Name** / **CIN** Mahindra and Mahindra Limited / L65990MH1945PLC004558 Wheels India Limited / L35921TN1960PLC004175 Geojit Investments Limited / U66110KL2023PLC080586 ONGC Petro Additions Limited / U23209GJ2006GOI060282 Sify Technologies Limited / U72200TN1995PLC050809
Number of Board meetings attended:	During the FY 2025-26 Mr. Vijay Kumar has attended 6 out 6 Board meetings
Chairman/Member of the Committees of the Boards of other public companies in which he is Director as on 11-05-2026	**Name of the Company** / **Committee** / **Member/ Chair-person** Wheels India Limited CIN:L35921TN1960PLC004175 / Audit Committee / Chairperson Wheels India Limited CIN:L35921TN1960PLC004175 / Risk Management Committee / Member Mahindra and Mahindra Limited CIN:L65990MH1945PLC004558 / Audit Committee / Chairperson Mahindra and Mahindra Limited CIN:L65990MH1945PLC004558 / Risk Management Committee / Member Geojit Investments Limited U66110KL2023PLC080586 / Audit Committee / Member
Chairman/Member of the Committees of the Boards of other public companies resigned in past three financial years	**Name of the Company** / **Committee** / **Member/ Chairperson** / **Date of Ces-sation** Life Insurance Corporation of India / Audit Committee / Chairperson / 28-01-2026
Shareholding in the Company	Nil
Relationship with Other Directors, Manager and other Key Managerial Personnel of the Company.	Not related to any Director / Key Managerial Personnel

* Directorship/Chairmanship/Membership in Heritage Foods Limited is not included.

Key information related to AGM:

Sl No	Particulars	Details
1	Date and time of AGM	Thursday, July 23, 2026, at 10:00 am (IST)
2	Record date for Final Dividend	Wednesday, July 15, 2026
3	Date of payment of Final Dividend (if approved at the AGM)	Thursday, July 30, 2026
4	E-voting start date and time	Monday, July 20, 2026 from 9:00 a.m. (IST)
5	E-voting end date and time	Wednesday, July 22, 2026 till 5:00 p.m. (IST)

Steps for e-voting and joining the AGM through VC/OAVM for individual shareholders holding securities in Dematerialized mode

Step 1: Login for e-voting system

NSDL

(A) One-Time Password (OTP) based login

1. Visit website https://eservices.nsdl.com/SecureWeb/evoting/evotinglogin.jsp
2. Enter 8- character DP ID, 8-digit Client ID, PAN and Verification code given on screen
3. Click on Generate OTP
4. Enter OTP and click on login
5. Click on "e-vote" in action tab

(B) Shareholders registered on "IDeAS" facility

1. Visit website https://eservices.nsdl.com
2. Under "IDeAS" section click on "Beneficial Owner"
3. Enter existing User ID, Password and Verification code given on the screen or check 'How to retrieve initial password'?
4. Post authentication, click on "Login"

(C) Shareholders not registered on "IDeAS" facility

1. Visit website https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp
2. Enter 8- character DP ID, 8-digit Client ID, Mobile no, Verification code given on screen and click on submit
3. Enter last 4 digits of your bank account or generate 'OTP'. follow step 1 to 4 from (B)
4. Click on the Company name or e-voting service provider NSDL, it will redirect to NSDL e-voting website

(D) Voting through e-voting website

1. Visit website https://www.evoting.nsdl.com/
2. Click on "Login" under "Shareholder/Member" section
3. Enter User ID (16 digit demat account no. held with NSDL), Password/OTP and Verification code as given on the screen
4. Post login it will be redirected to the e-voting page of NSDL website

CDSL

(A) Shareholders registered on Easi/Easiest facility

1. Visit website https://web.cdslindia.com/myeasitoken/Home/Login
2. Enter existing User name and Password, click on "Login"
3. Enter OTP received on registered email ID and Mobile no.
4. Click on e-voting option, it will be redirected to e-voting page

(B) Shareholders not registered on Easi/Easiest facility

1. Visit website https://web.cdslindia.com/myeasitoken/Home/Login
2. Click on registration option "Easi/Easiest"
3. Post registration, follow the steps given in 1 to 4 from **(A)**

(C) Access e-voting page without Login to Easi/Easiest facility

1. Visit website https://evoting.cdslindia.com/Evoting/EvotingLogin
2. Enter BO ID (i.e., Demat Account No.) and PAN
3. OTP will be received on registered Mobile No. and e-mail id
4. Post successful authentication e-voting option will be available

Login through Depository participant (DP)

1. Use login credentials of your Demat account through your DP registered with NSDL/CDSL for e-voting facility
2. Click on e-voting option
3. It will be redirected to NSDL/CDSL (Depositories) website where e-voting option is available

Step 2: e-voting for Resolutions

Steps to cast vote for Resolutions

1. Select e-voting event no. (EVEN) 139739 of HERITAGE FOODS LIMITED i.e., to cast your vote during remote e-voting period or during the AGM.
2. Cast your vote by selecting appropriate options i.e., 'For' or 'Against'. Verify or modify the number of shares for which you wish to cast your vote.
3. Click on "Submit" and "Confirm" when prompted. Print option is available on the confirmation page.
4. The message "Vote cast successfully" will be displayed and SMS confirmation will be received on your registered mobile no.
5. Once you confirm your vote on the resolution, you will not be allowed to modify your vote.

To join the AGM virtually, click on "VC/OAVM" link under "Join Meeting"

Quick links to access e-voting system of NSDL

A. https://eservices.nsdl.com/SecureWeb/evoting/evotinglogin.jsp
B. https://eservices.nsdl.com/
C. https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp
D. https://www.evoting.nsdl.com/

Quick links to access e-voting system of CDSL

A. https://web.cdslindia.com/myeasitoken/home/login
B. https://web.cdslindia.com/myeasitoken/home/login
C. https://evoting.cdslindia.com/Evoting/EvotingLogin

Download NSDL Mobile App "NSDL Speede" by scanning QR Code

App Store Google Play

Steps for e-voting and joining the AGM through VC/OAVM for Other than individual Shareholders and Shareholders holding securities in physical mode

Step 1: Login for e-voting system

A) Voting through e-voting website of NSDL

1. Visit website - https://www.evoting.nsdl.com/
2. Click on "Login" under "Shareholder/Member" section
3. Enter **User ID***
4. Enter Password/OTP and verification code.
   a. For registered user - Use existing password
   b. For first time user - Retrieve "initial password"
5. Then tick on "Agree to Terms and Conditions"
6. Click on "Login" and home page of e-voting will open. Click on "e-voting" then follow the process given under **"Steps to cast vote for Resolutions"**

B) Voting through NSDL IDeAS for registered user

1. Visit website https://eservices.nsdl.com/
2. Login with your existing NSDL IDeAS login credentials.
3. Follow steps 5 and 6 from **(A)** above.

***User ID**

NSDL

Enter user ID - 8 character DP ID (eg. IN123456) and 8 digit Client ID (eg.12345678).

CDSL

Enter user ID - 8 digit DP ID (eg. 12345678) and 8 digit Client ID (eg. 12345678)

Shares held in physical form

Enter EVEN followed by folio no. (eg.: if EVEN is 12345 and folio no. is 001*** then User ID is 12345001***)

Step 2: e-voting for Resolutions

Steps to cast vote for Resolutions

1. Select e-voting event no. (EVEN) 139739 of HERITAGE FOODS LIMITED i.e., to cast your vote during remote e-voting period and during the AGM.
2. Cast your vote by selecting appropriate options i.e., 'For' or 'Against'. Verify or modify the number of shares for which you wish to cast your vote.
3. Click on "Submit" and "Confirm" when prompted. Print option is available on the confirmation page.
4. Once you confirm your vote on the resolution, you will not be allowed to modify your vote.
5. The message "Vote cast successfully" will be displayed and SMS confirmation will be received on your registered mobile no.

To join the AGM virtually, click on "VC/OAVM" link under "Join Meeting"

General guidelines for Shareholders

1. Do not share your password with anyone. Keep it confidential.
2. Login to e-voting website will be disabled upon five unsuccessful attempts if incorrect password entered.
3. In such an event, reset the password by following **option 2** under **'How to retrieve initial password'?**
4. To retrieve User ID /Password for e-voting send request to evoting@nsdl.com by providing demat account no./Folio no., client master or copy of Consolidated Account statement, self-attested scanned copy of PAN card and Aadhaar Card.
5. For queries relating to e-voting:
   - Refer Frequently Asked Questions ("FAQs") on NSDL website or,
   - Refer e-voting user manual available on https://www.evoting.nsdl.com or,
   - Call on +91 22 48867000 or send the request to evoting@nsdl.com

How to retrieve 'initial password'? (for Individual Shareholders, other than Individual Shareholders and for shares held in physical form)

Option 1

Email ID registered with DP or Company –

(i) Search for the e-mail in your mail box from NSDL (evoting@nsdl.com)

(ii) Open the .pdf file which contains your 'User ID' and your 'initial password'.

(Password of .pdf file

(a) for NSDL account - 8 digit client ID

(b) for CDSL account - last 8 digits of client ID

(c) shares held in physical mode - Folio no.)

Option 2

Email ID not registered with DP/Company or unable to retrieve initial password-

(i) Visit link https://www.evoting.nsdl.com/

(ii) Click on "Login" under "Shareholder/Member section"

(iii) Click on "Forgot User details/Password?" (for shares held in Demat account) or "Physical User Reset Password?"(for shares held in physical form)

Option 3

If you are still unable to reset the password by aforesaid two options then send email to evoting@nsdl.com providing details of Demat account no./folio number, PAN, Name and registered email ID)

Instructions for members for attending the AGM through VC/OAVM

1. Members may attend the AGM through VC/OAVM or view the live webcast of AGM at https://www.evoting.nsdl.com following the **Step 1 - Login for e-voting system**' as mentioned above.
2. After successful login, click on VC/OAVM link placed under "**Join Meeting**" against the Company name 'HERITAGE FOODS LIMITED'.
3. Facility of joining the AGM through VC/OAVM shall open 30 minutes before the time scheduled for the AGM.
4. For assistance before or during the meeting - contact NSDL on evoting@nsdl.com or +91 22 48867000

Helpdesk		Shares held in NSDL	Shares held in CDSL
		evoting@nsdl.com	helpdesk.evoting@cdslindia.com
		+91 22 48867000	+1800 21 09911

Board's Report

To the Members,

Your Directors have a great pleasure in presenting the 34th Annual Report together with the Audited Standalone & Consolidated Financial Statements of your Company for the Financial Year ended March 31, 2026.

1. State of the Company's Affairs & Performance Highlights

1.1 Financial Results

The Company's financial performance for the year ended March 31, 2026 is summarized below:

(₹ in Millions)

Particulars	Standalone		Consolidated	
	FY 2025-26	FY 2024-25	FY 2025-26	FY 2024-25
Revenue	44,127.03	40,783.23	45,231.39	41,322.82
Other Operating Income	23.62	21.58	28.52	23.13
Total Revenue	**44,150.65**	**40,804.81**	**45,259.91**	**41,345.95**
Add: Other Income	236.90	272.84	242.30	278.73
Total Income	**44,387.55**	**41,077.65**	**45,502.21**	**41,624.68**
Less: Total Expenditure	41,694.78	37,687.49	42,597.21	38,036.26
Profit before Finance cost, Depreciation, Amortisation Expenses and Tax	2,692.77	3,390.16	2,905.00	3,588.42
Less: i) Finance cost	165.89	150.23	172.22	154.32
ii) Depreciation and Amortisation Expenses	764.93	671.57	809.83	695.56
Profit before tax and exceptional items	**1,761.95**	**2,568.36**	**1,922.95**	**2,738.54**
Exceptional items	95.98	(234.85)	101.35	(87.07)
Share of loss of an Associate and a joint venture	-	-	13.12	69.09
Profit before tax	**1,857.93**	**2,333.51**	**2,011.18**	**2,582.38**
Less: i) Current Tax	372.17	625.11	413.39	674.04
ii) Deferred taxation	88.75	27.58	96.41	25.54
Profit after tax	**1,397.01**	**1,680.82**	**1,501.38**	**1,882.80**

1.2 Performance of the Company

Standalone

During the financial year 2025–26, your Company's standalone revenue stood at ₹ 44,150.65 Million as against ₹ 40,804.81 Million in FY 2024–25, registering a growth of 8.20% over the previous year.

The standalone Profit before Finance Cost, Depreciation & Amortization and Tax for FY 2025–26 stood at ₹ 2,692.77 Million as against ₹ 3,390.16 Million in FY 2024–25, registering a decline of 20.57%.

The standalone Profit After Tax for FY 2025–26 stood at ₹ 1,397.01 Million compared to ₹ 1,680.82 Million in the previous financial year, reflecting a decline of 16.89%.

Consolidated

During the year under review, your Company earned a consolidated revenue of ₹ 45,259.91 Million, as compared to ₹ 41,345.95 Million in the previous year, registering a growth of 9.47% over the previous year.

The consolidated Profit before Finance Cost, Depreciation & Amortization and Tax (before adjusting for the share of loss of an associate and joint venture) stood at ₹ 2,905.00 Million, as against ₹ 3,588.42 Million in the previous year.

The consolidated Profit After Tax for the financial year 2025–26 stood at ₹ 1,501.38 Million, as compared to ₹ 1,882.80 Million in the previous year, reflecting a decline of 20.26%.

1.3 Variation in market capitalization

Particular	March 31, 2026	March 31, 2025
Market Capitalization (₹ in million)	27,268.10	35,745.02
Price Earning Ratio	19.52	21.27

Note: Data based on share prices quoted on BSE

1.4 Variations in Net worth:

The standalone net worth of the Company as at March 31, 2026, stood at ₹10,638.02 Million, as compared to ₹ 9,471.20 Million as at March 31, 2025.

The consolidated net worth of the Company as at March 31, 2026, stood at ₹11,081.14 Million, as compared to ₹ 9,719.60 Million as at March 31, 2025.

2. Business Review

There has been no change in the nature of business of the Company during the period under review. The Company continues to report its results under two divisions, namely Dairy Division and Renewable Energy Division, with operations spread across 13 States in India.

2.1 Dairy Business Overview:

The dairy industry in India encompasses the production, processing, distribution and retailing of a comprehensive range of milk and milk-derived products, including liquid milk, curd, butter milk, lassi, paneer, UHT milk, milkshakes, flavoured milk, ghee, cheese, butter, ice-cream/frozen desserts, dairy sweets, skimmed milk powder as well as emerging premium categories such as A2 milk and organic dairy products.

India's dairy ecosystem is uniquely structured, with a strong cooperative framework alongside a rapidly expanding private sector presence. This dual structure has enabled efficient milk procurement, extensive distribution and deeper market penetration across the country.

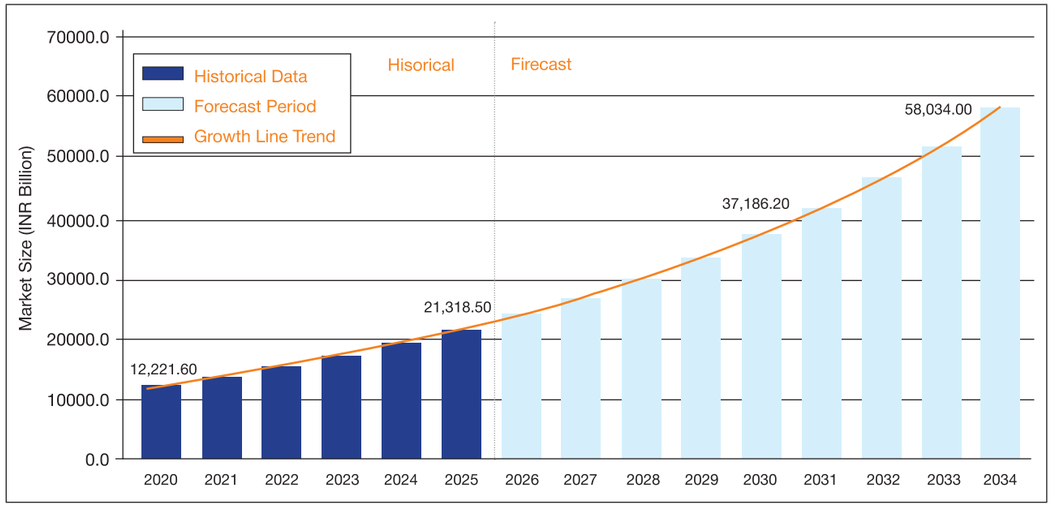
The sector continues to benefit from favourable macroeconomic tailwinds, including projected GDP growth of approximately 6.3%–6.8% in FY 2025–26, a population exceeding 1.5 billion and steady growth in per capita milk consumption. Accordingly, the dairy sector remains a critical contributor to India's agricultural GDP and plays a vital role in supporting rural livelihoods and nutritional security.

Long-term Structural Growth

As per the latest IMARC Group (2026 Edition), the Indian dairy industry was valued at approximately INR 21,318.5 billion in 2025 and is projected to reach ~INR 58,000 billion by 2034, growing at a CAGR of ~11.8% during 2026–2034.

Metric	Value
Market Size (2025)	INR 21,318.5 Billion
Forecast Market Size (2034)	INR 58,034.0 Billion
CAGR (2026-2034)	11.80%
Historical Period	2020-2025
Base Year	2025
Forecast Period	2026-2034
Largest Product Segment	Liquid Milk (65.30%)
Largest Region	Uttar Pradesh (18.70%)

India Dairy Market Growth Trend



This growth is underpinned by structural drivers such as a large and growing population, increasing urbanization, rising disposable incomes and a sustained shift towards protein-rich and nutritionally balanced diets. Additionally, the expansion of organized retail, improvements in cold chain infrastructure and the growth of digital and e-commerce distribution channels are enhancing accessibility and efficiency across the value chain.

The industry is also witnessing an accelerated transition from ~~an~~ unorganized to an organized structure, resulting in improved quality standards, better traceability and enhanced value realization. Furthermore, increasing demand for value-added and premium dairy products is expected to support margin expansion and diversification opportunities.

Attractiveness of the Dairy Industry

The Indian dairy industry presents a compelling long-term investment case, supported by its essential nature, resilient demand profile and strong structural growth drivers. The following key trends underpin the attractiveness of the sector:

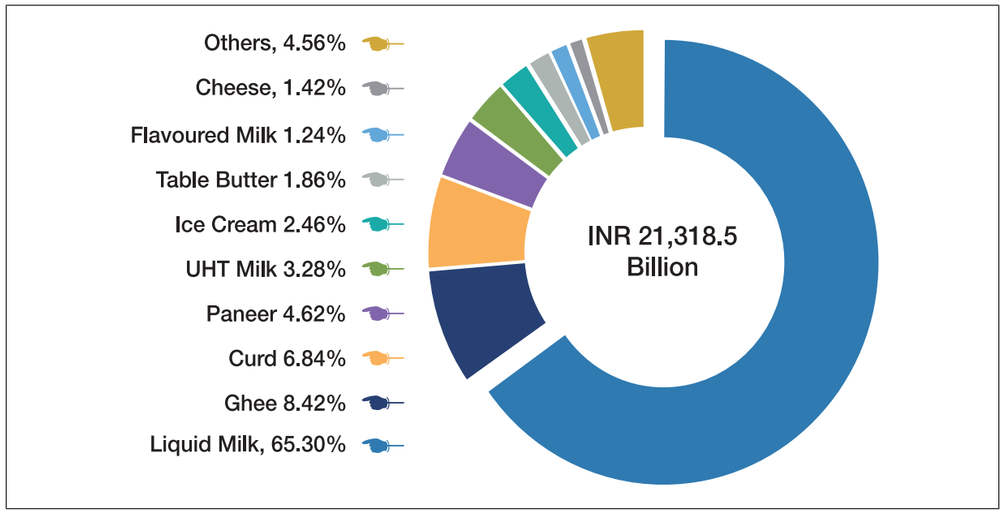
- **Favourable Demographics:** India's expanding working-age population is expected to drive sustained consumption growth, supported by rising earning capacity and changing lifestyles.
- **Rising Income Levels:** Increasing per capita income and expansion of middle- and high-income households are expected to boost demand for premium, branded and nutritionally enriched dairy products.
- **Growth in Discretionary Spending:** Strong economic growth is likely to drive higher discretionary spending, with increasing allocation towards high-value food categories, including dairy and packaged products.
- **Urbanization:** Increasing urban population, expected to exceed 40% by 2030, is driving demand for packaged, convenient and branded dairy products.
- **Evolving Dietary Patterns:** Rising health awareness has led to a shift towards protein-rich and nutritious food products, with growing demand for both traditional and value-added dairy offerings.

Industry Structure and Market Dynamics

India has consistently maintained its position as the world's largest milk producer, with milk production reaching approximately 248 million tonnes in 2025, reflecting sustained growth over the past decade.

As per IMARC Group, the Indian dairy market stood at approximately INR 21,318.5 billion in 2025 and is projected to grow to ~INR 58,000 billion by 2034, reflecting strong long-term growth potential.

India Dairy Industry – Market Share by Product



(Source: https://www.imarcgroup.com/dairy-industry-in-india)

The industry composition is characterized by:

- **Liquid milk:** ~65% share
- **Traditional value-added products (ghee, curd, paneer, etc.)**: Significant share
- **Emerging value-added products (cheese, flavoured milk, probiotics, etc.)**: Fastest-growing segment

While liquid milk continues to dominate due to its staple nature, value-added segments are witnessing **faster growth**, driven by changing consumption patterns and increasing demand for convenience and nutrition.

Shift Towards Value-Added Products

Changing consumer preferences and increasing urbanization are driving a significant shift towards value-added dairy products. Consumers are increasingly opting for ready-to-consume products such as curd, paneer, cheese and flavoured dairy products.

This trend is supported by improved packaging, longer shelf life and enhanced product quality. As a result, value-added dairy products are expected to outpace the growth of the liquid milk segment and contribute significantly to overall industry growth and profitability.

Industry Formalization and Structural Shifts

The Indian dairy industry has traditionally been fragmented and dominated by regional and unorganized players. However, the sector is undergoing rapid formalization, driven by rising consumer preference for hygienic, branded and quality-assured products.

The share of the organized sector is expected to increase steadily, supported by:

- Growing urbanization
- Rising consumer awareness
- Expansion of organized retail and e-commerce
- Increased investments in cold chain and supply chain infrastructure

This transition is expected to create significant opportunities for organized players to enhance market share and operational efficiencies.

Evolution of Private Sector and Competitive Landscape

While dairy cooperatives have historically dominated the sector, private players have witnessed significant growth post-liberalization. Over the past two decades, private companies have made substantial investments in procurement networks, processing capacity and distribution infrastructure.

Private players are increasingly competing with cooperatives by:

- Offering competitive pricing and timely payments to farmers
- Investing in technology and supply chain efficiency
- Introducing innovative and differentiated products

Their agility, focus on innovation and ability to respond to changing consumer preferences are expected to support continued growth and competitive positioning.

Industry Consolidation

The Indian dairy industry remains highly fragmented, with numerous regional players. However, increasing competition, rising quality standards and the need for scale are driving consolidation across the sector.

Companies are increasingly pursuing inorganic growth strategies, including acquisitions and partnerships, to expand their geographic footprint and strengthen procurement and distribution networks.

As consumer awareness increases and demand shifts towards high-quality, branded products, organized and efficient players are expected to benefit disproportionately.

Outlook

The Indian dairy industry is expected to maintain strong growth momentum, supported by favourable demographics, increasing consumption and ongoing structural transformation.

With rising consumer preference for quality, nutrition and convenience, the shift towards organized and value-added segments is expected to accelerate. This evolving landscape presents significant opportunities for well-positioned companies to drive sustainable growth, enhance market share and create long-term value.

Your Company, with its focus on quality, operational efficiency and customer-centric approach, is well-positioned to capitalize on these emerging opportunities and strengthen its presence in the evolving dairy ecosystem.

The company's operations and evolution in recent years:

Over the years, your Company has emerged as a leading dairy player in India and has established one of the largest private milk procurement networks in South India. During FY 2025–26, your Company achieved an average daily milk procurement of 1.7 million litres. Today, your Company has a robust network of over 300,000+ dairy farmers across 9 states and enjoys one of the widest regional footprints among publicly listed dairy companies in India. Your Company's products are available across 13 states, reflecting its strong market presence and extensive distribution network.

The Company's primary focus remains on the B2C dairy segment, operating under its flagship brand *"Heritage."* Over time, the Company has significantly diversified its portfolio beyond milk into a wide range of value-added products (VAP), including curd, ice creams, paneer, Ghee, buttermilk, flavoured milk, cheese, yogurts, lassi, milkshakes and sweets, among others.

Your Company currently procures milk from over 300,000+ farmers across 9 states in India. During the financial year under review, the Company continued to strengthen its milk procurement network by expanding its village-level milk procurement infrastructure and deepening its engagement with dairy farmers. These initiatives have further enhanced the Company's milk sourcing capabilities and reinforced a robust and sustainable procurement ecosystem.

Over the past three decades, the Company has consistently strengthened its relationship with its farmer partners, guided by three fundamental principles:

(i) **Prompt and timely payment:** Your company remains committed to ensuring prompt payments to farmers for the milk procured, typically made two to three times a month, depending on the region. This provides farmers with a reliable and assured cash flow. Notably, for over 30 years, the Company has maintained an impeccable track record of making payments without missing a single cycle, irrespective of bank holidays or other operational challenges.

(ii) **Transparency and accurate measurement:** Your Company follows a highly transparent system for measuring milk quality, particularly in terms of fat and SNF (Solids-Not-Fat) content. These measurements are accurately recorded and clearly communicated to farmers, enabling them to know their exact earnings daily. This transparency fosters trust and reinforces long-term partnerships with farmers.

(iii) **Fair pricing**: Your Company adopts a fair and competitive pricing mechanism based on the quality of milk supplied, specifically the fat and SNF content. The pricing structure is designed to be equitable and competitive with alternative options available to farmers, thereby enabling the Company to attract and retain a strong farmer base across all regions of operation.

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 established a strong farmer network of over 300,000+ dairy farmers across nine major milk-producing states, namely Andhra Pradesh, Telangana, Karnataka, Tamil Nadu, Maharashtra, Rajasthan, Punjab, Uttar Pradesh and Odisha.

During the year under review, the Company further strengthened its procurement infrastructure by adding several chilling plants. As a result, the Company now operates 190 chilling centres/ bulk milk coolers and procured an average of 1.7 million litres of milk per day in FY 2025–26, as a result, the total milk chilling capacity increased to 2.6 million litres per day. The Company also operates 18 processing plants with an installed milk processing capacity of 2.95 million litres per day, enabling efficient handling and value addition across its operations.

During the year, the contribution of revenue from liquid milk declined to below 3.33 %, while the share of Value-Added Products (VAP) increased to 3.30%, reflecting the Company's strategic focus on higher-margin segments. The contribution from consumer pack fat products such as ghee and butter stood at 6.45%. Among VAP categories, curd continues to be the largest contributor, accounting for approximately 69% of VAP revenues.

Throughout the year, the Company launched over a dozen new products across multiple categories and expanded its customer base. The Company also strengthened its presence in emerging channels such as quick commerce/e-commerce by onboarding several new partners, while deepening its reach in general trade through 439 "Heritage Happiness Points", which serve as franchisee-operated stores-cum-neighbourhood distribution centres.

2.2 Renewable Energy Division:

Your Company is deeply conscious of its responsibility towards environmental protection and sustainability. As a forward-looking organization, it remains committed to progressively enhancing its green footprint through responsible and eco-efficient business practices.

Over the years, the Company has undertaken several initiatives focused on energy conservation, with a strong and sustained emphasis on renewable energy adoption. As part of this commitment, the Company has established a total renewable energy capacity of 14.37 MW, comprising 8.07 MW of solar power and 6.30 MW of wind power, primarily for captive consumption. These initiatives not only reduce the Company's carbon footprint but also improve operational efficiency and long-term cost sustainability.

The Company continues to invest in advanced technologies, process optimization and energy-efficient solutions to further strengthen its sustainability agenda and drive continuous improvement in resource utilization.

During the year under review, the Renewable Energy Division recorded a turnover of ₹ 99.64 Million, reflecting the Company's steady progress in integrating sustainability with business operations.

3. Awards & Recognitions:

During the financial year 2025–26, your Company has been honoured with several awards and recognitions from reputed organisations, institutions and forums. These accolades reaffirm our commitment to excellence, innovation, strong workplace culture and sustainable business practices.

They reflect our continued efforts to set industry benchmarks, foster an inclusive and high-performing environment and ensure responsible stewardship of resources. Your Company takes pride in these achievements and remains committed to creating long-term value and positive impact across all areas of its operations.

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

a. 'Golden Peacock Award for Excellence in Corporate Governance' for the year 2025

Your Company was conferred the prestigious Golden Peacock Award for Excellence in Corporate Governance – 2025 by the Institute of Directors (IOD), India, at the IOD Annual London Global Convention on Corporate Governance & Sustainability. This marks the third occasion on which the Company has received this distinguished recognition, underscoring its unwavering commitment to the highest standards of corporate governance, ethical business conduct, transparency, accountability and stakeholder value creation.

The award reflects the Company's strong governance framework and its continued focus on adopting best-in-class governance practices that foster sustainable and responsible business growth.

b. IOD Distinguished Fellowship Award 2025

Smt. N. Bhuvaneswari, Vice-Chairperson & Managing Director, was conferred with the IOD Distinguished Fellowship Award 2025 for her contribution to leadership excellence and strengthening governance and sustainability practices.

c. "Great Place to Work" Certification

Your Company has been certified as a "Great Place to Work" by the Great Place to Work® Institute, recognising its strong commitment to employee well-being, inclusivity and a positive workplace culture.

d. AmbitionBox Employee Choice Award 2025 (ABECA 2025)

Your Company has been recognised as a "Top Rated FMCG Company" under the AmbitionBox Employee Choice Award 2025, based on employee feedback, reflecting a strong people-centric culture and an overall rating of 4.03/5.

e. Outstanding Dairy Professional Award 2025 :

Mrs. N. Bhuvaneswari, Vice Chairperson & Managing Director, was honoured with the Outstanding Dairy Professional Award 2025 (Andhra Pradesh) by the Indian Dairy Association, recognising her leadership in the dairy sector.

f. Most Powerful Women in Business Awards 2025:

Mrs. N Brahmani, Executive Director, was recognised at the Business Today – Most Powerful Women in Business Awards 2025 for her leadership excellence and contribution to the business.

g. Excellence in Digital and AI Leadership:

Recognising CIOs and COs for driving successful technology adoption and transformative digital strategies, from strengthening IT infrastructure to enabling Ailed innovation and enterprise transformation through effective use of technology.

h. Food Safety Excellence:

Your Company was honoured with the Certificate of Appreciation for Commendable Effort in Food Safety(2025) from the Confederation of Indian Industry (CII).

This recognition reflects our continued focus on maintaining the highest standards of food safety, product quality and operational excellence across our operations. The achievement is a testament to the dedication, passion and collective efforts of every member of the Company.

4. Credit Rating:

The details of the credit rating are as follows:

a) **Credit rating obtained by the company**: In respect of Debt Instrument/facilities of the Company

b) **Name of the credit rating agency**: Credit Rating Information Services of India Limited (CRISIL)

c) Ratings**:**

i. Long term Rating: CRISIL AA-/Stable

ii. Short term Rating: CRISIL A1+

d) **Date on which the credit rating was obtained**: March 31, 2026 (valid up to March 31, 2027)

e) **Revision in the credit rating**: During the period under review, there has been no revision in the Company's short-term credit rating. However, CRISIL Ratings Limited has upgraded the Company's long-term credit rating from **CRISIL A+/Positive** to **CRISIL AA-/Stable**, reflecting the improved financial position and credit profile of the Company.

f) Reasons provided by the rating agency for a downward revision: Not Applicable

5. Quality Assurance:

During the year under review, your Company remained firmly focused on delivering superior value to consumers and customers by further strengthening its quality assurance practices across the entire value chain—from raw milk procurement to the final product. Targeted field-level interventions have resulted in significant improvements in raw milk quality, while enhanced process controls have ensured consistency in finished products. Continuous emphasis has also been placed on maintaining stringent quality standards across the supply chain. The Company has also expanded its global reach and is currently exporting its products to Singapore, Maldives, Dubai, Qatar, Bahrain, Vietnam, Oman and Kuwait.

The Quality function continues to play a pivotal role in fostering a strong culture of quality across the organization. With a focus on operational efficiency, product consistency and customer satisfaction, the Company has adopted advanced testing methodologies, upgraded laboratory infrastructure and promoted a work culture driven by speed, accuracy and transparency. In addition, initiatives are underway to digitalize key quality processes, aimed at improving traceability, enhancing process performance and further strengthening consumer trust.

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

As the Company continues its growth trajectory, it remains committed to evolving into a world-class organization, recognized for excellence in quality, nutrition and customer satisfaction.

6. Brand Building Activities:

During the year under review, the Company continued to strengthen its brand equity through a focused and strategic approach encompassing consumer engagement, product innovation and market expansion. These initiatives were closely aligned with the Company's objective of increasing the share of value-added products while deepening consumer connect across key markets, in line with evolving consumer preferences and trends. The Company remains committed to its mission of bringing health, nutrition and happiness to every home.

During FY 2025–26, the Company undertook a series of targeted initiatives to reinforce its brand presence, enhance consumer engagement and expand its market reach. Key highlights of these initiatives are outlined below:

i. Targeted Marketing & Retail Expansion:

Focused Campaigns: Your Company implemented high-impact, targeted marketing campaigns for its core milk and value-added product portfolio, including large-scale television campaigns supported by extensive digital amplification, generating significant consumer reach and engagement. As part of its mass media strategy, the Company also sponsored leading regional television properties such as Bigg Boss Telugu and Bigg Boss Kannada, leveraging in-show brand integrations through the "Purity Ka Boss" tasks centered around "Milk" and "Curd." These initiatives enabled disproportionate consumer reach and helped build stronger quality of awareness and brand recall. Collectively, these efforts contributed to improved brand awareness and higher product trials across key markets.

Wider Distribution: Retail presence was further strengthened through expansion of the distribution network, including addition of new distributors and significant increase in retail outlets, thereby enhancing product availability and deepening market penetration across existing and new geographies.

ii. Product Launches & Promotions

Your Company continued to strengthen its product portfolio in line with evolving consumer preferences through the introduction and scaling of innovative offerings, including:

Milk Portfolio Expansion: Launch of Sampurna Cow Milk to cater to growing demand for differentiated and premium milk offerings.

Health & Nutrition Segment: Introduction of high-protein yogurt under the LIVO brand across metro markets, aligning with increasing health-conscious consumption trends.

Value-Added Products (VAP): Focused promotion and scaling of curd, paneer, drinkables and ice creams, supported by targeted campaigns and in-market activation. In line with its strategic focus on increasing household penetration of value-added products, the Company undertook focused initiatives to reposition paneer as an everyday essential. Through consumer education, recipe-led campaigns and in-market activations including the consumer-led recipe campaign "Everyday Yummy with Heritage Paneer" the Company worked towards making paneer a regular part of home consumption, shifting its perception from an occasional out-of-home (restaurant-led) indulgence to a staple ingredient in daily meals.

iii. Consumer Engagement & Awareness Initiatives:

Your Company undertook structured consumer outreach programs across key cities, resulting in measurable improvements in brand awareness and product trials. Focused activation initiatives led to increased consumer engagement and strengthened brand recall, particularly in urban markets such as Bengaluru, Hyderabad and Chennai.

iv. Digital & Media Outreach:

Your Company significantly enhanced its digital footprint through integrated campaigns across online platforms, leveraging high-reach content and targeted engagement strategies. Digital initiatives complemented traditional media efforts and contributed to wider audience reach and improved consumer connect.

v. Strategic Pricing & Promotional Initiatives:

Your Company implemented consumer-centric pricing strategies and promotional campaigns, including passing on cost benefits during key demand periods, to drive consumption, improve affordability and strengthen brand preference.

vi. Distribution-led Brand Visibility:

Expansion of the distribution footprint, including addition of ~60 distribution points and ~6,000 retail outlets (during the year progression), significantly improved last-mile connectivity, product visibility and accessibility, thereby reinforcing brand presence across markets.

vii. Marketing Investments & Brand Focus:

Your Company continued to enhance its marketing investments during the year, with a clear focus on strengthening brand positioning, improving consumer engagement and accelerating growth in value-added categories.

The Company will continue to focus on insight-driven, integrated marketing initiatives, product innovation and distribution expansion to further strengthen consumer connect and enhance brand preference

7. Transfer to General Reserves

Your Directors do not propose to transfer any amount to the General Reserve for the financial year ended March 31, 2026.

8. Dividend

Your Directors are pleased to recommend a dividend of 50%, i.e., ₹ 2.50 per equity share of face value ₹ 5 each, for the financial year ended March 31, 2026. The said recommendation was approved at the Board Meeting held on May 11, 2026, resulting in a total dividend outflow of ₹ 231.99 Million. The payment of dividend is subject to the approval of the Members at the ensuing Annual General Meeting.

The Register of Members and Share Transfer Books of the Company will remain closed from Thursday, July 16, 2026 to Thursday, July 23, 2026 (both days inclusive) for the purpose of determining the entitlement of Members to the said dividend.

Transfer of Un-Claimed Dividends and Shares

Pursuant to the provisions of 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 amounting to ₹ 13,27,930/- (Rupees Thirteen Lakhs Twenty-Seven Thousand Nine Hundred and Thirty only) pertaining to the financial year 2017–18 was transferred to the Investor Education and Protection Fund (IEPF) during the financial year 2025–26.

In compliance with the provisions of Section 124 of the Companies Act, 2013, the Company has also transferred 2,13,802 (Two Lakh Thirteen Thousand Eight Hundred and Two) equity shares, belonging to 145 Members, to the demat account of the IEPF Authority on October 16, 2024, through corporate action. These shares pertained to Members who had not claimed dividends for a continuous period of seven years.

Further, pursuant to Section 124(5) of the Companies Act, 2013 [corresponding to Section 205C(2) of the Companies Act, 1956] read with the applicable IEPF Rules, the unclaimed/unpaid dividend and the corresponding shares relating to the financial year 2018–19 are due to be transferred to the IEPF during the financial year 2026–27, in accordance with the prescribed timelines.

The details of unclaimed/unpaid dividend and the corresponding shares, along with the due dates for claiming such dividends, are provided below:

Financial year	Date of Declaration of Dividend	Last date for claiming Unpaid Dividend	Unclaimed/Unpaid Dividend as on March 31, 2026	
			Amount outstanding (₹ in Mn)	No. of Equity Shares
2018-19	30-08-2019	04-10-2026	1.35	6,74,411
2019-20	28-08-2020	03-10-2027	1.55	7,01,339
2020-21	30-07-2021	03-09-2028	2.27	5,26,479
2021-22	21-10-2021 (1st Interim Dividend)	25-11-2028	1.21	5,72,393
2021-22	29-07-2022 (Final Dividend)	02-09-2029	1.30	5,94,420
2022-23	22-08-2023	26-09-2030	1.34	6,08,110
2023-24	21-08-2024	26-09-2031	1.77	8,02,081
2024-25	31-07-2025	04-09-2032	1.41	6,28,336

The voting rights on the shares transferred to the Investor Education and Protection Fund (IEPF) Authority shall remain frozen until such time as the rightful owner claims the shares. The Company regularly sends reminders to the concerned Members to claim their unclaimed and unpaid dividends and the corresponding shares before they are due for transfer to the IEPF Authority, in accordance with the applicable provisions.

Guidelines to file your claim:

- For claiming the shares and dividend from the IEPF Authority, shareholders can make an online web-based application through the MCA portal. Shareholders need to register themselves on the MCA portal by creating Login ID credentials. After successful login into the MCA portal, shareholders have to click on "MCA Services" tab and choose "IEPF-5" option under "Investor Services" and follow the due process for filing the form.
- Printout of the duly filled Form IEPF-5 with the claimant's and joint holders' (if any) signatures along with the acknowledgment issued after uploading the form together with an indemnity bond in original, cancelled cheque leaf of active bank account (details of which are mentioned by the claimant at the time of uploading the web-based form) and other documents as mentioned in Form IEPF-5 will have to be submitted to the Nodal Officer (IEPF) of the Company in an envelope marked "Claim for refund from IEPF Authority". Certain information about the company which will have to be submitted are as under
  - a) Corporate Identification Number (CIN) of the Company: L15209TG1992PLC014332
  - b) A ddress of registered office of the Company: H.No. 8-2-293/82/A/1286, Plot No. 1286, Road No. 1 & 65, Jubilee Hills, Hyderabad- 500033, Telangana, India,
  - c) Email ID of the Company: hfl@heritagefoods.in

Members whose shares and/or dividends have been transferred to the IEPF Authority may claim the same by submitting an online application in the prescribed e-Form IEPF-5, available on the official website www.iepf.gov.in, along with the requisite documents and by following the procedure specified therein.

Mr. Umakanta Barik has been appointed as the Nodal Officer of the Company in accordance with the provisions of the IEPF Rules, to co-ordinate with the IEPF Authority and facilitate the process for Members.

9. Share Capital

The Authorised Share Capital of the Company as at March 31, 2026 stood at ₹ 50,00,00,000 (Rupees Fifty Crores only), comprising 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 at March 31, 2026 stood at ₹ 46,39,80,000 (Rupees Forty-Six Crores Thirty-Nine Lakhs Eighty Thousand only), comprising 9,27,96,000 equity shares of ₹ 5 each. During the year under review, the Company has not issued any shares with differential rights as to dividend, voting, or otherwise. The Company has neither granted any stock options nor issued any sweat equity shares to its employees or Directors. As at March 31, 2026, none of the Directors of the Company holds any instruments convertible into equity shares of the Company.

10. Buy Back of shares

The Company has not undertaken any buy-back of its equity shares during the financial year ended March 31, 2026.

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

There are no material changes or commitments affecting the financial position of the Company that have occurred between the end of the financial year, i.e., March 31, 2026 and the date of this report.

12. Deposits

During the financial year 2025–26, your Company has neither accepted any deposits including deemed deposit from the public nor has any outstanding deposits within the meaning of Section 2(31) and Chapter V of the Companies Act, 2013, read with Rule 2(1)(c) of the Companies (Acceptance of Deposits) Rules, 2014. Accordingly, there were no deposits outstanding or overdue as on March 31, 2026.

13. Internal Financial Controls (IFC) and its adequacy

Your Company has established adequate Internal Financial Controls in accordance with the provisions of Section 134(5)(e) of the Companies Act, 2013. These controls are commensurate with the size, scale and nature of the Company's operations and are designed to provide reasonable assurance regarding the accuracy and completeness of accounting records, as well as the timely preparation of reliable financial statements.

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

The Company has also implemented appropriate policies and procedures to ensure the orderly and efficient conduct of its business, including adherence to internal policies, safeguarding of assets, prevention and detection of frauds and errors, accuracy and completeness of accounting records and timely preparation of financial information.

The Board has appointed M/s. Kapasi Bangad & Co., Chartered Accountants, Hyderabad, as consultants to review and test the internal financial control framework in line with the requirements of the Companies Act, 2013 and applicable Indian Accounting Standards (Ind AS) and to report their findings to the Board. Based on the review and testing carried out during the year under review, no material weaknesses in the design or operating effectiveness of the internal financial controls were observed.

14. Subsidiary / Associate Companies

Your Company as on March 31, 2026 is having following subsidiary/associate Companies:

HERITAGE NUTRIVET LIMITED

(CIN: U15400TG2008PLC062054)

A wholly owned subsidiary of Heritage Foods Limited, is a leading producer and distributor of livestock feed and feed supplements. The Company is focused on enhancing animal nutrition through a diverse portfolio of products, including cattle feed, feed supplements, veterinary medicines and fish feed. It is committed to supporting approximately 0.30 million farmers across various states, offering more than 30 products aimed at improving livestock health, productivity and overall farm outcomes.

Heritage Nutrivet continues to invest in research and development to drive innovation and sustainability in animal nutrition, catering to both livestock and aquaculture segments. Guided by its philosophy of "Healthy Milch Animal – Happy Farmer," the Company strives to deliver cost-effective, high-quality solutions that address on-ground challenges faced by farmers. Its products are innovatively developed to meet the diverse nutritional requirements of animals.

Cattle Feed Products: The Company's range includes Dairy Power, Dairy Milk Rich, Dairy Supreme, Gomitra, Gomitra Plus and Milk Magic, which are formulated to enhance milk yield, improve reproductive health and support overall well-being of cattle.

Feed Supplements and Veterinary Medicines: The Company offers products such as Herita Vit, Herita Min, Herita Cal, Herita Liv and Heritafen-Plus, designed to improve reproductive performance, strengthen immunity, aid digestion and provide effective parasite control.

Fish Feed Products: The aquaculture portfolio includes Nutrizyme – 20/3, Nutrizyme – 24/4, Nutrizyme – 28/4, Fish Feed Mash, Sinking Fish Feed Pellets and Harita Floating Fish Feed. In addition, supplements such as Herita Vit, Herita Cal, Herita-Liv, Herita Vit-C and Herita Pro-B are offered to promote fish health, growth and efficient feed conversion.

HERITAGE NOVANDIE FOODS LIMITED

(formerly known as Heritage Novandie Foods Private Limited)
(CIN: U74999TG2017PLC120860)

A subsidiary of Heritage Foods Limited, Hyderabad, India, the Company was originally incorporated as a joint venture with Novandie, France. During the year under review, Heritage Foods Limited acquired an additional 44.40% stake from Novandie, pursuant to which its shareholding increased to 94.40% in the paid-up share capital of the Company, with Novandie retaining 5.60%. Consequently, the Company became a subsidiary of Heritage Foods Limited in accordance with the provisions of Section 2(87) of the Companies Act, 2013, with effect from June 16, 2025. At present, the Company is engaged in the manufacturing of flavoured milk and yoghurt products under the brand name "Livo" for the holding company.

PEANUTBUTTER AND JELLY LIMITED

(formerly known as Peanutbutter and Jelly Private Limited)
(CIN: U15400MH2022PLC377342)

A subsidiary of Heritage Foods Limited, during the year under review, your Company acquired a 51% stake in Peanutbutter and Jelly Limited (PBJL), pursuant to which PBJL became a subsidiary with effect from January 05, 2026, in accordance with the provisions of the Companies Act, 2013. PBJL is engaged in curating and retailing healthy desserts, including protein ice creams, keto desserts, vegan ice pops and low-calorie kulfis, under the brand name *"Get-A-Way (GAW)"*. The brand operates through e-commerce, quick-commerce platforms and retail stores across India, focusing on delivering innovative, high-quality and great-tasting dessert experiences aligned with evolving consumer preferences.

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.

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

₹ In Millions

Particulars	Heritage Nutrivet Limited (Wholly Owned Subsidiary) year ended		Skil Raigam Power (India) Limited (Associate) year ended		Heritage Novandie Foods Limited* (Subsidiary) year ended		Peanutbutter and Jelly Limited# (Subsidiary) year ended
	31/03/2026	31/03/2025	31/03/2026	31/03/2025	31/03/2026	31/03/2025	31/03/2026
Total Income	2468.40	1,860.92	-	-	43.70	74.46	336.50
Total Expenses	2261.79	1,690.18	0.02	0.02	107.13	329.09	338.30
Profit/ (Loss) before tax	206.61	170.74	(0.02)	(0.02)	(63.43)	(254.63)	(1.81)
Current tax expense	41.22	48.93	-	-	-	-	-
Deferred tax expense/ (benefit)	8.43	(1.70)	-	-	-	-	-
Profit/ (loss) for the year	156.96	123.51	(0.02)	(0.02)	(63.43)	(254.63)	(1.81)

* Heritage Novandie Foods Limited ceased to be a joint venture and became a subsidiary of the Company with effect from June 16, 2025
\# Peanutbutter and Jelly Limited became a subsidiary of the Company with effect from January 05, 2026

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.

14.1 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:

(i) Heritage Novandie Foods Limited ceased to be a joint venture and became a subsidiary of the Company with effect from June 16, 2025; and

(ii) Peanutbutter and Jelly Limited became a subsidiary of the Company with effect from January 05, 2026.

Further, no other company became or ceased to be a subsidiary, joint venture, or associate of the Company during the year.

15. Particulars of Loans, Guarantees and Investments:

Loans:

During the financial year 2025-26, your Company provided inter-corporate deposits to its subsidiaries, Heritage Novandie Foods Limited and Peanutbutter and Jelly Limited, amounting to ₹ 50.00 Million and ₹ 14.50 Million respectively. Apart from the aforesaid inter-corporate deposits, the Company did not grant any other loans covered under the provisions of Section 186 of the Companies Act, 2013.

Guarantees:

Your Company has provided a corporate guarantee As at March 31, 2026, the Company had provided a corporate guarantee aggregating to ₹ 22.00 Million in favour of ICICI Bank Limited in respect of credit facilities availed by its subsidiary, Heritage Novandie Foods Limited, towards its long-term loan and working capital requirements. The outstanding amount under the said facilities as on March 31, 2026 was Nil.

Investments:

During the year under review, your Company made the following investments:

(i) An investment of ₹ 85 Million in the equity shares of Heritage Novandie Foods Limited, resulting in the acquisition of an additional 44.40% stake and increasing the Company's total shareholding to 94.60%, thereby making it a subsidiary of the Company with effect from June 16, 2025; and

(ii) ₹90 million in the equity shares of Peanutbutter and Jelly Limited (PBJL), acquiring a 51% stake and making it a subsidiary of the Company with effect from January 05, 2026.

16. Particulars of Contract or Arrangements made with Related Parties

Your Company has in place a "Policy on Materiality of Related Party Transactions and on dealing with Related Party Transactions", which aims to ensure proper approval, disclosure and reporting of transactions between the Company and its related parties, in compliance with applicable laws and regulations. The said Policy is available on the Company's website at: https://www.heritagefoods.in/policy.

All related party transactions entered into during the financial year ended March 31, 2026 were in the ordinary course of business and on an arm's length basis. The particulars of contracts or arrangements with related parties, as required under Section 188 of the Companies Act, 2013 read with the applicable Rules and the aforesaid Policy, are provided in Form AOC-2, which is annexed to this Board's Report as Annexure–1.

During the year under review, there were no materially significant related party transactions entered into by the Company with its Promoters, Directors, Key Managerial Personnel, or their relatives, which may have a potential conflict with the interests of the Company or its shareholders.

The Company has complied with the provisions of Regulation 23 and other applicable regulations of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, in respect of related party transactions. All such transactions were duly approved/ratified by the Audit Committee and also placed before the Board for its review, as required under the Companies Act, 2013 and the Listing Regulations.

Details of related party transactions as required under the applicable Indian Accounting Standards (Ind AS) are disclosed in the Financial Statements forming part of this Annual Report under Note 41.

17. Particulars of Employees and Related Disclosures

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

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

18. Auditors & Auditor's Report

18.1 Statutory Auditors:

Pursuant to the provisions of 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 Walker Chandiok & Co. LLP, Chartered Accountants (Firm Registration No. 001076N/N500013), as the Statutory Auditors of the Company for a term of five consecutive years, i.e., from the conclusion of the 30th Annual General Meeting till the conclusion of the 35th Annual General Meeting to be held in the year 2027.

The Audit Reports dated May 11, 2026 (Standalone UDIN: 26206931AMVEKB9227) and (Consolidated UDIN: 26206931VOFGDV6558)issued by Walker Chandiok & Co. LLP on the Standalone and Consolidated Financial Statements of the Company for the financial year ended March 31, 2026 form part of this Annual Report.

The said Audit Reports do not contain any qualification, reservation, or adverse remark.

18.2 Secretarial Auditors and Secretarial Standards

- Pursuant to provisions of Section 204 of the Companies Act, 2013 and applicable provisions of SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015, Mr. A Ravi Shankar (Membership No.: FCS-5335, CP No.: 4318), Partner of Ravi & Subramanyam, Practicing Company Secretaries, Hyderabad, was appointed as the Secretarial Auditor of the Company for a term of 5 years from end of 33rd AGM of the company held on July 31, 2025 till 38th AGM of the Company to be held in the year 2029.
- The Secretarial Audit Report for the financial year 2025–26 issued by Mr. A. Ravi Shankar (Membership No.: FCS-5335, CP No.: 4318), Partner of Ravi & Subramanyam, Practicing Company Secretaries, Hyderabad dated April 30, 2026 (UDIN:F005335H000243265) is annexed as Annexure–3 and forms part of this Annual Report. The said Report does not contain any qualification, reservation, or adverse remark.
- Pursuant to Regulation 24A of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, the Company has obtained the Secretarial Compliance Certificate from Mr. A. Ravi Shankar (Membership No.: FCS-5335, CP No.: 4318), Partner of Ravi & Subramanyam, Practicing Company Secretaries, Hyderabad dated April 30, 2026 (UDIN:F005335H000243309), which is annexed as Annexure–3(i) and forms part of the Annual Report. The aforesaid certificates have been duly submitted to the Stock Exchanges where the Company's shares are listed.

  Further, in terms of Regulation 34(3) read with Schedule V, Part C, Clause 10(i) of the SEBI Listing Regulations, a Certificate of Non-disqualification of Directors has also been obtained from him dated April 30, 2026 (UDIN:F005335H000242981) and is annexed as Annexure–3(ii) and forms part of the Annual Report.
- Secretarial Audit Reports of the subsidiary Companies, namely Heritage Nutrivet Limited (CIN:U15400TG2008PLC062054), Heritage Novandie Foods Limited (CIN:U74999TG2017PLC120860) and Peanutbutter and Jelly Limited (CIN:U15400MH2022PLC377342), issued by Ms. Khusboo Laxmi Bhagat (CP No.: 14703, Membership No.: ACS-9376), Partner of KLB & Associates, Practicing Company Secretaries, Hyderabad. These reports are annexed as Annexure–3(iii)(a), 3(iii)(b) and 3(iii)(c), respectively and form part of the Annual Report.

Your Company has complied with all applicable Secretarial Standards issued by the Institute of Company Secretaries of India during the financial year ended March 31, 2026.

18.3 Reconciliation of Share Capital Audit

Pursuant to Regulation 76 of the SEBI (Depositories and Participants) Regulations, 2018, a quarterly audit of the Company's share capital is carried out by a Practicing Company Secretary. The purpose of this audit is to reconcile the total share capital held in dematerialized form with National Securities Depository Limited and Central Depository Services Limited and in physical form, with the issued and listed capital of the Company. The certificate issued by the Practicing Company Secretary in this regard is duly submitted to the Stock Exchanges and placed before the Board of Directors.

18.4 Internal Audit & Control Systems

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

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

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

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

Your Company has constituted an Audit Committee comprising three Non-Executive Independent Directors. All members of the Committee are financially literate and the Committee is chaired by a Non-Executive Independent Director who is a Fellow Member of the Institute of Chartered Accountants of India. The Audit Committee is periodically apprised of internal audit findings and the corrective actions taken thereon. It also reviews the adequacy and effectiveness of the internal control systems and recommends measures for their strengthening, wherever necessary. The Company has in place a robust Management Information System, which forms an integral part of its overall control framework.

Your Company has a well-established internal audit framework. It has appointed external firms of Chartered Accountants across India as Internal Auditors to conduct internal audits and review internal controls, systems and procedures in accordance with the defined audit scope. The Board of Directors, based on the recommendation of the Audit Committee, appoints/re-appoints the Internal Auditors annually in compliance with Section 138 of the Companies Act, 2013 read with the Companies (Accounts) Rules, 2014.

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

The frequency of internal audits is determined based on the size and nature of the units, with audits conducted at monthly or half-yearly intervals. The operations of the Registered Office are subject to internal audit on a monthly basis.

The Internal Audit Reports of the Company are reviewed by the Audit Committee on a monthly basis. In addition, an executive summary of the observations made by the Internal Auditors is submitted and presented to the Audit Committee on a quarterly basis. The Audit Committee, along with the Statutory Auditors and the management, meets all Internal Auditors at least once a year to review the adequacy and effectiveness of internal controls. The details of Internal Auditors appointed by the Board, based on the recommendation of the Audit Committee, for the financial year 2026-27 are provided in the Corporate Information section of the Annual Report.

18.5. Cost Auditor / Records

As the Company is engaged in activities relating to Skimmed Milk Powder and renewable energy for captive consumption, it is required to maintain cost records. Accordingly, the Company has maintained the prescribed cost records in compliance with Section 148(1) of the Companies Act, 2013. However, the provisions relating to cost audit and appointment of a Cost Auditor are not applicable to the Company.

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

During the year under review, the auditors have not reported any instances of fraud committed by or against the Company by its Directors, Officers, or Employees under Section 143(12) of the Companies Act, 2013 read with the rules made thereunder. Accordingly, no disclosure is required under Section 134(3)(ca) of the Act.

20. 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 Aff airs ('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.

21. Board Diversity

The Company believes that "The best boards are always blended with individuals with different skills, knowledge, information, power and time to contribute." The composition of the Board is in compliance with the prescribed requirements for listed companies and the Board Diversity Policy of the Company, which is available on the Company's website at www.heritagefoods. in>Investor>policy.

During the FY 2025-26, the Board comprised seven eminent professionals with diverse expertise across various fields, including four Non-Executive Independent Directors (one of whom is a woman director), the Vice Chairperson & Managing Director, an Executive Director and a Whole Time Director. However, Mr. Rajesh Thakur Ahuja, Non-Executive Independent Director, ceased to hold office upon completion of his second and final term with effect from March 22, 2026.

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

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

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

21.1 Meetings of the Board

During the financial year 2025–26, the Board of Directors met six (6) times, on May 16, 2025; July 17, 2025; October 15, 2025; October 27, 2025; January 28, 2026; and March 17, 2026. The intervening gap between any two consecutive meetings was within the period prescribed under the provisions of the Companies Act, 2013 and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

21.2 Declaration from Directors

Your Company has received the necessary declarations from all Directors confirming that they are not debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, the Reserve Bank of India, the Ministry of Corporate Affairs, or any other statutory authority.

Your Company has also received declarations from all Independent Directors confirming that they meet the criteria of independence as prescribed under Section 149 of the Companies Act, 2013 and Regulation 25 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The Board has taken note of and confirmed the veracity of such declarations.

Further, all Independent Directors of the Company have successfully passed the Online Proficiency Self-Assessment Test conducted by the Indian Institute of Corporate Affairs. All Independent Directors of the Company have included their names in the data bank of Independent Directors maintained with the Indian Institute of Corporate Affairs.

21.3 Confirmation and Opinion of the Board on Independent Directors.

All the Independent Directors of the Company have submitted the requisite declarations and disclosures under Section 149(7) of the Companies Act, 2013 ("the Act") and Regulation 25(8)

of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. They have confirmed that they meet the criteria of independence as prescribed under Section 149(6) of the Act and Regulation 16 of the Listing Regulations.

The Independent Directors have also affirmed that they are not aware of any circumstances or situations which exist or may reasonably be anticipated that could impair or impact their ability to discharge their duties with objective and independent judgment, free from any external influence.

The Board, after taking these declarations and disclosures on record, is of the opinion that the Independent Directors are persons of integrity and possess the requisite expertise and experience. The Board further confirms that the Independent Directors are independent of the Management.

21.4 Board Evaluation

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

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

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 and fiduciary responsibilities.
- Providing an overall assessment of the board member's contribution to the effectiveness of the board in fulfilling its governance responsibilities and advancing the organization's mission and objectives.

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

In order to improve the efficiency, ensure confidentiality and streamlining the evaluation process, the Company with approval of the Nomination and Remuneration Committee, has implemented a Board Evaluation Solution for carrying out the Board Evaluation in Digital Mode as on March 31, 2026.

21.5 Changes in Composition of Board of Directors

During the year under review, the following changes occurred in the composition of the Board:

(i) Dr. M Sambasiva Rao (DIN:01887410) was appointed as a Whole-Time Director with effect from April 1, 2025, for a term of five consecutive years, as approved by the Members through a Special Resolution passed by way of postal ballot on May 2, 2025.

(ii) Mr. Rajesh Thakur Ahuja (DIN:00371406) ceased to be a Non-Executive Independent Director of the Company upon completion of his second and final term, with effect from March 22, 2026.

21.6 Meeting of Independent Directors

Separate meetings of the Independent Directors were held on May 16, 2025 and March 17, 2026, inter alia, to evaluate the performance of the Non-Independent Directors, the Board as a whole and the Chairperson, taking into account the views of the Executive and Non-Executive Directors. The Independent Directors also assessed the quality, adequacy and timeliness of the flow of information between the Management and the Board to enable them to effectively discharge their duties.

The Company has complied with the requirements of Schedule IV of the Companies Act, 2013 and Regulation 25 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, which mandate Independent Directors of the top 2000 listed entities (based on market capitalization) to hold at least two meetings in a financial year with active participation of all Independent Directors.

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

21.7 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).

21.8 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.

21.9 Code of Conduct

The Board of Directors has adopted and oversees the administration of the Company's Code of Business Conduct and Ethics ("Code of Conduct"), which is applicable to all Directors, Officers and Employees of the Company and its subsidiaries. The Code reflects the Company's commitment to conduct business with integrity and in full compliance with applicable laws and provides guiding principles for carrying out day-to-day responsibilities with the highest ethical standards. The Directors and Senior Management Personnel have affirmed compliance with the Code of Conduct through annual declarations.

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.

21.10 Key Managerial Personnel

During the year under review, the following persons were designated as Key Managerial Personnel of the Company:

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

Hereinafter referred as Mr. Srideep M Kesavan.

21.11 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.

21.12 Committees of the Board

The Committees of the Board focus on specific areas and facilitate informed decision-making in line with the delegated authority of the Board. The following Committees, constituted by the Board, function in accordance with their respective roles and defined scope:

a) Audit Committee
b) Nomination and Remuneration Committee
c) Stakeholders' Relationship Committee
d) Corporate Social Responsibility Committee
e) Risk Management Committee
f) Management Committee

During the year under review, the following Committees were reconstituted with effect from March 23, 2026, consequent to the cessation of Rajesh Thakur Ahuja as Non-Executive Independent Director of the Company upon his Tenure Completion:

(i) Audit Committee
(ii) Nomination and Remuneration Committee
(iii) Stakeholders' Relationship Committee
(iv) Risk Management Committee
(v) CSR Committee

A detailed note on the Board and its Committees is provided in the Corporate Governance Report forming part of this Annual Report. The composition of the Committees as at March 31, 2026, along with key roles and responsibilities, is given below:

Name of the Committee	Composition of the Committee as on March 31, 2026	Highlights of Roles and Responsibilities
Audit committee	Mrs. Aparna Surabhi (C) Mr. Rajesh Thakur Ahuja (M)* Mr. A V Girija Kumar (M) Mr. M P Vijay Kumar (M) Mrs. N. Brahmani (M)#	• All recommendations made by the Committee during the year were accepted by the Board. • Reviewed quarterly financial statements prior to submission to the Board. • Approved/modified related party transactions. • Reviewed performance of statutory and internal auditors and adequacy of internal controls.
Nomination and Remuneration Committee	Mr. M P Vijay Kumar (C) Mr. Rajesh Thakur Ahuja (M)* Mr. A V Girijakumar (M) Mrs. Aparna Surabhi (M)	• Oversees and administers executive compensation. • Operates under a Board-approved charter. • Has formulated the Nomination and Remuneration Policy.
Stakeholders Relationship Committee	Mrs. Aparna Surabhi (C) Mr. Rajesh Thakur Ahuja (M)* Mr. A V Girijakumar (M) Mrs. N Bhuvneswari (M)	• Reviews and ensures redressal of investor grievances. • Noted that all investor grievances were resolved during the year.
Corporate Social Responsibility Committee	Mr. Rajesh Thakur Ahuja (C)* Mrs. N Bhuvaneswari (C) Mr. A V Girijakumar (M) Dr. M. Sambasiva Rao (M)	• Formulate and recommend the CSR Policy to the Board in line with the Companies Act, 2013. • Identify and recommend CSR projects/activities as per Schedule VII of the Act. • Recommend the CSR expenditure and monitor its effective utilization. • Oversee the implementation and progress of CSR initiatives and projects.
Risk Management Committee	Mr. Rajesh Thakur Ahuja (C)* Mrs. Aparna Surabhi (C) Mr. A V Girijakumar (M) Mrs. N Bhuvaneswari (M)	• Assists the Board in identification, evaluation and mitigation of risks. • Oversees implementation of the Company's risk management framework. • Reviews potential risks that may impact the Company's operations or existence.
Management Committee	Mrs. N Bhuvaneswari (C) Mr. A V Girijakumar (M) Mr. M P Vijay Kumar (M) Mrs. Aparna Surabhi (M)	• Sets strategic direction for the organization. • Ensures effective management of operations and activities. • Monitors organizational performance in alignment with core principles and objectives.

* (Upto March 22, 2026) # (w.e.f. May 11, 2026) C: Chairperson M: Member

21.13 CEO & CFO Certification

The Chief Executive Officer and Chief Financial Officer of the Company have submitted the annual compliance certificate on financial reporting and internal controls to the Board in accordance with Regulation 17(8) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. They have also submitted quarterly compliance certificates on financial results to the Board in terms of Regulation 33(2) (a) of the SEBI Listing Regulations. The annual compliance certificates form part of this Annual Report.

22. Compliance Management

The Company has implemented a comprehensive compliance management tool as part of its SAP system. This tool enables periodic updating of statutory compliances along with the attachment of supporting evidence, thereby ensuring robust documentation and monitoring of compliance status. The system also generates automated alerts and reminders to the personnel concerned for timely adherence to applicable laws and regulations, based on prescribed due dates. Further, the Chief Executive Officer, Chief Operating Officer, Chief Financial Officer and Company Secretary of the Company submit a compliance certificate to the Board at its meetings held for approval of quarterly financial results, confirming compliance with all applicable laws, rules and regulations.

23. Prevention of Insider Trading Code

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

The Company has appointed Mr. Umakanta Barik, Company Secretary of the Company as Compliance Officer, who is responsible for setting forth procedures and implementation of the code of conduct for trading in Company's securities. During the FY 2025-26 the Company has duly complied with the said code.

In addition to the Code of Conduct, the Company has in place a Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information (UPSI) and a Policy and Procedures for Inquiry in case of leak of UPSI, in compliance with the SEBI (Prohibition of Insider Trading) Regulations, as approved by the Board of Directors. During the year, the Company regularly circulated informational emails to designated employees covering, inter alia, do's and don'ts while dealing in the Company's securities and the window open/closure periods, to familiarise and reinforce compliance with the Share Dealing Code and SEBI PIT Regulations.

All the Directors and Senior Management Personnels and insiders have affirmed compliance with the said code. The code is also available on the website of the Company at https://www.heritagefoods.in/policy .

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

24. Investor Relationship:

Investor Relations (IR) serves as a strategic bridge between the Company and the investment community by ensuring transparent, timely and consistent communication with shareholders, analysts and other stakeholders. Through effective dissemination of financial performance, business developments and long-term strategic priorities, the IR function supports informed investor participation, strengthens market confidence and enhances long-term shareholder value. The Investor Relations activities of the Company are managed by Go India Advisors.

The IR function is responsible for communicating quarterly and annual financial results, regulatory disclosures, corporate developments and other material updates. It also facilitates investor meetings, analyst interactions, earnings calls and participation in investor forums, enabling meaningful engagement with institutional and retail investors as well as buy-side and sell-side participants. In addition, the IR team continuously monitors market developments, investor sentiment and industry trends to provide strategic feedback to the management on investor expectations, valuation drivers, emerging opportunities and potential risks.

I. Investor Engagement and Market Outreach

During the year, the Company continued to strengthen its engagement with the investment community through structured and consistent interactions with institutional investors, analysts and market participants. Focused outreach initiatives across buy-side and sell-side stakeholders enhanced awareness of the Company's business model, operational performance and long-term growth strategy, thereby improving market visibility and investor participation.

The Company also participated in investor forums and facilitated regular management interactions to effectively communicate operational developments, strategic priorities and industry trends. These engagements contributed towards strengthening investor confidence and improving market understanding of the Company's long-term value creation approach.

II. Investor Communication and Transparency

The Company remains committed to maintaining high standards of transparency and corporate communication through timely dissemination of financial results, material disclosures, notices and shareholder updates via stock exchange filings, email communication and the Company's website. Quarterly investor presentations, earnings call transcripts and other relevant updates are also made available to shareholders to ensure broader accessibility of information and enhanced transparency.

Recordings and transcripts of investor conference calls are archived on the Company's website to ensure long-term accessibility and ease of reference for stakeholders. During the year, the Company further strengthened the Investor Relations section of its website to improve accessibility, presentation and organisation of investor-related information, enabling stakeholders to access financial and statutory information through a more structured and user-friendly interface.

The Company remains committed to maintaining high standards of regulatory compliance and disclosure practices in accordance with applicable SEBI regulations and listing requirements.

III. Investor Calls, Media Interactions and Press Releases

Regular investor conference calls were conducted during the year to facilitate direct interaction between the management, shareholders and analysts. These discussions provided insights into the Company's financial and operational performance, strategic priorities and industry outlook, while also enabling effective resolution of investor queries.

The management also continued to engage with the media and investment community through interviews and press releases to communicate important business developments, operational achievements and strategic initiatives. These interactions supported improved market understanding and reinforced the Company's commitment to transparent communication.

IV. Investor Grievance Redressal and Shareholder Services

Investor queries and grievances received through email, telephone or physical correspondence were addressed promptly and efficiently. Matters relating to transfer or transmission of shares, non-receipt of annual reports or dividends, issuance of duplicate share certificates and other shareholder-related requests were resolved in compliance with applicable regulatory requirements.

The Company also facilitated requests relating to change in beneficial ownership through a streamlined process to ensure timely and transparent execution. Details of complaints and service requests received and resolved during FY 2025-26 form part of the Corporate Governance Report.

V. Promotion of Dematerialisation

Shareholders continued to be encouraged to convert physical shareholdings into dematerialised form to enhance security, improve transfer efficiency and eliminate risks associated with physical certificates. The dematerialisation mechanism also enables faster settlements and efficient electronic record maintenance.

VI. Peer Benchmarking and Industry Intelligence

The Investor Relations function also undertakes continuous peer benchmarking and industry intelligence activities to assess the Company's positioning relative to industry participants and listed peers. This includes monitoring sector developments, valuation trends, operating benchmarks, investor preferences and evolving market expectations. Insights derived from such analysis support the management in strengthening strategic communication, improving market positioning and aligning investor messaging with broader industry developments.

VII. Feedback Mechanism and Investor Insights

Feedback received through investor interactions, analyst discussions and market engagements is periodically evaluated to understand stakeholder expectations, emerging concerns and key focus areas. Such insights assist the management in refining communication strategies, strengthening investor engagement and improving alignment between market expectations and the Company's long-term strategic priorities.

VIII. ESG and Governance Communication

The Company also engages with stakeholders on matters relating to sustainability, governance and responsible business practices. Investor communication during the year included discussions around governance standards, sustainability initiatives and long-term value creation priorities, reflecting the Company's commitment towards responsible and sustainable growth.

IX. Strengthening Market Positioning

The Company's continued focus on consistent communication, investor engagement and transparent disclosures has contributed towards strengthening its positioning within the capital markets ecosystem. Through disciplined outreach initiatives and proactive stakeholder engagement, the Company has been able to enhance investor confidence, improve market perception and build stronger alignment between the investment community and the Company's long-term strategic objectives.

25. Human Resources and Industrial Relations

Your Company's people strategy remains central to driving sustainable growth, strengthening execution excellence and building long-term organizational resilience. Your Company is committed to fostering a high-performance culture anchored in capability, accountability and shared values.

During FY 2025–26, your Company continued to enhance the employee experience across the entire employee lifecycle, encompassing talent acquisition, capability development, performance management, employee engagement and retention. These initiatives remain closely aligned with business priorities and the Company's long-term growth strategy.

Capability building continues to be a key pillar of the Company's people strategy. During the year, your Company conducted 306 in-house training programs, covering 3,785 training days and 30,281 training hours, with participation from 9,218 employees. This reflects the Company's commitment to continuous learning and equipping employees with the skills required to meet evolving business and industry requirements.

Training interventions were structured across three key pillars—Technical, Behavioral and Organizational Effectiveness. Technical programs focused on strengthening capabilities across manufacturing, quality, safety, supply chain, sales and digital enablement. Behavioral programs emphasized leadership development, personal effectiveness and fostering a culture of ethics, safety and accountability. Organization-wide initiatives supported process standardization, productivity enhancement and adoption of systems and best practices.

In addition, your Company partnered with leading external institutions to deliver 45 specialized training programs, resulting in 2,363 participations. These collaborations facilitated benchmarking against industry best practices and provided access to specialized domain expertise.

Your Company continues to institutionalize robust and transparent people practices. A structured induction framework supports seamless onboarding, while a performance management system anchored on Key Result Areas (KRAs) ensures alignment with business objectives and reinforces a performance-oriented culture. Governance frameworks are further strengthened through policies relating to equal opportunity, workplace safety and ethical conduct.

During the year, your Company accelerated its HR digital transformation journey through enhanced adoption of Zoho People. Leveraging modules such as the Learning Management System (LMS), Performance Management, HR Helpdesk and employee lifecycle management processes has improved operational efficiency, enabled data-driven decision-making and enhanced the overall employee experience.

As of March 31, 2026, your Company's workforce stood at 3,327 employees, with an average age of 35 years, reflecting a balanced mix of experience and emerging talent. The annualized attrition rate stood at 18.66% as compared to 16.31% in FY 2024–25. To address this, the Company has initiated focused interventions aimed at strengthening employee retention through enhanced engagement, career development opportunities and targeted capability-building initiatives.

Employee well-being and inclusion remain integral to the Company's people philosophy. Your Company continues to invest in employee welfare initiatives, including medical insurance coverage for non-ESI employees, annual health check-ups and canteen facilities thereby reinforcing its commitment to an inclusive and supportive workplace.

Your Company's people practices continued to receive external recognition, including certification as a "Great Place to Work" and recognition among India's Best Workplaces in Manufacturing 2026, reflecting the strength of its organizational culture.

Industrial relations remained stable, constructive and harmonious throughout the year, with no instances of disruption. The Company maintained a proactive and transparent approach in addressing employee concerns, ensuring operational continuity and reinforcing mutual trust.

Going forward, your Company will continue to focus on building a future-ready organization by strengthening leadership pipelines, deepening digital capabilities and fostering a culture of performance, inclusion and continuous learning. Your Company remains committed to aligning its people strategy with business priorities while creating sustainable long-term value for all stakeholders.

26. Compliance of Reclassification of Promoters group:

For the financial year ending on March 31, 2026, the Promoters re-classified to the Public shareholders have submitted the Annual declaration stating that they have complied with the provisions as prescribed under Regulation 31(4) of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015.

27. Risk Management

Your Company has constituted a Risk Management Committee pursuant to Section 134(3)(n) of the Companies Act, 2013 and Regulation 21 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The Committee has been entrusted with the responsibility of assisting the Board in: (a) overseeing and approving the Company's Enterprise Risk Management (ERM) framework; and (b) ensuring that all key risks faced by the organisation, including strategic, financial, credit, market, liquidity, operational, security, property, information technology, legal, regulatory, reputational and other risks, are appropriately identified, assessed and managed through an adequate risk management infrastructure.

The details of the Risk Management Committee are provided in Clause 5(A) of the Corporate Governance Report forming part of this Annual Report.

The Committee has formulated a Risk Management Policy to address various categories of risks encountered in the day-to-day operations of the Company. The Policy outlines the risk landscape and the corresponding mitigation measures to be adopted by the Board and Management. The Risk Management Policy including the Risk Management Framework is available on the Company's website at www.heritagefoods.in under Investor > Policies.

The Risk Management framework is reviewed by the Risk Management Committee and the Board of Directors on a half-yearly basis, coinciding with the review of financial results. Based on the recommendation of the Risk Management Committee, the Board has engaged a consultancy firm for the implementation of an Enterprise Risk Management (ERM) tool for the Company. The ERM tool will facilitate early identification and assessment of risks, development of a robust risk monitoring mechanism, strengthening of the Risk Appetite Framework and integration of risk management practices within business processes for the strategic management of key risks that matter.

28. Insurance

All properties and insurable interests of the Company are adequately insured. The Company has also ensured insurance coverage for all its employees and contract labour engaged across its operations. In addition, the Company has extended insurance coverage to the farmers enrolled with the Company, thereby strengthening its commitment towards their welfare and risk protection.

29. Cyber Security

The Company has implemented robust technologies, processes and practices to safeguard its networks, systems and data from external threats, unauthorized access and potential damage. Regular employee training programs were conducted to enhance awareness on the secure usage of networks, digital devices and data, thereby helping to prevent breaches and strengthen the overall cybersecurity framework.

The Information Technology Department continuously obtains employee feedback and incorporates relevant inputs to further strengthen cybersecurity protocols, ensuring they remain effective, resilient and aligned with evolving risks.

30. Information Technology and Digital Transformation:

Implementation of IT & Digital Transformation Stratergy has been a key priority for your Company for the year 2025-26. The Strategy is 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.

The collective impact of these IT initiatives has enabled the organization to strengthen its consumer-centric and farmer-friendly approach, while positioning Heritage as a preferred workplace for its employees.

The Primary Data centre (SAP ERP) of the Company is hosted on AWS Cloud located in Amazon Development Centre (Hyd 11) Jayabheri Orange Towers, Rd Number 2, Financial District, Nanakramguda, Hyderabad, Telangana -500032, India and the Disaster Recovery centre (SAP ERP) is located at AWS Cloud located in Amazon Web Services India Pvt Limited, Godrej One, 11th Floor, Pirojshanagar, Vikhroli, Mumbai, Maharashtra -400079, India.

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

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

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

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

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

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

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

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

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

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

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

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

31. Policies

The SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 mandated the formulation of certain policies for all listed companies. Company has also adopted several policies in line with Companies Act, 2013 and Acts applicable to the Company. Apart from those polices the Company has also adopted comprehensive set of policies covering various ESG aspects for promoting Sustainable business practices. All the corporate policies are available in the Company website at www.heritagefoods.in. The policies are reviewed periodically by the Board and updated based on need and new compliance requirements.

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

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

Sl. No.	Policy Name	About the Policy
23.	Operational Health & Safety Policy	The Policy outlines the Company's approach to workplace safety, risk management and environmental sustainability, integrating best practices to enhance compliance and employee well-being.
24.	Equal Opportunity Policy	The policy provides a framework to uphold diversity, fair employment practices, equal career opportunities and workplace inclusivity, ensuring compliance with applicable labour laws and regulations.
25.	Policy on Human Rights, Diversity and Inclusion	This policy establishes our guiding principles and commitments to ensure that our operations respect and protect human dignity, fairness and equal opportunities.
26.	Stakeholders Engagement Policy	This policy outlines the company's approach towards stakeholder engagement, inclusive dialogue with stakeholders for shared progress and mutual respect.
27.	Supply Chain Management and Responsible Sourcing Policy	This policy serves as a guiding framework to ensure responsible sourcing and effective supply chain management with an aim to foster long-term relationships with supply chain partners based on mutual trust, sustainability and compliance with ethical business practices.
28.	Policy on Animal Protection and Welfare (Cattle)	This policy provides a framework to positively influence animal health and welfare through social and educational interventions. Since independent farmers own dairy animals, our role is limited to promoting awareness, providing guidance and enabling access to resources that enhance their well-being rather than enforcing direct control over animal care practices
29.	ESG Policy for Value Chain partner	This policy extends stated principles to all upstream and downstream value chain partners of HFL especially to the value chain partners in any form of registered entities /trading houses, dealers, setting clear expectations to ensure consistency in our shared commitment to responsible business practices

32. Policy on Sexual Harassment

Prevention of sexual harassment at the workplace is a critical issue that requires robust mechanisms and proactive measures.

Your Company is committed to providing a safe, secure and conducive work environment to all its employees and associates. In compliance with the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 ("POSH Act") and the rules made thereunder, the Company has constituted Internal Complaints Committees (ICCs) across all workplaces to address complaints relating to sexual harassment.

The Company has also implemented a Policy on Prevention of Sexual Harassment of Women at Workplace, which serves as a guiding framework for prevention and redressal of complaints, ensuring confidentiality, fairness and protection of identity throughout the inquiry process.

Regular awareness and training programs are conducted to sensitise employees on appropriate workplace conduct and the consequences of harassment, thereby fostering a respectful, inclusive and safe workplace culture.

The Company confirms compliance with the provisions relating to the constitution of Internal Complaints Committees under the POSH Act. Further, no instances of sexual harassment were reported during the financial year 2025–26 under the said Act.

The table below provides details of complaints received/ disposed during the financial year 2025-26:

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

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

33. Compliance with Maternity Benefit Act, 1961

During the FY2025-26, the Company has complied with all the applicable provisions relating to the Maternity Benefit Act, 1961.

34. Vigil Mechanism/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, the Board of Directors of the Company has established a Vigil Mechanism and adopted a Whistle Blower Policy.

The mechanism enables employees to report concerns relating to unethical behaviour, actual or suspected fraud, or violation of the Company's Code of Conduct and Ethics. It also provides adequate safeguards against victimisation of employees who avail of this mechanism and allows direct access to the Chairperson of the Audit Committee in exceptional cases.

The functioning of the Whistle Blower Mechanism is periodically reviewed by the Audit Committee. During the financial year ended March 31, 2026, no complaints were received under the said mechanism and no personnel were denied access to the Audit Committee.

The details of the Vigil Mechanism are provided in the Corporate Governance Report forming part of this Annual Report. A copy of the Whistle Blower Policy is also available on the Company's website at www.heritagefoods.in.

35. Policy on Director's Appointment and Remuneration

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

As on March 31, 2026, the Board comprised of six (6) Directors, including one Vice-Chairperson and Managing Director, two Whole-Time/Executive Directors, one Non-Executive Independent Woman Director and two Non-Executive Independent Directors.

The Company has adopted a Nomination and Remuneration Policy in accordance with Section 178(3) of the Companies Act, 2013 and the SEBI Listing Regulations, which inter alia lays down the criteria for determining qualifications, positive attributes, independence of a Director and other related matters.

In line with Schedule V, Part C of the Corporate Governance Report, the Directors have submitted annual declarations regarding their skills, expertise and competencies. It is further affirmed that the remuneration paid to the Directors is in accordance with the approved Nomination and Remuneration Policy of the Company.

36. Directors and Officers insurance ('D and O insurance')

Your Company has obtained a Directors and Officers (D&O) Insurance Policy for all its Directors and members of the Senior Management, in compliance with Regulation 25(10) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 with adequate risk coverage/ assurance value.

37. Dividend Distribution Policy

In terms of Regulation 43A of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations"), the Company has formulated and adopted a Dividend Distribution Policy with the objective of providing a clear and transparent framework to its stakeholders regarding the principles governing the distribution of profits by the Company. The Policy inter alia outlines the factors to be considered by the Board while declaring dividend, ensuring a balanced approach between rewarding shareholders and retaining earnings for future growth and business requirements.

During the year under review, the said Policy was reviewed by the Board of Directors to ensure its continued relevance and alignment with the Company's financial performance and strategic objectives. The Dividend Distribution Policy is available on the Company's website at https://www.heritagefoods.in/policy.

38. Details under Insolvency and Bankruptcy Code, 2016

No application has been made, nor is any proceeding pending against the Company under the Insolvency and Bankruptcy Code, 2016 during the financial year under review or as at the end of the year.

39. Details of One Time Settlement and Valuation of Assets

The Company has not availed any One Time Settlement (OTS) from banks or financial institutions during the financial year under review. Accordingly, the disclosures relating to valuation of assets or securities at the time of borrowing and at the time of OTS are not applicable to the Company.

40. Financial Year

The Company follows the financial year from 1st April to 31st March

Further There has been no change in the financial year during the reporting period.

41. Significant Material Orders Passed by the Regulators

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

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

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

42. 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.

43. Corporate Social Responsibility (CSR)

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

The CSR activities / projects as per the provisions of the Companies Act, 2013 and rules made thereof, is undertaken directly by the Company or through a registered trust or a registered society. During the Financial Year 2025-26 the CSR Committee of the Board evaluated various options to implement the CSR activities and decided to implement the CSR projects for the year through the following implementing Agency:

Sl. No	Name of the implementing Agency	List of Activities
1.	NTR Memorial Trust, NTR Bhavan, Road No. 2, Banjara Hills, Hyderabad, -500034, Telangana. About **NTR Memorial Trust:** The NTR Memorial Trust has been operating since 1997 with a focus on promoting healthcare, including preventive healthcare, supporting the educational needs of underprivileged students, encouraging entrepreneurship and self-employment and providing relief during disasters, among other initiatives aimed at the upliftment of underprivileged and vulnerable sections of society.	Promoting health care including Preventive health care of the needy groups and Rural Development

During the financial year 2025–26, the Company's CSR obligation under Section 135 of the Companies Act, 2013 was ₹ 34.36 million. After adjusting the excess CSR expenditure of ₹ 21.78 million incurred during FY 2024–25, the net CSR obligation for the year stood at ₹12.58 million.

The Company has allocated the entire CSR obligation of ₹12.58 million towards ongoing CSR projects, comprising ₹2.58 million towards healthcare initiatives, including preventive healthcare programmes and ₹10.00 million towards rural development projects. During the year, an amount of ₹2.58 million was spent towards promoting healthcare initiatives.

The balance amount of ₹10.00 million pertaining to an ongoing rural development project remained unspent as at the end of the financial year. In compliance with the provisions of the Companies (Corporate Social Responsibility Policy) Rules, 2014, the said unspent amount has been transferred to the "Unspent CSR Account" and shall be utilised towards the ongoing project within the prescribed timeline, i.e., on or before March 31, 2029.

There is no excess CSR amount available for set-off against future CSR obligations for the financial year 2025–26.

A report on CSR initiatives is provided in the Annexure-4 to the board report.

44. Corporate Governance

Corporate Governance is an ethically driven business framework that is anchored in values aimed at enhancing an organisation's brand, reputation and long-term sustainability. It is ensured through ethical business conduct, sound decision-making and a firm commitment to core values while balancing the interests and expectations of all stakeholders. The fair, transparent and accountable management of the Company's affairs is essential to earn and sustain stakeholder trust. Corporate Governance, therefore, encompasses a set of standards, principles, policies and procedures designed to improve the Company's efficiency, effectiveness and commitment to social responsibility.

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

45. Management Discussion and Analysis

In terms of the provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time, the Management Discussion and Analysis has been presented in a separate section and forms an integral part of this Annual Report.

46. Business Responsibility and Sustainability Report (BRSR)

Pursuant to Regulation 34(2)(f) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the top 1000 listed entities, based on their market capitalization as

on 31st March every year, are required to include a Business Responsibility and Sustainability Report ("BRSR") as part of their Annual Report. The BRSR describes the initiatives undertaken by the Company from an Environmental, Social and Governance (ESG) perspective. It has been designed as a framework to help companies understand the principles and core elements of responsible business conduct and to facilitate their integration into business operations.

Based on the market capitalization on the BSE as on December 31, 2025, your Company was ranked at Sl. No. 829 among the top 1000 listed companies. Accordingly, in compliance with the said Regulation, the BRSR is provided in a separate section and forms part of this Annual Report.

The Independent assurance of BRSR disclosures is not applicable to the Company under the prevailing regulatory requirements, however, your Company has voluntarily obtained an independent assurance report on its BRSR disclosures from M/s. Grant Thornton Bharat LLP. The assurance report is forms part of this Annual Report.

47. Annual Return

The Annual Return as on March 31, 2026, as required under Section 92(3) and Section 134(3)(a) of the Companies Act, 2013, will be made available on the Company's website at www.heritagefoods.in.

48. 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 2025-26. The annual custodian fees have also been paid to the depositories before the due date.

49. Unclaimed Rights Equity Shares Suspense Account

As on March 31, 2026, the Company did not have any Rights Equity Shares Suspense Account. Accordingly, there were no unclaimed or outstanding shares required to be reported under the Suspense Account.

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

- In the preparation of the annual accounts (Standalone & Consolidated) for the financial year 2025-26, 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 2025-26 and of the profit of the Company for that period.
- They have taken Proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities if any,
- The annual accounts of the company have been prepared on a going concern basis.
- They have laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and were operating effectively; and
- They have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

51. Acknowledgement and Appreciation

The Board of Directors wishes to place on record its sincere appreciation and heartfelt gratitude to the farmers, consumers, investors, bankers, vendors, suppliers, distributors, employees and all other stakeholders whose continued support and contribution have been instrumental in the Company's success.

First and foremost, we extend our deepest gratitude to the farmers who diligently care for their milch animals and ensure a consistent supply of high-quality milk, the foundation of our products. Their dedication, hard work and commitment are integral to our operations and enable us to deliver quality products to consumers every day.

We thank our valued consumers for their trust and confidence in our brand. Their continued patronage and valuable feedback inspire us to innovate, improve and deliver products that meet the highest standards of quality and excellence.

We are grateful to our investors for their confidence in the Company's vision and long-term growth strategy. Their continued support has enabled us to pursue innovation, strengthen our market presence and create sustainable value. We also acknowledge the valuable partnership of our bankers, whose financial support and guidance have contributed significantly to the Company's operational efficiency and growth.

The Board places on record its sincere appreciation to the Statutory Auditors, Internal Auditors, Secretarial Auditors, consultants, technical service providers and various agencies for their professional guidance, valuable services and continued cooperation in ensuring the smooth functioning of the Company.

We also thank our vendors, suppliers and distributors for their commitment, reliability and unwavering support. Their partnership has played a vital role in maintaining operational continuity and delivering value across our supply chain.

The Board expresses its profound appreciation to all employees for their dedication, commitment and tireless efforts during the year. Their professionalism, teamwork and passion have been instrumental in the Company's performance and growth. We look forward to their continued support in achieving the Company's strategic objectives in the years ahead.

Finally, we extend our sincere thanks to all stakeholders whose trust, cooperation and belief in the Company have contributed to our achievements. We value these enduring relationships and remain committed to fostering transparency, collaboration and mutual growth.

In conclusion, the Board of Directors wholeheartedly acknowledges the invaluable contributions of all stakeholders who have been part of the Company's journey. Their unwavering support and partnership have been fundamental to our success and we look forward to strengthening these relationships as we continue our pursuit of sustainable growth, innovation and excellence.

For and on behalf of
HERITAGE FOODS LIMITED

A V Girija Kumar
Chairperson
DIN: 02921377

Place : Hyderabad
Date: May 11, 2026

Annexure-1

Form AOC-2

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

Disclosure of particulars of contracts/arrangements entered into by the Company with related parties referred to in sub-section (1) of Section 188 of the Companies Act, 2013 including certain arm's length transactions under fourth 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, 2026 were at arm's length basis and in the ordinary course of business of the Company.

2. Details of material 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 2025-26. 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 2025-26 are given below:

Sr. No.	Name(s) of the related party	Nature of Relationship	Nature of contracts/ arrangements/ transactions	Value of contracts/ arrangements/ transactions during the Year (₹ In Millions)	Duration of contracts/ arrangements / transactions
1.	Heritage Nutrivet Limited (HNL)	Wholly Owned Subsidiary Company	Sale of products	8.51	Sale order/Invoice
			Purchases	1387.48	Purchase order/ Invoice
			Expenditure incurred on behalf of HNL	2.25	During FY 2025-26
			Brand income	4.41	As per agreement
2.	Heritage Novandie Foods Limited (HNFL)	Subsidiary Company	Sale of products	31.56	Sale order/Invoice
			Purchase of products	34.73	Purchase order/ Invoice
			Financial guarantee income	2.16	During FY 2025-26
			Lease rental income	1.27	As per agreement
			Expenditure incurred on behalf of HNFL	5.50	As per agreement
			Loans given	50.00	As per Board approval
			Other advances given	0.50	As per purchase order
			Purchase of assets	0.66	Purchase order/ Invoice
			Interest accrued on loans given	2.69	As per Board approval
3.	Peanutbutter and Jelly Limited (PBJL)	Subsidiary Company	Sale of products and others	24.07	Sale order/Invoice
			Purchase of products	25.60	Purchase order/ Invoice
			Loans given	14.50	As per Board approval
			Interest accrued on loans given	0.15	
4.	Heritage Finlease Limited	Enterprise over which Vice-Chairperson & Managing Director, Executive Director and Whole Time Director of the Company exercise significant influence	Remittance of loan proceeds collected on behalf of Heritage Finlease Limited	1,885.31	As per agreement
			Cattle loan facilitation charges	3.90	
			Reimbursement of insurance proceeds received on behalf of Heritage Finlease Ltd	3.06	
			Deposit paid	22.57	
			Lease rental expenses	149.03	
5.	NTR Memorial Trust	Enterprise over which Vice- Chairperson & Managing Director and Executive Director of the Company exercise significant influence	CSR expenditure	29.57	As per CSR initiatives
6.	Mrs. N Bhuvaneswari	Key Managerial personnel (Vice Chairperson and Managing Director)	Short-term employee benefits	96.03	As per the terms of appointment
			Post-employment benefits	1.46	
			Other long-term benefits	3.63	

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.	Mrs. N. Brahmani	Key Managerial personnel (Executive Director)	Short-term employee benefits	76.82	As per the terms of appointment
			Post-employment benefits	0.73	
			Other long-term benefits	1.82	
			Lease rentals	12.87	As per the lease agreement
8.	Master N Devaansh	Relative of Executive Director and Vice – Chairperson & Managing Director	Lease Rentals	12.87	As per the lease agreement
9.	Dr. M. Sambasiva Rao	Key Managerial personnel (WTD)	Short-term employee benefits	19.21	As per the terms of appointment
			Post-employment benefits	1.04	
			Other long-term benefits	4.12	
10.	Mr. Srideep M Kesavan	Key Managerial personnel (CEO)	Short-term employee benefits	32.60	As per the terms of appointment
			Post-employment benefits	1.14	
			Other long-term benefits	1.09	
11.	Mr. A. Prabhakara Naidu	Key Managerial personnel (Chief Financial Officer)	Short-term employee benefits	14.29	As per the terms of appointment
			Post-employment benefits	0.67	
			Other long-term benefits	0.91	
12.	Mr. Umakanta Barik	Key Managerial personnel (Company Secretary & Compliance Officer)	Short-term employee benefits	6.59	As per the terms of appointment
			Post-employment benefits	0.31	
			Other long-term benefits	0.41	
13.	Mr. Rajesh Thakur Ahuja	Non-Executive Independent Director	Sitting fees	1.40	During FY 2025-26
14.	Mrs. Aparna Surabhi	Non-Executive Independent Woman Director	Sitting fees	1.40	During FY 2025-26
15.	Mr. Muthu Raju Paravasa Raju Vijay Kumar*	Non-Executive Independent Director	Sitting fees	1.15	During FY 2025-26
16.	Mr. A V Girijakumar	Non-Executive Independent Director	Sitting fees	1.45	During FY 2025-26

* Hereinafter referred as Mr. M P Vijay Kumar

Note:

i) Appropriate approvals have been taken from the Audit Committee and the Board for the above related party transactions by the Company and no amount was paid as advance for the above related party transactions.

ii) The Audit committee / Board approved all the tentative Related party transactions before the commencement of financial year 2025-26 and in every quarter committee/Board review and approved the above Related party transactions, that are mostly repetitive in nature.

iii) Approvals under first proviso to section 188(1) from shareholders are not required for the above related party transactions during FY 2025-26.

For and on behalf of
HERITAGE FOODS LIMITED

A V Girija Kumar
Chairperson
(DIN: 02921377)

Place: Hyderabad
Date: May 11, 2026

Annexure-2 (A & B)

PARTICULARS OF EMPLOYEES

(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 Girija Kumar	Non-Executive Independent Director	4.53:1
2	Mr. Rajesh Thakur Ahuja*	Non-Executive Independent Director	4.38:1
3	Mrs. Aparna Surabhi	Non-Executive Independent Director	4.38:1
4	Mr. M P Vijay Kumar	Non-Executive Independent Director	3.59:1
Remuneration			
5	Mrs. N Bhuvaneswari	Vice Chairperson & Managing Director	300.09:1
6	Mrs. N Brahmani	Executive Director	240.06:1
7	Dr. M Sambasiva Rao	Whole-Time Director	60.03:1

MRE: Median Remuneration of Employees:

Notes: *Mr. Rajesh Thakur Ahuja has retired as Non-Executive Independent Director w.e.f. 22.03.2026
Sl No 1 to 4 are related to sitting fees paid to Non-Executive Independent Directors
Sl. No. 5, 6 & 7 Remuneration includes monthly salary, perquisites and annual/performance pay

ii. The percentage increase/(decrease) 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 Girija Kumar	Non-Executive Independent Director	35.51
2	Mr. Rajesh Thakur Ahuja*	Non-Executive Independent Director	30.84
3	Mrs. Aparna Surabhi	Non-Executive Independent Director	38.61
4	Mr. M P Vijay Kumar	Non-Executive Independent Director	21.05
	Remuneration		
5	Mrs. N Bhuvaneswari	Vice Chairperson & Managing Director	(27.37)
6	Mrs. N Brahmani	Executive Director	(27.33)
7	Dr. M Sambasiva Rao	Whole- Time Director	(55.73)
8	Mr. Srideep M Kesavan	CEO	16.19
9	Mr. A. Prabhakara Naidu	CFO	15.50
10	Mr. Umakanta Barik	CS	15.60

Notes: *Mr. Rajesh Thakur Ahuja has retired as Non-Executive Independent Director w.e.f. 22.03.2026
Sl No 1 to 4 are related to sitting fees paid to Non-Executive Independent Directors
Sl No. 5 to 7 Remuneration includes monthly salary, perquisites and annual/performance pay
Sl No. 8 to 10 Remuneration includes monthly salary, variable pay (VP) and LTI paid, the actual % of increase of fixed pay is around 10% during 25-26.

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

iii. The percentage increase in the median remuneration of employees in the financial year: 51%

iv. The number of permanent employees on the rolls of Company: There are 3,327 permanent employees on the rolls of the Company.

v. Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration

- The Average percentile increase already made in the salaries of employees is: 9%
- The key managerial personnel remuneration was decreased by around 25.01% including three Whole-time Directors.

  The key managerial personnel remuneration was increased by around 15.93% excluding three Whole-time Directors of the Company.

  (The remuneration includes monthly salary, Performance incentive, variable pay and LTI, the actual % of increase of fixed pay is 10% during 25-26)
- As per the terms of appointment approved by the Shareholders of the Company by way of postal Ballot and remote e-voting on March 14, 2024, Vice Chairperson & Managing Director of the Company is drawing 5% of the net profit as per the Section 198 of the Companies Act, 2013. However, the amount may vary due to the increase/decrease in the profitability.
- As per the terms of appointment approved by the Shareholders of the Company by way of postal Ballot and remote e-voting on March 14, 2024, Executive Director of the Company is drawing 4% of the net profit as per the Section 198 of the Companies Act, 2013. However, the amount may vary due to the increase/decrease in the profitability.
- As per the terms of appointment approved by the Shareholders of the Company by way of postal Ballot and remote e-voting on May 2, 2025, Whole Time Director of the Company is drawing 1% of the net profit as per the Section 198 of the Companies Act, 2013. However, the amount may vary due to the increase/decrease 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, 2026

Sl No	Name	Des-igna-tion	Annual Gross Remuneration Received for FY25- 26 (₹ in Mn)	Nature of employ-ment	Qualification	Total Years of Ex-peri-ence	Date of Joining in the Com-pany	Age (Yrs)	Last Employment before Joining the Company	% of Equi-ty Shares held in the Company	Whether is a relative of any director or manager of the company
1	Srideep M Kesavan	CEO	33.69	Regular	B. Tech, MBA (PGDBM, Mkt. XLRI)	29	09.08.2021	53	Coca Cola India Private Limited	0.008	No
2	A Prabhakara Naidu	CFO	15.20	Regular	B. Sc, C.A	37	22.09.2005	65	Heritage Foods	-	No
3	Jangam Samba Murthy	COO	14.80	Regular	MBA (Marketing)	37	01.04.2007	60	Reliance Life Sciences Limited	0.001	No
4	Makarand Shastri	VP	12.00	Regular	MBA (Marketing)	23	18.01.2022	49	Adani Wilmar Limited	0.001	No
5	Ashish Kumar Srivastava	VP	8.42	Regular	MBA (Marketing)	27	07.03.2025	50	Mother Dairy Fruits & Vegetables Pvt Ltd	-	No
6	Puneet Ku-sumbia	VP	7.83	Regular	MBA (Marketing)	24	12.06.2023	48	Innovative Nutrition Solutions	-	No
7	L Srinivas	SR.VP	7.77	Regular	BE - Mechanical	35	14.10.1994	56	Chengalva Engineers Pvt Ltd,Hyd	-	No
8	Ravi Kumar Karre	Sr.GM	7.33	Regular	MBA - Marketing and International Business	22	29.12.2021	45	Devayani Food Industries Limited	-	No
9	Balaji Adi-vishnu	Sr.GM	7.24	Regular	MBA (Mkt), M. Sc (Maths)	26	27.06.2019	50	Real Time Governance - Govt of India	-	No
10	Nanduri Kiran	Sr.GM	7.17	Regular	B. Tech (Mech) IIT Madras PGPM IIM Indore	21	25.02.2022	45	DXC Technology	-	No

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

Sl No	Name	Designa-tion	Annual Gross Remuneration Received for FY25- 26 (₹ in Mn)	Nature of employ-ment	Qualification	Total Years of Ex-peri-ence	Date of Joining in the Com-pany	Age (Yrs)	Last Employ-ment before Joining the Company	% of Equi-ty Shares held in the Company	Whether is a relative of any director or manger of the company
1	Srideep M Kesavan	CEO	33.69	Regular	B. Tech, MBA (PGDBM, Mkt. XLRI)	29	09.08.2021	53	Coca Cola India Private Limited	0.008	NA
2	A Prabhakara Naidu	CFO	15.20	Regular	B. Sc, C.A	37	22.09.2005	65	Heritage Foods	-	NA
3	Jangam Samba Murthy	COO	14.80	Regular	MBA (Marketing)	37	01.04.2007	60	Reliance Life Sciences Limited	0.001	NA
4	Makarand Shastri	VP	12.00	Regular	MBA (Marketing)	23	18.01.2022	49	Adani Wilmar Limited	0.001	NA

ii. **Details of Employees 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							

iii. None of the employees of the Company employed throughout the financial year or part thereof, draws remuneration in excess of the remuneration drawn by Managing Director/ Whole Time Director, Executive Director of the company for the financial year 2025-26. None of the employees by themselves or along with their spouse and dependent children holding in excess of two percent of the total equity shares of the Company.

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

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

For and on behalf of
HERITAGE FOODS LIMITED

A V Girija Kumar
Chairperson
(DIN : 02921377)

Place : Hyderabad
Date: May 11, 2026

Annexure-3

FORM No. MR-3
SECRETARIAL AUDIT REPORT

For the Financial year ended 31st March, 2026

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

To

The Members of,

HERITAGE FOODS LIMITED

CIN: L15209TG1992PLC014332
Regd Off: H.No.8-2-293/82/A/1286,
Plot No: 1286, Road No. 1 & 65,
Jubilee Hills, Hyderabad 500033, Telangana

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

Based on our verification of the Company's, books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers 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, 2026 have complied with the statutory provisions listed hereunder and also that the Company has Proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended March 31, 2026 and according to the provisions of:

(i) The Companies Act, 2013 (the Act) and the rules made there under as amended from time to time;

(ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made there under;

(iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;

(iv) Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings; -**Not Applicable to extent Overseas Direct Investment and External Commercial Borrowings as there were no reportable events during the financial year under review.**

(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; - **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 (Buyback of Securities) Regulations, 2018; -- **Not Applicable**

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

(j) The Securities and Exchange Board of India (Depositories and Participants) Regulations, 2018;

(vi) The management has identified and confirmed the following laws as being specifically applicable to the Company:

a. Food safety and Standards Act, 2006 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 Exchange of India Limited.

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

We further report that,

- the Board of Directors of the Company is constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors & Woman Director and the changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.
- Adequate notice was given to all directors to schedule the Board/Committee Meetings, agenda and detailed notes on agenda were sent at least seven days in advance and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.
- As per the minutes of the meeting recorded and signed by the Chairperson, the decisions of the Board were approved by majority and there were no dissenting views on any of the items transacted thereon.
- there are adequate systems and process in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

We further report that, during the audit period:

1. Mr. Rajesh Thakur Ahuja, ceased to be director of the Company effect from 22.03.2026 upon Completion of second and final term as Non-Executive Independent Director.
2. Company acquired 71,00,000 equity shares (44.40%) of Heritage Novandie Foods Limited, thereby increasing its total shareholding to 1,50,95,339 equity shares of ₹10/- each, representing 94.40% of the paid-up equity share capital. Consequently, Heritage Novandie Foods Limited became a subsidiary of Heritage Foods Limited.
3. Company acquired 51% of the equity share capital of Peanutbutter and Jelly Limited (formerly known as Peanutbutter and Jelly Private Limited). Pursuant to this acquisition, Peanutbutter and Jelly Limited became a subsidiary of Heritage Foods Limited.

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

A. Ravi Shankar
Partner
M.No: F5335
C.P.No: 4318
UDIN: F005335H000243265

Place: Hyderabad
Date: April 30, 2026

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

ANNEXURE-A TO SECRETARIAL AUDIT REPORT

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

Auditor's Responsibility

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

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

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

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

A. Ravi Shankar
Partner
M.No: F5335
C.P.No: 4318
UDIN: F005335H000243265

Place: Hyderabad
Date: April 30, 2026

Annexure- 3(i)

SECRETARIAL COMPLIANCE REPORT OF
HERITAGE FOODS LIMITED

CIN: L15209TG1992PLC014332
Regd Off: H.No.8-2-293/82/A/1286, Plot No: 1286, Road No. 1 & 65,
Jubilee Hills, Hyderabad, Telangana, 500033
For the Financial Year ended 31st March, 2026
[as per the regulation 24(A) of SEBI (LO&DR) Regulations, 2015 as amended from time to time]

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

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

for the year ended March 31, 2026 in respect of compliance with the provisions of :

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

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

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

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

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

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

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

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

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

S. No.	Particulars	Compliance Status (Yes/NO/NA)	Observations/ Remarks by PCS
1.	**Secretarial Standards:** The compliances of the listed entity are in accordance with the applicable Secretarial Standards (SS) issued by the Institute of Company Secretaries India (ICSI)	Yes	None
2.	**Adoption and timely updation of the Policies:** • All applicable policies under SEBI Regulations are adopted with the approval of board of directors of the listed entities • All the policies are in conformity with SEBI Regulations and has been reviewed & timely updated as per the regulations/ circulars/ guidelines issued by SEBI.	Yes Yes	None None

S. No.	Particulars	Compliance Status (Yes/NO/NA)	Observations/ Remarks by PCS
3.	**Maintenance and disclosures on Website:**		
	• The Listed entity is maintaining a functional website	Yes	None
	• Timely dissemination of the documents/ information under a separate section on the website	Yes	None
	• 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.	**Disqualification of Director:**		
	None of the Director of the Company are disqualified under Section 164 of Companies Act, 2013	Yes	None
5.	**To examine details related to Subsidiaries of listed entities:**		The Listed Entity is not having any material subsidiary. However the Company has a wholly owned subsidiary namely Heritage Nutrivet Limited and two Subsidiary Companies namely Heritage Novandie Foods Limited and Peanutbutter and Jelly Limited
	a) Identification of material subsidiary companies	NA	
	b) Requirements with respect to disclosure of material as well as other subsidiaries	Yes	
6.	**Preservation of Documents:**		
	The listed entity is preserving and maintaining records as prescribed under SEBI Regulations and disposal of records as per Policy of Preservation of Documents and Archival policy prescribed under SEBI LODR Regulations, 2015.	Yes	None
7.	**Performance Evaluation:**		
	The listed entity has conducted performance evaluation of the Board, Independent Directors and the Committees at the start of every financial year as prescribed in SEBI Regulations	Yes	None
8.	**Related Party Transactions:**		
	a. The listed entity has obtained prior approval of Audit Committee for all Related party transactions	Yes	All RPT Taken Prior Approval
	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	NA	
9.	**Disclosure of events or information:**		
	The listed entity has provided all the required disclosure(s) under Regulation 30 along with Schedule III of SEBI LODR Regulations, 2015 within the time limits prescribed thereunder.	Yes	None
10.	**Prohibition of Insider Trading:**		
	The listed entity is in compliance with Regulation 3(5) & 3(6) SEBI (Prohibition of Insider Trading) Regulations, 2015	Yes	None
11.	**Actions taken by SEBI or Stock Exchange(s), if any:**		
	No Actions taken against the listed entity/ its promoters/ directors/ subsidiaries either by SEBI or by Stock Exchanges (including under the Standard Operating Procedures issued by SEBI through various circulars) under SEBI Regulations and circulars/ guidelines issued thereunder	Yes	No Actions taken against the Company/ its promoters/ directors/ subsidiaries either by SEBI or by BSE & NSE under SEBI Regulations and circulars/ guidelines issued thereunder during the year under review.
12.	**Resignation of statutory auditors from the listed entity or its material subsidiaries:**		No such event occurred
	In case of resignation of statutory auditor from the listed entity or any of its material subsidiaries during the financial year, the listed entity and / or its material subsidiary(ies) has / have complied with paragraph 6.1 and 6.2 of section V-D of chapter V of the Master Circular on compliance with the provisions of the LODR Regulations by listed entities.	NA	
13.	**Additional Non-compliances, if any:**		
	No any additional non-compliance observed for all SEBI regulation/circular/guidance note etc.	Yes	No additional non-compliance was observed for any SEBI regulation/ circular/guidance note etc. during the year under review.

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

A. Ravi Shankar
Partner
M.No: F5335
C.P.No:4318
UDIN: F005335H000243309

Place: Hyderabad
Date: April 30, 2026

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

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

In our opinion and to the best of our information and according to the verifications (including Directors Identification Number (DIN) status at the portal www.mca.gov.in) as considered necessary and explanations furnished to us by the Company & its officers, we hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on March 31, 2026 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs or any such other Statutory Authority.

S. No.	#Name of the Directors	DIN	#Date of Appointment in Company
1.	Mrs. Aparna Surabhi	01641633	01.04.2024
2.	Mr. Muthu Raju Paravasa Raju Vijay Kumar	05170323	01.11.2021
3.	Mrs. N Bhuvaneswari	00003741	01.04.2024
4.	Mrs. N Brahmani	02338940	01.04.2024
5.	Mr. A V Girija Kumar	02921377	01.06.2023
6.	Dr. Sambasiva Rao Muddana	01887410	01.04.2025

Details as on March 31, 2026 as per last appointment

During the year under review, Mr. Rajesh Thakur Ahuja (DIN: 00371406) ceased to be Director of the Company effective from March 22,2026 upon tenure completion.

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

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

A. Ravi Shankar
Partner
M.No: F5335
C.P.No: 4318
UDIN: F005335H000242981

Place: Hyderabad
Date: April 30, 2026

Annexure- 3(iii)

FORM No. MR-3
SECRETARIAL AUDIT REPORT

For the Financial year ended March 31, 2026

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

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

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

Based on my verification of the Company's, books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the company has during the audit period covering the financial year ended on March 31, 2026 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on March 31, 2026 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 held on 31st July, 2025.

d) Minutes of the proceedings of General meetings and of the Board Meetings.

e) Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. During the year under review there was no change in the Composition of the Board of Directors.

f) During the year under review the Board of Directors met 6 times, i.e May 16, 2025, July 17, 2025, October 15, 2025, October 27, 2025, January 28, 2026 and March 17, 2026. The time gap between the two Board meetings is within 120 days as per the Secretarial Standard-1.

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

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

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

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

For KLB & Associates

Khusboo Laxmi Bhagat
Practicing Company Secretary
M. No: 9376, CP No: 14703
UDIN: F009376H000184980

Place: Hyderabad
Date: April 23, 2026

ANNEXURE-A TO SECRETARIAL AUDIT REPORT

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

Auditor's Responsibility

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

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

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

b) We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on a test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices we followed provide a reasonable basis for our opinion.

c) We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company`.

d) Wherever required, we have obtained Management representation about the compliance of laws, rules and regulations and happenings of events etc.

e) The Compliance of the provisions of Corporate and other applicable laws, rules and regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.

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

For KLB & Associates

Khusboo Laxmi Bhagat
Practicing Company Secretary
M. No: 9376, CP No: 14703
UDIN: F009376H000184980

Place: Hyderabad
Date: April 23, 2026

Annexure- 3(iv)

FORM No. MR-3
SECRETARIAL AUDIT REPORT
For the Financial year ended 31st March, 2026

[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 Novandie Foods Limited
(Formerly known as Heritage Novandie Foods Private Limited)
CIN: U74999TG2017PLC120860
Part-C of 3rd Floor, H.No.8-2-293/82/A/1286,
Plot No: 1286, Road no. 1 & 65, Jubilee Hills,
Hyderabad- 500033, Telangana, India

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by M/s. Heritage Novandie Foods Limited (Formerly known as Heritage Novandie Foods Private 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, 2026 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, 2026 according to the provisions of:

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

ii. The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;

iii. Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment;

iv. 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, 2018; 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, 2025 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.

v. The other laws, as informed and certified by the management of the Company which are specifically applicable to the Company are:

a) Food Safety and Standards Act, 2006 and the Rules made thereunder as amended from time to time;

b) Legal Metrology Act, 2009 and the Rules made thereunder as amended from time to time.

c) Factories Act, 1948 and the Rules made thereunder as amended from time to time.

d) Boilers Act, 1923 and the Rules made thereunder as amended from time to time.

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

i. 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 thereunder that Act as notified by the Ministry of Corporate Affairs and the Memorandum and Articles of Association of the Company, with regard to:

a) Maintenance of various statutory registers and documents and making necessary entries therein.

b) Forms, returns, documents and resolutions required to be filed with the Registrar of Companies and the Central Government.

c) The Annual General Meeting held on 22nd July, 2025.

d) Minutes of the proceedings of General meetings and of the Board Meetings.

e) The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act. are as follows:

A. Appointments:

i. Mr. Rajesh Thakur Ahuja (DIN:00371406) was appointed as an Additional Director (Non-Executive and Independent) with effect from June 27, 2025, and the same has been approved by the board of directors at its meeting held on June 27, 2025.

Further, the proposal for regularization of his appointment as an Independent Director for a period of five years, from June 27, 2025 to June 26, 2030 or co-terminus with the term in the Holding Company, whichever is earlier, was placed before the members of the Company. The members approved the same at the Annual General Meeting held on July 22, 2025.

ii. Mr.Amol V Rinkey was appointed as Chief Executive Officer) with effect from July 16, 2025.

iii. Mr. Mahesh Kumar was appointed as Chief Executive Officer) with effect from July 16, 2025.

iv. Mr. Samarth Barhaiya (M.No.: ACS 76897) was appointed as Company secretary of the company with effect from August 25, 2025.

v. Mr. Kailas Shinde was appointed as Chief Executive Officer) with effect from October 01, 2025.

vi. Ms.Shraddha Prasad (M.No.: ACS 78300) was appointed as Company secretary with effect from December 26, 2025.

vii. Mrs. Aparna Surabhi (DIN:01641633) was appointed as an Additional Director (Non-Executive and Independent) with effect from March 23, 2026.

B. Resignations:

i. Mr. Hays Jean Yves (DIN: 09702017) tendered his resignation from the office of Director with effect from June 12, 2025.

ii. The Board of Directors, at its meeting held on July 14, 2025, approved the relieving of Mr.Ahaenath Kumar from the position of Chief Executive Officer with effect from July 15, 2025.

iii. Mr. Rahul Singh (M. No.: ACS 72811), Company Secretary of the company tendered his resignation with effect from July 15, 2025.

iv. Mr.Amol V. Rinkey, Chief Executive Officer of the Company, tendered his resignation from the position with effect from September 30, 2025.

v. Mr. Samarth Barhaiya (M.No.: ACS 76897), Company secretary of the company, tendered his resignation from the position with effect from October 31, 2025.

C. Cessation:

i. Mr. Rajesh Thakur Ahuja (DIN:00371406) who was appointed as Non-executive Independent Director of the company has been ceased to be the director of the company with effect from March 22, 2026 due to his completion of tenure from the Board of M/s. Heritage Foods Limited, the Holding Company, upon completion of his second and final term and the board has took note of the same at its meeting held on March 23, 2026.

f) During the year under review the Board of Directors met 10 times, i.e.12th May 2025,16th June 2025, 27th June 2025,14th July 2025,03rd Sep 2025, 13th Oct 2025, 26th Dec 2025, 19th Jan 2026, 12th March 2026 and 23rd March 2026. The time gap between the two Board meetings is within 120 days as per the Secretarial Standard-1.

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

h) Majority decision is carried through while the dissenting members' views are captured and recorded as part of the minutes.

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

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

For KLB & Associates
Khusboo Laxmi Bhagat
Practicing Company Secretary
M. No: 9376, CP No: 14703
PR No. 3403/2023
UDIN: F009376H000184903

Place: Hyderabad
Date: April 23, 2026

ANNEXURE-A TO SECRETARIAL AUDIT REPORT

To,
The Members,
Heritage Novandie Foods Limited
(Formerly known as Heritage Novandie Foods Private Limited)
CIN: U74999TG2017PLC120860
Part-C of 3rd Floor, H.No.8-2-293/82/A/1286,
Plot No: 1286, Road no. 1 & 65, Jubilee Hills,
Hyderabad- 500033, Telangana, India

Auditor's Responsibility

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

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

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

b) We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on a test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices we followed provide a reasonable basis for our opinion.

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

d) Wherever required, we have obtained Management representation about the compliance of laws, rules and regulations and happenings of events etc.

e) The Compliance of the provisions of Corporate and other applicable laws, rules and regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.

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

For KLB & Associates
Khusboo Laxmi Bhagat
Practicing Company Secretary
M. No: 9376, CP No: 14703
PR No. 3403/2023
UDIN: F009376H000184903

Place: Hyderabad
Date: April 23, 2026

Annexure- 3(v)

FORM No. MR-3
SECRETARIAL AUDIT REPORT
For the Financial year ended 31st March, 2026
[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,
Peanutbutter and Jelly Limited
(Formerly known as Peanutbutter and Jelly Private Limited)
CIN: U15400MH2022PLC377342
301/B Pratik Plaza, Opp. Patel Petrol Pump, S. V. Road,
Goregaon West, Mumbai-400104, Maharashtra, India

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by M/s Peanutbutter and Jelly Limited (Formerly known as Peanutbutter and Jelly Private 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, 2026 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, 2026 according to the provisions of:

(vii) The Companies Act, 2013 (the Act) and the rules made there under as amended from time to time;

(viii) The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;

(ix) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment: Not Applicable

(x) 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, 2018, 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, 2025 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

(xi) The other laws, as informed and certified by the management of the Company which are specifically applicable to the Company are:

- Food Safety and Standards Act, 2006 and the Rules made thereunder as amended from time to time;
- Legal Metrology Act, 2009 and the Rules made thereunder as amended from time to time.

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

i. 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

i) Maintenance of various statutory registers and documents and making necessary entries therein.

j) Forms, returns, documents and resolutions required to be filed with the Registrar of Companies and the Central Government.

k) The Annual General Meeting was held on September 30, 2025.

l) Minutes of the proceedings of General meetings and of the Board Meetings.

m) Constitution of the Board of Directors, appointment, retirement and reappointment of Directors including the Managing Director.

n) During the year under review the Board of Directors met 10 times, i.e. May 30, 2025, June 28, 2025, October 27, 2025, November 04,2025, December 04, 2025, December 19, 2025, January 07, 2026, January 16, 2026, January 23, 2026 and March 12, 2026. The time gap between the two Board meetings is within 120 days as per the Secretarial Standard-1.

A. **Appointments:**

1. Mr. Nihar Agarwal (DIN 11126166) was appointed as an Additional Director effective May 30, 2025
2. Mr. Nihar Agarwal (DIN 11126166) was appointed as Director effective September 30, 2025
3. Mr. A V Girija Kumar (DIN: 02921377) was appointed as Non-Executive and Independent Director with effect from January 16, 2026.
4. Mrs. Aparna Surabhi (DIN: 01641633) was appointed as Non-Executive and Independent Director with effect from January 16, 2026.
5. Mrs. N Brahmani (DIN:02338940) was appointed as Non-Executive Director with effect from January 16, 2026.
6. Mr. Srideep Madhavan Nair Kesavan (DIN: 09516379) was appointed as Non-Executive Director with effect from January 16, 2026.

B. **Resignation**:

1. Mr. Vishal Jindal (DIN:06717803) resigned from office of Director effective January 16, 2026
2. Mr. Kaushik Kumar Roy (DIN: 01228972) resigned from office of Director effective January 16, 2026
3. Mr. Nihar Agarwal (DIN 11126166) resigned from office of Director effective January 16, 2026

C. **Change in Designation:**

1. Mr. Jash Tarang Shah (DIN: 09516380) Director of the Company was redesignated as Managing Director (MD) and Chief Executive Officer (CEO) of the Company with effect from January 23, 2026.
2. Mrs. Jimmy Tarang Shah (DIN: 09516379) Director of the Company was redesignated as Whole-Time Director (WTD) of the Company with effect from January 23, 2026

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

h. Majority decision is carried through while the dissenting members' views are captured and recorded as part of the minutes.

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
PR No:3403/2023
UDIN: F009376H000185013

Place: Hyderabad
Date: April 23, 2026

ANNEXURE-A TO SECRETARIAL AUDIT REPORT

To,
The Members,
Peanutbutter and Jelly Limited
(Formerly Known as Peanutbutter and Jelly Private Limited)
CIN: U15400MH2022PLC377342
301/B Pratik Plaza, Opp. Patel Petrol Pump, S. V. Road,
Goregaon West, Mumbai-400104, Maharashtra, India

Auditor's Responsibility

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

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

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

b) We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on a test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices we followed provide a reasonable basis for our opinion.

c) We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company`.

d) Wherever required, we have obtained Management representation about the compliance of laws, rules and regulations and happenings of events etc.

e) The Compliance of the provisions of Corporate and other applicable laws, rules and regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.

f) The Secretarial Audit is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management conducted the affairs of the Company.

For KLB & Associates

CS Khusboo Laxmi Bhagat
M. No:9376, CP No:14703
PR No:3403/2023
UDIN: F009376H000185013

Place: Hyderabad
Date: April 23, 2026

Annexure-4

THE ANNUAL REPORT ON CSR INITIATIVES

1. Brief outline on CSR Policy of the Company

The Board of Directors of the Company has adopted a Corporate Social Responsibility (CSR) Policy to enable the Company to undertake CSR initiatives in one or more areas specified under Schedule VII of the Companies Act, 2013, as amended from time to time.

The Company's CSR initiatives are primarily focused on areas such as education, healthcare, environmental sustainability, rural development and disaster relief, among others. All CSR projects undertaken during the financial year 2025-26 were aligned with the broad framework prescribed under Schedule VII of the Companies Act, 2013.

The CSR Policy and details of the CSR projects and initiatives undertaken by the Company are available on the Company's website at www.heritagefoods.in.

2. Composition of CSR Committee:

Sl. No.	Name of Director	Designation / Nature of Directorship	Number of meetings of CSR Committee held during the year	Number of meetings of CSR Committee attended during the year
1	Mr. Rajesh Thakur Ahuja*	Chairperson	1	1
2	Mrs. N Bhuvaneswari#	Chairperson	1	1
3	Mr. AV. Girija Kumar	Member	1	1
4	Dr. M Sambasiva Rao^	Member	1	NA

* Mr. Rajesh Thakur Ahuja has ceased to be a chairperson of the committee w.e.f. March 22, 2026
# Mrs. N Bhuvaneswari was redesignated as Chairperson of the Committee w.e.f. March 23, 2026
^ Dr. M Sambasiva Rao was appointed as member of the Committee w.e.f. March 23, 2026

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

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

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

CSR Projects: https://www.heritagefoods.in/corporate/csr-fy-project

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: ₹1718.22 Mn for FY 25-26

(b) Two percent of average net profit of the Company as per section 135(5): ₹34.36 Mn

(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: ₹21.78 Mn

(e) Total CSR Obligation for the financial year (b+c-d): ₹12.58 Mn

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

(1)	(2)	(3)	(4)	(5)		(6)	(7)	(8)	(9)	(10)	(11)	
Sl. No.	Name of the Project	Item from the list of activities in Schedule VII to the Act	Local area (Yes/ No)	Location of the project		Project duration	Amount allocated for the project (₹ in Mn)	Amount spent in The current financial Year (₹ In Mn)	Amount Transferred to Unspent CSR Account for the Project as per Section 135(6) (₹ In Mn). Name	Mode of implementation - Direct (Yes/ No) CSR registration number	Mode of implementation – Through implementing agency	
				State	District							
1	Health: Promoting health care including preventive health care through digitalization/ APP/ Technology, establish a Blood Bank and Making available of safe drinking water etc	Promoting health care including preventive health care Project	Yes	Andhra Pradesh	NTR	3 year	2.58	2.58	-	No	NTR Memorial Trust	CSR00001602
2	Rural Development: Strengthening rural areas by improving accessibility, drinking water, sanitation and livelihoods, thereby creating sustainable villages	Rural development projects.	Yes	Andhra Pradesh	Visakhapatnam	3 year	10.00	-	10.00	No	NTR Memorial Trust	CSR00001602
	Total						**12.58**	**2.58**	**10.00**			

(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)] : ₹2.58 Mn

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

Total Amount Spent for the Financial Year 2025-26 (₹ 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
2.58	10.00	_____	NA	Nil	NA

The unspent amount of ₹10 Mn will be spent in accordance with the CSR Amendment Rules. Further, attention is invited to the notes given in serial no. 9 of this report.

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

Sl. No.	Particular	Amount (₹ In Mn)
i	Two percent of average net profit of the company as per section 135(5)	34.36
ii	Total amount allocated/spent for the Financial Year	34.36*
iii	Excess amount spent for the financial year [(ii)-(i)]	-
iv	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	-
v	Amount available for set off in succeeding financial years [(iii)-(iv)]	-

* ₹34.36 million comprises a ₹21.78 million set-off from FY 2024–25 and ₹12.58 million spent/allocated in FY 2025–26

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 Section 135(6)	Balance Amount in Unspent CSR Account under Section 135	Amount Spent in the Financia Year (₹ In Mn)	Amount transferred to a Fund as specified under Schedule VII as per second proviso to Section 135(5), if any		Amount remaining to be spent in succeeding financial years (₹ In Mn)	Deficiency, if any
					Name of the Fund Amount (₹ In Mn).	Date of transfer.		
1	2024-25	26.99	26.99	26.99	-	-	-	NA
2	2023-24	31.42	1.42	1.42	-	-	-	NA
3	2022-23	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)	CSR Registration Number, if applicable	Details of entity/ Authority/ beneficiary of the registered owner	
					Name	Registered Address
Construction of Blood Bank at Vijayawada, Andhra Pradesh	520010	14-11-2025	2.58	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 2025–26, the Company's CSR obligation was ₹34.36 million. After setting off the excess CSR expenditure of ₹21.78 million incurred in FY 2024–25, the net CSR obligation for the year stood at ₹12.58 million.

Out of this, the Company spent ₹2.58 million towards healthcare, including preventive healthcare initiatives. The remaining ₹10.00 million, pertaining to an ongoing rural development project, remained unspent and has been transferred to the "Unspent CSR Account" in compliance with the CSR Rules. The same will be utilized on or before March 31, 2029.

N. BHUVANESWARI
Chairperson of CSR Committee
DIN: 00003741

Place: Hyderabad
Date: May 11, 2026

Annexure-5

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

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

A) Energy Conservation

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

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

- optimization of energy mix for achieving low Energy Cost
- Reducing CO2e emission

During the FY 2025-26, your Company achieved 37% share of renewable energy in the total electricity consumption.

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

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

   During the year the company has incurred ₹ 30 Mn expenditure towards purchase and installation of Plant and Machinery and technology which are more energy efficient and productive.
2. **Employee Awareness and Engagement:** Your Company regular conducts training programs and workshops to educate about energy conservation and practical energy-saving tips for daily operations.
3. **External Collaborations for Energy Efficiency:** Your Company actively seeks external partnerships and collaborations to further enhance its energy conservation endeavours. The company collaborates with energy consultants and experts to conduct energy audits, identify areas of improvement, and implement innovative solutions to optimize energy usage across its facilities.

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

The Company has the following Renewable Energy (RE) projects:

S No	Type of Project (Solar and wind)	Capacity	Use (Commercial or Captive Consumption)
a)	Solar at 28 Locations	8.07 MW	Captive Consumption
b)	Wind at 8 Locations	6.30 MW	Captive Consumption

RE Projects implemented during the FY 2025-26

S No	Type of Project (Solar and wind)	Capacity	Use(Commercial or Captive Consumption)
a)	Solar at 8 Locations	2.23 MW	Captive Consumption

(iii) The capital investment on energy conservation equipment;

During the year 2025-26, an investment of ₹29.4 Mn has been made to achieve efficiencies in power and fuel consumption at all Packing Stations.

The Company has incurred ₹ 80.72 Mn Capital expenditure for installation of Solar energy projects at 8 locations during the year 2025-26 to increase the capacity from 5.84 MW to 8.07 MW from Solar energy projects

B) Technology Absorption:

(i) The efforts made towards technology absorption:

Your Company has undertaken significant initiatives towards the absorption and adoption of both imported and indigenous technologies across its operations. These efforts have contributed to enhancing operational efficiency, product quality, sustainability and overall business performance. The key technology absorption initiatives undertaken during the year are outlined below:

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 centers with state-of-the-art equipment and machinery.

   Key Projects Executed during FY 2025-26 is as under;

   a) Shamirpet Ice Cream Plant Commissioning: The New Ice Cream Plant at Shamirpet, with a production capacity of approximately 24 Mn liters per annum, was successfully commissioned during the year. The plant was formally inaugurated on 13th March 2026, marking a significant milestone in expanding value-added product manufacturing capacity.

   b) Curd Expansion at Shamirpet Plant: The curd production capacity at the Shamirpet Plant was expanded from 50 MT to 100 MT, including additional facilities for both pouch curd production.

   c) UHT Packing Expansion at Bayyavaram Plant: The UHT packing capacity at the Bayyavaram Plant was increased from 54,000 Liters per day to 72,000 Liters per day.

   d) Market Milk Expansion at Shamirpet Plant: The market milk processing capacity at the Shamirpet Plant was enhanced from 2.3 LLPD to 2.5 LLPD.

   e) New RMRD Facility for Milk Unloading at Gokul Plant: A new Raw Milk Reception Dock (RMRD) facility was established at Gokul plant to streamline milk unloading operations.

   f) New Milk Collection Units (MCU) and Chilling Centers (CC): New Milk Collection Units and Chilling Centers were established at Mahendramangalam, Talakondapally, Palamaneru, Katewadi, Panaimadal, Berli kh. (mukhed), Kambainallur and Devikapuram to support expanded milk procurement and processing operations.

   g) FM – PP line has been established at Gokul for 35 KLPD.

   h) Paneer expansion at RAI Plant from 1.2 Ton to 3 Ton capacity.

   i) Butter Milk Expansion from10 KLPD to 40 KLPD at Shamirpet.

   j) Sweets Expansion from 1.2 Ton to 2 Ton at Narketpally Plant.
2. **Automation of Operations:**

   The Company has embraced automation across various stages of its operations. Automated systems are deployed in milk collection, processing, packaging, and distribution, enhancing operational efficiency, ensuring consistent product quality, and minimizing human intervention and errors.
3. **Advanced Quality Control and Testing:**

   The Company has implemented advanced quality control and testing mechanisms to ensure the safety, quality,

and reliability of its products. Technology-driven systems and modern analytical instruments are utilized for rigorous testing of raw materials, finished products, and packaging materials, thereby maintaining high quality standards.

4. **Supply Chain Management:**

Technology continues to play a pivotal role in the Company's supply chain operations. Advanced software solutions are utilized for demand forecasting, inventory management, logistics optimization, and route planning. These systems help streamline operations, reduce wastage, improve resource utilization, and enhance overall supply chain efficiency.

5. **Strengthening IT Infrastructure and SAP Systems:**

The Company has invested in robust information technology infrastructure and enterprise resource planning (ERP) platforms, including SAP systems. These technologies facilitate efficient data management, integration of business functions, real-time monitoring and reporting, and support informed decision-making while enabling seamless coordination across departments.

6. **Research and Development Initiatives:**

The Company has a dedicated Research and Development (R&D) function focused on product innovation and process enhancement. The R&D team leverages advanced technologies and scientific methodologies to develop new products, improve existing offerings, and optimize manufacturing processes.

7. **Training and Skill Development:**

Recognizing the critical role of human capital in technology adoption, the Company conducts regular training and skill development programs for its employees. These initiatives are aimed at enhancing technical competencies, improving operational capabilities, and fostering effective utilization of emerging technologies across the organization.

(ii) The benefits derived like product improvement, cost reduction, product development or import substitution.

All the initiatives mentioned above in Point No. I- Key Projects Executed during FY 2025-26 have boosted innovation, improved product quality and production capacity, enhanced efficiency, and reduced labor dependency through automation and process de-skilling.

Location	Improvement	Benefit
Shamirpet ICP	New Ice Cream Plant commissioned with capacity of approximately 24 Mn liters per annum	Entry into large-scale value-added ice cream production, expanded product portfolio and enhanced market competitiveness
Shamirpet Plant	Curd production capacity increased from 50 MT to 150 MT	Significant capacity expansion enabling higher production volumes and improved market coverage
Shamirpet Plant	Market milk processing capacity increased from 2.3 LLPD to 2.5 LLPD	Enhanced milk processing capability and improved operational efficiency
Shamirpet Plant	Butter Milk Expansion from10 KLPD to 35 KLPD	Substantial increase in buttermilk production capacity, enabling wider market reach and improved demand fulfillment.
Bayyavaram Plant	UHT packing capacity increased from 54,000 LPD to 72,000 LPD	Improved packaging efficiency & strengthened value-added product handling capability
Gokul Plant	New Raw Milk Reception Dock (RMRD) facility established	Streamlined milk unloading operations and improved logistics efficiency
Gokul Plant	FM – PP line has been established at Gokul for 40 KLPD	Strengthened flavoured milk and pouch packaging capabilities, supporting product diversification and higher production efficiency.
RAI	Paneer expansion from 1.2 Ton to 3 Ton capacity.	Enhanced paneer production capacity to meet growing consumer demand and expand value-added dairy product offerings.
Narketpally	Sweets Expansion from 1.2 Ton to 2 Ton	Improved sweets manufacturing capacity, enabling greater product availability and increased revenue from value-added dairy products
Mahendramangalam, Talakondapally, Palamaneru, Katewadi, Panaimadal, (Mukhed), Kambainallur & Devikapuram	New Milk Collection Units (MCU) and Chilling Centres (CC) established	Expanded milk procurement network, improved milk freshness and reduced transportation losses.

(iii) Information regarding imported technology (last three years).

Sl No	Technology Imported	Financial Year	Status
1	Coneline With Accessories GMF-C 6W	2025-26	Commissioned
2	Extrusion Line for Sticks, Bites and Candy Bars with Accessories, BT-C Model-5 Tunnel and 8M Work Table		
	Nil	2024-25	
	Nil	2023-24	

(iv) The expenditure incurred on Research and Development.

The Company invested ₹ 49.83 mn in Research and Development during FY 2025-26.

Particulars	Amount (in Mn)
Capital	33.22
Revenue	16.61
Total	**49.83**

C) Foreign Exchange Earnings and Outgo

During the year under review foreign exchange earnings was ₹56.33 Million (previous Year ₹19.74 Million) and foreign exchange outgo was ₹526.54 Million (Previous year ₹101.70 Million).

For and on behalf of the Board of Directors

A V Girija Kumar
Chairperson
DIN: 02921377

Place : Hyderabad
Date: May 11, 2026

BUSINESS RESPONSIBILITY AND SUSTAINABILITY REPORT

FY 2025-26

SECTION A: GENERAL DISCLOSURES

I. Details of the listed entity

1.	**Corporate Identity Number (CIN) of the Listed Entity**	L15209TG1992PLC014332
2.	**Name of the Listed Entity**	Heritage Foods Limited
3.	**Year of incorporation**	05-06-1992
4.	**Registered office address**	H.No.8-2-293/82/A/1286, Plot No: 1286, Road No. 1 & 65, Jubilee Hills, Hyderabad, Telangana - 500033, India
5.	**Corporate address**	H.No.8-2-293/82/A/1286, Plot No: 1286, Road No. 1 & 65, Jubilee Hills, Hyderabad, Telangana - 500033, India
6.	**E-mail**	hfl@heritagefoods.in
7.	**Telephone**	040-23391221
8.	**Website**	www.heritagefoods.in
9.	**Financial year for which reporting is being done**	2025-2026
10.	**Name of the Stock Exchange(s) 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.	**Name of assurance provider**	M/s. Grant Thornton Bharat LLP ID: AAA-7677
15.	**Type of assurance obtained**	The Company has voluntarily obtained Limited Assurance on BRSR Core disclosures, demonstrating its commitment to transparency, accountability and credible ESG reporting

II. Products/services

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

S. No.	Description of Main Activity	Description of Business Activity	% of Turnover of the entity
1	Processing, Manufacturing and sales	Milk procurement, processing and manufacturing of value-added dairy products for selling	99.98%

17. **Products/Services sold by the entity (accounting for 90% of the entity's Turnover):**

S. No.	Product/Service	NIC Code	% of total Turnover contributed
1	Dairy (Milk procurement, processing, manufacturing of value-added dairy products)	1,050	99.98%

III. Operations

18. **Number of locations where plants and/or operations/offices of the entity are situated:**

Location	Number of plants	Supporting Operational Units	Number of Offices	Total
National	15	190	88	**293**
International	Nil	Nil	Nil	**Nil**

Plant Means: Processing and Packing stations

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

Offices Includes: Registered Office, Regional Office and Sales Offices

19. Markets served by the entity:

a. Number of locations

Locations	Number
National (No. of States)	13
International (No. of Countries)	0

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

0.13%

c. A brief on types of customers

Heritage Foods Limited operates in the dairy sector, with a diverse consumer outreach spanning nearly 1.5 million households, as well as various business entities and platforms. The Company engages with consumers through multiple channels, including modern retail formats, e-commerce platforms, quick-commerce networks, Heritage franchise Parlours, Happiness Centres (franchise) and General trade outlets ensuring seamless access to its products.

Its extensive network of distributors, dealers, and franchise partners plays a vital role in expanding market reach and efficiently bridging the gap between the Company's offerings and retailers. Strategically located retail outlets further serve as key consumer touchpoints, enhancing product accessibility and customer engagement.

Through this integrated distribution and engagement model, the Company serves over 10 million consumers daily, thereby strengthening its market presence, deepening consumer engagement and reinforcing brand loyalty

IV. Employees

20. Details as at the end of the Financial Year:

a. Employees and workers (including differently abled):

S. No.	Particulars	Total (A)	Male		Female	
			No. (B)	% (B/A)	No. (C)	% (C/A)
EMPLOYEES						
1.	Permanent (D)	3317	3236	97.56%	81	2.44%
2.	Other than Permanent (E)	10	10	100.00%	0	0.00%
3.	**Total employees (D + E)**	3327	3246	97.57%	81	2.43%
WORKERS						
1.	Permanent (F)	0	0	0.00%	0	0.00%
2.	Other than Permanent (G)	3140	2239	71.31%	901	28.69%
3.	**Total Worker (F + G)**	3140	2239	71.31%	901	28.69%

b. Differently abled employees and workers:

S. 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						
1.	Permanent (F)	0	0	0	0	0
2.	Other than Permanent (G)	0	0	0	0	0
3.	**Total differently abled workers (F + G)**	0	0	0	0	0

21. Participation/Inclusion/Representation of women

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

22. Turnover rate for permanent employees and workers

(Disclose trends for the past 3 years)

	FY 2026			FY 2025			FY 2024		
	Male	Female	Total	Male	Female	Total	Male	Female	Total
Permanent Employee	18.03%	9.15%	**19.11%**	16.39%	15.28%	**16.73%**	18.84%	15.38%	**19.13%**
Permanent Workers	0	0	**0**	0	0	**0**	0	0	**0**

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

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

S No.	Name of the holding / subsidiary / associate companies / joint ventures (A)	Include whether holding/ Subsidiary/ Associate/ Joint Venture	% of shares held by listed entity	Does the entity indicated at column A, participate in the Business Responsibility initiatives of the listed entity? (Yes/No)
1	Heritage Nutrivet Limited	Wholly Owned Subsidiary	100%	No. Yet the subsidiary follows best ESG practices and has a business model focused on supporting the sustainability of dairy farmers, while spreading awareness among farmers about sustainable practices.
2	Skil Raigam Power (India) Limited	Associate	43.33%	No. Though the company was incorporated with the objective of creating renewable energy infrastructure. Presently the company is in dormant status.
3	Peanutbutter and Jelly Limited	Subsidiary	51%	No. Follows a responsible manufacturing and operational practices
4	Heritage Novandie Foods Limited	Subsidiary	94.40%	No. Follows a responsible manufacturing and operational practices

VI. CSR Details

(i) Whether CSR is applicable as per section 135 of Companies Act, 2013: Yes

(ii) Turnover: ₹ 44150.65 Million

(iii) Net worth: ₹ 10638.02 Million

For the financial year 2025–26, the Company's CSR obligation was ₹ 34.36 million. During FY 2024–25, the Company had incurred an excess CSR expenditure of ₹ 21.78 million over and above the prescribed requirement, which is eligible to be carried forward and set off against the CSR obligation for subsequent financial years, including FY 2025–26, in accordance with Rule 7(3) of the Companies (Corporate Social Responsibility Policy) Rules, 2014.

Accordingly, after adjusting the aforesaid excess amount, the net CSR obligation for FY 2025–26 stood at ₹12.58 million.

Out of this, the Company has spent ₹ 2.58 million towards the on-going construction of a blood bank centre at Vijayawada under the healthcare initiative of "Promoting health care including preventive healthcare, through the Implementing Partner M/s. NTR Trust.

The remaining unspent amount of ₹ 10.00 million, pertaining to rural development initiatives under an on-going /multi-year project has been transferred to the "HFL Unspent Corporate Social Responsibility Account for On-going/Multiyear Project for FY 2025–26.

VII. Transparency and Disclosure Compliances

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

Stakeholder group from whom complaint is received	Grievance Redressal Mechanism in Place (Yes/No) (If Yes, then provide web-link for grievance redress policy)	FY 2026			FY 2025		
		Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Remarks	Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Remarks
Communities	Yes, The Company has Stakeholder Engagement Policy which provides for Grievance Redressal Mechanism. Web Link: https://www.heritagefoods.in/uploads/investors/pdf/174290269258-HFL-Stakeholder-Engagement-Policy.pdf . Accordingly company has provided the web page: https://www.heritagefoods.in/contact-usAnd E-mail ID hfl@heritagefoods.in for Grievance Redressal for communities	0	0		0	0	
Investors (other than shareholders)	Yes, The Company has Stakeholder Engagement Policy which provides for Grievance Redressal Mechanism. Web Link: https://www.heritagefoods.in/uploads/investors/pdf/174290269258-HFL-Stakeholder-Engagement-Policy.pdf .	0	0	No complaints or grievances have been received so far under any of the principles of the NGRBC.	0	0	No complaints or grievances have been received so far under any of the principles of the NGRBC.

Stakeholder group from whom complaint is received	Grievance Redressal Mechanism in Place (Yes/No) (If Yes, then provide web-link for grievance redress policy)	FY 2026 Number of complaints filed during the year	FY 2026 Number of complaints pending resolution at close of the year	FY 2026 Remarks	FY 2025 Number of complaints filed during the year	FY 2025 Number of complaints pending resolution at close of the year	Remarks
	Accordingly company has provided the web page: https://www.heritagefoods.in/contact-us And E-mail ID hfl@heritagefoods.in for Grievance Redressal for communities						
Shareholders	Yes, The Company has a formal grievance redressal mechanism in place; details are available at https://www.heritagefoods.in/investorgrievance Shareholdes may also raise grievances via email at umakanta@heritagefoods.in	3	0		0	0	
Employees and workers	Yes. The Company has a grievance redressal mechanism for employees and workers through the HR Department via designated email channels and the Zoho People application. The Company has established a Whistle Blower Policy (Vigil Mechanism) enabling employees and workers to report unethical practices or misconducts. https://www.heritagefoods.in/uploads/investors/pdf/17339091449WhisIte_Blowers_Policy.pdf The Company has Policy on Prevention of Sexual Harassment (POSH) of Women at the Workplace which covers complaint/grievances falling under the POSH Act. Web Link: https://www.heritagefoods.in/uploads/investors/pdf/15579000603anti-sexual-harassment-policy.pdf	0	0	-	0	0	
Customers	Yes, The Company has Stakeholder Engagement Policy which provides for Grievance Redressal Mechanism. Web Link: https://www.heritagefoods.in/uploads/investors/pdf/174290269258-HFL-Stakeholder-Engagement-Policy.pdf . Accordingly the Company has provided forDedicated email customercare@heritagefoods.inand helplineTollfree no 1-800-425-2931 for Customer Grivance Redressal.	1019	0	-	944	0	
Value Chain Partners	Yes, The Company has Stakeholder Engagement Policy which provides for Grievance Redressal Mechanism. Web Link: https://www.heritagefoods.in/uploads/investors/pdf/174290269258-HFL-Stakeholder-Engagement-Policy.pdf . Accordingly company has provided the web page: https://www.heritagefoods.in/contact-us And E-mail ID hfl@heritagefoods.in for Grievance Redressal for communities	0	0	-	0	0	

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

S. 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 Milk 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 hauliers while underpaying others (resulting in hauler consolidation and higher rates), running outmoded, small, high maintenance equipment, excess intake time and labour and moving milk and milk products further than necessary	The Company continues to strengthen its milk procurement network across multiple geographies, deepen engagement with farmers and procurement partners, and improve milk collection, chilling and quality assurance infrastructure. Route optimisation, procurement planning, intake benchmarking, data analytics and cold chain efficiency measures are being used to reduce logistics inefficiencies and improve supply reliability. The company organises Farmer outreach programme regularly for not only creating awareness aforthe dairy farmers but establishing continued long term business relationship with the farmers community which is beneficial to the company and the farmers.	Negative – Volatility in milk availability or procurement prices may increase raw material and logistics costs and affect margins, particularly if cost increases cannot be fully passed on to consumers.
2	Supply Chain Management	Opportunity	A resilient supply chain is critical for a dairy business due to the perishable nature of products, cold chain requirements and the need for timely delivery to markets. A strong supply chain helps the Company maintain continuity, product freshness, service levels and market responsiveness.	The Company is strengthening its procurement, production, warehousing, cold chain and distribution systems. Business continuity planning, route planning, logistics optimisation, inventory controls and risk management measures are being used to improve supply chain resilience and efficiency.	Positive – Improved supply chain efficiency can support better product availability, lower wastage, stronger cost control, improved customer service and long-term business continuity.

S. 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)
3	Governance	Opportunity	Strong governance provides the foundation for responsible business conduct, regulatory compliance, stakeholder confidence and effective decision-making. For a consumer-facing food and dairy company, transparent systems and ethical practices support business credibility and long-term value creation.	The Company has established governance structures, policies and oversight mechanisms to guide responsible conduct across operations. Leadership oversight, internal controls, compliance systems, risk management practices and business responsibility policies support ethical and accountable business operations.	Positive – Strong governance can enhance stakeholder trust, improve operating discipline, reduce compliance risks and support sustainable long-term business performance
4	Human Rights	Risk	Human rights-related expectations and regulatory requirements are increasing across value chains. In a business involving employees, workers, farmers, suppliers, transporters and other partners, gaps in human rights due diligence may expose the Company to compliance, reputational and operational risks	The Company has embedded human rights principles within its Business Responsibility policies. It endeavours to prevent discrimination, forced labour, child labour, harassment and other human rights violations across its operations and business relationships. Awareness, grievance mechanisms, supplier engagement and due diligence processes are being strengthened	Negative – Non-compliance or adverse human rights incidents may result in reputational impact, regulatory action, business disruption or additional compliance costs. Investment in due diligence and awareness may involve costs but helps reduce long-term risk.
5	Occupational Health and Safety	Risk	Employee and worker health and safety is material to uninterrupted operations, productivity and workforce well-being. Safety incidents may lead to injuries, downtime, absenteeism, compensation costs, regulatory scrutiny and reputational impact	The Company has implemented health, safety and environment practices across its operations. Training, safety procedures, audits, incident reporting, emergency preparedness and compliance with applicable standards are used to promote workplace safety. Employee well-being is also embedded in the Company's Business Responsibility policies.Thecompany regularly conducts training programmes for the employees and workers on health and safety.	Negative – Poor safety performance may lead to higher operating costs, compensation claims, penalties, disruption and productivity loss. Preventive investments in safety systems and training can reduce these risks over time.
6	Data Privacy and Cyber Security	Risk	The Company relies on digital systems for operations, procurement, supply chain, finance, customer engagement and business continuity. Cyber incidents, data breaches or system disruptions may affect confidential information, business operations and stakeholder trust.	The Company has implemented cyber security controls, access management, data protection measures, system monitoring and business continuity measures. Redundancy in IT infrastructure, backup systems and incident response processes are being strengthened to prevent and respond to potential cyber threats	Negative – Cyber incidents may result in business disruption, recovery costs, regulatory exposure, reputational damage and potential financial loss. The assessment and quantification of specific financial impact is an ongoing process.
7	Energy and Emissions Management	Risk and Opportunity	Dairy processing and cold chain operations are energy-intensive. Rising energy costs, climate-related expectations and the transition towards lower-carbon operations make energy and emissions management material for the Company.	The Company is guided by its energy management approach to monitor and optimise energy consumption. Initiatives may include improving energy efficiency, optimising utilities, adopting efficient equipment, exploring renewable energy where feasible and reducing emissions intensity across operations. The Company adheres to the Environmental and Pollution Control Board guidelines/instructions.	Negative – Higher energy costs, future regulatory requirements or investments in cleaner technologies may increase operating or capital costs. Positive - However, efficiency measures can yield cost savings over the medium- to long-term.
8	Consumer Welfare, Product Quality and Food Safety	Opportunity	Consumer trust is central to the Company's dairy business. Product quality, food safety, nutrition, affordability, responsible communication and consistent availability help strengthen brand preference and long-term customer relationships.	The Company continues to focus on quality assurance, food safety practices, product innovation, consumer feedback, responsible marketing and market engagement. Its established brand presence and distribution network support consumer access and trust. The Company has dedicated team for addressing consumer complaints. The team attaendsto any complaints within 48 hours of the complaint. The company has provided Dedicated email customercare@heritagefoods.inand helplineTollfree no 1-800-425-2931 for Customer Grivance Redressal. The toll-free number, customer care centre, and email support details are printed on product packaging, enabling customers to conveniently raise grievances, provide feedback, or seek information	Positive – Strong consumer trust and product quality can support repeat purchases, brand loyalty, market expansion and long-term revenue growth.
9	Farmer livelihood and milk sourcing resilience	Risk and Opportunity	Stable farmer relationships and consistent milk availability are critical for Heritage's dairy business.	Timely payments, quality-based procurement, farmer engagement and support for better dairy productivity. The company has been continuously organising Farmer outreach programmes, Veterinary Health Camps and training and awareness programmes for farmers on animal health care with the ultimate objective of ensuring sustainable livelihood of dairy farmers and sustainable milk sourcing	Negative impact on margins if milk supply is disrupted; positive impact through stronger sourcing stability.
10	Animal health and welfare	Risk and Opportunity	Animal health directly affects milk yield, quality and farmer income.	As stated earlier the company regularly organises Veterinary Health Camps and training and awareness programmes for farmers on animal health care with the objective of creating awareness on cattle care, hygiene, nutrition and preventive health practices for the benefit of the farmer and their animals.	Negative - Lower productivity may increase procurement costs; better animal care supports quality and supply.
11	Water stewardship and responsible water use	Risk and Opportunity	Water is essential for dairy processing and hygiene. Heritage follows responsible water usage and maintains one of the lowest water consumption levels in the industry.	The company follows a strict standard operating process for monitoring of water usage,ensuring process efficiency for minimal wastage of waterand wastewater treatment.The Company has established Efluent treatment plants of prescribed capacity for treatment of the used water. The treated water is reused for cleaning, gardening.	Positive - Efficient water use reduces operating cost and compliance risk.
12	Sustainable packaging and waste management	Risk and Opportunity	Packaging affects food safety, compliance and environmental impact.	Use compliant packaging and strengthen waste management/EPR practices.. The packaging materials, are sourced from reputed manufacturers who have embedded ESG principles into their operations. All packaging materials used are certified food-grade, ensuring safety and compliance while aligning with the company's sustainability objectives. The company has entered in to arrangement with authorised waste management agencies to ensure effective collection, recycling, and environmentally sound disposal of plastic waste.	Negative - May increase compliance cost, but improves regulatory readiness and brand trust.

SECTION B: Management and Process Disclosures

Disclosure Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
Policy and Management Processes									
1.a. Whether your entity's policy/policies cover each principle and its core elements of the NGRBCs. (Yes/ No)	Yes all core elements of the NGRBCs are covered through policies								
Policy On Determination of Materiality of Events	Yes	NA	NA	NA	NA	NA	NA	NA	NA
Archival Policy	Yes	NA	NA	NA	NA	NA	NA	NA	NA
Subsidiary Policy	Yes	NA	NA	NA	NA	NA	NA	NA	NA
Risk Management Policy	Yes	Yes	Yes	NA	NA	Yes	NA	NA	Yes
Business Responsibility Policy	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Preservation Of Documents	Yes	NA	NA	NA	NA	NA	NA	NA	NA
Board Diversity Policy	Yes	NA	NA	NA	NA	NA	NA	NA	NA
Prevention Of Sexual Harassment	NA	NA	Yes	NA	Yes	NA	NA	NA	NA
Material Related Party Transaction Policy	Yes	NA	NA	NA	NA	NA	NA	NA	NA
Corporate Social Resposibility Policy	NA	NA	NA	Yes	NA	NA	NA	Yes	NA
Whistleblower Policy	Yes	NA	Yes	Yes	NA	NA	NA	NA	NA
Code of Conduct & Ethics	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Code of Conduct to Monitor and Regulate Trading by Insiders	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Dividend Distribution Policy	NA	NA	NA	Yes	NA	NA	NA	NA	NA
Policy And Procedure of Inquiry in Case of Leak or Suspected Leak of UPSI	Yes	NA	NA	NA	NA	NA	NA	NA	NA
Code Of Fair Disclosure	Yes	NA	NA	NA	NA	NA	NA	NA	NA
Nomination And Remuneration Policy	Yes	NA	NA	NA	NA	NA	NA	NA	NA
Code For Fair Disclosure Of UPSI	Yes	NA	NA	NA	NA	NA	NA	NA	NA
Anti-Bribery and Anti-Corruption Policy	Yes	NA	NA	NA	NA	NA	Yes	NA	NA
Cyber Security Policy	NA	NA	NA	NA	NA	NA	NA	NA	Yes
Policy On Environment and Climate Change	NA	Yes	NA	NA	NA	NA	NA	NA	NA
Product Stewardship Policy	NA	Yes	NA	NA	NA	NA	NA	NA	Yes
Supply Chain Management and Responsible Sourcing Policy	NA	Yes	Yes	Yes	Yes	Yes	NA	NA	NA
Policy On Animal Protection and Welfare (Cattle)	NA	NA	NA	NA	NA	Yes	NA	NA	NA
Health & Safety Policy	NA	Yes	Yes	NA	NA	NA	NA	NA	NA
Equal Opportunity Policy	NA	NA	Yes	NA	Yes	NA	NA	NA	NA
Policy On Human Rights, Diversity and Inclusion	NA	NA	Yes	Yes	Yes	NA	NA	NA	NA
Policy On Stakeholders' Engagement	Yes	NA	NA	NA	NA	NA	Yes	NA	NA
b. Has the policy been approved by the Board? (Yes/ No)	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
c. Web Link of the Policies, if available	https://www.heritagefoods.in/policy								
2. Whether the entity has translated the policy into procedures. (Yes / No)	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
3. Do the enlisted policies extend to your value chain partners? (Yes/No)	Yes, The Company endeavours to extend its key policies and sustainability principles across the value chain through continuous engagement with milk producers, suppliers, distributors, and other business partners. This includes • Promoting responsible and sustainable dairy farming practices among farmers. • Creating awareness on animal welfare, hygiene, food safety, and environmental sustainability. • Encouraging suppliers and business partners to adhere to ethical business practices and regulatory compliance requirements. • Conducting regular interactions, training, and awareness programmes for value chain partners. • Supporting long-term sustainable livelihoods for dairy farmers through inclusive and responsible business practices.								
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 your entity and mapped to each principle.									
ISO 22000:2018 (Food Safety Management System)	NA	Yes	NA	NA	NA	NA	NA	NA	Yes
ISO 9001:2015 (Quality Management System)	Yes	Yes	Yes	Yes	Yes	NA	Yes	Yes	Yes
ISO 45001:2018 (Occupational Health & Safety	NA	NA	Yes	NA	NA	NA	NA	NA	NA
ISO 14001:2015 (Environmental Management System)	NA	NA	NA	NA	NA	Yes	NA	NA	NA
ISO 50001:2018 (Energy Management System) – (Uppal & Gokul Plants)	NA	NA	NA	NA	NA	Yes	NA	NA	NA
EIC Certificate	NA	Yes	NA	NA	NA	NA	NA	NA	NA
FSSC 22000	NA	Yes	NA	NA	NA	NA	NA	NA	NA
Agmark	NA	Yes	NA	NA	NA	NA	NA	NA	NA
5. Specific commitments, goals and targets set by the entity with defined timelines, if any.	The entity has outlined its key commitments and objectives in line with its strategic priorities. These encompass initiatives to enhance operational efficiency, advance sustainability practices, accelerate digital adoption, strengthen customer-centric approaches, and ensure compliance with applicable laws and regulations. The timelines for achieving these objectives vary based on the scope and nature of each commitment and are generally categorised into short-term (within 1 year), medium-term (within 3 years), and long-term (within 5 years) goals								
6. Performance of the entity against the specific commitments, goals and targets along-with reasons in case the same are not met.	The entity regularly monitors and evaluates its progress against defined goals through structured internal performance reviews. Most targets are either achieved or progressing in line with the prescribed timelines. In cases where targets remain unmet, the underlying reasons may include macroeconomic challenges, unforeseen operational constraints, or changes in regulatory and market conditions. The entity has established continuous improvement mechanisms to identify gaps, implement corrective measures, and realign efforts, wherever necessary.								
Governance, leadership and oversight									
7. Statement by director responsible for the business responsibility report, highlighting ESG related challenges, targets and achievements (listed entity has flexibility regarding the placement of this disclosure) Refer Page No.37 message from Whole Time Director for ESG related statements									
8. Details of the highest authority responsible for implementation and oversight of the Business Responsibility policy (ies).	Mrs. N Bhuvaneswari - Vice Chairperson & Managing Director and Mrs. N. Brahmani - Executive Director under the guidance of the Board of Directors and its Committees. Dr. M Samba Siva Rao, Whole Time Director oversees the implementation of this Policy.								
9. Does the entity have a specified Committee of the Board/ Director responsible for decision making on sustainability related issues? (Yes / No). If yes, details.	Yes. The Board's CSR Committee oversees the implementation of ESG strategies and monitors performance to ensure alignment with the interests of the Company's stakeholders. The Committee periodically evaluates the Company's sustainability and CSR initiatives and reviews the effectiveness of related policies and practices. In addition, the Board reviews the Company's Business Responsibility (BR) performance to ensure continuous progress, transparency, and accountability in achieving its sustainability objectives.								

10. Details of Review of NGRBCs by the Company:

Subject for Review	Indicate whether review was undertaken by Director / Committee of the Board/ Any other Committee									Frequency (Annually/ Half yearly/ Quarterly/ Any other – please specify)									
	P1	P2	P3	P4	P5	P6	P7	P8	P9	P1	P2	P3	P4	P5	P6	P7	P8	P9
Performance against above policies and follow up action	Committee of the Board									Annually								
Compliance with statutory requirements of relevance to the principles and, rectification of any non-compliances	Committee of the Board									Annually								

11. Has the entity carried out independent assessment/ evaluation of the working of its policies by an external agency? (Yes/No). If yes, Name of the agency.

P1	P2	P3	P4	P5	P6	P7	P8	P9
No. However, the Company's policies, processes, and internal control mechanisms are periodically reviewed and evaluated internally to ensure their effectiveness, relevance, and alignment with the Company's operational and regulatory requirements. Necessary improvements and corrective measures are implemented from time to time based on such evaluations.								

12. If answer to question (1) above is "No" i.e. not all Principles are covered by a policy, reasons to be stated: Questions

Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
The entity does not consider the Principles material to its business (Yes/No)									
The entity is not at a stage where it is in a position to formulate and implement the policies on specified principles (Yes/No)									
The entity does not have the financial or/human and technical resources available for the task (Yes/No)	No								
It is planned to be done in the next financial year (Yes/No)									
Any other reason (please specify)									

SECTION C: PRINCIPLE WISE PERFORMANCE DISCLOSURE

PRINCIPLE 1 Businesses should conduct and govern themselves with integrity, and in a manner that is Ethical, Transparent and Accountable.

Essential Indicators

1. Percentage coverage by training and awareness programmes on any of the Principles during the financial year:

Segment	Total number of training and awareness programmes held	Topics / principles covered under the training and its impact	% age of persons in respective category covered by the awareness programmes
Board of directors	3	The Board of Directors were informed/oriented on the following: • Industry outlook and market developments in the dairy sector • Key operational performance and business updates • Risk management framework and mitigation strategies • Financial performance, budgets and variance analysis • Changes in Accounting standard/policies/practices • Strategic initiatives and long-term business planning • Innovation, R&D and product development initiatives • Sustainability, ESG initiatives and CSR performance • Compliance with applicable laws and updates on regulatory developments, including requirements under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 • Corporate governance matters, including Board and Committee functioning in line with SEBI guidelines **Outcome:** The Board's deliberations enabled informed decision-making, strengthened governance and regulatory compliance, and supported effective risk management, operational performance, and sustainable value creation.	100
Key Managerial Personnel	3	Industry scenarios, key operational matters, risk management, financial performance, strategic planning, innovation, sustainability initiatives and regulatory changes Boardley in alignment with alignment to Principles 1, 2, 4, 6, 7 and 9 **Outcome:** The training enabled participants to connect business decisions with broader market realities, internal priorities and long-term organisational goals. It strengthened decision-making maturity, improved risk awareness and encouraged a more forward-looking approach to performance, compliance and sustainability.	100
Employees other than BoD and KMPs	87	Awareness and training sessions on Food Safety, Quality & Hygiene, Health, Safety & Environment, Operations & Maintenance, Process Improvement & Productivity, Sales, Marketing & Business Development, Data & Technology, Compliance - Legal & Financial, HR & Project Management and Dairy Industry Specific topics on Dairy Industries. Broadly in alignment with Principles 1, 2, 3, 6 and 9. **Outcome:** Improved process reliability, better cross-functional coordination and greater sensitivity to quality, safety, customer expectations and sector-specific responsibilities.	100
Workers	95	Awareness & Training section on Food & Safety &Hygiene, Workplace & Industry Safety, Seasonal Safety, Legal& Social Awareness & Security. Broadly in alignment with Principles 1, 2, 3, 5, 6 and 9. **Outcome:** Safer conduct, better understanding of individual responsibilities and stronger awareness of workplace, social and operational risks.	100

2. Details of fines / penalties /punishment/ award/ compounding fees/ settlement amount paid in proceedings (by the entity or by directors / KMPs) with regulators/ law enforcement agencies/ judicial institutions, in the financial year, in the following format (Note: the entity shall make disclosures on the basis of materiality as specified in Regulation 30 of SEBI (Listing Obligations and Disclosure Obligations) Regulations, 2015 and as disclosed on the entity's website):

Monetary

NGRBC Principle	Name of the regulatory/ enforcement agencies/ judicial institutions	Amount (In INR)	Brief of the Case	Has an appeal been preferred? (Yes/No)
Penalty/ Fine				
Principle 9	Adjudicating Officer/ Additional District Magistrate(Pr), Gautam Buddh Nagar, Uttar Pradesh	10,00,000	The matter relates to a sample of "Heritage Fresh Paneer 200 gm" collected in February 2018, where observations were made regarding lower fat content and certain labelling declarations.	Yes
Principle 1	State GST	19,064	Penalty levied under GSTMOV-01 for non-compliance relating to e-way bill requirements for a sales return consignment from a customer in Haryana.	No
Settlement Nil				
Compounding fee				
Principle 9	FSSAI	16,000	The Paneer sample was reported to have a fat content lower than the prescribed standard.	No
Principle 9	FSSAI	13,000	The Paneer sample was reported to have a fat content lower than the prescribed standard.	No
Principle 9	Legal metrology	10,000	The matter relates to observations regarding missing or unclear declarations such as unit sale price, net content, MRP and date of packing.	No
Principle 9	Legal Metrology	2,000	The matter relates to a variation between the billed quantity and the supplied quantity of Heritage Curd Pouch invoiced by Reliance Fresh.	No
Principle 9	FSSAI	10,000	The FCM sample was reported to be not conforming to the prescribed standard of SNF content.	No
Principle 9	FSSAI	15,000	The Toned Milk sample was reported to have SNF content below the prescribed standard.	No
Principle 9	FSSAI	15,000	The Mixed Milk sample was reported to have SNF content below the prescribed standard.	No
Principle 9	FSSAI	1,00,000	The product sample was reported to have milk fat content lower than the prescribed standard.	Yes

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	-	-	-
Punishment	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
Dushyant Bhati & Ors Vs. FSO MCA 210/2025. NDOH 20.07.2026	Food Safety Appellate Tribunal Meerut, UP
Pankaj and Ors. Vs. State of HR CRA 73/2026 NDOH 17.07.2026	Food Safety Appellate Tribunal, Gurugram

4. Does the entity 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, Heritage Foods Limited has instituted a comprehensive Anti-Bribery and Anti-Corruption Policy to reinforce its commitment to ethical business practices and corporate governance. The Policy is aligned with applicable laws and regulatory frameworks, including the Prevention of Corruption Act, the Companies Act, and other relevant regulations.

With a zero-tolerance approach towards bribery and corruption, the Company is committed to ensuring that all employees, business associates, and other stakeholders conduct business with the highest standards of transparency, fairness, accountability, and integrity in all interactions and transactions.

Web Link: 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 2026	FY 2025
Directors	0	0
KMPs	0	0
Employees	0	0
Workers	0	0

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

	FY 2026		FY 2025	
	Number	Remarks	Number	Remarks
Number of complaints received in relation to issues of Conflict of Interest of the Directors	0	0	0	0
Number of complaints received in relation to issues of Conflict of Interest of the KMPs	0	0	0	0

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 conflicts of interest.

Nil

8. Number of days of accounts payables (Accounts payable *365) / Cost of goods/services procured) in the following format:

	FY 2026	FY 2025
Number of days of accounts payables	19.23	21.00

9. Openness of business

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 2026	FY 2025
Concentration of Purchases	a.	Purchases from trading houses as % of total purchases	9.54%	16.54%
	b.	Number of trading houses where purchases are made from	1622	1684
	c.	Purchases from top 10 trading houses as % of total purchases from trading houses	48.84%	3.55%
Concentration of Sales	a.	Sales to dealers / distributors as % of total sales	99.42%	99.41%
	b.	Number of dealers / distributors to whom sales are made	7,580	7,374
	c.	Sales to top 10 dealers / distributors as % of total sales to dealers / distributors	11.30%	7.94%
Share of RPTs in	a.	Purchases (Purchases with related parties / Total Purchases)	3.92%	4.43%
	b.	Sales (Sales to related parties / Total Sales)	0.15%	0.06%
	c.	Loans & advances (Loans & advances given to related parties / Total loans & advances)*	24.35%	0.0%
	d.	Investments (Investments in related parties / Total Investments made)	41.81%	16.04%

* ICD given to Subsidiary Companies

Note: Total purchase for FY 2025-26 is compiled based on standard note on BRSR core, accordingly total purchases includes Purchases during the year for Raw materials, Packing Material and capital expenditure. Previous year figures are regrouped/re arranged wherever necessary.

Leadership Indicators

1. Awareness programs 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
16,798	Clean Milk Production, Cattle Nutrition & Health Management, Impotence of Breed Improvement	100%

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, Heritage Foods Limited has established comprehensive processes and governance mechanisms to identify, avoid, and manage conflicts of interest involving members of the Board. The Company's Code of Conduct, corporate governance framework, and related policies require Directors to disclose any actual or potential conflict of interest that may arise during the course of their duties.

The Directors are required to make periodic disclosures regarding their interests and abstain from participating in discussions or decision-making on matters where a conflict may exist. Such disclosures are reviewed and noted by the Board from time to time in accordance with the applicable provisions of the Companies Act, SEBI (LODR) Regulations, and other relevant laws.

These processes ensure transparency, accountability, ethical decision-making, and the protection of stakeholders' interests while maintaining the highest standards of corporate governance.

PRINCIPLE 2 Businesses should provide goods and services in a manner that is sustainable and safe

Essential Indicators

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

	2026	2025	Details of improvements in environmental and social impacts
R&D	60%	50%	The Company has undertaken targeted R&D investments in advanced laboratory and pilot-scale equipment, including a protein analyzer, viscometer, ice cream freezer, water baths, Remi mixer, and UHT pilot machine, to strengthen in-house product development and testing capabilities. These investments contribute to environmental sustainability by optimizing resource utilization, reducing reliance on repeated plant trials and external testing, and thereby minimizing material wastage, energy consumption, and associated emissions. From a social standpoint, enhanced in-house capabilities support improved nutritional accuracy, product quality, and food safety, thereby promoting consumer health and trust. Further, strengthened process standardization and shelf-life validation help reduce food loss and ensure consistent product quality across the value chain.
Capex	1.88%	2.23%	The Company has invested in renewable energy projects for captive consumption to enhance the environmental and social sustainability of its operations. These investments support the transition to clean energy, reduce greenhouse gas emissions and reliance on fossil fuels, and promote energy efficiency, while contributing to responsible resource use and long-term sustainable value creation.

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

Yes, Heritage Foods Limited has implemented a responsible sourcing policy as part of its commitment to sustainable and ethical business practices. Milk, being a key raw material for the Company, is procured through a sustainable and structured sourcing model.

The Company actively supports and empowers dairy farmers by providing training, technical assistance, veterinary support, and advisory services, thereby integrating them into an organized and efficient dairy value chain. To promote financial stability and strengthen long-term relationships with farmers, the Company ensures timely weekly/fortnightly payments for milk procurement.

Further, the Company maintains stringent quality standards and testing protocols for procured milk to ensure product safety, quality, and consistency. These initiatives reflect the Company's strong focus on responsible sourcing, product stewardship, and operational excellence.

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

Milk accounts for approximately 70.34% of the Company's total procurements, underscoring the critical importance of the dairy value chain to its operations. In addition, various capital goods, including dairy processing equipment and packaging materials, are sourced from reputed manufacturers that incorporate ESG principles and sustainable practices into their operations.

Further, all packaging materials used by Heritage Foods Limited are certified food-grade, ensuring product safety, regulatory compliance, and quality assurance, while also supporting the Company's broader sustainability and responsible sourcing objectives.

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.

As part of its commitment to sustainable production and environmental stewardship, Heritage Foods Limited has established processes for the reclamation and responsible management of plastics, e-waste, hazardous waste, and other waste generated from its operations.

The Company also adopts resource conservation practices by treating effluent water generated during production and reusing it for non-potable applications, such as washing milk storage tankers and crates, as well as for gardening. These initiatives promote efficient resource utilisation, waste reduction, and circularity in operations, while reinforcing the Company's commitment to sustainability and environmental responsibility.

a. Plastics, including packaging

While plastics remain essential for ensuring product safety, hygiene, and leakage prevention—particularly in milk and value-added product packaging—the Company recognises the environmental impact of plastic waste. Accordingly, it actively participates in recycling initiatives and is undertaking consumer awareness programmes to promote responsible disposal and recycling of used plastic packaging.

The Company has also established arrangements with authorised waste management agencies to ensure effective collection, recycling, and environmentally sound disposal of plastic waste.

Plastic packaging waste is collected by waste management agencies from ULBs, aggregators, rag pickers, collection centres, and bulk waste generators, and is channelled to authorised recyclers and ULBs in accordance with the EPR Action Plan approved by the Central Pollution Control Board

b. E-Waste

Although e-waste generation is minimal, obsolete electronic equipment is disposed off through authorised e-waste recyclers in compliance with applicable environmental regulations.

c. Hazardous Waste

If generated, hazardous waste is handled as per regulatory guidelines and stored, transported and disposed of through certified agencies to prevent environmental contamination and ensure worker safety.

d. Other Waste

Other non-hazardous solid waste is segregated at source and either recycled or sent to authorised waste handlers for appropriate disposal, thereby minimising landfill use and enhancing material recovery.

The Company has installed Effluent Treatment Plants (ETPs) at its manufacturing facilities to treat wastewater in compliance with applicable environmental norms, enabling safe discharge and, wherever feasible, reuse of treated water for non-potable purposes, thereby supporting water conservation and responsible resource management

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, Extended Producer Responsibility (EPR) is applicable to the Company's operations, and the waste collection plan is aligned with the EPR plan submitted to the Pollution Control Boards.

The Company ensures systematic collection, recycling, and environmentally sound disposal of plastic waste through authorised channels in compliance with regulatory requirements. Additionally, Effluent Treatment Plants (ETPs) are installed at manufacturing facilities to treat wastewater as per applicable norms, enabling safe discharge and reuse for non-potable purposes.

Leadership Indicators

1. **Has the entity conducted Life Cycle Perspective / Assessments (LCA) for any of its products (for the manufacturing industry) or for its services (for the service industry)? If yes, provide details in the following format? No** The company has not conducted any LCA for any of its products

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.
Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable

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.**

Name of Product / Service	Description of the risk / concern	Action Taken
The company has not conducted any LCA	The company has not conducted any LCA, hence specific risks have not been identified.	Not Applicable

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	
	FY 2026	FY 2025
The company is in Dairy industry and the key ingredient is fresh milk, no input materials are recycled or reused in production.	Nil	Nil

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:**

	FY 2026			FY 2025		
	Re-Used	Recycled	Safely Disposed	Re-Used	Recycled	Safely Disposed
Plastics (including packaging)	0	0	0	0	0	0
E-waste	0	0	0	0	0	0
Hazardous waste	0	0	0	0	0	0
Other waste	0	0	0	0	0	0

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
The Company's products are primarily dairy and value-added dairy products sold through retail, distribution and institutional channels. Owing to the nature of these products, which are largely perishable and meant for direct consumption, the Company does not have a formal mechanism for reclaiming products after sale. Further, consumer-level packaging is generally disposed of post-consumption through municipal, recycling, or authorized waste management channels and is not directly reclaimed by the Company from end consumers. The Company has established arrangements with authorized waste management agencies to ensure effective collection, recycling and environmentally sound disposal of plastic waste in accordance with applicable Extended Producer Responsibility (EPR) requirements. Plastic packaging waste is collected across India through waste management agencies from Urban Local Bodies (ULBs), aggregators, rag pickers, collection centres and bulk waste generators and is subsequently channelled to authorized recyclers and ULBs in line with the EPR Action Plan approved by the Central Pollution Control Board.	-

PRINCIPLE 3 Businesses should respect and promote the well-being of all employees, including those in their value chains

Essential Indicators

1. a. **Details of measures for the well-being of employees:**

Category	Total (A)	% of employees 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 employees											
Male	3236	3189	98.55%	3236	100.00%	0	0.00%	3189	98.55%	0	0.00%
Female	81	77	95.06%	81	100.00%	77	95.06%	0	0.00%	77	95.06%
Total	**3317**	**3266**	**98.46%**	**3317**	**100.00%**	**77**	**2.32%**	**3189**	**96.14%**	**77**	**2.32%**
Other than Permanent employees											
Male	10	8	80.00%	10	100.00%	0	0.00%	0	0.00%	0	0.00%
Female	0	0	0.00%	0	0.00%	0	0.00%	0	0.00%	0	0.00%
Total	**10**	**8**	**80.00%**	**10**	**100.00%**	**0**	**0.00%**	**0**	**0.00%**	**0**	**0.00%**

b. **Details of measures for the well-being 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	0.00%	0	0.00%	0	0.00%	0	0.00%	0	0.00%
Female	0	0	0.00%	0	0.00%	0	0.00%	0	0.00%	0	0.00%
Total	**0**	**0**	**0.00%**	**0**	**0.00%**	**0**	**0.00%**	**0**	**0.00%**	**0**	**0.00%**
Other than Permanent workers											
Male	2,239	449	20.05%	2,239	100%	0	0.00%	0	0.00%	0	0.00%
Female	901	156	17.31%	901	100%	0	0.00%	0	0.00%	745	82.69%
Total	**3,140**	**605**	**19.27%**	**3,140**	**100%**	**0**	**0.00%**	**0**	**0.00%**	**745**	**23.73%**

c. **Spending on measures towards well-being of employees and workers (including permanent and other than permanent) in the following format –**

	FY 2026	FY 2025
Cost incurred on well-being measures as a % of total revenue of the company	0.13%	0.13%

2. **Details of retirement benefits, for the current FY and 2025.**

Benefits	FY 2026: No. of employees covered as a % of total employees	FY 2026: No. of workers covered as a % of total workers	FY 2026: Deducted and deposited with the authority (Y/N/N.A.)	FY 2025: No. of employees covered as a % of total employees	FY 2025: No. of workers covered as a % of total workers	FY 2025: Deducted and deposited with the authority (Y/N/N.A.)
PF	100%	100%	Y	100%	100%	Y
Gratuity	100%	100%	Y	100%	100%	Y
ESI	24.56%*	100%	Y	12.84%	100%	Y
Others – please specify	-	-	NA	-	-	NA

*All Employees falling under the prescribed limit are covered under ESI

3. **Accessibility of workplaces - Are the premises/offices of the entity accessible to differently abled employees and workers, as per the requirements of the Rights of Persons with Disabilities Act, 2016? If not, whether any steps are being taken by the entity in this regard.**

Our premises /offices are accessible to differently abled employees and workers

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

Yes. Heritage Foods Limited has an Equal Opportunity Policy as per the Rights of Persons with Disabilities Act, 2016. The policy states the Company's commitment to non-discrimination, equal opportunity, reasonable accommodation, and accessibility for persons with disabilities.

Web Link: https://www.heritagefoods.in/uploads/investors/pdf/174290250146-HFL-Equal-opportunity-Policy.pdf

5. Return to work and Retention rates of permanent employees and workers that took parental leave.

	Permanent employees		Permanent workers	
Gender	Return to work rate	Retention rate	Return to work rate	Retention rate
Male	100%	100%	NA	NA
Female	100%	100%	NA	NA
Total	**100%**	**100%**	**NA**	**NA**

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

	Yes/No (If Yes, then give details of the mechanism in brief)
Permanent Workers	No. The Company does not have any permanent workers
Other than Permanent Workers	Heritage Foods has a grievance redressal mechanism for Other than Permanent Workers. Grievances are first taken up with the respective senior managers or functional heads. If the matter is not resolved satisfactorily, it is escalated to senior management, which may direct the Human Resources department to take appropriate steps for fair and timely resolution. This reflects a structured, multi-tiered mechanism for transparent and efficient grievance redressal.
Permanent Employees	Yes. The Company has a grievance Redressal mechanism in place for all employees (Permanent and Other than permanent), wherein concerns can be raised through the HR Department via designated email IDs and the Zoho People application. The Company also follows an open-door policy, encouraging employees to freely approach senior management for resolution of concerns. Grievances are addressed in a structured manner to ensure timely, fair, and transparent resolution.
Other than Permanent Employees	

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

Category	FY 2026			FY 2025		
	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						
Male	NA	NA	NA	NA	NA	NA
Female	NA	NA	NA	NA	NA	NA
Total Permanent Workers						
Male	NA	NA	NA	NA	NA	NA
Female	NA	NA	NA	NA	NA	NA

8. Details of training given to employees and workers:

Category	FY 2026					FY 2025				
	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	3,246	2,598	80.04%	1,950	60.07%	3,290	2,630	79.94%	1,972	59.94%
Female	81	65	80.25%	15	18.52%	74	55	74.32%	12	16.22%
Total	**3327**	**2663**	**80.04%**	**1965**	**59.06%**	**3364**	**2685**	**79.82%**	**1984**	**58.98%**
Workers										
Male	2,239	1,300	58.06%	1,208	53.95	2,040	1,140	55.88%	1,026	50.29%
Female	901	605	67.15%	501	55.60	821	590	71.86%	460	56.03%
Total	**3,140**	**1,905**	**60.67%**	**1,709**	**54.43**	**2,861**	**1,730**	**60.47%**	**1,486**	**51.94%**

9. Details of performance and career development reviews of employees and worker:

Category	FY 2026			FY 2025		
	Total (A)	No. (B)	% (B/A)	Total (C)	No. (D)	% (D/C)
Employees						
Male	3246	3030	93.35%	3290	3145	95.59%
Female	81	73	90.12%	74	66	89.19%
Total	**3327**	**3103**	**93.27%**	**3364**	**3211**	**95.45%**
Workers						
Male	2239	0	0.00%	2040	0	0.00%
Female	901	0	0.00%	821	0	0.00%
Total	**3140**	**0**	**0.00%**	**2861**	**0**	**0.00%**

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?

Heritage Foods' occupational health and safety management system is in place to meet legal/statutory obligations, address identified OH&S risks, and follow established standards/guidelines, including ISO 45001:2018 and ISO 45001.

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

Heritage Foods' Occupational Health & Safety Policy applies extensively across its manufacturing facilities, logistics operations, corporate offices, franchisees, suppliers and third-party partners, with coverage of workplace safety, risk assessment, hygiene, incident reporting, training, audits and compliance monitoring.

c. Whether you have processes for workers to report the work related hazards and to remove themselves from such risks. (Y/N)

Yes, Heritage Foods has processes for workers to report work-related hazards and remove themselves from unsafe situations, supported by its OHS Policy through hazard identification, risk assessment, incident reporting, corrective actions, audits, training and non-retaliatory reporting of unsafe conditions. This is also aligned with ISO 45001:2018, which specifically requires worker participation in hazard reporting and the right to remove themselves from imminent danger, and with ISO 45001, which requires hazard identification, risk assessment, operational controls and worker consultation/participation in occupational health and safety matters.

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

Yes, Employees and workers have access to non-occupational medical and healthcare services through first-aid and primary healthcare infrastructure at manufacturing facilities, along with regular medical camps covering non-occupational health aspects to support overall well-being.

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

Safety Incident/Number	Category	FY 2026	FY 2025
Lost Time Injury Frequency Rate (LTIFR) (per one million-person hours worked)	Employees	0.968	1.000
	Workers	0.000	0.000
Total recordable work-related injuries	Employees	7.000	8.000
	Workers	0.000	0.000
No. of fatalities	Employees	0.000	1.000
	Workers	0.000	0.000
High consequence work-related injury or ill-health (excluding fatalities)	Employees	0.000	0.000
	Workers	0.000	0.000

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

Heritage Foods ensures a safe and healthy workplace through its Occupational Health & Safety Policy and OHS management Heritage Foods ensures a safe and healthy workplace through its Occupational Health & Safety Policy and OHS management system, which are aligned with ISO 45001:2018 and supported by designated Safety Officers, HR/functional teams and leadership oversight. The Company undertakes regular risk assessments, safety audits, workplace inspections, job safety assessments, safety protocols for equipment handling, LOTO and fire prevention, emergency preparedness measures such as fire drills, first-aid facilities and evacuation plans, and structured incident reporting with root-cause-based corrective actions. It also provides ongoing safety training, HACCP-related awareness sessions, health screenings, first-aid and primary healthcare infrastructure, medical camps, and a Health Wellness programme with self-help resources and third-party counsellor/dietitian support to promote physical and mental well-being.

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

	FY 2026			FY 2025		
	Filed during the year	Pending resolution at the end of year	Remarks	Filed during the year	Pending resolution at the end of year	Remarks
Working Conditions	0	0		0	0	
Health & Safety	0	0		0	0	

14. Assessments for the year

	% of your 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

As a part of its continued OHS improvement process in FY26, the Company has been strengthening its safety-first culture through initiatives such as the EHS Safety Awareness Program and PPE Demonstration conducted in collaboration with KARAM. The programme covered practical awareness on fall protection systems, head, foot, eye, hearing, hand, body and respiratory protection, emergency evacuation and self-rescue systems, and confined space entry/exit solutions. These initiatives help enhance employee and worker awareness, promote appropriate use of PPE for specific tasks, and reinforce Heritage Foods' commitment to building a safer, healthier and zero-incident workplace.

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

2. Provide the measures undertaken by the entity to ensure that statutory dues have been deducted and deposited by the value chain partners.

The Company has instituted appropriate measures to ensure that statutory dues, particularly GST and TDS, are duly complied with by its value chain partners. These measures include vendor due diligence, verification of GST registration details, checking the correctness of tax invoices, ensuring applicable TDS deductions, and seeking compliance confirmations before processing payments.

With respect to third-party transporters, the Company verifies that insurance payments for vehicles deployed in its supply chain are made on time and that updated insurance records are maintained. Transport partners are required to keep vehicle insurance valid throughout the engagement period and submit renewal details as applicable.

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

	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	
	FY 2026	FY 2025	FY 2026	FY 2025
Employees	0	1*	0	0
Workers	0	0	0	0

*** Fatalities**

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)

Yes, 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:

Particulars	% of value chain partners (by value of business done with such partners) that were assessed
Health and safety practices	65%
Working Conditions	65%

6. Provide details of any corrective actions taken or underway to address significant risks / concerns arising from assessments of health and safety practices and working conditions of value chain partners.

Heritage Foods Limited undertakes continuous engagement with its value chain partners, particularly small and marginal dairy farmers, to address risks and concerns relating to health and safety practices, animal welfare, and working conditions. Based on ongoing field assessments and interactions, the Company has implemented several corrective and preventive measures aimed at promoting safe, hygienic, and sustainable dairy farming practices across its procurement network.

During FY 2025-26, the Company conducted 4,209 veterinary health camps and 4,435 farmer awareness meetings to educate farmers on cattle health management, hygiene practices, disease prevention, scientific dairy farming, and responsible farm operations. Corrective guidance and technical support were provided wherever required during field interactions and veterinary assessments.

The Company also facilitated treatment for over 95,000 animal health cases through veterinary camps and attended emergency animal health cases through its veterinary support network. In addition, more than 45,000 artificial insemination services were carried out to support breed improvement and livestock productivity, while Vet Plus support services attended a large number of farmer calls during the year, providing veterinary guidance and emergency assistance.

Further, the Company continues to strengthen awareness among value chain partners on preventive healthcare, hygiene standards, responsible use of veterinary medicines, animal welfare, and sustainable dairy farming practices. These initiatives benefited 1.40 lakh dairy farmers during the year and contributed towards improving health and safety practices, working conditions, and long-term sustainability across thevalue chain.

PRINCIPLE 4: Businesses should respect the interests of and be responsive to all its stakeholders

Essential Indicators

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

The Company identifies its key stakeholder groups based on its material business aspects, key relationships to be maintained, and the social and environmental impacts of its operations. Inputs are gathered from relevant departments such as operations, HR, procurement, sales, finance, compliance, EHS, CSR and customer service, based on their regular engagement with employees, customers, suppliers, investors, regulators, communities and other stakeholders. These inputs help assess stakeholder relevance, influence, dependency and exposure to the Company's actual or potential impacts, and the mapping is reviewed periodically in line with changing business priorities and stakeholder expectations.

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

Stakeholder Group	Identified as Vulnerable & Marginalized Group (Yes/ No)	Channels of communication (Email, SMS, Newspaper, Pamphlets, Advertisement, Community Meetings, Notice Board, Website), Other	Frequency of Engagement (Annually/ Half yearly/ Quarterly / others please specify)	Relevance to Heritage Foods Limited
Farmers	No	Mobile app, SMS, Outreach programmes, VET Camps,training programs	On going	Primary suppliers of raw milk are a critical part of the dairy procurement ecosystem. Essential for ensuring consistent milk availability, quality procurement, farmer relationships and long-term supply chain stability.
Employees	No	Emails, internal portals, meetings, training sessions, notice boards	On going	Workforce involved across procurement, processing, quality assurance, logistics, sales, administration and support functions. Critical for operational efficiency, food safety, product quality, innovation, customer service and business continuity.
Dealers & Distributors	No	Emails, meetings, website,other engagement forums	On going	Channel partners enabling movement of dairy products across markets and retail points are Key to ensuring timely product availability, market reach, cold-chain effectiveness and last-mile distribution.
Agents & Franchises	No	Emails, meetings, website, other engagement forums	On going	Retail and institutional partners managing Heritage-branded outlets and distribution touchpoints. strengthen brand presence, enhance customer accessibility and support wider market penetration.
Consumers	No	Advertisements, company website, digital platforms, customer feedback channels	On going	End-users who purchase and consume Heritage's milk and value-added dairy products, directly influence product development, brand trust, market acceptance and customer satisfaction through preferences and feedback.
Food Safety Authorities	No	Emails, official submissions, industry forums, compliance reports	Based on any regulatory requirements	Regulatory bodies responsible for overseeing food safety, hygiene, product standards and compliance. It is necessary to ensure adherence to food safety norms, quality standards, labelling requirements and consumer protection regulations.
Statutory / Market Regulators	No	Emails, official submissions, industry forums, compliance reports	On going	Government and regulatory authorities monitoring corporate governance, statutory compliance and market conduct influence business operations through policy frameworks, compliance obligations and fair business practices.
Media	No	Press Release, Interview, Presentation	Based on the need for media interaction	Print, digital, and broadcast platforms covering industry developments, corporate performance, and public-interest matters, Shape public perception, brand reputation and consumer awareness through news coverage and corporate communication.
Industry Associations	No	Emails, official submissions, industry forums, compliance reports	During Events/ Meetings	Trade bodies and dairy industry groups represent sectoral interests and policy matters provide platforms for industry engagement, policy advocacy, best-practice sharing and sectoral collaboration.

Stakeholder Group	Identified as Vulnerable & Marginalized Group (Yes/ No)	Channels of communication (Email, SMS, Newspaper, Pamphlets, Advertisement, Community Meetings, Notice Board, Website), Other	Frequency of Engagement (Annually/ Half yearly/ Quarterly / others please specify)	Relevance to Heritage Foods Limited
Suppliers	No	Emails, Direct Communication & Engagement methods	On going	Providers of packaging materials, ingredients, equipment, utilities and other operational inputs, support uninterrupted production, product safety, packaging quality and supply chain resilience.
Society	No	Advertisement, Interview, Community Program	Occasionally	Communities located around the Company's procurement, processing and distribution operations are important for maintaining goodwill, supporting rural livelihoods, promoting inclusive growth and strengthening the Company's social responsibility commitments.

Leadership Indicators

1. **Provide the processes for consultation between stakeholders and the Board on economic, environmental and social topics or if consultation is delegated, how is feedback from such consultations provided to the Board.**

   Heritage Foods Limited undertakes stakeholder consultation through its respective business functions and senior management teams, who engage with stakeholders such as farmers, employees, consumers, suppliers, communities, investors and regulators through meetings, surveys, feedback channels, grievance mechanisms, CSR interactions and business reviews. The feedback received is reviewed internally and significant economic, environmental and social matters are placed before the Board or relevant Board Committees, enabling stakeholder concerns and expectations to be considered in policy decisions, risk management, sustainability initiatives and overall business planning.

2. **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. Stakeholder consultation is an integral part of the Company's ESG mechanism and supports the identification, prioritisation and management of environmental and social topics. The Company engages on an ongoing basis with employees, farmers/procurement partners, customers, suppliers, communities, regulators and other stakeholders through formal and informal channels, and the inputs received are considered while shaping policies, processes and operating practices. For example, employee feedback is reflected in initiatives on health, safety, welfare, training and workplace practices; community interactions support CSR and local development activities; customer and consumer feedback informs quality, food safety and service improvements; and engagement with suppliers and business partners supports responsible sourcing, compliance and operational discipline. Material feedback from such interactions is reviewed by the relevant functions and senior management, with significant stakeholder matters escalated to the Board/Board Committee on Stakeholder Relations, thereby ensuring that ESG priorities remain aligned with stakeholder expectations and business responsibilities.

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

   Heritage Foods Limited continues to engage extensively with vulnerable and marginalized stakeholder groups, particularly small and marginal dairy farmers, through various farmer welfare and livestock support initiatives aimed at improving rural livelihoods, animal health, productivity, and access to veterinary care. As the Company's milk procurement network is predominantly based on small and marginal dairy farmers, farmer welfare remains a key component of its stakeholder engagement and sustainability approach.

   During FY 2025-26, the Company conducted 4,209 veterinary health camps and 4,435 farmer meetings across its procurement regions to promote scientific dairy farming practices, cattle health management, breeding awareness, and productivity improvement. Through veterinary camps and emergency veterinary services, the Company facilitated treatment for 95,000(~)animal healthcases in veterinary camps and attended to 589 emergency animal health cases.

   The Company also carried out more than 40,000 artificial insemination services to support breed improvement and long-term livestock productivity. In addition, Vet Plus support services (Tele Med) attended to approximately 15000 farmer calls during the year. Through these initiatives, the Company continues to embed empathy, inclusivity, equity, and empowerment into its stakeholder engagement practices. Overall, these initiatives benefited almost 1.40 lakh dairy farmers by improving access to veterinary healthcare, technical guidance, emergency support, and farmer education, thereby contributing towards sustainable dairy development, inclusive rural growth, and the long-term well-being of marginalized farming communities, which remains an integral part of the Company's corporate purpose and sustainability vision.Through these initiatives, the Company continues to embed empathy, inclusivity, equity, and empowerment into its stakeholder engagement practices. It considers the well-being of marginalized communities as an integral component of its corporate purpose and long-term sustainability vision.

PRINCIPLE 5: Businesses should respect and promote human rights

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	FY 2026 Total (A)	FY 2026 No. of employees / workers covered (B)	FY 2026 % (B/A)	FY 2025 Total (C)	FY 2025 No. of employees / workers covered (C)	FY 2025 % (D/C)
Employees						
Permanent	3317	1480	44.62%	3353	1440	42.95%
Other than permanent	10	10	100.00%	11	11	100.00%
Total	**3327**	**1490**	**44.79%**	**3364**	**1451**	**43.13%**
Workers						
Permanent	0	0	0	0	0	0
Other than permanent	3140	1410	44.90%	2861	1210	42.29%
Total	**3140**	**1410**	**44.90%**	**2861**	**1210**	**42.29%**

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

Category	FY 2026 Total (A)	Equal to Minimum Wage No. (B)	Equal to Minimum Wage % (B/A)	More than Minimum Wage No. (C)	More than Minimum Wage % (C/A)	FY 2025 Total (D)	Equal to Minimum Wage No. (E)	Equal to Minimum Wage % (E/D)	More than Minimum Wage No. (F)	More than Minimum Wage % (F/D)
Employees										
Permanent	**3317**	**70**	**2.11%**	**3247**	**97.89%**	**3353**	**81**	**h2.42%**	**3272**	**97.58%**
Male	3236	69	2.13%	3167	97.87%	3279	81	2.47%	3198	97.53%
Female	81	1	1.23%	80	98.77%	74	0	0.00%	74	100.00%
Other than permanent	**10**	**10**	**100%**	**10**	**100%**	**11**	**11**	**100%**	**11**	**100%**
Male	10	10	100.00%	10	100.00%	11	11	100.00%	11	100.00%
Female	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
Other than permanent	**3140**	**3140**	**100 %**	**0**	**0.00%**	**2861**	**2861**	**100. %**	**0**	**0.00%**
Male	2239	2239	100 %	0	0.00%	2040	2040	100. %	0	0.00%
Female	901	901	100. %	0	0.00%	821	821	100. %	0	0.00%

3. **Details of remuneration / wages paid to employees and workers:**

   a. **Median remuneration / wages**

	Male Number	Male Median remuneration/ salary/ wages of respective category	Female Number	Female Number
Board of Directors (BoD)	4	1,42,500	3	7,68,20,000*
Key Managerial Personnel	4	1,67,49,685	2	8,64,25,000*
Employees other than BoD and KMP	3,242	3,19,336	79	3,36,541
Workers	2,239	1,87,200	901	1,84,800

* The higher median remuneration for female Directors/KMP is influenced by the presence of two Executive female Directors / KMP with remuneration as approved by the shareholders.

   b. **Gross wages paid to females as % of total wages paid by the entity, in the following format:**

Category	FY 2026	FY 2025
Gross wages paid to females as % of total wages	4.80%	4.67%

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

5. **Describe the internal mechanisms in place to redress grievances related to human rights issues.**

   At Heritage Foods Limited, the Company has established internal mechanisms and policies for addressing grievances and concerns relating to human rights issues across the organization. The Company is committed to maintaining a safe, inclusive, ethical, and respectful workplace and follows a zero-tolerance approach towards any form of human rights violation.

   Internal Complaints Committees (ICCs) have been constituted across various locations in accordance with applicable laws to address complaints relating to sexual harassment. Complaints are handled in a confidential, fair, and time-bound manner, and appropriate corrective and disciplinary actions are taken wherever necessary.

The Company prohibits discrimination based on gender, age, religion, caste, disability, or any other protected characteristic. Employees may report concerns relating to discrimination, unfair treatment, or workplace misconduct through reporting managers, Human Resources, whistleblower/vigil mechanisms, or other designated grievance channels.

The Company strictly prohibits engagement of child labour, forced labour, bonded labour, or any form of involuntary labour across its operations. Compliance checks and contractor/vendor onboarding processes are undertaken to ensure adherence to applicable labour laws and ethical standards. Any violations identified are subject to immediate corrective action.

The Company is committed to fair wages, statutory compliance, and humane working conditions for employees and contractual workforce. Employees and workers may raise concerns relating to wages, benefits, working hours, workplace safety, or labour practices through Human Resources, grievance mechanisms, or escalation channels.

The Company also addresses concerns relating to workplace behaviour, dignity, equal opportunity, health and safety, contractor labour practices, and other human rights matters through established grievance redressal mechanisms and internal review processes.

All complaints and grievances are addressed through a defined escalation and review framework, ensuring confidentiality, fairness, and timely resolution. The Company follows a non-retaliation approach and open door policy regarding complains and ensures that individuals raising concerns in good faith are protected from retaliation or adverse treatment. Further, periodic awareness programmes, policy communication, and training initiatives are conducted to strengthen awareness on human rights, workplace ethics, diversity, inclusion, and respectful conduct across the organization.

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

	FY 2026			FY 2025		
	Filed during the year	Pending resolution at the end of year	Remarks	Filed during the year	Pending resolution at the end of year	Remarks
Sexual Harassment	0	0		0	0	
Discrimination at workplace	0	0		0	0	
Child Labour	0	0		0	0	
Forced Labour/Involuntary Labour	0	0		0	0	
Wages	0	0		0	0	
Other human rights related issues	0	0		0	0	

7. Complaints filed under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013, in the following format:

	FY 2026	FY 2025
Total Complaints reported under Sexual Harassment on of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 (POSH)	0	0
Complaints on POSH as a % of female employees / workers	0	0
Complaints on POSH upheld	0	0

8. Mechanisms to prevent adverse consequences to the complainant in discrimination and harassment cases.

Heritage Foods Limited is committed to maintaining a workplace free from harassment, including sexual harassment, and follows a zero-tolerance approach to any such unacceptable conduct. The Company encourages employees to report concerns relating to harassment and ensures prompt, fair, and appropriate redressal of complaints pertaining to harassment or any other unwelcome or offensive behaviour. These principles are embedded in the Company's Business Responsibility framework and Code of Conduct.

To foster awareness and promote a respectful work environment, the Company conducts regular awareness sessions and training programmes to educate employees on preventing sexual harassment, expected standards of workplace behaviour, and available grievance redressal mechanisms.

The Company also organises periodic workshops and sensitisation programmes to enhance employee understanding of the provisions of the Prevention of Sexual Harassment of Women at Workplace (POSH) Act. In addition, orientation programmes are conducted for members of the Internal Committee in accordance with the requirements prescribed under the Act and the rules framed thereunder.

Further, details regarding the constitution of the Internal Complaints Committee (ICC) under the POSH Act, along with information on the penal consequences of sexual harassment, are prominently displayed at conspicuous locations across all Company workplaces to ensure awareness and accessibility for all employees.

9. Do human rights requirements form part of your business agreements and contracts? (Yes/No)

Yes, Human rights requirements form a part of the Company's business agreements and contracts as and where relevant.

10. Assessments for the year:

	% of your plants and offices that were assessed (by entity or statutory authorities or third parties)
Child labour	100%
Forced/involuntary labour	100%
Sexual harassment	100%
Discrimination at workplace	100%
Wages	100%
Others – please specify	-

11. Provide details of any corrective actions taken or underway to address significant risks / concerns arising from the assessments at Question 10 above.

No corrective actions were taken or are underway, as no risks or concerns were identified in relation to child labour, forced/involuntary labour, sexual harassment, discrimination at the workplace, wages, or other related matters. Accordingly, the requirement for corrective action is not applicable.

Leadership Indicators

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

During the reporting period, no human rights grievances or complaints were received by the Company and, accordingly, no specific business process was required to be modified or introduced as a direct result of addressing such grievances. However, in recent years, the Company has continued to strengthen its ESG and responsible business framework by expanding and formalising policies and internal processes covering human rights, equal opportunity, diversity and inclusion, prevention of sexual harassment, whistleblower mechanism, code of conduct and ethics, health and safety, stakeholder engagement, responsible sourcing, and ESG expectations for value chain partners. These measures support a preventive, governance-led approach by creating structured channels for reporting concerns, reinforcing non-discrimination and ethical conduct, and enabling internal review of workplace- and stakeholder-related matters.

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

No specific standalone human rights due diligence was conducted during the reporting period. However, the Company remains committed to upholding human rights principles across its operations and business relationships. As part of its regular governance and compliance processes, the Company reviews matters related to employee welfare, workplace safety, non-discrimination, grievance redressal, statutory compliance, and fair labour practices. These processes help identify and address any potential human rights-related concerns within the organisation.

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

4. Details on assessment of value chain partners:

	% of value chain partners (by value of business done with such partners) that were assessed
Sexual Harassment	Nil as in FY26 However, the company, as per its policy for value chain partners, is in the process of assessing key value chain partners on human rights aspects.
Discrimination at workplace	
Child Labour	
Forced Labour/Involuntary Labour	
Wages	
Others – please specify	

5. Provide details of any corrective actions taken or underway to address significant risks / concerns arising from the assessments at Question 4 above.

No incidents or significant risks/concerns were identified from the assessments of value chain partners with respect to child labour, forced/involuntary labour, sexual harassment, discrimination at workplace, wages, or other related matters. Accordingly, no specific corrective actions were required or undertaken during the reporting period.

PRINCIPLE 6: Businesses should respect and make efforts to protect and restore the environment

Essential Indicators

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

Parameter	FY 2026	FY 2025
From renewable sources		
Total electricity consumption (A)	73,915.00	65,143
Total fuel consumption (B)	0	0
Energy consumption through other sources (C)	0	0
Total energy consumed from renewable sources (A+B+C)	73,915.00	65,143
From non-renewable sources		
Total electricity consumption (D)	1,80,379.92	1,64,142.00
Total fuel consumption (E)	14,394.60	14,226.00
Energy consumption through other sources (F)	5,75,649.60	5,64,567.00
Total energy consumed from non-renewable sources (D+E+F)	**7,70,424.12**	**7,42,935.00**
Total energy consumption (A+B+C+D+E+F)	**8,44,339.12**	**8,08,078.00**
Energy intensity per rupee of turnover (Total energy consumption / Revenue from operations)	0.0000191241	0.0000198035
Energy intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP) (Total energy consumption / Revenue from operations adjusted for PPP)	0.000388983	0.0004091
Energy intensity in terms of physical output	1.29	1.27
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.

Yes, The Company has voluntarily obtained Limited Assurance on BRSR Core disclosures.

Name of assurance provider: M/s. Grant Thornton Bharat LLP

The revenue from operations has been adjusted for PPP based on the latest PPP conversion factor published for the year 2026 by IMF which is 20.34 for India. (World Economic Outlook (April 2026) - Implied PPP conversion rate)

Previous year figures are regrouped/rearranged wherever necessary.

2. Does the entity have any sites / facilities identified as designated consumers (DCs) under the Performance, Achieve and Trade (PAT) Scheme of the Government of India? (Y/N) If yes, disclose whether targets set under the PAT scheme have been achieved. In case targets have not been achieved, provide the remedial action taken, if any.

Nil

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

Parameter	FY 2026	FY 2025
Water withdrawal by source (in kilolitres)		
(i) Surface water	0	0
(ii) Groundwater	10,14,484.91	9,97,532.50
(iii) Third party water	31,510.55	31,196.58
(iv) Seawater / desalinated water	0	0
(v) Others (Rain water Harvested)	60	0
Total volume of water withdrawal (in kilolitres) (i + ii + iii + iv + v)	**10,46,055.46**	10,28,729.08
Total volume of water consumption (in kilolitres)	**9,59,373.54**	10,00,861.08
Water intensity per rupee of turnover (Total water consumption / Revenue from operations)	0.0000217295	0.000024528
Water intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP) (Total water consumption / Revenue from operations adjusted for PPP)	0.00044200	0.000506749
Water intensity in terms of physical output	1.46	1.57
Water 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.

Yes, The Company has voluntarily obtained Limited Assurance on BRSR Core disclosures.

Name of assurance provider: M/s. Grant Thornton Bharat LLP

The revenue from operations has been adjusted for PPP based on the latest PPP conversion factor published for the year 2026 by IMF which is 20.34 for India. (World Economic Outlook (April 2026) - Implied PPP conversion rate)

Previous year figures are regrouped/rearranged wherever necessary.

4. Provide the following details related to water discharged

Parameter	FY 2026	FY 2025
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		
- No treatment	0	0
- With treatment – please specify level of treatment	0	0
(iii) To Seawater		
- No treatment	0	0
- With treatment – please specify level of treatment	0	0
(iv) Sent to third-parties		
- No treatment	0	0
- With treatment – Advanced	86,621.92	27,868.00
(v) Others		
- No treatment	0	0
- With treatment – Advanced	0	0
Total water discharged (in kilolitres)	86,621.92	27,868.00

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.

Yes, The Company has voluntarily obtained Limited Assurance on BRSR Core disclosures.

Name of assurance provider: M/s. Grant Thornton Bharat LLP

5. Has the entity implemented a mechanism for Zero Liquid Discharge? If yes, provide details of its coverage and implementation.

Yes, Heritage Foods Limited is committed to minimizing its environmental footprint and preserving natural resources for future generations. As part of this commitment, the Company has implemented a Zero Liquid Discharge (ZLD) programme at Packing Plants and Chilling Centrers (except for Corporate Office and Packing Plants at Rai, Haryana and Uppal, Telangana) aimed at eliminating liquid waste discharge from its operations and promoting sustainable water management practices.

The programme encompasses various aspects of the Company's operations and is designed to minimize the release of harmful chemicals, contaminants, and pollutants into the environment. To support this initiative, the Company has invested in advanced effluent treatment plants and wastewater management systems, while continuously exploring opportunities to enhance operational efficiency and further reduce environmental impact.

In line with its circular resource management practices, the Company also recycles and reuses treated effluent water generated during the production process for non-potable applications such as washing milk storage tankers and crates, as well as for gardening and other utility purposes. These initiatives reflect the Company's commitment to environmental stewardship, responsible resource utilization, and sustainable operations.

6. Please provide details of air emissions (other than GHG emissions) by the entity, in the following format:

Parameter	Please specify unit	FY 2026	FY 2025
NOx	µg/m3	25.10	28.05
SOx	µg/m3	16.77	17.66
Particulate matter (PM)	µg/m3	43.85	44.24
Persistent organic pollutants (POP)	NA	0	0
Volatile organic compounds (VOC)	NA	0	0
Hazardous air pollutants (HAP)	NA	0	0
Others – please specify	NA	0	0

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

Yes, The Company has voluntarily obtained Limited Assurance on BRSR Core disclosures.

Name of assurance provider: M/s. Grant Thornton Bharat LLP

7. Provide details of greenhouse gas emissions (Scope 1 and Scope 2 emissions) & its intensity, in the following format:

Parameter	Unit	FY 2026	FY 2025
Total Scope 1 emissions (Break-up of the GHG into CO_2, CH_4, N_2O, HFCs, PFCs, SF_6, NF_3, if available)	Metric tonnes of CO_2 equivalent	5,631.97	6,379.00
Total Scope 2 emissions (Break-up of the GHG into CO_2, CH_4, N_2O, HFCs, PFCs, SF_6, NF_3, if available)	Metric tonnes of CO_2 equivalent	35,875.56	34,515.00
Total Scope 1 and Scope 2 emission intensity per rupee of turnover (Total Scope 1 and Scope 2 GHG emissions / Revenue from operations)	Metric tonnes of CO_2 equivalent	0.0000009401	0.0000010022

Parameter	Unit	FY 2026	FY 2025
Total Scope 1 and Scope 2 emission intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP) (Total Scope 1 and Scope 2 GHG emissions / Revenue from operations adjusted for PPP)	tCO_2e/₹	0.00001912	0.00002071
Total Scope 1 and Scope 2 emission intensity in terms of physical output	tCO2e/MT	0.06324	0.0642
Total Scope 1 and Scope 2 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.

Yes, The Company has voluntarily obtained Limited Assurance on BRSR Core disclosures.

Name of assurance provider: M/s. Grant Thornton Bharat LLP

The revenue from operations has been adjusted for PPP based on the latest PPP conversion factor published for the year 2026 by IMF which is 20.34 for India. (World Economic Outlook (April 2026) - Implied PPP conversion rate)

Previous year figures are regrouped/rearranged wherever necessary.

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

Yes, Heritage Foods Limited has undertaken several initiatives to enhance energy efficiency and reduce greenhouse gas emissions as part of its sustainability and environmental management efforts. Some of the key initiatives implemented since FY 2024–25 include:

1. Transition to energy-efficient LED lighting across operational facilities.
2. Installation and utilization of renewable energy sources, including solar and wind power plants.

These initiatives are being continuously expanded and strengthened across the Company's operations during FY 2025–26, reflecting its ongoing commitment to energy conservation, emission reduction, and sustainable business practices.

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

Parameter	FY 2026	FY 2025
Total Waste generated (in metric tonnes)		
Plastic waste *(A)*	0	0
E-waste *(B)*	0	0.10
Bio-medical waste *(C)*	0	0
Construction and demolition waste *(D)*	0.10	0
Battery waste *(E)*	0	0
Radioactive waste *(F)*	0	0
Other Hazardous waste (G) (waste oil)	4.11	39.50
Other Non-hazardous waste generated *(H)* Boiler Ash	722.33	333.4
Total (A+B+C+D+E+F+G+H)	726.44	373.00
Waste intensity per rupee of turnover (Total waste generated / Revenue from operations)	0.0000000165	0.0000000091
Waste intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP) (Total waste generated / Revenue from operations adjusted for PPP)	0.000000335	0.000000189
Waste intensity in terms of physical output	0.0011068	0.0005854
Waste intensity*(optional)* – the relevant metric may be selected by the entity	0	0
For each category of waste generated, total waste recovered through recycling, re-using or other recovery operations (in metric tonnes)		
Category of waste		
(i) Recycled	2,309.00	6,701
(ii) Re-used	0.48	0
(iii) Other recovery operations	0	0
Total	**2,309.48**	**6,701**
For each category of waste generated, total waste disposed by nature of disposal method (in metric tonnes)		
Category of waste		
(i) Incineration	1,295	864
(ii) Landfilling (ETP & civil construction debris)	631.39	333.42
(iii) Other disposal operations	90.94	39.51
Total	**2017.33**	**1236.93**

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.

Yes, The Company has voluntarily obtained Limited Assurance on BRSR Core disclosures.

Name of assurance provider: M/s. Grant Thornton Bharat LLP

The revenue from operations has been adjusted for PPP based on the latest PPP conversion factor published for the year 2026 by IMF which is 20.34 for India. (World Economic Outlook (April 2026) - Implied PPP conversion rate)

Under EPR, Heritage Foods Limited is assigned annual targets for plastic waste recycling and end-of-life management by the SPCB. The reported figures for plastic disposal and recovery represent the credits allocated during the reporting year, based on the respective disposal and recovery processes, as sourced from the PCB dashboard.

While there is only plastic and cardboard waste generated at our packing plants, currently there is no mechanism in place to track segregated waste. Thus, waste generated at these plants has not been reported for the current year. The Company is in the process of developing a tracking system to enable reporting of segregated waste data from the next reporting period.

10. Briefly describe the waste management practices adopted in your establishments. Describe the strategy adopted by your company to reduce usage of hazardous and toxic chemicals in your products and processes and the practices adopted to manage such wastes.

Waste management across Heritage Foods Limited's dairy processing operations is based on the principles of segregation, treatment, recycling, and responsible disposal. Organic residues, milk waste, and process effluents generated during operations are routed to the Effluent Treatment Plant (ETP) and treated in accordance with applicable regulatory standards and environmental norms.

Packaging waste, including plastic, paper, and cartons, is systematically segregated and handed over to authorized recyclers for responsible recycling and disposal. Further, ETP sludge and other operational residues are disposed of through approved and authorized agencies in compliance with applicable waste management regulations.

The Company does not use hazardous or toxic chemicals in its dairy products or core manufacturing processes. Only approved food-grade cleaning agents and disinfectants are utilized in controlled quantities to maintain hygiene, sanitation, and food safety standards. Chemical usage is carefully managed through controlled dosing systems, standard operating procedures, employee training, and periodic monitoring to minimize environmental impact. Any residual cleaning waste generated is treated through the ETP prior to disposal.

In addition, hazardous waste and chemicals, wherever applicable, are stored, handled, and managed in accordance with the provisions of the Hazardous Wastes (Management, Handling and Transboundary Movement) Rules, 2008, and other applicable environmental regulations.

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:

S. No.	Location of operations/ offices	Type of operations	Whether the conditions of environmental approval / clearance are being complied with? (Y/N) If no, the reasons thereof and corrective action taken, if any.
1	Nil	Not applicable since no operations / offices are located in eco sensitive areas	Yes – on all cases where clearance is required

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
Nil	Not applicable		Nil/Not Applicable	Nil	Nil

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 hereunder (Y/N). If not, provide details of all such non-compliances, in the following format:

Yes

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
	Nil	Nil	Nil	Nil

Leadership Indicators

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

For each facility/plant located in areas of water stress, provide the following information: None of the company's units is located in water-stressed areas.

(i) Name of the area:

(ii) Nature of operations:

(iii) Water withdrawal, consumption and discharge in the following format:

Parameter	FY 2026	FY 2025
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

Parameter		FY 2026	FY 2025
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)	**Other**	0	0
	- No treatment	0	0
	- With treatment – please specify level of treatment	**0**	0
Total water discharged (in kilolitres)		**0**	0

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency. No

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

Parameter	Unit	FY 2026	FY 2025
Total Scope 3 emissions (Break-up of the GHG into CO_2, CH_4, N_2O, HFCs, PFCs, SF_6, NF_3, if available)	Metric tonnes of CO_2 equivalent	23,457.00	16,461.50
Total Scope 3 emissions per rupee of turnover		-	-
Total Scope 3 emission intensity (optional) – the relevant metric may be selected by the entity		-	-

Heritage Foods Limited is progressively improving the coverage and accuracy of its Scope 3 emissions calculation year on year. In FY26, the Company expanded the boundary to include downstream emissions related to sales-linked third-party logistics, thereby strengthening the comprehensiveness of its reporting. Further, the diesel emission factor used in FY25 has been revised from 2.702 kg CO2e per litre to 2.68 kg CO2e per litre, in alignment with India-specific emission factors prescribed under the BRSR ISF circular.

Emission Intensity under scope three not calculated since the company is in the process of capturing the travel related and any other identifiable scope 3 emissions in the coming years.

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency. No

3. With respect to the ecologically sensitive areas reported at Question 11 of Essential Indicators above, provide details of significant direct & indirect impact of the entity on biodiversity in such areas along-with prevention and remediation activities.

The Company does not have any operations in ecologically sensitive areas.

4. If the entity has undertaken any specific initiatives or used innovative technology or solutions to improve resource efficiency, or reduce impact due to emissions / effluent discharge / waste generated, 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
1	All plants are operating effluent Treatment plants	All manufacturing plants of Heritage Foods Limited are equipped with Effluent Treatment Plants (ETPs) to ensure proper treatment and management of wastewater generated during operations. As part of its sustainable water management practices, the Company recycles and reuses treated effluent water generated during the production process for non-potable applications such as washing milk storage tankers and crates, gardening, and other utility purposes. These initiatives support efficient resource utilization, water conservation, and environmentally responsible operations.	At 1.46 litres of water per 1.00 Kg of output, Heritage Foods' water intensity is better than many general dairy processing benchmarks and is close to the efficient lower band of water use for dairy plants. The Water intensity per rupee turnover has come down from 0.000024528 KL/Rupee for FY2024-25 to 0.0000217295 KL/Rupee in FY 2025-26. Water Intensity in terms of Physical output has improved by 0.11 KL/Tonne in FY 2025-26 as compared to 1.57 KL/Tonne in FY 2024-25

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency: No

5. Does the entity have a business continuity and disaster management plan? Give details in 100 words/ web link.

Yes, Heritage Foods Limited has implemented a comprehensive and robust risk management framework designed to identify, assess, monitor, and mitigate risks that may impact the Company's operations, reputation, assets, employees, or other stakeholders. The framework enables the Company to proactively identify potential risks and vulnerabilities and take appropriate preventive and corrective measures to minimize the likelihood and impact of adverse events.

The Company's risk management framework adopts a structured and systematic approach encompassing risk identification, analysis, evaluation, mitigation, monitoring, and reporting. It involves active participation from key stakeholders across functions, implementation of preventive controls, and establishment of contingency and business continuity plans to effectively manage potential risks.

Further, the Company's Risk Management, Business Continuity, and Disaster Management framework is guided by fundamental risk management principles aligned with internationally recognized standards, including ISO 31000 (Risk Management – Principles & Guidelines) and the COSO Enterprise Risk Management Framework.

The detailed Risk Management Policy of the Company is available on the Company's website at https://www.heritagefoods.in/uploads/investors/pdf/17339093868Risk_Management_Policy.pdf

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 recognizes that certain environmental impacts may be linked to its value chain partners, particularly in dairy farming, transportation, packaging materials, and feed sourcing, including greenhouse gas emissions, water consumption, and waste generation. The Company predominantly procures milk from small and marginal dairy farmers through a decentralized sourcing network, rather than from large commercial dairy farms. No significant adverse environmental impact from the value chain has been identified during the reporting period.

The Company continues to engage with its value chain partners through awareness and capacity-building initiatives focused on sustainable dairy farming practices, efficient resource utilization, responsible waste management, and compliance with applicable environmental norms, while encouraging adoption of environmentally responsible practices across the value chain.

7. Percentage of value chain partners (by value of business done with such partners) that were assessed for environmental impacts.

0.00%

During the year, the Company assessed upstream and downstream transport contractors for their contribution to Scope 3 emissions reporting. The Company currently does not have a formalized mechanism to comprehensively assess environmental impacts across all value chain partners, particularly as milk procurement is largely undertaken through an extensive network of small and marginal dairy farmers.

Nevertheless, the Company remains committed to promoting environmental responsibility across its value chain. Transport contractors engaged by the Company are required to comply with applicable vehicular emission norms and other regulatory requirements prescribed by the relevant authorities. The Company also continues to encourage sustainable and responsible operational practices among its value chain partners and is exploring opportunities to further strengthen sustainability-related monitoring and engagement frameworks over time.

8. How many Green Credits have been generated or procured:

By the listed entity	11,106,000
By the top ten (in terms of value of purchases and sales, respectively) value chain partners	-

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

Essential Indicators

1.

a. Number of affiliations with trade and industry chambers/ associations: 3

b. List the top 10 trade and industry chambers/ associations (determined based on the total members of such body) the entity is a member of/ affiliated to.

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 entity, based on adverse orders from regulatory authorities

Name of authority	Brief of the case	Corrective action taken
Not Applicable	Nil	Nil

Leadership Indicators

1. Details of public policy positions advocated by the entity.

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
1	Heritage Foods has, from time to time, expressed sector-level perspectives on measures that can support the long-term development of India's dairy industry. The Company has advocated enabling interventions such as improved access to quality cattle feed, support for animal productivity, strengthening of veterinary education and services, and encouragement for decentralised dairy units, including those led by women entrepreneurs. These positions are aligned with the broader objective of enhancing farmer incomes, improving milk productivity, expanding organised dairy procurement and strengthening the rural dairy ecosystem.	Interactions with media and industry forums	Yes	No formal review of public policies	https://uniindia.com/news/business-economy/business-union-budget-heritage-foods/3705595.html

PRINCIPLE 8 Businesses should promote inclusive growth and equitable development

Essential Indicators

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

Name and brief details of 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
Nil	Not applicable	Not applicable	Not applicable	Nil	Nil

Company has not undertaken any social impact assessment of any of its project

2. Provide information on project(s) for which ongoing Rehabilitation and Resettlement (R&R) is being undertaken by your entity, 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	Amounts paid to PAFs in the FY (In INR)
1	Nil	Nil	NIl	Nil	0	0

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

Heritage Foods Limited recognizes the importance of providing communities with accessible and effective channels for reporting grievances and raising concerns. Accordingly, the Company has established a comprehensive grievance redressal mechanism that enables community members and stakeholders to communicate their concerns through multiple channels of communication.

By actively engaging with communities, acknowledging and addressing concerns in a timely manner, and maintaining transparent and responsive processes, the Company strives to build trust-based relationships and foster a collaborative and inclusive environment. The Company remains committed to ensuring that community feedback is appropriately addressed and incorporated into its stakeholder engagement and social responsibility initiatives.

4. Percentage of input material (inputs to total inputs by value) sourced from suppliers:

	FY 2026	FY 2025
Directly sourced from MSMEs and small producers	82.94%*	89.03%*
Directly from within India	98.74%	100%

* The percentage is calculated by aggregating the total Purchases during the year for Raw materials and Packing Material, capital expenditure and value of inputs procured from MSMEs and small producers (i.e., milk procured from dairy farmers) and dividing the same by the total value of inputs. MSME list of vendors has been revisited.

5. Job creation in smaller towns – Disclose wages paid to persons employed (including employees or workers employed on a permanent or non-permanent / on contract basis) in the following locations, as % of total wage cost

Location	FY 2026	FY 2025
Rural	30.18%	23.79%
Semi-urban	16.07%	20.10%
Urban	6.71%	11.35%
Metropolitan	47.04%	44.76%

Note: The previous figures are re-grouped/re-classified

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	Nil

Company has not undertaken any social impact assessment of any of its project

2. Provide the following information on CSR projects undertaken by your entity in designated aspirational districts as identified by government bodies

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

3.

(a) Do you have a preferential procurement policy where you give preference to purchase from suppliers comprising marginalized / vulnerable groups? Yes

(b) From which marginalized /vulnerable groups do you procure?

Yes. The company procures the raw milk from the small & marginal farmers, through its representatives.

(c) What percentage of total procurement (by value) does it constitute?

98.57% of the Total Milk procured by the Company (by value) is sourced from small & marginal 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
1	Nil	NA	NA	NA

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	Nil	Nil

6. Details of beneficiaries of CSR Projects

S. No.	CSR Project	No. of persons benefitted from CSR Projects	% of beneficiaries from vulnerable and marginalized groups
1	The net CSR obligation of the Company for FY 2025–26 is at ₹12.58 million. Out of this, the Company has spent ₹2.58 million towards the ongoing construction of a blood bank centre at Vijayawada under the healthcare initiative of "Promoting health care including preventive healthcare", through the Implementing Partner M/s. NTR Trust. The remaining unspent amount of ₹10.00 million, pertaining to rural development initiatives under an on-going /multi-year project has been transferred to the "HFL Unspent Corporate Social Responsibility Account for On-going/Multiyear Project FY 2025–26.	The project involves the construction of a blood bank centre, which is a public healthcare infrastructure initiative. As the facility is currently under development, the exact number of direct beneficiaries cannot be ascertained at this stage. However, upon completion and operationalization, the project is expected to benefit a large number of patients and healthcare institutions by improving access to safe blood and supporting emergency and preventive healthcare services in the region.	The project involves the development of public healthcare infrastructure in the form of a blood bank centre. As the facility is under construction and not yet operational, the exact proportion of beneficiaries from vulnerable and marginalized groups cannot be specifically determined at this stage. However, the project is intended to serve the broader community, including economically weaker sections and vulnerable populations, by enhancing access to essential healthcare services.

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

Essential Indicators

1. Describe the mechanisms in place to receive and respond to consumer complaints and feedback.

Heritage Foods Limited is committed to providing consumers with high-quality products and superior customer service. The Company treats consumer complaints and feedback with utmost seriousness and is dedicated to listening to and addressing customer concerns in a timely, transparent, and effective manner.

To ensure efficient grievance redressal, the Company has established a robust mechanism for receiving, tracking, and responding to consumer complaints and feedback. A dedicated customer service team is trained to handle concerns with professionalism, sensitivity, and empathy, while working closely with relevant departments and product teams to identify appropriate solutions and enhance customer experience.

The team endeavors to attend to and resolve complaints within 48 hours from the receipt of the complaint. The Company has also provided a dedicated customer care email ID, customercare@heritagefoods.in, and a toll-free helpline number, 1-800-425-2931, for customer grievance redressal and support. . During FY 25-26 there were 1019 Customer complaints were received and resolved by the team.

The Company believes that every customer deserves to have their voice heard and remains committed to providing the necessary support and attention to address grievances and queries effectively. Its continued focus on customer satisfaction has helped strengthen consumer trust and reinforce its reputation for responsive and reliable customer service.

As part of its customer-centric approach, the Company provides multiple channels for consumers to connect with it, including a toll-free number, customer care centre, and email support details printed on product packaging, enabling customers to conveniently raise grievances, provide feedback, or seek information. During the period the 1019 Customer complaints were received and resolved by the team.

2. Turnover of products and/ services as a percentage of turnover from all products/services that carry information about

	As a percentage to total turnover
Environmental and social parameters relevant to the product	100%
Safe and responsible usage	100%
Recycling and/or safe disposal	100%

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

	FY 2026			FY 2025		
	Received during the year	Pending resolution at end of year	Remarks	Received during the year	Pending resolution at end of year	Remarks
Data privacy	0	0		0	0	
Advertising	0	0		0	0	
Cyber-security	0	0		0	0	
Delivery of essential services	0	0		0	0	
Restrictive Trade Practices	0	0		0	0	
Unfair Trade Practices	0	0		0	0	
Other	1019	0	The consumer's complaints are resolved within 48 hrs from receiving the complaint depending on availability of the consumer	944	0	The consumer's complaints are resolved within 48 hrs from receiving the complaint depending on availability of the consumer

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

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

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

Yes, The Company has a policy in place for ensuring cyber security, the same is available at https://www.heritagefoods.in/uploads/investors/pdf/17156925425HFL-Cyber-Security-Policy.pdf

6. Provide details of any corrective actions taken or underway on issues relating to advertising and delivery of essential services; cyber security and data privacy of customers; re-occurrence of instances of product recalls; penalty / action taken by regulatory

authorities on safety of products / services.

The Company has established internal policies, standard operating procedures, and compliance monitoring mechanisms to address matters relating to advertising and communication, delivery of products and services, cyber security and customer data privacy, product quality and safety, and regulatory compliance.

The Company has implemented cyber security controls, access management protocols, data protection measures, system monitoring mechanisms, and business continuity measures. Redundancy in IT infrastructure, backup systems, and incident response processes are continually being strengthened to prevent, detect, and respond to potential cyber threats and data security risks. Further, the Company initiated implementation of the ISO 27001 compliance framework during FY 2025-26 to strengthen its Information Security Management System (ISMS), and subsequently obtained the certification in April 2026.

During the reporting period, no significant incidents requiring major corrective action were reported in relation to misleading advertising, cyber security breaches involving customer data, repeated product recalls, or penalties/actions by regulatory authorities concerning the safety of products or services. The Company continues to strengthen preventive controls, employee awareness, quality assurance systems, and regulatory compliance processes on an ongoing basis.

7. Provide the following information relating to data breaches

a. Number of instances of data breaches: 0

b. Percentage of data breaches involving personally identifiable information of customers

c. Impact, if any, of the data breaches: Nil

Leadership Indicators

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

The Company has focused on creation of digital platforms to strengthen direct connect with consumers and channel partners. The weblink from which information on the products and services of the Company can be accessed at:

https://www.heritagefoods.in/

https://www.linkedin.com/company/hfltd/

https://x.com/hfltd

http://facebook.com/heritagefoodslimited

https://www.instagram.com/heritagefoodslimited/

https://www.youtube.com/channel/UCPH0y1j4tFk5HJFhIknehow

Select products packaging carries QR codes enabling access to information such as product traceability and batch identification, manufacturing and expiry details, and other relevant product information.

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

Heritage Foods informs and educates consumers on the safe and responsible usage of its products through clear product labelling, packaging instructions, statutory declarations, customer communication channels and digital platforms. The Company's product packaging carries relevant information such as ingredients, nutritional details, FSSAI certification, batch details, date markings, storage conditions, usage instructions and customer care details. For perishable dairy products, specific instructions relating to refrigeration, handling after opening and consumption within the prescribed shelf life are provided to promote safe consumption.

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

Heritage Foods Limited has established multiple mechanisms to ensure that consumers are informed in the event of any risk relating to disruption or discontinuation of essential services. The Company communicates such information through structured customer engagement and statutory disclosure mechanisms.

Key mechanisms include:

- Conducting consumer surveys and communication initiatives that provide information on procedures, risks involved, benefits, and alternative arrangements available in case of any disruption of essential services.
- Maintaining robust customer communication channels, including a toll-free customer care number, customer care centre, and dedicated email support, enabling consumers to seek clarification, register grievances, and receive timely updates.
- Complying with the requirements of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, under which the Company promptly informs Stock Exchanges and uploads material information on its website regarding any event that may significantly impact operations or services.
- Disseminating product and service-related information through the Company's official website and product packaging, ensuring consumers have access to relevant updates and regulatory disclosures.
- Information is also disseminated through direct communication with distributors and retail partners, customer care support, official website updates, social media platforms, field sales teams, retail point communication, and other consumer engagement mechanisms.

For customer assistance and updates, consumers may also access the Company's official contact channels through Heritage Foods Limited and the dedicated Customer Care Contact Page.

During FY 2025-26, there were no instances of significant disruption or discontinuation in the availability of products to customers

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. 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 a whole? (Yes/No)

Yes,Heritage Foods Limited provides additional voluntary information on its product packaging over and above what is mandated under applicable food safety laws. This typically includes details such as nutritional highlights, usage suggestions, storage instructions, quality assurances, and consumer care contact information (toll-free number/email) to enhance transparency and consumer awareness.

The Company has conducted consumer satisfaction surveys covering its major products and key markets/locations of operation. These surveys are aimed at assessing customer experience, product quality perception, service efficiency, and overall brand satisfaction, and the feedback is used for continuous improvement in products and services.

Independent Practitioner's limited assurance report on Identified Sustainability Information included in Heritage Foods Limited's Business Responsibility and Sustainability Report

To
The Board of Directors,
Heritage Foods Limited
Hyderabad, Telangana, India

1. We have been engaged to perform a limited assurance engagement for Heritage Foods Limited ('HFL' or 'the Company') vide our engagement letter dated 20 May 2026, in respect of non-financial information pertaining to core attributes of Business Responsibility and Sustainability Report (BRSR) listed below ("Identified Sustainability Information") prepared by the Company's management in accordance with the criteria stated in paragraph 5 below. This Identified Sustainability Information is included in the BRSR section in the Annual Report of the Company for the financial year ended 31 March 2026. This engagement was conducted by a multidisciplinary team including assurance practitioners.

Identified Sustainability Information

2. The Identified Sustainability Information for the financial year ended 31 March 2026, is summarised below:

Attribute	Principle	Key Performance Indicator
Energy footprint	Principle 6 – 1	• Total energy consumption (in Joules or multiples) and energy intensity • % of energy consumed from renewable sources • Energy intensity
Water footprint	Principle 6 – 3	• Total water consumption • Water consumption intensity
	Principle 6 – 4	• Water Discharge by destination and levels of Treatment
Greenhouse (GHG) footprint	Principle 6 – 7	Greenhouse gas emissions (Scope 1 and Scope 2 emissions) & its intensity
Embracing circularity - details related to waste management by the entity	Principle 6 – 9	• Details related to waste generated by the entity (category wise) • Waste intensity • Each category of waste generated, total waste recovered through recycling, re-using or other recovery operations • For each category of waste generated, total waste disposed by nature of disposal method
Enhancing Employee Wellbeing and Safety	Principle 3 – 1(c)	Spending on measures towards well-being of employees and workers (including permanent and other than permanent)
	Principle 3 – 11	Safety related incidents: • Lost Time Injury Frequency Rate (LTIFR) (per one million-person hours worked) • Total recordable work-related injuries • No. of fatalities • High consequence work-related injury or ill-health (excluding fatalities)
Enabling Gender Diversity in Business	Principle 5 – 3(b)	Gross wages paid to females as % of total wages paid by the entity
	Principle 5 – 7	Complaints filed under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013
Enabling Inclusive Development	Principle 8 – 4	Input material sourced from following sources as % of total purchases – Directly sourced from MSME/ Small producers and from within India
	Principle 8 – 5	Job creation in smaller towns – Wages paid to persons employed (including employees or workers employed on a permanent or non-permanent / on contract basis) in the locations, as % of total wage cost
Fairness in Engaging with Customers and Suppliers	Principle 1 – 8	Number of days of accounts payables
	Principle 9 – 7	Instances involving loss / breach of data of customers as a percentage of total data breaches or cyber security events
Open-ness of business	Principle 1 – 9	Details of concentration of purchases and sales with trading houses, dealers, and related parties along-with loans and advances & investments, with related parties

3. Boundary of the report covers HFL's operations in India which includes the Corporate Office,Chilling Centres andProcessingPlants.

4. Our limited assurance engagement is with respect to the Identified Sustainability Information for the reporting boundary as mentioned above for financial year ended 31 March 2026 only unless otherwise stated and we have not performed any procedures with respect to earlier periods or any other elements included in the BRSR and therefore, do not express any conclusion thereon.

Criteria

5. The criteria used by the Company to prepare the Identified Sustainability Information is summarised below (hereinafter referred to as 'the Criteria'):

Regulation 34(2)(f) of the Securities and Exchange Board of India (the "SEBI") (Listing Obligations and Disclosure Requirements), Regulations, 2015 ('LODR Regulations') as amended, read with SEBI Master circular HO/49/14/14(7)2025-CFD-POD2/I/3762/2026 dated 30 January 2026 and BRSR Core Reporting Standard formulated by Industry Standards Forum.

Management's Responsibilities

6. The Company's management is responsible for selecting or establishing suitable criteria for preparing the Identified Sustainability Information, taking into account applicable laws and regulations, if any, related to reporting on the Identified Sustainability Information, identification of key aspects, engagement with stakeholders, content, preparation and presentation of the Identified Sustainability Information in accordance with the Criteria. This responsibility includes design, implementation and maintenance of internal control relevant to the preparation of the BRSR and the measurement of Identified Sustainability Information, which is free from material misstatement, whether due to fraud or error.

Inherent limitations

7. The absence of a significant body of established practice on which to draw to evaluate and measure non-financial information allows for different, but acceptable, measures and measurement techniques and can affect comparability between entities.

Practitioner's Independence and Quality Control

8. We have complied with the independence and other ethical requirements of the International Code of Ethics for Professional Accountants (including International Independence Standards) ('IESBA Code') issued by the International Ethics Standards Board for Accountants' ('IESBA'), which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour and we have the required competencies and experience to conduct this assurance engagement.

9. Our firm applies International Standard on Quality Management (ISQM) 1, "Quality Management for Firms that Perform Audits or Reviews of Financial Statements, or Other Assurance or Related Services Engagements", which requires the firm to design, implement and operate a system of quality management including policies and procedures regarding compliance with ethical requirements, professional standards, and applicable legal and regulatory requirements.

Practitioner's Responsibility

10. Our responsibility is to express a limited assurance in the form of a conclusion on the Identified Sustainability Information based on the procedures we have performed and evidence we have obtained.

11. We conducted our limited assurance engagement in accordance with the International Standard on Assurance Engagements (ISAE) 3000 (Revised), "Assurance Engagements other than Audits or Reviews of Historical Financial Information ('ISAE 3000 (Revised)') issued by the International Auditing and Assurance Standards Board ('IAASB'). This standard requires that we plan and perform our engagement to obtain limited assurance about whether anything has come to our attention to believe that the Identified Sustainability Information is not prepared, in all material respects, in accordance with the Criteria or is not free from material misstatement.

12. A limited assurance engagement undertaken in accordance with ISAE 3000 involves assessing the suitability in the circumstances of the Company's use of the Criteria as the basis for the preparation of the Identified Sustainability Information, identifying areas where material misstatement is likely to arise in the Identified Sustainability Information whether due to fraud or error, designing and performing procedures to address identified risk areas as necessary in the circumstances, and evaluating the overall presentation of the Identified Sustainability Information.

13. The procedures performed in a limited assurance engagement vary in nature and timing from, and are less in extent than for, a reasonable assurance engagement. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had we performed a reasonable assurance engagement. Accordingly, we do not express a reasonable assurance opinion about whether the Identified Sustainability Information have been prepared, in all material respects, in accordance with the Criteria.

14. The procedures we performed were based on our professional judgment and included inquiries, observation of processes performed, inspection of documents, evaluating the appropriateness of quantification methods and reporting policies, analytical procedures and agreeing or reconciling with underlying records.

15. Given the circumstances of the engagement, in performing the procedures listed above, we:

- Performed walkthrough and discussion with individual data owners for understanding business processes, data management processes, and to verify data and documents;
- Carried out discussions at the corporate office for data and document verification;
- Interviewed senior executives to understand the reporting process, governance, systems and controls in place during the reporting period.
- Reviewed the records and relevant documentation including information from audited financial statements or statutory reports submitted by the Company to support relevant performance disclosures within our scope.
- Evaluated the suitability and application of the Criteria and that the Criteria has been applied appropriately to the subject matter.
- Selected key parameters and representative sampling, based on statistical audit sampling tables and agreeing claims to source information to check accuracy and completeness of claims such as source data, meter data, etc.
- Re-performed calculations to check accuracy of claims,
- Reviewed data from independent sources, wherever available,
- Reviewed data, information about sustainability performance indicators and statements in the report.
- Reviewed and verified information/ data as per the Criteria;
- Reviewed accuracy, transparency and completeness of the information/ data provided;

Exclusions

16. Our limited assurance engagement scope excludes the following and therefore we do not express a conclusion on the same:

- Aspects of the BRSR and data/information (qualitative or quantitative) other than the Identified Sustainability Information.
- Operations of the Company other than those mentioned in the paragraph 2 and 3 above on Scope of Assurance
- Data and information outside the defined reporting period
- Data related to Company's financial performance, strategy and other related linkages expressed in the Identified Sustainability Information.
- The statements that describe expression of opinion, belief, aspiration, expectation, forward looking statements provided by the Company
- Assertions related to Intellectual Property Rights and other competitive issues.
- Mapping of the Identified Sustainability Information with reporting frameworks other than those mentioned in Criteria above.
- While we considered the effectiveness of management's internal controls when determining the nature and extent of our procedures, our assurance engagement was not designed to provide assurance on internal controls.
- The procedures did not include testing controls or performing procedures relating to checking aggregation or calculation of data within IT systemsWhile we considered the effectiveness of management's internal controls when determining the nature and extent of our procedures, our assurance engagement was not designed to provide assurance on internal controls.
- The procedures did not include testing controls or performing procedures relating to checking aggregation or calculation of data within IT systems.

Conclusion

17. Based on the procedures we have performed and the evidence we have obtained and the information and explanations given to us along with the representation provided by the management, nothing has come to our attention that causes us to believe that the Identified Sustainability Information included in the BRSR for the financial year ended 31 March 2026, is not prepared in all material respects, in accordance with the Criteria.

Other Matter

18. The information pertaining to the financial year ended 31 March 2025, included as comparative information in the Identified Sustainability Information, has been certified by the management and was not subjected to limited / reasonable assurance engagement.

    Our conclusion is not modified with respect to this matter

Restriction on use

19. Our limited assurance report has been prepared and addressed to the Board of Directors of the Company at the request of the Company solely, to assist the Company in reporting on the Company's sustainability performance and activities. Accordingly, this report may not be suitable for any other purpose and should not be used by any other party other than the Board of Directors of the Company. Further, we do not accept or assume any duty of care or liability for any other purpose or to any other party to whom this report is shown or into whose hands it may come without our prior consent in writing

Grant Thornton Bharat LLP

Dated: June 19, 2026
Place: Grant Thornton Bharat LLP
Unit No. 02, Second Floor,
BPTP Capital City,
Plot No – 2B, Sector – 94,
Gautam Buddha Nagar,
Noida – 201301,
Uttar Pradesh, India

Abhishek Tripathi
Partner

Management Discussion and Analysis

Global Economy

The global economy continues to navigate a complex and uncertain environment, marked by elevated macroeconomic volatility, evolving trade frameworks and persistent fiscal challenges. Despite ongoing geopolitical tensions and financial headwinds, global economic growth remained steady at 3.3% in 2025.

Performance of Major Economies

Growth in advanced economies stood at 1.7% in 2025, with high-tech investment providing a partial offset. The US economy's economic activity faced headwinds from trade barriers but gradually improved, supported by expansionary fiscal policy, resilient consumer spending and a strong labour market.

The European Union showed resilience with a steady 1.4% growth in 2025, primarily driven by stable consumer spending and stable labour markets. However, higher tariffs and heightened geopolitical tension weighed on export performance.

On the other side, China demonstrated positive performance with 5.0% growth in 2025, supported by strong policy measures that bolstered domestic demand and robust exports to non-US markets despite some temporary tariff pressures.

Global Industrial Output

Strong demand for goods produced in emerging markets has supported steady growth in industrial output during the year. Factory production in these economies increased by 3.1%, reflecting a notable improvement. In contrast, industrial output in advanced economies grew by 1.3%. As in recent years, emerging markets remained the key contributors to global industrial growth.

Global Inflation Trends and Commodity Markets

Global headline inflation is expected to decline from an estimated 4.1% in 2025 to 3.8% in 2026, with advanced economies reaching target levels.

Commodity prices showed divergent trends because of ample supply and sluggish demand. Global oil prices remained stable throughout the year, primarily driven by improved production levels and easing supply-side constraints.

Global Trade Dynamics and Tariff Developments

In 2025, a sharp increase in tariffs by the United States triggered trade frictions across global markets, raising trade costs, restricting market access and creating uncertainty across global supply chains. Despite these challenges, global trade demonstrated resilience as economies steadily adjusted to evolving trade patterns and policy changes.

This period of adjustment encouraged businesses and governments to realign supply chains and explore new trade partnerships, creating opportunities for more sustainable and inclusive growth. As a result, global trade expanded by 3.8%, supported by robust merchandise trade and the front-loading of shipments ahead of anticipated tariff changes.

Advanced economies are expected to witness modest output growth of 1.4%, in contrast to stronger growth of 3.7% in emerging markets and developing economies (EMDEs).

Global Financial Markets and Capital Flows

Global financial markets and cross-border capital flows remained vulnerable during the year, with equity markets showing fluctuations across regions and valuations appearing stretched in some economies. At the same time, global debt reached a record high by the end of 2025, due to persistent fiscal deficits in major economies. The US dollar is steadily appreciating, solidifying its leadership in the global financial landscape.

Outlook of Global Economy 2027

The global economic outlook demonstrates resilience and opportunity. Global output is anticipated to grow steadily by 3.3% in 2026 and 2027, with the US maintaining strong momentum and emerging economies exhibiting significant growth potential. Advanced economies, particularly in Europe, are expected to experience moderate growth.

Economic policy shifts are likely to drive businesses to adapt, innovate and compete in a rapidly changing global market. Together, these factors will shape a dynamic business environment, strategic planning and resilience across industries.

(Sources: IMF, World Bank)

Indian Economy

Overview

India continues to demonstrate strong economic momentum and it is expected to remain the fastest-growing major economy over the next two years, supported by resilient consumption, improving rural demand, expanding services and a growing share of high-value manufacturing in exports, with GDP growth reached 6.2% in FY2026 following 6.5% in FY2025.

Indian Economy -Inflation and Monetary Policy

In FY26, annual inflation declined to 1.7%, compared with 4.7% in the previous year. This moderation was supported by favourable weather conditions, stable commodity prices, improved supply chains and a sharp fall in vegetable prices.

Amid easing inflationary pressures, the Reserve Bank of India reduced the repo rate by 25 basis points to 6.25% in April, marking the first rate cut of 2025, followed by a further reduction to 5.50% in June. Alongside this, urban unemployment showed signs of improvement in FY2026, reflecting gradual strengthening in the labour market. Together, these factors are supporting consumption growth, driven by improved liquidity and rising disposable incomes.

These developments, combined with rising disposable incomes and increasing urbanisation, are supporting consumption-led growth. Changing consumption patterns—particularly the shift toward branded, value-added and convenience-driven products—are further strengthening demand across sectors, including FMCG and dairy.

Industry Dynamics

In FY2026, the agriculture sector experienced a growth of 3.5% in Q2, the industry sector expanded by 7% in H1 and the service sector is anticipated to grow by 9.1%. The core sector had grown by 2.6% from April to December in 2025. India Manufacturing Purchasing Managers' Index (PMI) surged to 56.90 in February 2026. This marked a four-month high and signals a notable improvement in operating conditions.

The net Goods and Services Tax (GST) collections rose by 7.1% to ₹19.34 lakh crores in the fiscal year 2026, reflecting an increase in economic activity despite global economic challenges.

Outlook of Indian Economy

In FY2027, the Indian economy is expected to witness stronger growth compared to the previous year, with real GDP projected to expand between 7% and 7.4%, supported by robust private consumption.

While global uncertainties such as economic slowdown and rising protectionist measures could pose risks to growth, India's ongoing trade engagements are expected to provide a counterbalance. Trade agreements with key partners such as the United Kingdom, the United States and the European Union are likely to strengthen bilateral trade by improving market access for goods and services.

These agreements emphasise labour-intensive sectors, support the "Make in India" initiative, enhance export competitiveness and facilitate greater mobility for Indian professionals through simplified access for service providers, business visitors and independent professionals.

(**Sources:** PIB, IBEF, PRS India, Indie Briefing, Economics Times, Reuters, USembassy, weforum)

Global Economy Point	Effect on Heritage Foods	Type	Business Area Affected
EMDE growth at 4.2–4.4%	Rising incomes in core markets drive demand and premiumisation across value-added dairy products.	Opportunity	Dairy Sales and Value-Added Products As household incomes rise in Heritage's heartland markets, consumers trade up from plain milk to curd, paneer, flavoured milk and premium ice cream. Heritage's 418+ SKU portfolio and parlour network are directly positioned to capture this upgrade cycle, supporting both revenue growth and higher-margin product mix.
Global inflation easing from 4.1% to 3.8%	Softening input cost pressures on feed, packaging and logistics. Real consumer incomes rise, supporting spending on premium dairy.	Opportunity	Margins and Consumer Demand Lower inflation directly reduces Heritage's two largest variable costs — cattle feed and packaging materials. At the same time, real disposable income gains among consumers reduce price sensitivity, giving Heritage room to hold or improve pricing on premium lines like cheese, ghee and UHT milk without losing volume.
Industrial output in EMDEs up 3.1%	Broader rural economic activity boosts farmer incomes, strengthening Heritage's milk procurement network of 200,000+ dairy farmers.	Opportunity	Milk Procurement and Animal Feed Heritage's supply chain relies on a vast network of smallholder dairy farmers. Rising rural incomes support better herd health and productivity, improving milk yield and quality. This also drives demand for animal feed and veterinary products, creating an additional revenue stream.
Global trade expanding 3.8%; supply chain realignment	New export corridors open for Indian dairy as global supply chains shift post-tariff disruptions — particularly toward Southeast Asia, Middle East and Africa.	Opportunity	Export Business Heritage exports dairy products and is expanding its processing capacity. As global trade shifts create new opportunities, Indian dairy is becoming more attractive in markets such as the Gulf, ASEAN and Africa. Heritage can leverage its 2.78 millions litres per day capacity to scale exports of dairy whitener, milk powder and ghee.
Stable global oil prices	Lower transportation and logistics costs across Heritage's extensive procurement and distribution network spanning thousands of villages and multiple states.	Opportunity	Logistics and EBITDA Margins Heritage runs one of South India's most extensive cold-chain and milk collection networks, with daily procurement routes across rural Andhra Pradesh, Telangana and Karnataka. Fuel costs are a significant operational expense. Stable oil prices hold down fleet operating costs, refrigeration energy and outbound distribution — directly flowing through to EBITDA without requiring any pricing action.
Resilient consumer spending globally	Aligns with Heritage's Vision 2030 premiumisation strategy — acquisition of Get-A-Way and new 24mn litre ice cream facility benefit from health-focused consumer trends.	Opportunity	Premium and Health Segment Heritage's acquisition of Get-A-Way and its new 24 millions litre ice cream facility align with the growing demand for health-conscious indulgence. With resilient consumer spending in such categories, its expanding health-focused portfolio is well positioned to capture this trend.
US tariff escalation; financial market volatility	Global risk-off sentiment reduces foreign portfolio investor appetite for Indian mid-caps. Heritage's market cap has already declined ~25% over the past year.	Risk	Stock Valuation and Investor Sentiment Heritage Foods, a BSE/NSE-listed mid-cap with strong institutional participation, may face valuation pressure during global financial stress as foreign investors reduce exposure to emerging markets. This can increase the cost of equity and potentially impact expansion and acquisition plans.
US dollar appreciating	Imported inputs — specialised packaging, feed additives, dairy processing equipment — become more expensive in rupee terms.	Risk	Input Costs and Capital Expenditure While Heritage is primarily domestic, certain inputs such as packaging materials, specialised machinery and feed supplements are linked to the US dollar. A stronger dollar increases these costs in rupee terms. During ongoing capex, higher import costs may stretch project budgets and impact returns.
Global supply chain disruptions from tariff wars	Potential disruption to availability and pricing of specific inputs — packaging, specialty feed ingredients and components for Heritage's solar and wind energy operations.	Risk	Input Supply and Renewable Energy Heritage operates solar and wind power plants to reduce energy costs and support margins. Howe.ver, key components for renewable energy and certain inputs like feed additives and packaging materials depend on global supply chains. Disruptions may increase costs, delay expansions, or raise working capital requirements.

Global Dairy Industry

Dairy products represent a resilient and structurally essential segment of the global food industry, underpinned by consistent consumption, strong nutritional relevance and enduring consumer trust. Anchored by milk and supported by a diversified portfolio of value-added products, the dairy sector continues to balance heritage with innovation, adapting to evolving dietary preferences while maintaining its role as a daily staple across demographics.

Operating Landscape in 2025

The global FMCG sector maintained steady growth, driven by population expansion and increasing demand for premium products. Within this environment, the dairy industry experienced stable demand in mature markets such as the EU and the U.S., alongside continued growth across Asia and Africa.

The European Union led the global dairy market with a 41% share, followed by Oceania at 25%, reflecting strong export positions. New Zealand, the EU and India remained key global exporters.

Off-trade channels accounted for 92.27% of total sales, supported by the expansion of organised retail and e-commerce across markets such as China, India and Japan.

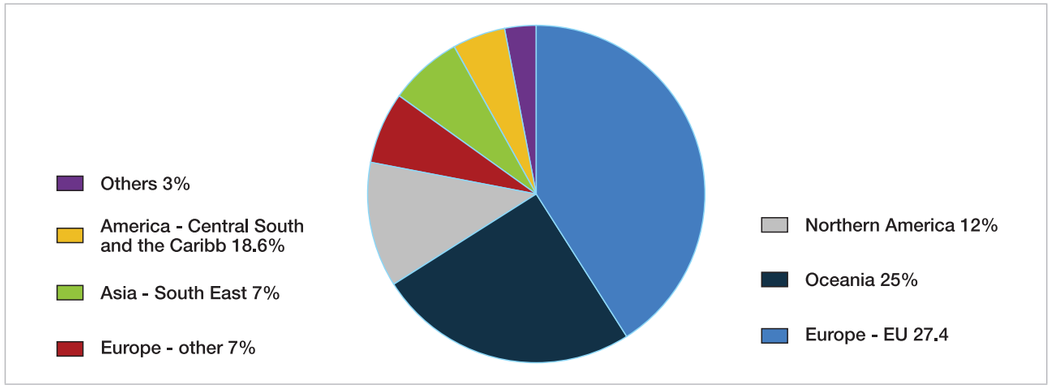
Consumer preferences continued to evolve, driven by rising health awareness and urbanisation. Demand for dairy-based snacks, functional products, fortified beverages and plant-based alternatives contributed to portfolio diversification.

Growth Projections

The global dairy market was valued at US$ 1,038.6 billions in 2025 and is projected to grow at a CAGR of 4.38%, reaching US$ 1,545.4 billions by 2034. Growth is supported by urbanisation, health consciousness, technological advancements and favourable policy support.

The Asia-Pacific market is expected to grow from US$ 189.83 billions in 2025 to US$ 249.80 billions by 2031 at a CAGR of 4.81%, driven by rising consumption and a shift toward higher-quality dairy products.

Global Dairy Market Trade Value Distribution by Region (2025)



(**Source:**https://www.statista.com/statistics/740935/distribution-of-the-global-dairy-market-volume-by-region/#:~:text=Share%20of%20the%20global%20dairy,25%20percent%20of%20the%20market.)
(**Sources:** Statista, IMARC, Business Research Insights, ExportImport Data, Mordor Intelligence, Fortune Business Insights)

Indian Dairy Industry

India's dairy sector is more than just an industry—it is a way of life. Deeply rooted in tradition, it carries immense cultural and nutritional significance while simultaneously fuelling the country's economy. Today, as consumer preferences evolve towards health, sustainability and convenience, the Indian dairy industry is embracing a unique blend of age-old expertise and modern innovation, driving a transformation that touches every corner of the value chain.

Market Dynamics

The Indian dairy market is valued at ₹21,318.45 billions in 2025 and it is expected to reach ₹58,034.06 billions by 2034, growing at a CAGR of 11.77%. This sector is a crucial driver of India's economy, contributing 5% to the gross domestic product (GDP) and providing livelihoods to over eight crores farmers.

The FY2025 dairy industry faced intermittent supply challenges due to unseasonal rainfall disrupting milk production cycles. Concurrently, strong festive demand tightened market availability, resulting in limited surplus toward year-end.

Despite these disruptions, overall milk production remained robust. India produced 247.87 millions metric tonnes of milk in FY2025, marking a 3.58% increase from the previous year, highlighting the sector's structural resilience.

Supply constraints, steady demand and inflation in key inputs such as cattle feed, fodder, energy and logistics increased regional milk procurement costs. However, product prices stayed mostly stable after GST revisions, with only selective regional hikes, which pressured margins across the value chain.

India retains the world's largest dairy base with 303.8 millions bovines, solidifying its global milk production leadership. Liquid milk dominated the market at 65.3% in 2025, with Uttar Pradesh contributing the largest share at 18.7%.

Looking forward, fluid milk consumption is projected to rise to 91 MMT in 2025 from 89 MMT in 2024, driven by steady demand growth. Dairy exports reached 113,350 metric tonnes in FY2025, generating US$ 492.86 millions, with key markets including the UAE, Saudi Arabia, the USA, Singapore and Bhutan.

The industry is transitioning from volume-led growth to a technology-driven, value-added ecosystem focusing on efficiency, quality and product diversification.

Government Initiatives for the Sector

National Programme for Dairy Development (NPDD)

Launched in 2014, NPDD focuses on strengthening infrastructure for milk production, procurement, processing and marketing through state agencies and cooperatives. The Union Cabinet has approved ₹2,790 crores to support the sector's development.

National Livestock Mission

Supports states in conducting training, workshops and capacity-building programmes to enhance awareness and efficiency in animal husbandry practices.

Bharat Pashudhan Initiative

Introduced by NDDB under the National Digital Livestock Mission, this initiative includes the 12-digit Pashu Aadhaar, which provides a unique digital identity for livestock to improve traceability, disease control and farmers' access to benefits.

Rashtriya Gokul Mission (RGM)

Aims to conserve and develop indigenous bovine breeds to enhance milk production and farmer incomes. Implemented under Rashtriya Pashudhan Vikas Yojana (2021–2026) with an outlay of ₹2,400 crores.

Dairy Entrepreneurship Development Scheme (DEDS)

Promotes self-employment in the dairy sector by providing capital subsidies for dairy-related projects through NABARD.

Information Network for Animal Productivity and Health (INAPH)

A digital platform capturing real-time data on breeding, feeding and veterinary services to support monitoring and productivity improvements.

Livestock Health and Disease Control (LH&DC) Scheme

Includes NADCP, LH&DC and Pashu Aushadhi components, with a total outlay of ₹3,880 crores (FY2025–26), aimed at disease control and affordable veterinary care.

Animal Husbandry Infrastructure Development Fund (AHIDF)

A ₹15,000 crores fund to boost investments in dairy processing, feed, vaccines and allied infrastructure. The FY2026 budget allocation for the department stands at ₹4,840.40 crores.

Future Prospects: The dairy industry is shifting from volume-driven growth to a greater focus on quality, traceability and value addition. Faster growth in factory-use consumption compared to household demand is strengthening the organised, branded and processed segment. This trend is driving investments in advanced processing, cold-chain infrastructure and brand differentiation.

While domestic demand remains strong and product diversification accelerates alongside digital adoption, the sector continues to face headwinds from constrained milk supply, rising input costs and ongoing quality control pressures.

Continued enhancements in export quality standards and expansion of processing and logistics infrastructure could enable the industry to convert its domestic production leadership into a significant global market share.

Key Demand Drivers

Rising Health Awareness

Consumers are turning to dairy not just for taste, but for nutrition—seeking essential proteins, vitamins and minerals. This shift is driving demand for value-added offerings.

Consumption Growth

India's population of ~1.44 billions is driving strong demand for dairy, as a large consumer base increasingly prioritises nutritious foods. Rising incomes are enabling higher spending on wholesome diets, reinforcing dairy's central role in everyday nutrition.

Vegetarian Consumer Segment

In India, milk is more than a beverage; it is a vital source of protein for the country's large vegetarian population. This community plays a key role in sustaining steady demand for milk and a wide variety of dairy products.

Diversified Dairy Portfolio

The dairy industry is moving beyond basic milk, with products like cheese, yoghurt, flavoured milk and probiotic drinks gaining ground—offering better margins while meeting consumers' demands.

Digital and Fast-Commerce Growth

The growth of e-commerce and quick commerce is reshaping the dairy landscape, bringing new trends, logistics opportunities and food safety considerations.

Major Segments in the Indian Dairy Sector

Liquid Milk

India's liquid milk consumption reached 91 MMT in 2025, up from 89 MMT in 2024, supported by its growing population and ongoing improvements in production practices. These factors continue to drive growth in the sector, while the country has set an ambitious target to significantly increase milk output over the next five years.

According to the United States Department of Agriculture (USDA) Foreign Agricultural Service, India's dairy sector is expected to witness moderate growth in 2026, with the population of milking cows estimated at around 62 millions.

UHT Milk

The market for UHT (ultra-high-temperature) milk in India is experiencing steady growth, driven by rising health awareness among urban consumers. In 2025, the UHT milk market in India reached a volume of 1,468.0 millions litres and it is poised to grow to 4,148.0 millions litres es by 2034, with a CAGR of 11.87 % over the period.

The increasing preference for convenient, long-shelf-life dairy products underpins UHT milk's growing popularity among consumers. With a shelf life of six to nine months, UHT milk offers exceptional convenience while retaining its nutritional quality and taste.

A2 Milk

Rising incidences of lactose intolerance, coupled with increasing health and wellness awareness, are driving global demand for A2 milk. The A2 milk market is expected to grow from US$17.6 billions in 2025 to US$59.5 billions by 2034, at a CAGR of 13.77 % during the forecast period. Its numerous health benefits—including support for bone and dental health, enhanced muscle strength, blood pressure regulation, promotion of tissue and cell growth and improved nutrient absorption— further driving the market growth.

Skimmed Milk Powder

Skimmed milk powder is used in many products like bakery items, dairy foods and drinks—including bread, cakes, chocolates, ice cream, cheese, yoghurt, soups and shakes—which increases its demand, especially in restaurants and commercial food businesses.

India's skimmed milk powder market reached a value of ₹176.7 billions in 2025 and it is expected to grow at a CAGR of 8.7%, reaching ₹386 billions by 2034. Rising health awareness, an increasing preference for nutritious diets and the growing adoption of e-commerce channels are key drivers of this expansion.

Organic Milk

Organic dairy farming in India is witnessing rapid growth as more health-conscious consumers move away from conventional milk due to health concerns. The organic milk market in India was valued at ₹16,095.2 millions in 2025 and it is expected to reach ₹1,14,714.7 millions by 2034, with a growing CAGR of 23.65%.

The market expansion is driven by increasing consumer preference for healthier and safer alternatives, alongside the rising incidence of lifestyle-related conditions such as diabetes, hypertension, cardiovascular diseases and obesity.

(**Sources:** PIB, Statista, The Bullvine, IMARC)

Value-Added Products

The value-added dairy segment—including curd, cheese, whey-based beverages and other processed products—is emerging as a key growth driver in India's dairy sector. Expanding distribution networks are enabling wider market reach for these products, while stronger organised procurement systems are improving milk collection efficiency and encouraging better farm-level practices. Rising disposable incomes in FY2026 are also a major contributor to support demand for premium dairy products.

Curd

Curd, commonly known as Dahi, is a staple of a balanced diet and suitable for individuals with lactose intolerance. Rich in calcium, vitamin D, protein and phosphorus, curd supports bone health and aids digestion. The Indian curd market was valued at ₹2,001.6 billions in 2025, driven by factors such as population growth, increased health awareness and the product's affordability. The market is anticipated to reach ₹5,730.8 billions by 2034, at a CAGR of 12.03% between 2025 and 2034.

Paneer

A staple in Indian cuisine, paneer is a nutrient-rich cottage cheese abundant in protein and calcium, widely used across a variety of dishes. Its soft texture allows it to absorb flavours well, adding to its popularity. Paneer provides essential nutrients that support strong bones and teeth, as well as cardiovascular and neurological health.

In 2025, the Indian paneer market was valued at ₹731.4 billions. Driven by growing consumer demand and evolving dietary preferences, the market is expected to reach ₹2149.6 billions by 2034, with a CAGR of 12.34% over the period.

Cheese

The demand for cheese in India is expanding rapidly, fuelled by the growing influence of Western cuisines. To cater to evolving tastes, manufacturers are introducing a wide range of flavoured cheese products for diverse consumer segments.

The market was valued at ₹128.89 billions in 2025 and it is poised to reach ₹619.88 billions by 2034, registering a CAGR of 19.07%. This growth highlights the increasing consumption of both natural and processed cheeses, driving significant gains in market value and volume.

(https://www.imarcgroup.com/cheese-market-in-india)

Buttermilk

A popular and traditional dairy beverage, buttermilk, also known as chaach, it is made by churning milk. It is thicker and slightly tangier compared to regular milk. In addition to being affordable and widely available, buttermilk is valued for aiding digestion, helping regulate blood pressure and supporting immune health.

In 2025, the Indian buttermilk market was valued at ₹228.4 billions and is expected to reach ₹1,011.8 billions by 2034, with a growing CAGR of 17.44% from 2025 to 2034. This growth is driven by increasing consumer preference for natural and healthy beverages, broad availability through diverse distribution channels and heightened health awareness.

Flavoured Milk

A favourite among children and working adults, flavoured milk is a dairy beverage made by mixing milk with sugar and popular flavours such as vanilla, chocolate and mango. It serves as a tasty and healthier alternative to carbonated soft drinks. A growing population and wider availability through supermarkets and online platforms are contributing to the increasing demand for flavoured milk in India.

In 2025, the Indian flavoured milk market was valued at ₹76.4 billions and it is expected to grow at a CAGR of 19.11% from 2025 to 2034. The market is poised to reach ₹385.5 billions by 2034. The market's robust growth is also supported by heightened health awareness and rising popularity for dairy-based beverages.

Milkshake

Popular for its rich taste and versatility, a milkshake is a chilled, blended dairy beverage available in numerous flavours, often enhanced with toppings and mix-ins. The Indian milkshake market was valued at ₹8.9 billions in 2025 and it is expected to reach ₹35.6 billions by 2034, with a growing CAGR of 16.10% from 2025 to 2034. Growth is driven by changing consumer preferences and strong demand from the youth demographic.

Lassi

Renowned for its refreshing and nutritious qualities, lassi is a beverage rich in carbohydrates, proteins, vitamins and minerals, offering an energy boost and aiding quick hydration during hot weather, making it especially popular in summer. The Indian lassi market is expected to reach ₹65.5 billions in 2025, with a CAGR of 16.29% from 2025 to 2034 and to grow to ₹264.9 billions by 2034.

Its probiotic content supports the growth of beneficial gut bacteria, improving digestion and helping alleviate gastrointestinal issues. These health benefits have driven increased consumer demand and market growth in India.

Ice-cream/Frozen Dessert

Ice cream in India is undergoing a remarkable transformation, fuelled by emerging startups introducing innovative flavours to meet evolving consumer preferences. The demand for premium and artisanal ice creams made from high-quality, natural ingredients without preservatives is rising, particularly among Gen Z consumers seeking unique experiences and the upper-middle-class segment willing to invest in premium offerings.

In 2025, the Indian ice cream market was valued at ₹312.76 billions and it is projected to reach ₹1,192.40 billions by 2034, growing at a CAGR of 16.03% from 2025 to 2034. Growing investor interest, along with the development of advanced cold chain infrastructure featuring temperature-controlled storage, is further supporting the market's sustainable growth.

(**Sources:** IMARC)

Fat Products

Ghee, a purified form of butter, holds a significant place in Indian cuisine and is widely used in traditional medicine and religious rituals. After milk, it remains one of the most widely consumed dairy products in the country. The Indian ghee market is expected to grow at a CAGR of 7.70% between 2026 and 2034, poised to reach from ₹3,774.5 billions in 2025 to ₹7,532.7 billions by 2034.

Growing health consciousness among consumers is driving demand for organic and naturally produced ghee, as people increasingly prefer products free of additives and preservatives. At the same time, the rapid expansion of e-commerce platforms has improved product availability, allowing consumers to access a wide range of ghee offerings, including premium and organic variants.

Butter, in India, is gradually strengthening its position in the global butter trade, signalling a potential shift in international dairy dynamics. The steady expansion of the country's organised dairy sector, along with higher farm-gate milk procurement, is improving India's capacity to supply butter to international markets, particularly in the Middle East, Asia and Africa. Competitive pricing, relatively lower logistics costs and increasing adoption of quality certifications are further enhancing India's prospects as a reliable butter exporter. In 2025, India churned over 7.4 millions metric tons of butter, making it the top butter-producing country of the year.

Butter is a nutrient-rich dairy product containing niacin, calcium, phosphorus, riboflavin, antioxidants and vitamins A, E, B12 and K. When consumed in moderation, it can contribute to stronger immunity, improved cardiovascular function, cellular protection and healthy bone development, while also helping reduce the risk of osteoporosis.

The Indian butter market is being supported by rising disposable incomes, shifting food preferences towards Western-style cuisine and greater awareness of its nutritional benefits. Reflecting these trends, the market was valued at ₹104.8 billions in 2025, and it is expected to grow at a CAGR of 15.37% between 2026 and 2034, reaching approximately ₹393.9 billions by 2034.

(**Source:** IMARC)

Company Overview

Heritage Foods Limited (HFL) stands as a prominent entity within India's dairy sector, specialising in the production of milk and value-added dairy products. With over three decades of extensive experience, the Company offers a diverse range of products, which include curd, paneer, ghee, fresh cream, UHT milk, lassi, milkshakes, ice creams/ frozen desserts, other dairy drinkables and sweets.

To enhance its operations, the Company has established 18 state-of-the-art milk processing facilities, ensuring a robust presence across 13 states.

The Company extensive product portfolio, strong focus on innovation and systematic growth strategies have positioned the Company at the forefront of the fast-moving consumer goods (FMCG) sector. This success is further supported by a comprehensive distribution network and a multi-channel market approach.

Operational Review

During FY2026, the Company demonstrated strong performance across regions and product lines, achieving market share growth and enhanced operating margins compared to the previous year.

(₹ in millions)

Financial year	Revenue from operation	EBITDA	PAT
2026	**44,151**	**2,456**	**1,397**
2025	40,805	3,117	1,681
2024	37,343	1,989	910
2023	32,087	1,350	659
2022	26,429	1,781	1,015

Dairy Vertical

The dairy vertical is Heritage Foods' flagship business unit, accounting for 99.98% of the Company's total revenue. The five-year revenue trajectory for this segment is outlined below.

Dairy Revenue

(₹ in millions)

FY2026	FY2025	FY2024	FY2023	FY2022
44,143	40,799	37,335	32,080	26,413

Renewable Energy Vertical

Heritage Foods Limited has launched a clean energy initiative to enhance its environmental sustainability through investments in renewable energy for captive use. The Company has strategically deployed solar and wind power installations across 31 locations, generating a total of 14.37 MW of renewable energy—comprising 6.30 MW from wind power plants and 8.07 MW from solar plants.

In FY2026, revenue from operations stood at ₹99.6 million as against ₹87.7 million in the previous year, registering a year-on-year growth of 13.57%. EBITDA witnessed a healthy growth of 14.36% year-on-year and stood at ₹69.3 million as compared to ₹60.6 million in FY2025. Profit Before Tax (PBT) increased significantly to ₹46.8 million from ₹19.9 million in FY2025, reflecting a robust growth of 135.2% over the previous year.

Heritage Nutrivet Limited

Heritage Nutrivet Limited (HNL), a wholly-owned subsidiary of Heritage Foods Limited, continued to strengthen its presence in the animal nutrition segment during FY 2025–26. The Company remains focused on enhancing livestock productivity through a comprehensive range of cattle feed and nutritional supplements aimed at improving milk production, reproductive efficiency, animal health and immunity.

During the year under review, HNL recorded revenue of ₹2,454.45 million as against ₹1,849.27 million in the previous year, registering a growth of 33% year-on-year. Profit Before Tax (PBT) stood at ₹206.61 million compared to ₹170.74 million in FY 2024–25, reflecting a growth of 21%. Profit After Tax (PAT) for the year increased to ₹156.96 million from ₹123.51 million in the previous year, registering a growth of 27.08%.

The Company's diversified product portfolio is designed to address the evolving nutritional requirements of livestock and support dairy farmers in improving productivity and profitability. Alongside delivering quality nutritional solutions, HNL continued its efforts towards farmer engagement through technical support, awareness programmes and knowledge-sharing initiatives aimed at promoting better livestock management practices and sustainable dairy farming outcomes.

Heritage Novandie Foods Limited

Heritage Novandie Foods Limited (HNFL) was incorporated as a 50:50 joint venture between Heritage Foods Limited and Novandie, France, for manufacturing and marketing premium yoghurt products in India. The Company commenced commercial operations in February 2021 and introduced India's first French yoghurt, supported by advanced manufacturing facilities and stringent quality standards.

During FY 2025–26, Heritage Foods Limited acquired an additional 44.40% stake in the share capital of HNFL, consequent to which the Company became a subsidiary of Heritage Foods Limited. At present, the Company is engaged in the manufacturing of flavoured milk and yoghurt products under the brand name "Livo" for the holding company.

Peanutbutter and Jelly Limited

During FY 2025–26, Heritage Foods Limited acquired a 51% stake in Peanutbutter and Jelly Limited for a consideration of ₹9 crore, consequent to which the Company became a subsidiary of Heritage Foods Limited. The acquisition is expected to strengthen the Company's presence in the high value ice-cream segment by leveraging Heritage Foods' manufacturing capabilities, pan-India distribution network and institutional governance framework, while continuing to drive innovation and brand development.

The Company operates under the brand name "Get-A-Way", reflecting its evolution into a premium dessert brand with an expanded product portfolio and refreshed brand identity. The Company continues to strengthen its presence across quick commerce, e-commerce and direct-to-consumer platforms, while focusing on innovation and new product development to support future growth.

Financial Overview

Net worth

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

₹ in Million

FY2026	FY2025	FY2024	FY2023	FY2022
10,638	9,471	8,035	7,367	6,605

Dividend

The dividend % declared in the last five years.

FY2026	FY2025	FY2024	FY2023	FY2022
50%	50%	50%	50%	100%

Earnings Per Share

Earnings per share (EPS) for FY 2025-26 if ₹15.05

Key Financial Highlights for FY2025-26

Particulars	2025 - 26		2024 - 25		FY2026 Vs FY2025
	₹ in millions	% of Revenue	₹ in millions	% of Revenue	% of Growth
Net Sales	44127.03	99.95	40783.23	99.95	8.20
Other operating income	23.62	0.05	21.58	0.05	9.45
Total Revenue	**44150.65**	**100.00**	**40804.81**	**100.00**	**8.20**
Less: Total Expenditure	41694.78	94.44	37687.49	92.36	10.63
Add: Other Income	236.90	0.54	272.84	0.67	(13.17)
Profit before Interest, Depreciation and Tax	**2692.77**	**6.10**	**3390.16**	**8.31**	**(20.57)**
Less: Finance costs	165.89	0.38	150.23	0.37	10.42
Depreciation & Amortisation	764.93	1.73	671.57	1.65	13.90
Profit before tax and exceptional items	**1761.95**	**3.99**	**2568.36**	**6.29**	**(31.40)**
Add: Exceptional items	95.98	0.22	(234.85)	(0.58)	0.00
Profit before tax	**1857.93**	**4.21**	**2333.51**	**5.72**	**(20.38)**
Less: Provision for current taxation(Including taxation of earlier years)	372.17		625.11		(40.46)
Less: Provision for deferred taxation	88.75		27.58		221.79
Profit / (Loss) after tax	**1397.01**	**3.16**	**1680.82**	**4.12**	**(16.89)**

Standalone Segment results

Particulars	2025 - 26		2024 - 25		FY 2026 vs 2025
	₹ In Millions	% of Revenue	₹ In Millions	% of Revenue	% of Growth
1. Total Revenue					
a. Dairy	44143.19		40798.66		8.20
b. Renewable energy	99.64		87.70		13.61
Total (a+b)	**44242.83**		40886.36		8.21

Particulars	2025 - 26 ₹ In Millions	2025 - 26 % of Revenue	2024 - 25 ₹ In Millions	2024 - 25 % of Revenue	FY 2026 vs 2025 % of Growth
2. Inter-segment Revenue					
a. Dairy	-		-		
b. Renewable energy	92.18		81.55		13.03
Total (a+b)	**92.18**		81.55		13.03
3. External Revenue					
(Incl other operating income)					
a. Dairy	44143.19		40798.66		8.20
b. Renewable energy	7.46		6.15		21.38
Total (a+b)	**44150.65**		**40804.81**		8.20
4. Segment Results					
(Profit (+) / (Loss) (-) before tax and finance costs)					
a. Dairy	1862.91	4.22	2551.54	6.25	(26.99)
b. Renewable energy	49.33	49.51	24.03	27.40	105.29
Total (a+b)	**1912.24**	**4.33**	**2575.57**	**6.31**	(25.75)
Less: Finance Cost	165.90		150.23		
Unallocable expenses	34.36		261.84		
Add: Interest income	9.21		4.79		
Unallocable income	136.74		165.22		
Total Profit before Tax	**1857.93**	**4.21**	**2333.51**	**5.72**	(20.38)

Segment wise Revenue Break-up

(₹ in millions)

	2025 - 26	2024 - 25
Dairy:		
Finished goods sold		
Milk	24660.63	23281.55
Value Added Products	14546.64	13012.90
Fat Products	3225.70	3180.91
Skimmed Milk Powder	153.01	7.96
Total	**42585.97**	**39483.32**
Traded goods		
Feed & Others	1366.51	1247.88
Value Added Products	131.77	22.07
Other tradable goods	22.42	6.92
Total	**1520.71**	**1276.87**
Sale of Service	**12.90**	16.89
Other operating income	**23.62**	21.58
Total Dairy Revenue	**44143.19**	**40798.66**
Renewable Energy:		
Finished goods sold	7.46	6.15
Total Renewable Energy Revenue	**7.46**	**6.15**
Total Revenue	**44150.65**	**40804.81**

CASH FLOW

1) Cash Inflows

(₹ in millions)

Particulars	2025 - 26	%	2024 - 25	%
Operating Cash flow	2604.41	52.85	3156.96	81.25
Net Investments	82.85	1.68	-	-
Government grant received	37.23	0.76	-	-
Interest and dividend received	8.40	0.17	5.11	0.13
Movement in other bank balances, net	7.78	0.16	-	-
Rent Received	21.41	0.43	19.93	0.51
Proceeds from Short Term Borrowings	524.36	10.64	-	-
Proceeds from Long Term Borrowings	1641.64	33.31	703.45	18.11
Total	**4928.08**	**100.00**	**3885.45**	**100.00**

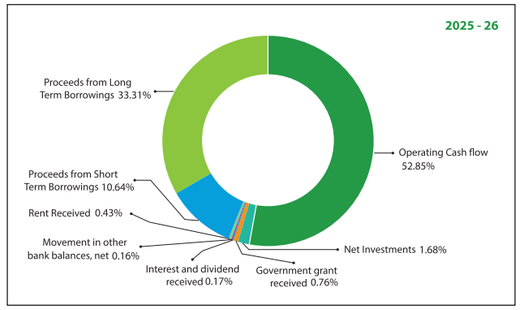
2) Cash Outflows

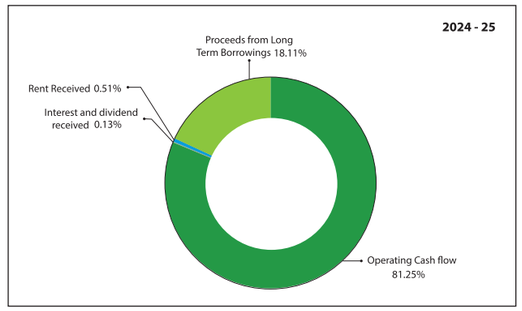
(₹ in millions)

Particulars	2025 - 26	%	2024 - 25	%
Repayment of Long Term Borrowings	256.04	5.14	247.57	6.14
Change in Working capital (net) loans	31.25	0.63	533.14	13.22
Taxes paid	386.66	7.76	621.91	15.42
Payment for purchase of property, plant and equipment(net)	3816.55	76.60	1664.47	41.27
Net Investments	-	-	488.44	12.11
Movement in other bank balances, net	-	-	50.91	1.26
Interest Paid	193.43	3.88	141.23	3.50
Rent Paid	66.69	1.34	53.52	1.33
Dividend paid	231.99	4.66	231.99	5.75
Total	**4982.61**	**100.00**	**4033.18**	**100.00**
Net increase /(decrease) in cash and cash equivalents	**(54.53)**		**(147.73)**	
Add: Opening Cash and Cash Equivalents	**632.79**		**780.52**	
Cash and cash equivalents at the end of the period	**578.26**		**632.79**	
Cash and cash equivalents include :				
Cash on hand	**0.45**		**1.41**	
Balances with banks in current accounts	**577.81**		**631.38**	

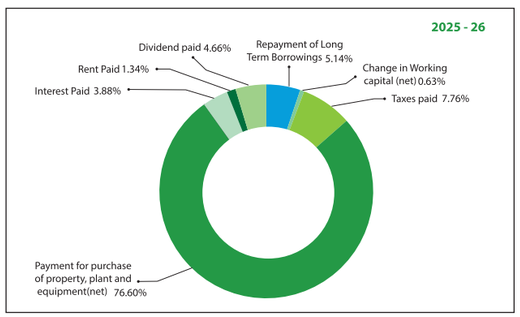
Cash Flow

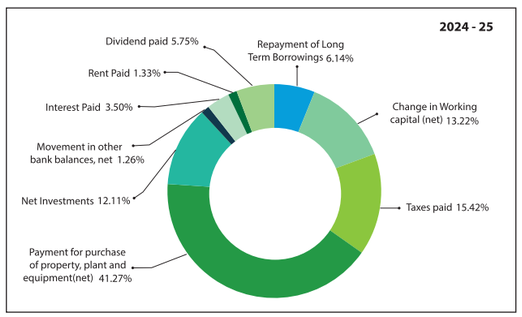
Cash Inflows





Cash Outflows





Key Financial Ratios

Particulars	31 March 2026	31 March 2025
Current Ratio	1.35	1.78
Debt Equity Ratio	0.34	0.18
Debt Service coverage ratio	4.77	5.49
Return on Net Worth (RONW)	13.89	19.20
Inventory Turnover Ratio (on Cost of Goods Sold)	10.63	10.47
Trade Receivables Turnover Ratio	86.29	123.28
Trade payables turnover ratio	19.98	20.63
Net capital turnover ratio	27.13	14.24
Net Profit Margin (%)	3.16%	4.12%
Return on capital employed	13.23	23.13

Internal Control System and Adequacy

The Company has implemented internal control systems commensurate with its size, ensuring the safeguarding of assets and operational efficiency through standardised processes. Its control and risk management framework is aligned with the corporate governance and is embedded within the organisational structure. Clear role definitions and cross-functional coordination enable effective execution of responsibilities. The Board of Directors provides strategic guidance and oversight to Executive Directors and management, supported by dedicated monitoring and advisory committees.

Business Accelerators

- Consistent top-line growth is supported by calibrated pricing strategies and expansion into new geographies to tap a wider consumer base.
- A growing share of Value-Added Products (VAP) strengthens revenue streams through premium offerings that deliver superior margins.
- Accelerated footprint expansion across 13 states enhances market presence and drives deeper customer outreach.
- Operational efficiencies and disciplined cost management help sustain healthy EBITDA margins.
- Introduction of premium dairy offerings with higher value realisation caters to evolving consumer preferences for superior-quality products while improving margin profile.
- An integrated digital and omnichannel approach leverages both online and physical touchpoints to enhance consumer interaction, deliver seamless purchasing experiences and reinforce brand engagement.
- Deployment of renewable energy solutions improves operational efficiency while lowering environmental impact and energy expenses.

Human Resources

Heritage Foods regards its human and intellectual capital as one of its most valuable assets and a key driver of its long-term growth and sustainability. The Company firmly believes that employee satisfaction and engagement play a crucial role in achieving sustained organisational performance. By empowering its workforce and nurturing their capabilities, the Company recognises that the professional growth and commitment of its employees are fundamental to driving operational excellence and innovation. Heritage Foods actively promotes a diverse, inclusive and supportive workplace that encourages individual development, collaboration and the overall well-being of its employees.

The Company's ability to attract, develop and retain skilled professionals has been instrumental in supporting its expansion and strengthening its operational capabilities. A strong culture of teamwork, continuous learning and knowledge enhancement forms the foundation of the organisation. Heritage Foods places significant emphasis on career development and regularly invests in structured training programmes, leadership development initiatives and capability-building efforts to enhance employee competencies and enable long-term professional growth.

As at the end of the financial year 2025–26, the Company's workforce comprised 3,327 permanent employees on roll and 3,140 workers.

The industrial relations environment during the year remained cordial and harmonious. The Company continues to maintain a positive and collaborative work culture, ensuring employee well-being, job satisfaction and a healthy work–life balance, thereby fostering a motivated and productive workforce.

By fostering transparent communication and encouraging constructive interaction between employees and leadership, the Company maintains a culture of openness and mutual trust. These efforts not only enhance employee engagement but also help in building and sustaining a capable and committed workforce.

Risks & concerns:

Apart from the above a dairy company like Heritage Foods, at the present time operates in a very dynamic and challenging business environment and is exposed to several inherent industry-related concerns. These include volatility in milk procurement and cattle feed prices, seasonal fluctuations in milk supply and the impact of livestock helath. The perishable nature of dairy products necessitates a robust cold chain and efficient logistics; any disruption, including increase in transportation costs due to rising fuel prices, may adversely impact distribution efficiency and margins. The business is also governed by stringent regulatory requirements, where any non-compliance could affect operations and reputation. Further, intense competition from established, along with evolving consumer preferences, may influence market share and pricing dynamics. Additionally, climatic variations affecting fodder availability, supply chain disruptions, credit-related issues with distributors and potential operational or technological challenges further add to the overall business environment. These collectively represent the typical concerns faced by a dairy company and necessitate continuous monitoring and effective management focus.

Risk Management

A robust and comprehensive risk management framework enables the Company to systematically identify, assess and continuously monitor risks arising from both internal operations and external business environments. This structured approach ensures proactive risk mitigation and supports informed decision-making across all levels of the organisation.

The Company operates within a well-defined organisational structure that fosters clear communication, accountability and seamless coordination across departments, thereby minimising operational inefficiencies and potential conflicts. Additionally, the adoption of efficient inventory management practices ensures the timely availability of raw materials, consumables, spares and tools, significantly reducing the risk of production disruptions and enhancing overall operational reliability.

The Company has implemented a comprehensive Enterprise Risk Management (ERM) framework designed to identify, analyse, evaluate and mitigate risks through appropriate and timely measures. This framework ensures that all identified risks are effectively managed and maintained within the tolerance limits defined under the Company's risk management policy. The Risk Management Policy is holistic in nature, encompassing all business operations and providing clear guidelines for risk identification, assessment, mitigation and reporting.

Furthermore, the Company remains focused on continuous cost optimisation, improving operational efficiencies and enhancing competitiveness. These ongoing initiatives enable the organisation to respond effectively to evolving market dynamics, ensuring sustainable growth and long-term value creation.

Our Risk Management Process

Key Risks and Mitigation Strategies

Risk	Mitigation Measures
1 | Raw Material Risk Variations in raw material prices and supply availability could adversely influence the Company's dairy operations.	The Company follows a defined approval matrix for price revisions with continuous monitoring of market trends. It enhances efficiency through optimization of chilling centres and procurement routes, supported by logistics and vehicle utilization tracking. Regular reviews of transportation costs, benchmarking and monitoring of procurement agents against LPD standards further aid cost control, while high-cost and delay-prone routes are periodically streamlined to ensure supply chain efficiency.
2 | Customer Concentration Risk Significant reliance on a particular customer segment may affect profitability margins.	The Company is focused on diversifying its customer base by increasing sales through household, D2C, e-commerce and quick-commerce channels, thereby reducing dependence on institutional customers. It has defined channel-wise strategies and regional targets to strengthen presence across parlours, Happiness Points and emerging channels. Additionally, with operations spread across multiple states, the Company continuously leverages market intelligence to identify and expand into new geographies, reducing regional concentration risk.
3 | Competition Risk Rising competitive intensity can lead to price reductions aimed at protecting market position, which may adversely affect margins and profitability.	The Company focuses on product differentiation and high-margin Value-Added Products (VAPs), supported by geographic expansion, digital transformation, strategic collaborations and continuous R&D-driven innovation to meet evolving consumer preferences. It leverages insights from consumer behaviour and digital channel performance to refine its product portfolio and channel strategy, while ensuring consistent SKU availability and a platform-specific digital mix. Operational efficiency and brand reputation are maintained through continuous monitoring and timely issue resolution, alongside a strong focus on margin protection through SKU optimisation, channel-wise performance tracking and alignment of pricing and commercial terms with platform dynamic
4 | Supply-Chain Risk A strong and reliable supply network is essential to ensure the timely movement of raw milk to processing facilities and dairy products to consumer markets.	Supply chain resilience is strengthened through expanded milk procurement, upgraded cold-chain infrastructure, buffer inventories and digital vehicle tracking. The Heritage CLapp App enhances real-time sales management and operational efficiency.
5 | Regulatory Risk Evolving regulatory requirements may affect the Company's operational framework and business performance.	The Company maintains a robust compliance framework through periodic audits, system-based monitoring and strict adherence to pollution control norms and emission standards. It ensures FSSAI compliance through valid licensing, timely renewals and end-to-end traceability supported by automated controls, documentation and regular quality checks, along with continuous employee training. Statutory and labour compliances are managed through centralized tracking, regular reviews of PF/ESI and contractor obligations and adherence to applicable laws. Defined HR policies, training programs and standardized SOPs for third-party engagements further strengthen compliance and governance across operations.
6 | Brand Reputation Risk Adverse publicity arising from product defects, unethical conduct, or social media criticism may weaken customer confidence and affect market share.	Robust quality assurance and hygiene protocols are implemented to safeguard brand integrity, including comprehensive SOPs for finished product testing, calibrated equipment, batch-wise sampling and pre-dispatch quality clearance. The Company leverages a digital QMS for real-time tracking, supported by defined escalation mechanisms, root cause analysis and third-party validations to ensure consistent quality. Continuous monitoring of operational hygiene, risk-based sampling and strict reprocessing controls further strengthen product safety, while proactive review of customer feedback and market signals enables timely resolution of issues and protection of brand reputation.
7 | People Attrition Risk Loss of key talent may result in higher replacement costs, project delays and reduced organisational knowledge continuity.	The Company has identified critical roles, It focuses on upskilling personnel through structured training, certifications and regular on-site sessions covering testing, hygiene and compliance. Standardised SOPs are maintained across locations, supported by digital tracking of quality tests and personnel availability to enable timely escalation of gaps. Additionally, updated training records and role clarity facilitate seamless transitions, while future resource needs and regulatory requirements are considered during annual planning.
8 | Information Technology/ Cyber security Cyber security threats may lead to data breaches, operational disruptions, regulatory non-compliance, reputational damage and business continuity risks.	The Company has implemented key cyber security and data protection measures including critical IT policies, cyber insurance coverage, periodic Vulnerability Assessment (VA) and Penetration Testing (PT) by third parties, employee awareness programs, non-disclosure arrangements with vendors and data archival practices. Business continuity measures such as laptop enablement for critical personnel and backup systems for SAP and servers are also in place. The Company continues to strengthen monitoring, access controls, documentation practices and follow-up mechanisms to enhance cyber resilience and business continuity preparedness.
9 | Weather & Seasonal Variations Adverse weather conditions and seasonal variations may impact milk procurement and demand for seasonal products, affecting sales and revenue.	Seasonal and weather-related demand fluctuations are mitigated through targeted campaigns and promotional schemes, expansion of the distribution network and focused sales through parlors, retail outlets and direct-to-consumer channels. Measures are also being taken to strengthen weather-linked demand forecasting, optimize production through smaller and more frequent batches and prioritize stock movement to regions less affected by adverse weather conditions.

Our Sustainable Approach

The Company is firmly committed to reduce its environmental impact while promoting sustainable practices across its operations. It prioritises energy conservation through the adoption of efficient energy management initiatives. With a renewable energy capacity of 14.37 MW allocated for captive consumption, the Company demonstrates a strong commitment to resource efficiency. The Company has plan to optimise the utilisation of renewable energy for all operation subject to statutory and regulatory approval.

Plastic plays an important role in ensuring product safety and preventing leakage. As a responsible organisation, the Company recognises its environmental impact and remains committed to building a more sustainable future by actively supporting plastic recycling initiatives and adopting environmentally responsible practices.

Outlook

The Company operates in a resilient and steadily growing Indian dairy sector, supported by rising consumption, increasing health awareness and a shift towards branded and value-added products. As highlighted by the management, the next phase of growth is expected to be driven by premiumisation, innovation and deeper consumer engagement across urban and emerging markets.

In line with this vision, the Company is strategically expanding its market footprint by leveraging its robust distribution network and diversifying its product portfolio to cater to evolving consumer preferences. It continues to strengthen its presence across metropolitan, Tier-1 and Tier-2 cities through focused market penetration, supported by strong brand-building initiatives and targeted customer engagement. Growth across modern trade, e-commerce and direct-to-consumer channels remains a key priority.

The Company is also focused on strengthening its procurement ecosystem by expanding its farmer network, enhancing village-level procurement infrastructure and increasing chilling and collection capacities across existing and new geographies. Procurement capabilities are being further augmented through activation of additional collection centres and strategic partnerships, including collaborations with producer organisations. Distribution expansion is being driven through a cluster-based approach, supported by the appointment of field distributors and expansion of the retail network to enable deeper market penetration.

In addition, the Company is strengthening its position in the ice cream segment through a combination of organic and inorganic growth initiatives, including capacity expansion and strategic acquisition of a majority stake in “Get-a-Way” Ice Cream, thereby enhancing its presence in the ice cream and frozen desserts market.

While the industry continues to face challenges such as volatility in milk procurement prices and input cost pressures, the Company remains focused on improving operational efficiencies, strengthening procurement and maintaining cost discipline.

Looking ahead, the Company remains committed to sustained growth through continuous operational expansion, strategic acquisitions and exploration of new business opportunities, with a continued focus on long-term value creation and strengthening its market leadership.

CAUTIONARY STATEMENT

THE STATEMENTS CONTAINED IN THE MANAGEMENT DISCUSSION AND ANALYSIS DESCRIBING THE COMPANY’S OBJECTIVES, PROJECTIONS, ESTIMATES, AND EXPECTATIONS MAY CONSTITUTE “FORWARD-LOOKING STATEMENTS” WITHIN THE MEANING OF APPLICABLE SECURITIES LAWS AND REGULATIONS.

ACTUAL RESULTS MAY DIFFER MATERIALLY FROM THOSE EXPRESSED OR IMPLIED IN SUCH STATEMENTS DUE TO VARIOUS FACTORS, INCLUDING, BUT NOT LIMITED TO, CHANGES IN ECONOMIC CONDITIONS AFFECTING DEMAND–SUPPLY DYNAMICS AND PRICING IN THE COMPANY’S MARKETS; AMENDMENTS IN GOVERNMENT POLICIES, REGULATIONS, AND TAX LAWS; AND OTHER UNFORESEEN OR UNPREDICTABLE FACTORS BEYOND THE COMPANY’S CONTROL.

Report on Corporate Governance

The Directors of Heritage Foods Limited (“the Company”) are pleased to present the Corporate Governance Report for the Financial Year 2025–26, in compliance with 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 Regulations”).

1. COMPANY’S PHILOSOPHY ON CODE OF CORPORATE GOVERNANCE

Your Company’s philosophy on Corporate Governance is founded on the principles of integrity, ethical conduct, transparency and accountability, with a strong emphasis on sustainable value creation for all stakeholders. The Company firmly believes that robust governance practices are fundamental to building stakeholder trust and ensuring long-term organizational success.

Corporate Governance at the Company extends beyond mere regulatory compliance and reflects a commitment to upholding both the spirit and the letter of the law. Since its inception, the Company has consistently endeavoured to conduct its business in a fair, transparent and responsible manner, in line with the highest standards of governance.

The Company remains committed to continuously strengthening its governance framework in alignment with evolving regulatory requirements and global best practices. Its governance structure facilitates timely, accurate and transparent disclosures relating to financial and operational performance.

The core principles underpinning the Company’s governance framework include:

- Adherence to high standards of transparency and disclosure
- Clear segregation between personal interests and corporate resources
- Truthful, timely and compliant external communication
- Maintenance of a simple and transparent corporate structure
- Recognition of management as a trustee of shareholders’ capital

Transparency and accountability form the foundation of the Company’s corporate conduct, which is reinforced across all levels of the organization through established values and ethical standards.

An effective and well-balanced Board is central to good Corporate Governance. The Company’s Board provides strategic direction and oversight, ensuring objectivity in decision-making and safeguarding the interests of all stakeholders.

As on March 31, 2026, the Board comprises of six (6) Directors, including three (3) Executive/Whole-time Directors, two (2) Non-Executive Independent Directors and one (1) Non-Executive Independent Woman Director.

Ethics/Governance Polic ies:

Your Company has established a comprehensive framework of policies and codes to ensure that its business is conducted in accordance with the highest standards of ethics, integrity, transparency and accountability. These policies underscore the Company’s commitment to sound corporate governance and responsible business conduct.

The Company endeavours to conduct its affairs in a fair, transparent and ethical manner, thereby fostering trust and sustaining strong relationships with all stakeholders. Its governance framework is structured to promote independence in decision-making, ensure adherence to applicable laws and regulations and reinforce accountability at all levels of the organization.

In line with the above, the Company has formulated and implemented various policies and codes to guide its operations and ensure ethical conduct across all business activities. Key policies and codes adopted by the Company include the following:

- Code of Conduct & Ethics for Board & Senior Management
- Whistle Blower Policy
- Risk Management Policy
- Corporate Social Responsibility Policy (CSR Policy)
- Policy on Materiality of Related Party Transactions
- Policy for Determining Material Subsidiaries
- Code Of Practices and Procedures for fair Disclosure of Unpublished Price Sensitive Information (UPSI)
- Code of Conduct to Regulate, Monitor & Report Trading by Insiders as per SEBI (PIT) Regulation 2015
- Preservation of Documents
- Policy on Prevention of Sexual Harassment
- Board Diversity
- Nomination & Remuneration Policy
- Policy on Preservation of Documents
- Policy on determination of Materiality of Events
- Policy on dividend distribution
- Archival Policy
- Business Responsibility Policies
- Cyber Security Policy
- Policy and procedures for inquiry in case of leak of unpublished price sensitive information
- Anti Bribery and Anti-Corruption Policy
- Policy on Environment and Climate Change
- Product Stewardship Policy
- Supply Chain Management and Responsible Sourcing Policy
- Animal Welfare Policy
- Operational Health & Safety Policy
- Equal Opportunity Policy
- Policy on Human Rights, Diversity and Inclusion
- Stakeholders Engagement Policy
- ESG Policy for Value Chain partner

Appropriate Governance Structure with defined roles and responsibilities:

Your Company has established a well-defined internal management structure, clearly delineating the roles and responsibilities of each constituent within the organization. The Members of the Company appoint the Board of Directors, which is entrusted with the overall governance and oversight of the Company.

The Board has constituted six Committees to effectively discharge its responsibilities. The Company Secretary acts as the Secretary to all Committees of the Board constituted in accordance with the Companies Act, 2013 and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time.

The Vice Chairperson & Managing Director (VC&MD), the Executive Director (ED) and Whole-Time Director (WTD) provide overall strategic direction and guidance to the Company’s operations. In the discharge of their responsibilities, the VC&MD is supported by the Executive Director & Whole Time Director and a core group of senior-level executives.

Board Leadership:

The Board of Directors provides strategic leadership and guidance to the Company and is committed to fostering a culture of integrity, transparency and accountability with a focus on long-term value creation.

The Board ensures that the Company complies with all applicable laws and regulations, including the provisions of the Companies Act, 2013, rules made thereunder and applicable SEBI regulations. Periodic compliance reports are placed before the Board for its review, enabling effective oversight of statutory and regulatory compliance.

The Board's decisions and actions are guided by the best interests of the Company and its stakeholders. It remains committed to creating sustainable value through prudent governance and effective oversight of management.

The Company has established well-defined procedures and an appropriate framework for convening meetings of the Board and its Committees, designed to facilitate informed decision-making and ensure the efficient conduct of business.

The Board's agenda, inter alia, includes strategic reviews from each of its committees, detailed evaluation of annual strategic and operating plans, as well as capital allocation and budgets. In addition, the Board reviews related party transactions, if any, key risks and corresponding mitigation measures, financial reports presented by the Chief Financial Officer (CFO) and business updates from division heads. Regular and meaningful deliberations at the Board level help shape the strategic agenda and provide a clear roadmap for the Company's future growth.

2. BOARD OF DIRECTORS

a) Composition and category of Directors

The Board of your company bears the ultimate responsibility for the organization and administration of your company. It is vital to have a well-balanced Board with a combination of Executive, Non-Executive and Independent, Woman Directors on the Board of the Company to ensure Board's independence and effective management. The Board Composition of your company is in conformity with the requirement of Section 149(4) of the Companies Act, 2013 ("the Act") and Regulation 17 of the SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015 as amended from time to time. As on March 31, 2026, the Board consists of Six (6) members, out of which Three (3) are Executive/Whole-time Directors, Two (2) are Non- Executive Independent Directors and One (1) is Non- Executive Independent Woman Director. The Board periodically evaluates the need for change in its composition and size.

None of the Independent Directors on the Board serves as an Independent Director in more than seven listed entities. Further, none of the Directors is a member of more than ten Committees (excluding Committees of private limited companies, foreign companies and companies registered under Section 8 of the Companies Act, 2013 ("the Act")) or acts as Chairperson of more than five Committees, in compliance with Regulation 26 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, across all companies in which he/she is a Director.

The Directors have made the necessary disclosures regarding their committee positions during the period under review. For the purpose of determining the limits of Committee memberships and Chairpersonships, only the Audit Committee and the Stakeholders' Relationship Committee have been considered, in accordance with Regulation 26(1)(b) of the SEBI Listing Regulations.

Board Diversity by Gender

The Board of Directors comprises of 50% Female and 50% Male as on March 31, 2026

Roles, Responsibilities and Duties of the Board

The role, responsibilities and duties of the Board of Directors are crucial in ensuring effective governance and the sustainable growth of a company. Under the Securities and Exchange Board of India SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015 and Section 166 of the Companies Act, 2013, the Board has specific obligations to fulfil.

The Board acts as a fiduciary of the Company, safeguarding the interests of its stakeholders. It provides strategic direction and oversees the overall objectives of the Company. The Board exercises independent judgment and acts 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.

Pursuant to Section 166 of the Companies Act, 2013, the Directors are entrusted with a fiduciary duty to act in good faith, exercise due care and act in the best interests of the Company. The Directors are required to promote the Company's objectives, safeguard its assets and ensure its long-term sustainability. The Act further emphasizes that Directors must act honestly, responsibly and with reasonable diligence, applying their skills and knowledge for the benefit of the Company.

In conclusion, the Directors individually and the Board of Directors collectively play a pivotal role in the governance and management of the Company, with responsibilities encompassing strategic planning, oversight, risk management, regulatory compliance and stakeholder engagement. The SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, read with Section 166 of the Companies Act, 2013, provide a robust framework enabling the Board to effectively discharge its duties and drive the Company's sustainable growth and long-term success.

Board Meeting Frequency and location:

The Board meets at least once a quarter to review the quarterly results and other items of the agenda. Whenever necessary, additional meetings are held. Committee meetings are held as stipulated in its charter or as prescribed in the Act and Listing Regulations, but at least one meeting of each committee is held in a financial year. In the case of business exigencies or urgency of matters, resolutions are passed by circulation. Video conferencing facility is provided to the Directors who intend to participate through Video Conference. The Board meetings date, time & venue is informed well in advance to all the Directors and invitees. Six (6) Board meetings were held during the year ended March 31, 2026 and the gap between any two meetings did not exceeded one hundred and twenty days. The said meetings were held on: May 16, 2025, July 17, 2025, October 15, 2025, October 27, 2025, January 28, 2026 an March 17, 2026.

Agenda and relevant information to Directors:

The agenda for each meeting of the Board and its Committees is circulated well in advance to the Directors. All relevant and material information is included in the agenda to facilitate informed, meaningful and focused deliberations at the meetings. Members of the Board and its Committees are also provided the opportunity to suggest items for inclusion in the agenda.

In line with its commitment to environmental sustainability, the Company circulates agendas and other relevant documents/information to the Directors through a secure electronic platform.

Board Meetings - Matters:

All divisions and departments of the Company are advised to plan and schedule their activities in advance, particularly for matters that require discussion, approval, or decision at Board or Committee meetings. Such matters are communicated to the Company Secretary well in advance to facilitate their inclusion in the agenda.

The agenda for these meetings is finalized in consultation with the Vice-Chairperson & Managing Director and the Chairperson of the Company.

Your Company ensures that the gap between the approval of financial results by the Audit Committee and the Board of Directors is kept to a minimum, in compliance with the provisions of the SEBI (Prohibition of Insider Trading) Regulations, 2015.

Presentations by management:

The Chief Financial Officer, Chief Executive Officer, Chief Operating Officer, Company Secretary and the Internal Audit Team Coordinator regularly update the Board on matters within their respective domains through presentations and Board notes.

These presentations and notes encompass key areas such as finance, sales, marketing, major business segments and overall operations of the Company. They also cover business opportunities, strategic plans, growth initiatives, risk management practices, internal audit observations and regulatory developments, along with their potential impact on the Company's operations.

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.
- 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/
- 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 records the proceedings of the meetings and circulates the draft minutes to the Board/Committee Members within 15 days from the date of conclusion of the meeting. The suggestions and comments of the Directors are duly considered and appropriately incorporated in the minutes.

The final minutes are entered in the Minutes Book within 30 days from the date of conclusion of the meeting. Certified copies of the signed minutes are circulated to the Directors within 15 days of signing by the Chairperson of the respective Board/Committee meeting.

Post Board Meeting Mechanism

All proceedings of the Board Meetings are recorded in accordance with the provisions of the Companies Act, 2013 and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. Decisions taken by the Board and its Committees are promptly communicated to the concerned departments/divisions for necessary action.

All post-Board meeting filings with the Stock Exchanges and the Registrar of Companies are carried out in compliance with the requirements of the Companies Act, 2013, the SEBI Listing Regulations and the rules made thereunder, as amended from time to time.

Further, action taken reports and status updates on decisions of previous meeting(s) are placed before the Board at subsequent meetings for noting and for further directions, if any.

Selection of Independent Directors

In view of the requisite skill sets on the Board, individuals of eminence, possessing an independent standing in their respective fields/professions and the ability to contribute effectively to the Company's business and policy decisions, are considered by the Nomination and Remuneration Committee for appointment as Independent Directors.

While evaluating such candidates, the Committee, inter alia, considers their positive attributes, areas of expertise and the number of directorships and committee memberships held in other companies, in accordance with the Company's Policy on Selection of Directors and determination of Directors' independence.

The Committee also assesses the existing skills, knowledge and experience available on the Board, on such evaluation, prepares a description of the role and capabilities required of an Independent Director. The person recommended for appointment is expected to possess the identified capabilities.

The Board, thereafter, considers the recommendations of the Committee and takes an appropriate decision regarding the appointment.

Meetings of Independent Directors

Pursuant to Schedule IV of the Companies Act, 2013, read with the Rules made thereunder and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time, the Independent Directors of the Company are required to hold at least two meetings in a year, without the presence of non-independent directors and members of the management.

At such meetings, the Independent Directors, inter alia, review the performance of non-independent directors and the Board as a whole; evaluate the performance of the Chairperson of the Board, taking into account the views of the executive and non-executive directors; and assess the quality, quantity and timeliness of the flow of information between the Management and the Board, which is necessary for the Board to effectively and reasonably discharge its duties.

During the year under review, two meetings of the Independent Directors were held on May 16, 2025 and March 17, 2026.

Succession planning

The Nomination and Remuneration Committee works closely with the Board on leadership succession planning and also formulates contingency plans for smooth succession and transition at the Board and senior management levels. It identifies the desired skill sets and areas of expertise required and continuously reviews the same. Any vacancies are assessed in advance and addressed through a structured and systematic process.

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
	Held	Attended	AGM July 31, 2025
Independent Director			
Mr. A V Girija Kumar	6	6	Yes
Mr. Rajesh Thakur Ahuja*	6	6	Yes
Mrs. Aparna Surabhi	6	6	Yes
Mr. M P Vijay Kumar	6	6	Yes
Whole-time Director/ Executive Director			
Mrs. N Bhuvaneswari	6	6	Yes
Mrs. N Brahmani	6	6	Yes
Dr. M Sambasiva Rao	6	6	Yes

* Mr. Rajesh Thakur Ahuja retired as a Non-Executive Independent Director w.e.f. March 22, 2026

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, 2026:

Name	No. of Directorships in other Public Companies*	No. of Committee positions held in other Public Companies#		Directorship in other Public Companies
		Member	Chairperson	
Non-Executive Independent Director				
Mr. A V Girija Kumar	3	2	-	• Heritage Nutrivet Limited (M) (NID) • Heritage Novandie Foods Limited (M) (NID) • Peanutbutter And Jelly Limited (NID)
Mrs. Aparna Surabhi	6	5	3	• Optival Health Solutions Private Limited (C) (NID) • Heritage Nutrivet Limited (C) (NID) • HBL Engineering Limited (M) (NID) • Medplus Health Services Limited (M) (NID) • Heritage Novandie Foods Limited (C) (NID) • Peanutbutter And Jelly Limited (NID)
Mr. M P Vijay Kumar	5	3	2	• Geojit Investments Limited (M) (NID) • Mahindra And Mahindra Limited (C) (NID) • Wheels India Limited (C) (NID) • ONGC Petro Additions Limited (NID) • SIFY Technologies Limited (ED)
Executive Director/Whole-time Director				
Mrs. N Bhuvaneswari	2	1	-	• Heritage Nutrivet Limited (M) (ND) • Heritage Finlease Limited (ND)
Mrs. N Brahmani	4	1	-	• Heritage Nutrivet Limited (MD) • Heritage Finlease Limited (ND) • Heritage Novandie Foods Limited (M) (ND) • Peanutbutter And Jelly Limited (ND)
Dr. M Sambasiva Rao	2	1	-	• Heritage Nutrivet Limited (ND) • Heritage Finlease Limited (M) (ND)

(C) Chairman, (M) Member, (ND) Non-Executive Director, (NID) Non-Executive Independent Director, (MD) Managing Director

* Directorships in private limited companies, foreign companies and Section 8 companies are not considered.

\# Chairmanship and membership of the Audit Committee and Stakeholders' Relationship Committee has been considered as per Regulation 26(1)(b) of the SEBI Listing Regulations.

d) Number of meetings of the Board of directors held and dates on which held:

Six (6) Board meetings were held during the year ended March 31, 2026 and the gap between any of the two consecutive meetings was not exceeding one hundred and twenty days. The said meetings were held on: May 16, 2025, July 17, 2025, October 15, 2025, October 27, 2025, January 28, 2026 an March 17, 2026. The necessary quorum was present for all the meetings.

The tentative schedule of Board Meetings for the ensuing financial year is determined in advance and disclosed as part of the Annual Report. The agenda for each meeting, along with detailed explanatory notes, is prepared by the Chairperson of the Board and the Company Secretary & Compliance Officer, in consultation with the Vice Chairperson & Managing Director and is circulated to the Directors well in advance.

Members of the Board are also entitled to suggest the inclusion of additional items in the agenda. The Board meets at least once every quarter, inter alia, to review the quarterly financial results and other agenda items. Additional meetings are convened as and when required.

e) Disclosure of relationship between directors inter-se:

As on March 31, 2026, the Board consists of Six (6) members, out of which (3) are Executive/Whole-time Directors, two (2) are Non-Executive Independent Directors and one (1) is Non-Executive Independent Woman Director.

None of the Directors has relations with each other except Executive Director/Whole-time director of the Company. Mrs. N Brahmani, Executive Director of the Company is the daughter-in-law of Mrs. N Bhuvaneswari, 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, 2026.

g) Familiarisation programmes for Board Members

Upon induction to the Board, every Director is provided with a comprehensive orientation, including an overview of the Company's vision, mission, business model, key challenges, risks and opportunities. The Directors are also provided with relevant documents, brochures, reports and internal policies to familiarize them with the Company's processes and practices.

Periodic presentations are made at the meetings of the Board and its Committees covering business performance, operational updates and strategic initiatives. Detailed presentations on the Company's business segments were also made during the year. In addition, site visits to various plant locations are organized to enable the Directors to gain a deeper understanding of the Company's operations. Through such continuous engagement and information sharing, the Company ensures that the Board remains well-informed about its business and functioning.

Further, the Statutory Auditors, Internal Auditors and members of Senior Management make presentations to the Board, from time to time, on regulatory developments and their implications, particularly while considering and approving the financial results.

h) Skills/Expertise/Competencies of the Board of Directors

The following are 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. Financial: Ability to understand and interpret financial statements, financial controls and risk management frameworks, including experience in mergers and acquisitions. Expertise in managing the finance function of an enterprise, demonstrating proficiency in complex financial management, capital allocation and financial reporting processes or experience in overseeing financial officers, accounting officers, controllers, auditors, or similar roles.

ii. Technical and Professional Skills / Policy Development: Capability to identify key issues and opportunities for the Company within the dairy industry and to develop appropriate policies that define the framework within which the organization operates. This includes sound knowledge of legal and regulatory requirements.

iii. Leadership: Extensive leadership experience in large organizations, with a strong understanding of organizational dynamics, processes, strategic planning and risk management. Demonstrated ability in talent development, succession planning and driving organizational change and long-term growth, including oversight of strategic human resource management, workforce planning, employee and industrial relations and large-scale transformation initiatives.

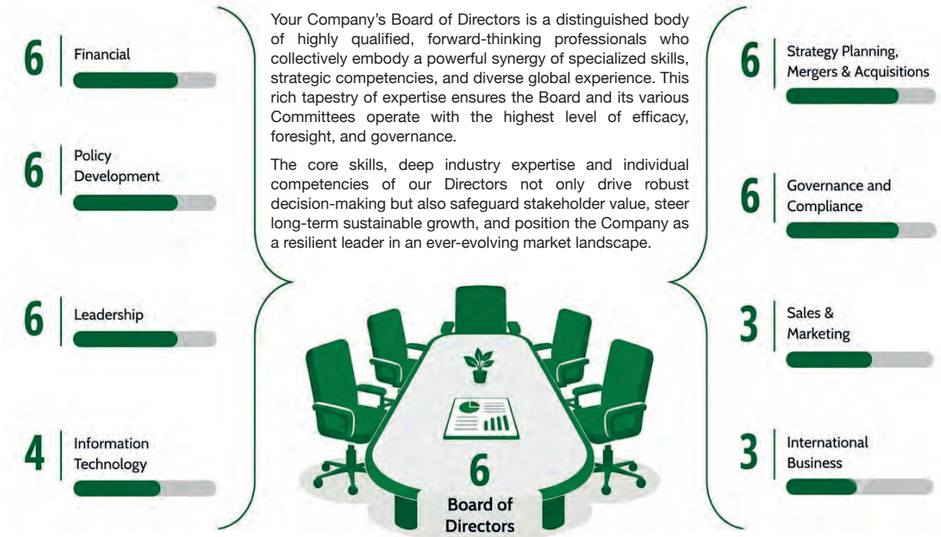
iv. Information Technology: Significant exposure to technology, with the ability to anticipate technological trends, foster innovation and enable the development of new or enhanced business models. Knowledge and experience in the strategic use and governance of information systems and information technology within the organization.

v. Operational Skills / Strategic Planning / Mergers and Acquisitions: Experience in operating and managing dairy business operations, coupled with the ability to think strategically, identify and critically evaluate opportunities and threats and formulate effective strategies aligned with the Company's objectives and policies. Expertise in leading growth through acquisitions and business combinations, including evaluating "build or buy" decisions, assessing strategic and cultural fit, valuing transactions and overseeing operational integration.

vi. General Management / Governance and Compliance**:** Experience of serving on the board of a company, providing valuable insights into maintaining accountability of the Board and management, strategic thinking and effective decision-making, while safeguarding stakeholder interests and upholding sound governance practices. The ability to identify key risks across a broad spectrum, including legal and regulatory compliance and to monitor and evaluate risk management and compliance frameworks and systems.

vii. 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.

viii. International Business: Knowledge of and experience in managing or operating businesses with an international presence.



Your Company's Board of Directors is a distinguished body of highly qualified, forward-thinking professionals who collectively embody a powerful synergy of specialized skills, strategic competencies, and diverse global experience. This rich tapestry of expertise ensures the Board and its various Committees operate with the highest level of efficacy, foresight, and governance.

The core skills, deep industry expertise and individual competencies of our Directors not only drive robust decision-making but also safeguard stakeholder value, steer long-term sustainable growth, and position the Company as a resilient leader in an ever-evolving market landscape.

A tabular representation of the same is as below:

Director	Key Board Qualifications – Area of Expertise							
	Financial	Policy Development	Leadership	Information Technology	Strategy planning, Mergers & Acquisitions	Governance and Compliance	Sales & Marketing	International Business
Mr. A V Girija Kumar	√	√	√	-	√	√	√	√
Mrs. Aparna Surabhi	√	√	√	√	√	√	-	√
Mr. M P Vijay Kumar	√	√	√	√	√	√	-	-
Mrs. N Bhuvaneswari	√	√	√	-	√	√	√	-
Mrs. N Brahmani	√	√	√	√	√	√	√	√
Dr. M Sambasiva Rao	√	√	√	√	√	√	-	-

i) Declaration by Independent Directors

All the Independent Directors of the Company have submitted declarations confirming that they meet the criteria of independence as prescribed under Section 149(6) of the Companies Act, 2013 and Regulation 16(1)(b) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. They have further confirmed that they are not aware of any circumstances or situations, existing or reasonably anticipated, that could impair or affect their ability to discharge their duties with objective and independent judgment, free from any external influence.

The Independent Directors have also affirmed that, apart from receiving director's remuneration by way of sitting fees, they do not have any pecuniary relationship or transactions with the Company, its promoters, Directors, or senior management. Further, they are neither material suppliers, service providers, or customers, nor lessors or lessees of the Company, in a manner that could affect their independence. They have also confirmed that they are not substantial shareholders of the Company, i.e., they do not hold securities or interests exceeding a face value of ₹50 lakh or 2% or more of the paid-up share capital, during the three immediately preceding financial years or the current financial year.

j) Reason for resignation of an Independent Director

None of the Independent Director resigned from the Board during the period under review. However, during the year under review Mr. Rajesh Thakur Ahuja (DIN:00371406), Non-Executive Independent Director of the Company ceased to be an Independent Director due to completion of his second and final term w.e.f. March 22, 2026.

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 ("PIT Regulations").

The Company has established the requisite IT infrastructure for maintaining a Digital Structural Database and for monitoring insider trading activities, in compliance with the applicable provisions of the PIT Regulations.

The Policy is applicable to Promoters, members of the Promoter Group, all Directors, Designated Persons and other connected persons, including auditors and consultants, who are reasonably expected to have access to unpublished price sensitive information ("UPSI") relating to the Company.

The trading window of the Company remains closed from the first day of every quarter and reopens 48 hours after the declaration of financial results and also upon the occurrence of any material events, in accordance with the Code. The Audit Committee reviews compliance with the provisions of the PIT Regulations at least once in a financial year and verifies that the systems for internal control are adequate and operating effectively.

The Company has also formulated a "Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information" in compliance with the PIT Regulations. Further, a Whistle Blower Policy is in place to enable employees to report instances of leak or suspected leak of UPSI, supported by a defined procedure for inquiry in such cases.

The aforesaid Code and policies are hosted on the Company's website (www.heritagefoods.in). All Directors and members of Senior Management have affirmed compliance with these policies for the financial year ended March 31, 2026.

l) Appointment and Tenure of Directors

The Directors of the Company are appointed / reappointed by the Board on the recommendation of the Nomination and Remuneration Committee and approval of the members at the General Meetings. Independent Directors are appointed as per the applicable provisions of the Companies Act, 2013 and rules made thereof and SEBI (Listing Obligations and Disclosure Requirements), Regulations 2015.

The Vice-Chairperson & Managing Director is not liable to retire by rotation. In compliance with Section 152(6) of the Companies Act, 2013 and rules made thereunder Executive Director / Whole Time Director of the Company are liable to retire by rotation.

During the year under review, Dr. M. Sambasiva Rao (DIN: 01887410) was appointed as Whole-time Director of the Company with effect from April 1, 2025, for a period of five (5) consecutive years. The said appointment was approved by the shareholders through a Special Resolution passed by way of postal ballot on May 2, 2025.

Mrs. N. Brahmani (DIN: 02338940), Executive Director of the Company, retired by rotation at the 33rd Annual General Meeting held on July 31, 2025 and being eligible, was re-appointed by the Members. The re-appointment does not result in any change in the terms and conditions of her appointment, including remuneration and tenure, as previously approved by the Members by way of postal ballot, the results of which were declared on March 14, 2024.

m) BOARD COMMITTEES

Name of the Committee	Non-Executive Independent Directors			Executive Directors		
	Mr. A V Girija Kumar	Mrs. Aparna Surabhi	Mr. M P Vijay Kumar	Mrs. N Bhuvaneswari	Mrs. N Brahmani	Dr. M Sambasiva Rao
Audit Committee	Member	Chairperson	Member	-	Member$	
Nomination & Remuneration Committee	Member	Member	Chairperson			
Stakeholders Relationship Committee	Member	Chairperson		Member		
Risk Management Committee	Member	Chairperson*		Member		
Corporate Social Responsibility Committee	Member			Chairperson^		Member#
Management Committee	Member	Member	Member	Chairperson		

* Appointed as Chairperson of the committee w.e.f. March 23, 2026
^ Appointed as Chairperson of the committee w.e.f. March 23, 2026
# Appointed as member of the committee w.e.f. March 23, 2026
$ Appointed as member of the committee w.e.f. May 11, 2026

Chairperson Member

The Board of Directors of the Company are having 6 (Six) Committees during the FY 2025-26 i.e.

i. Audit Committee
ii. Nomination & Remuneration Committee
iii. Stakeholders Relationship Committee
iv. CSR Committee
v. Risk Management Committee
vi. Management Committee

The quorum for committee meetings is as per the Companies Act and SEBI Listing Regulation. The Company Secretary &

Compliance Officer 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

Brief Terms of Reference / Roles and Responsibilities

I. Oversight of the Company's financial reporting process and disclosure of financial information to ensure the financial statement is correct, sufficient and credible.

II. Recommendation for appointment/re-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 management, quarterly/annual financial results/statements and auditor's report thereon before submission to the Board for approval.

V. Reviewing and monitoring the auditor's independence, performance and effectiveness of audit process.

VI. Approval including omnibus approval or any subsequent modification of transactions of the Company with related parties.

VII. Scrutiny of inter-corporate loans and investments; valuation of undertakings or assets of the Company, wherever necessary.

VIII. Evaluation of internal financial controls and risk management systems.

IX. Reviewing with management, performance of statutory and internal auditors, adequacy of the internal control systems.

X. Discussion with statutory auditors before the audit commences about nature/scope of audit and post-audit discussion to ascertain areas of concern.

XI. Review the functioning of whistle blower mechanism; monitoring compliances as per SEBI (PIT) Regulations, 2015.

XII. Approval of appointment of Chief Financial Officer.

XIII. Reviewing utilization of loans/advances from/investment by the holding company in the subsidiary exceeding ₹ 1,000 million or 10% of asset size of subsidiary, whichever is lower.

XIV. Consider and comment on rationale, cost-benefits and impact of schemes involving merger, demerger, amalgamation etc., on the listed entity and its shareholders.

Composition as on March 31, 2026

Name	Designation	Category
Mrs. Aparna Surabhi	Chairperson	Non-Executive Independent Women Director
Mr. A V Girija Kumar	Member	Non-Executive Independent Director
Mr. M P Vijay Kumar	Member	Non-Executive Independent Director

* Mr. Rajesh Thakur Ahuja has ceased to be a member w.e.f. March 22, 2026 due to Tenure Completion as Non-Executive Independent Director.

Meetings and Attendance during Financial Year 2025-26

Six (6) meetings were held during FY 2025-26 on: May 16, 2025 | July 17, 2025 | October 15, 2025 | October 27, 2025 | January 28, 2026 | March 17, 2026

Name	Meetings Held	Meetings Attended
Mrs. Aparna Surabhi	6	6
Mr. A V Girija Kumar	6	6
Mr. Rajesh Thakur Ahuja *	6	6
Mr. M P Vijay Kumar	6	6

* Mr. Rajesh Thakur Ahuja has ceased to be a member w.e.f. March 22, 2026 due to Tenure Completion as Non-Executive Independent Director.

Invitees: Mrs. N. Bhuvaneswari (Vice Chairperson & MD); Mrs. N. Brahmani (Executive Director); Dr. M. Sambasiva Rao (Whole-time Director); Mr. A. Prabhakara Naidu (CFO); Mr. Srideep M Kesavan (CEO); Mr. J. Samba Murthy (COO). Statutory Auditors are also invited. Mr. Umakanta Barik, Company Secretary & Compliance Officer, acts as Secretary to the Committee.

4. Nomination and Remuneration Committee

Brief Terms of Reference / Roles and Responsibilities

i. Formulate the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy relating to remuneration for directors, key managerial personnel and other employees.

ii. Formulation of criteria for evaluation of performance of Independent Directors and the Board of Directors.

iii. Devising a policy on diversity of Board of Directors.

iv. Identifying persons who are qualified to become Directors and who may be appointed in senior management in accordance with the criteria laid down and recommend to the Board 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 prepare a description of the role and capabilities required of an independent director. The Committee may use external agencies, consider candidates from diverse backgrounds, review their time commitments and evaluate all candidates through an appropriate process before making recommendations to the Board.

viii. The Committee coordinates and oversees the annual performance evaluation of the Board, its committees and individual Directors; reviews performance and approves revisions in annual fixed and variable compensation, as well as promotions, for employees one level below the Board, including Functional Heads. It also periodically evaluates the effectiveness of performance parameters and makes necessary modifications as appropriate.

Composition as on March 31, 2026

Name	Designation	Category
Mr. M P Vijay Kumar	Chairperson	Non-Executive Independent Director
Mr. A V Girija Kumar	Member	Non-Executive Independent Director
Mrs. Aparna Surabhi	Member	Non-Executive Independent Woman Director

* Mr. Rajesh Thakur Ahuja has ceased to be a member w.e.f. March 22, 2026 due to tenure Completion as a Non-Executive Independent Director of the Company.

Meetings and Attendance during Financial Year 2025-26

Two (2) meetings were held during FY 2025-26 on: May 16, 2025 | March 17, 2026

Name	Meetings Held	Meetings Attended
Mr. M P Vijay Kumar	2	2
Mr. A V Girija Kumar	2	2
Mr. Rajesh Thakur Ahuja *	2	2
Mrs. Aparna Surabhi	2	2

* Mr. Rajesh Thakur Ahuja has ceased to be a member w.e.f. March 22, 2026 due to Tenure Completion as a Non-Executive Independent Director of the Company.

Invitees: Mrs. N. Brahmani (Executive Director) and Dr. M. Sambasiva Rao (Whole Time Director) are invitees to the Committee Meeting. Mr. Umakanta Barik, Company Secretary & Compliance Officer, is the Secretary to the Committee.

Performance Evaluation Criteria for Directors

One of the key functions of the Nomination and Remuneration Committee is to monitor and review the Board evaluation framework. The Board is committed to periodically evaluating its performance with a view to identifying strengths and areas for improvement. In this regard, the Board, in consultation with the NRC, has laid down appropriate criteria for evaluating the performance of Executive, Non-Executive and Independent Directors.

The evaluation process is conducted through a structured questionnaire, forming an integral part of assessing the effectiveness and functioning of the Board. Each Director evaluates various aspects — including Board dynamics, quality of information flow, decision-making processes, stakeholder engagement, Company performance, strategic direction and effectiveness of the Board and its Committees — on a scale of 1 to 5.

The evaluation of the Board and individual Directors is carried out electronically through a digital platform, ensuring efficiency, confidentiality and timely completion.

5. Stakeholders Relationship Committee

Brief Terms of Reference / Roles and Responsibilities

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 ensuring 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 has authorised the 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 countersigned by Company Secretary & Compliance Officer, to be ratified by the Committee in subsequent meetings.

Key Details

Non-Executive Director heading the Committee	Mrs. Aparna Surabhi – Non-Executive Independent Women Director
Compliance Officer	Mr. Umakanta Barik, Company Secretary & Compliance Officer (designated under SEBI LODR Regulations, 2015)

Complaints / Requests during Financial Year 2025-26

Particulars	Count
No. of complaints / requests received	3
No. of complaints / requests resolved	3
No. of pending complaints / requests	NIL

Composition as on March 31, 2026

Name	Designation	Category
Mrs. Aparna Surabhi	Chairperson	Non-Executive Independent Women Director
Mr. A V Girija Kumar	Member	Non-Executive Independent Director
Mrs. N Bhuvaneswari	Member	Executive Director

* Mr. Rajesh Thakur Ahuja has ceased to be a member w.e.f. March 22, 2026 due to Tenure Completion as a Non-Executive Independent Director of the Company.

Meetings and Attendance during Financial Year 2025-26

One (1) meeting was held during FY 2025-26 on: May 16, 2025

Name	Meetings Held	Meetings Attended
Mrs. Aparna Surabhi	1	1
Mr. A V Girija Kumar	1	1
Mr. Rajesh Thakur Ahuja *	1	1
Mrs. N Bhuvaneswari	1	1

* Mr. Rajesh Thakur Ahuja has ceased to be a member w.e.f. March 22, 2026 due to Tenure Completion as a Non-Executive Independent Director of the Company.

5(A) Risk Management Committee

Brief Terms of Reference / Roles and Responsibilities

In accordance with Regulation 21 of the SEBI (LODR) Regulations, the Board constituted the Risk Management Committee. The Committee's prime responsibility is to review, implement 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 a 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 as on March 31, 2026

Name	Designation	Category
Mrs. Aparna Surabhi*	Chairperson	Non-Executive Independent Woman Director
Mr. A V Girija Kumar	Member	Non-Executive Independent Director
Mrs. N Bhuvaneswari	Member	Executive Director

* Mr. Rajesh Thakur Ahuja has ceased to be Chairperson of the committee w.e.f. March 22, 2026 due to Tenure Completion as a Non-Executive Independent Director of the Company.

* Mrs. Aparna Surabhi appointed as Chairperson of the committee w.e.f. March 23, 2026.

Meetings and Attendance during Financial Year 2025-26

Three (3) meetings were held during FY 2025-26 on: May 16, 2025 | July 17, 2025 | January 28, 2026

Name	Meetings Held	Meetings Attended
Mr. Rajesh Thakur Ahuja *	3	3
Mrs. Aparna Surabhi	3	3
Mr. A V Girija Kumar	3	3
Mrs. N Bhuvaneswari	3	3

* Mr. Rajesh Thakur Ahuja has ceased to be Chairperson of the committee w.e.f. March 22, 2026 due to Tenure Completion as a Non-Executive Independent Director of the Company.

Invitees: Mrs. N. Brahmani (Executive Director); Dr. M. Sambasiva Rao (Whole Time Director); Mr. A. Prabhakara Naidu (CFO); Mr. Srideep M Kesavan (CEO). Mr. Umakanta Barik, Company Secretary & Compliance Officer, is the Secretary to the Committee.

5(B). Senior Management – Changes during FY 2025-26

During the year under review, the composition of the Senior Management of the Company underwent changes in the normal course of business operations, including appointments and resignations. The details of such changes, along with relevant particulars, are provided below.

Sl. No.	Name of Personnel	Designation	Nature of Change
1	Mr. Sannu Francis Clement	Head – HR	Resignation
2	Mr. Amit Vijay Shetty	Chief Human Resources Officer	Appointment
3	Mr. Makarand Shastri	Vice President & Head National Sales	Resignation
4	Mr. Puneet Kusumbia	Vice President – Marketing	Resignation

5(C) Corporate Social Responsibility Committee (CSR)

Brief Terms of Reference / Roles and Responsibilities

The Corporate Social Responsibility Committee is constituted in pursuance to Section 135 of the Companies Act, 2013 and the rules made thereunder 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 the '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.

The Committee oversees the activities and functioning of the Company's CSR projects, including the work carried out by implementing partners who act as external agencies for the execution of CSR initiatives. It is responsible for identifying areas of CSR focus, formulating programs and ensuring effective implementation of initiatives in accordance with the Company's approved CSR Policy and prescribed guidelines.

Composition as on March 31, 2026

Name	Designation	Category
Mrs. N Bhuvaneswari*	Chairperson	Executive Director
Mr. A V Girija Kumar	Member	Non-Executive Independent Director
Dr. M Sambasiva Rao#	Member	Whole Time Director

* Mr. Rajesh Thakur Ahuja has ceased to be Chairperson of the committee w.e.f. March 22, 2026 due to Tenure Completion as a Non-Executive Independent Director of the Company.

* Mrs. N Bhuvaneswari appointed as Chairperson of the committee w.e.f. March 23, 2026.

Dr. M Sambasiva Rao appointed as member of the committee w.e.f. March 23, 2026.

Meetings and Attendance during Financial Year 2025-26

One (1) meeting was held during FY 2025-26 on: July 17, 2025

Name	Meetings Held	Meetings Attended
Mr. Rajesh Thakur Ahuja *	1	1
Mrs. N Bhuvaneswari	1	1
Mr. A V Girija Kumar	1	1
Dr. M Sambasiva Rao #	–	–

* Mr. Rajesh Thakur Ahuja has ceased to be Chairperson of the committee w.e.f. March 22, 2026 due to Tenure Completion as a Non-Executive Independent Director of the Company.

Dr. M Sambasiva Rao appointed as member of the committee w.e.f. March 23, 2026 (not applicable for meetings held prior to appointment).

Invitees: Mrs. N. Brahmani (Executive Director) and Mr. A. Prabhakara Naidu (Chief Financial Officer) are permanent invitees to the Committee Meeting. Mr. Umakanta Barik, Company Secretary & Compliance Officer, is the Secretary to the Committee.

5(D) Management Committee

Brief Terms of Reference / Roles and Responsibilities

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 urgent in nature without having to wait for the next Board Meeting and those items are not statutorily required for the approval of the Board.

Composition as on March 31, 2026

Name	Designation	Category
Mrs. N Bhuvaneswari	Chairperson	Executive Director
Mr. A V Girija Kumar	Member	Non-Executive Independent Director
Mrs. Aparna Surabhi	Member	Non-Executive Independent Women Director
Mr. M P Vijay Kumar	Member	Non-Executive Independent Director

Meetings and Attendance during Financial Year 2025-26

One (1) meeting was held during FY 2025-26 on: February 17, 2026

Name	Meetings Held	Meetings Attended
Mrs. N Bhuvaneswari	1	1
Mr. A V Girija Kumar	1	1
Mrs. Aparna Surabhi	1	1
Mr. M P Vijay Kumar	1	–

Invitees: Mrs. N. Brahmani (Executive Director); Dr. M. Sambasiva Rao (Whole Time Director); Mr. A. Prabhakara Naidu (Chief Financial Officer); Mr. Srideep M Kesavan (Chief Executive Officer); Mr. J. Samba Murthy (Chief Operating Officer). Mr. Umakanta Barik, Company Secretary & Compliance Officer, is the Secretary to the Committee.

6. REMUNERATION OF DIRECTORS

The Nomination and Remuneration Committee determines and recommends to the Board the remuneration payable to the Directors. All Board-level remuneration is subject to approval by the Members and is disclosed separately in the financial statements. The remuneration of the Vice-Chairperson & Managing Director, Executive Director and Whole Time Director comprises both fixed and variable components.

The remuneration payable to Non-Executive Independent Directors is limited to sitting fees and reimbursement of actual expenses incurred towards conveyance, travel and other costs for attending meetings of the Board and its Committees, as approved by the Board and the Members, in accordance with the provisions of the Companies Act, 2013 and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time.

a) All pecuniary relationship or transactions of the Non-Executive Directors:

There are no pecuniary relationship or transactions between the company and Non-Executive Independent Directors except the sitting fees they are getting for attending the board/committee meeting.

b) Criteria of making payments to Non-Executive Directors:

The Non-Executive Directors are paid remuneration by way of Sitting Fees and reimbursement of actual expenses for attending the Board/Committee Meetings. The Non- Executive Directors/Independent Directors do not have any material pecuniary relationship or transactions with the Company. The Proforma appointment letter of the Non-Executive Director including the payment thereof is available in the website of the Company i.e. https://www.heritagefoods.in/uploads/investors/pdf/15861534467Draft_Appointment_Letter-_Non-Executive_Independent_Director.pdf The details of the amount paid to all Directors are disclosed in point no. 6(c)(i) of the Corporate Governance Report section in the Annual Report.

c) Other disclosures with respect to remuneration:

i. All elements of remuneration of individual directors summarized under major groups such as salary, benefits, bonuses, stock options, pensions etc:

The Details of remuneration paid/payable for the year ended March 31, 2026 is as follows:

(₹ in Millions)

Name	Sitting Fees	Remuneration	Perquisites/ Perks	Performance / Annual Pay	Total
Non-Executive Independent Directors					
Mr. A V Girija Kumar	1.45	-	-	-	**1.45**
Mr. Rajesh Thakur Ahuja*	1.40	-	-	-	**1.40**
Mrs. Aparna Surabhi	1.40	-	-	-	**1.40**
Mr. M P Vijay Kumar	1.15	-	-	-	**1.15**
Whole-time Directors					
Mrs. N Bhuvaneswari	**-**	27.00	-	69.03	**96.03**
Mrs. N Brahmani	**-**	13.50	-	63.32	**76.82**
Dr. M Sambasiva Rao	**-**	19.20	-	0.01	**19.21**

* Mr. Rajesh Thakur Ahuja has retired as Non-Executive Independent Director w.e.f. March 22, 2026

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.

Three Executive/Whole-time Directors are entitled to Performance Incentive, of which two Whole-time Directors were approved by the Nomination & Remuneration Committee and the Board at their meeting held on January 29, 2024, and subsequently approved by the Members through postal ballot (results declared on March 14, 2024). The third Whole-time Director was approved by the Nomination & Remuneration Committee and the Board at their meeting held on March 11, 2025, and subsequently approved by the Members through postal ballot (results declared on May 2, 2025).

iii. Service contracts, notice period, severance fees:

The Company has entered into service contracts/issued appointment letters with the Executive Directors, which provide for a notice period of three months on either side. No severance fees are payable to any of the Directors of the Company.

The Company has also issued formal appointment letters to the Non-Executive Independent Directors in accordance with the provisions of the Companies Act, 2013 and the applicable regulatory requirements.

iv. Stock option details, if any and whether issued at a discount as well as the period over which accrued and over which exercisable:

The Company has not granted any stock option to any of its directors. Mrs. N Bhuvaneswari and Mrs. N Brahmani Executive/ Whole-time Directors of the Company are holding 2,26,11,525 and 4,30,952 equity shares of face value of ₹5 each of the Company respectively as on March 31, 2026.

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. 2024-25, 2023-24 and 2022-23 are as follows:

Financial year ended	Date and time (IST)	Venue
March 31, 2025	July 31, 2025 at 10:00 a.m.	Through Video Conferencing ("VC") / Other Audio Visual Means ("OAVM") without physical presence of the members at a common venue, in compliance with the circulars issued by Ministry of Corporate Affairs and Securities & Exchange Board of India. The deemed venue was the Registered Office of the Company.
March 31, 2024	August 21, 2024 at 10:00 a.m.	
March 31, 2023	August 22, 2023 at 10.00 am	

b) Whether any special resolutions passed in the previous three annual general meeting:

Special resolutions passed in the previous three annual general meeting, are as follows:

Financial year ended	Date and time	Venue
March 31, 2025	July 31, 2025 at 10:00 am	• Increase in borrowing limits of the Company under Section 180(1)(c) of the Companies Act, 2013. • Creation / modification of Charges on the movable and immovable properties of the Company, both present and future, in respect of borrowings under Section 180(1)(a) of the Companies Act, 2013.
March 31, 2024	August 21, 2024 at 10:00 am	Nil
March 31, 2023	August 22, 2023 at 10.00 am	• To appoint Mr. A V Girija Kumar (DIN:02921377) as a Non-Executive Inde- pendent Director of the company for a term of 5 (five) consecutive years with effect from June 01, 2023 to May 31, 2028

c) Postal ballot:

During the financial year 2025-26, members of the company approved the special resolutions, stated in the below table, by means of Postal ballot, including Electronic Voting (e-voting). The Postal Ballot Notice dated March 11, 2025 was sent on April 1, 2025 through electronic mode to the members whose e-mail addresses were registered with the Company/ respective Depository Participants as on cut-off date i.e. March 28, 2025 and the hard copies of the Postal Ballot Notice is being sent through courier to other members whose e-mail was not registered with the Company or with their Depository Participants as on April 1, 2025.

The Company had published a notice in the newspaper on April 2, 2025, in Financial Express (all edition) and Andhra Prabha (Hyderabad edition) in compliance with the provisions of the Companies Act, 2013 and Secretarial Standard – 2.

The voting period commenced from at from 9:00 am April 2, 2025 and ended at 5:00 p.m. on May 1, 2025. The voting rights of members were reckoned on the paid-up value of shares registered in the name of member/ beneficial owner (in case of electronic shareholding) as March 28, 2025. The resolutions were approved by requisite majority on May 1, 2025. The result of the Postal Ballot conducted through E-voting for the Special Resolutions is as under:

Sl No	Particulars of the Resolution	Postal Ballots Results						
		Total e-voting received	No of Votes in Favor		No of Votes Against		No of Votes Abstain	No of Less Votes
			Votes	%	Votes	%		
1	Appointment of Dr. Muddana Sambasiva Rao (DIN:01887410) as a Director of the Company	5,73,43,071	5,72,62,287	99.86	80,256	0.14	302	226
2	Appointment of Dr. Muddana Sambasiva Rao, (DIN:01887410) as a Whole-time Director of the Company for a term of 5 consecutive years commencing from April 1, 2025 and payment of remuneration	5,73,43,071	5,72,70,612	99.87	71,855	0.13	202	402

d) Person who conducted the postal ballot exercise:

The Board had appointed Mr. A Ravi Shankar (M No:FCS-5335, CP No: 4318) Partner of M/s. Ravi & Subramanyam a firm of Practicing Company Secretaries, Hyderabad-500063 as the Scrutiniser for conducting the above postal ballot processes in a fair and transparent manner and had engaged the services of M/s. KFin Technologies Limited as the agency for the purpose of providing e-voting facility. Mr. A Ravi Shankar, submitted his reports on the postal Ballot to the Chairperson on May 02, 2025.

e) Whether any special resolution is proposed to be conducted through postal ballot:

There is no immediate proposal for passing any resolution through Postal Ballot.

f) Procedure for postal ballot:

In compliance with Sections 108 and 110 and other applicable provisions of the Companies Act, 2013, read with the relevant Rules and applicable MCA circulars, the Company provides an 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 are sent via email to Members who have registered their email IDs, while physical copies are dispatched through courier to those Members whose email IDs are not registered. The Company also publishes requisite notices in newspapers, in compliance with the provisions of the Act and the applicable rules.

Voting rights are reckoned based on the paid-up value of the shares held by the Members as on the cut-off date.

The Scrutinizer completes the scrutiny of votes and submits the report to the Chairperson of the Company. The consolidated results are then declared by the Chairperson or an authorized officer. The results are also hosted on the Company's website (www.heritagefoods.in) and communicated to the Stock Exchanges and the 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 is committed to maintaining transparency and ensuring timely disclosures to its stakeholders. The Company's website, www.heritagefoods.in, serves as a comprehensive source of information, enabling investors, analysts and other interested parties to access relevant details relating to its operations, financial performance and corporate governance practices, in accordance with Regulation 46 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time. Our Investor Relations section provides up-to-date financial reports, annual reports, quarterly results and presentations, offering a comprehensive view of our company's performance. We prioritize transparency and adhere to SEBI guidelines, ensuring the timely dissemination of material information, including board meeting updates, insider trading disclosures and other regulatory filings.

The Corporate Governance section of the Company's website highlights its commitment to ethical business practices, robust internal control systems and compliance with applicable laws and regulations. It provides detailed information on the Board of Directors, its committees, their composition and respective roles and responsibilities.

To facilitate effective communication with shareholders, the website features a dedicated investor section containing information on dividends, shareholding patterns and frequently asked questions. It also provides contact details of the Investor Relations team, enabling shareholders to connect directly with the Company.

The Company remains committed to responsible business practices and long-term value creation, with due consideration to social and environmental impact. The website includes comprehensive information on sustainability initiatives, policies and key achievements in this regard.

In addition, the Products and Services section offer an overview of the Company's offerings, outlining their features, benefits and unique value propositions. Customer support contact details are also provided to ensure a seamless experience for customers and business partners.

The Company values feedback and encourages open communication. The "Contact Us" section provides contact details for various departments, enabling stakeholders to share queries, feedback, or business opportunities. Visitors are encouraged to explore the website to gain a deeper understanding of the Company's operations, governance framework and commitment to transparency, growth 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 34th Annual General Meeting, Directors' Report including Annexure thereto, Secretarial Audit Report, Business Responsibility & Sustainability Report, Management Discussion and Analysis, Report on Corporate Governance, Auditors Report, Audited Annual Accounts (Standalone & Consolidated) and other important information is circulated to Members and others entitled thereto.

Reminder to Investors:

Reminders for unclaimed/ unpaid dividend and shares thereof are sent to members as per records every year along with newspaper publications in compliance with applicable statutory requirements.

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, Integrated Filing (Governance), 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 fi lings like shareholding pattern, Integrated Filing (Governance), 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 www.heritagefoods.in

9. GENERAL SHAREHOLDER INFORMATION

a)	Company Identification No (CIN)	L15209TG1992PLC014332
	Annual General Meeting-Date and Time	Thursday, July 23, 2026, at 10:00 a.m. (IST)
	Venue	The Company will conduct the 34th AGM for FY 2025-26 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, 2026 – Last week of July, 2026 September 30, 2026 – Last week of October, 2026 December 31, 2026 – Last week of January, 2027 March 31, 2027 – Last week of May, 2027 Annual General Meeting – July, 2027
	Date of Book Closure	July 16, 2026 to July 23, 2026 (both days inclusive)
(c)	Dividend Payment Date	The dividend, if declared, shall be paid/credited to the respective bank account of members on Thursday, July 30, 2026 subject to deduction of applicable taxes. The dispatch of dividend warrants/demand drafts will be completed on same day.

a)	Company Identification No (CIN)	L15209TG1992PLC014332
	Annual General Meeting-Date and Time	Thursday, July 23, 2026, at 10:00 a.m. (IST)
	Venue	The Company will conduct the 34th AGM for FY 2025-26 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.
(d)	Listing on Stock Exchanges	BSE Limited (BSE) Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai – 400001 National Stock Exchange of India Limited (NSE), ''Exchange Plaza", Bandra-Kurla Complex, Bandra €, Mumbai – 400051
	Payment of Listing Fee	Annual listing fee for the year 2025-26 has been paid by the Company to BSE and NSE.
	ISIN Number	INE978A01027

e) 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.

f) Registrar to an issue and share transfer agent:

KFin Technologies Limited
Selenium Building, Tower-B,
Plot No 31 & 32, Financial District,
Nanakramguda, Serilingampally, Hyderabad,
Rangareddy, Telangana, India - 500032.
Tel No: +9140-67162222 / 79611000
Toll Free No.: 18003094001;
Fax: +91-40-23114087

g) **Share transfer system:**

Pursuant to SEBI regulations, securities of listed companies have been transferable only in dematerialised form with effect from April 1, 2019. Further, SEBI vide its Master Circular No. HO/38/13/(4)2026-MIRSD-POD/I/4298/2026 dated February 6, 2026, has mandated that securities of listed companies shall be issued only in dematerialised form.

SEBI, vide its Circular No. SEBI/HO/MIRSD/MIRSDPoD/P/CIR/2025/97 dated July 5, 2025, has prescribed a special window for re-lodgement of transfer deeds lodged prior to April 1, 2019, which were rejected/returned/not attended to due to deficiencies in documentation or process. This window is open for six months from July 7, 2025 to January 6, 2026. Further, SEBI vide its Circular No. HO/38/13/11(2)2026-MIRSD-POD/I/3750/2026 dated January 30, 2026, has provided another special window for transfer and dematerialisation of physical securities purchased or sold prior to April 1, 2019. This facility remains open for one year from February 5, 2026 to February 4, 2027.

In compliance with the above circulars, the Company has issued newspaper advertisements to disseminate information regarding the opening of these special windows and has also submitted periodic reports to SEBI within the prescribed timelines.

To mitigate risks associated with physical shareholding and to avail the benefits of dematerialisation, shareholders are advised to convert their physical holdings into demat form at the earliest. Members may contact the Company or the Registrar and Transfer Agent (RTA) for any assistance in this regard.

Shareholders are further advised to refer to the latest SEBI circulars and guidelines issued from time to time for holders of securities in physical form and ensure that their KYC details are updated to avoid freezing of folios in accordance with SEBI regulations.

The Board has delegated the authority for approving transmission and related matters pertaining to the Company's securities to the Vice Chairperson & Managing Director and the Executive Director. A summary of such transmissions, as approved, is placed before the Stakeholders' Relationship Committee at its meetings for review.

h) **Distribution of Shareholding as on March 31, 2026**

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#	73	78,20,419	8.43
2	Non-institutions	1,27,592	4,66,47,839	50.27
	Total (B)	**1,27,665**	**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)	**1,27,671**	**9,27,96,000**	**100.00**

* The number of shareholders had arrived after clubbing the same PAN
# Institutions Includes: Mutual Funds, Alternate Investment Funds, Banks, Insurance Companies, NBFCs and Institutions (Foreign)

Reclassification of Promoters group:

Five members of the Promoter Group were reclassified to the Public category during FY 23-24 pursuant to the approval of the Board of Directors, shareholders of the Company and the Stock Exchanges, in accordance with Regulation 31A of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The approvals from BSE and NSE were received on December 12, 2023.

For the financial year ended March 31, 2026, the aforesaid persons reclassified from the Promoter Group category to the Public category have submitted the requisite annual declarations confirming compliance with the conditions prescribed under Regulation 31A(4) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Shareholding Pattern by Size as on March 31, 2026

Category (No. of Shares)	No. of Shareholders*	No. of Shares	% of Total Shares
Up to 500	1,25,400	1,16,86,469	12.59
501 - 1000	2,129	31,00,668	3.34
1001 - 2000	1,101	31,47,472	3.39
2001 - 3000	349	17,21,224	1.85
3001 - 4000	184	12,85,460	1.39
4001 - 5000	141	12,86,103	1.39
5001 – 10000	224	32,08,731	3.46
10001 - Above	248	6,73,59,873	72.59
TOTAL	**1,29,776**	**9,27,96,000**	**100.00**

* The number of shareholders as per PAN based

Top 10 shareholders of the Company as on 31.03.2026

Sl. No	Name of the Shareholder	No of Shares	%
1	Bhuvaneswari Nara	2,26,11,525	24.37
2	Nirvana Holdings Private Limited	1,09,13,107	11.76
3	Lokesh Nara	1,00,37,453	10.82
4	Megabid Finance and Investment Private Limited	51,90,937	5.59
5	Kotak Mahindra Trustee Co Ltd A/C Multicap Fund	18,85,264	2.03
6	Abakkus Flexi Cap Fund	12,98,704	1.40
7	UTI Small Cap Fund	10,99,772	1.19
8	Investor Education And Protection Fund Authority	10,69,342	1.15
9	Bandhan Small Cap Fund	6,77,388	0.73
10	Brahmani Nara	4,30,952	0.46

Geographical Distribution of shareholders as on 31.03.2026

Sl No	City	Shareholders		Shares	
		No of Shareholders	% to Total	No of Shares	% to Total
1	Mumbai	14,890	11.47	1,91,65,452	20.65
2	Hyderabad	12,063	9.30	5,34,46,555	57.60
3	New Delhi	4,619	3.56	22,34,029	2.41
4	Bangalore	5,946	4.58	21,93,053	2.36
5	Chennai	5,713	4.40	11,40,018	1.23
6	Kolkatta	4,145	3.19	10,08,962	1.09
7	Jaipur	3,462	2.67	4,81,786	0.52
8	Ahmedabad	1,464	1.13	4,79,606	0.52
9	Pune	1,168	0.90	4,73,765	0.51
10	Vadodara	1,109	0.85	4,34,175	0.47
11	Vijayawada	1,428	1.10	4,14,947	0.45
12	Guntur	964	0.74	3,09,291	0.33
13	Kanpur	2,457	1.89	3,05,133	0.33
14	Surat	747	0.58	2,24,018	0.24
15	Visakhapatnam	1,285	0.99	2,04,896	0.22
16	Tirupathi	729	0.56	1,51,941	0.16
17	Bhavnagar	147	0.11	1,29,009	0.14
18	Indore	1,301	1.00	1,27,678	0.14
19	Coimbatore	486	0.37	97,099	0.10
20	Cochin	355	0.27	89,515	0.10
21	Patna	1,472	1.13	88,062	0.09
22	Srinagar	267	0.21	81,057	0.09
23	Kakinada	462	0.36	67,620	0.07
24	Rajkot	293	0.23	67,501	0.07
25	Ludhiana	312	0.24	54,999	0.06
26	Ranchi	221	0.17	53,561	0.06
27	Trivandrum	308	0.24	48,950	0.05
28	Chandigarh	300	0.23	47,599	0.05
29	Nagpur	475	0.37	47,000	0.05
30	Guwahati	661	0.51	42,324	0.05
31	Others	60,527	46.64	90,86,399	9.79
	Total	**1,29,776**	**100.00**	**9,27,96,000**	**100.00**

i) Dematerialization of shares and liquidity:

Total Shares in Demat and Physical form as on March 31, 2026

Sl. No	Category	No of Shareholders	Total Shares	% To Equity
1	Physical	429	3,62,656	0.39
2	NSDL	39,350	7,82,95,024	84.37
3	CDSL	89,997	1,41,38,320	15.24
	Total	**1,29,776**	**9,27,96,000**	**100.00**

The equity shares of the Company are actively traded on the stock exchanges, namely, National Stock Exchange Limited (NSE) and BSE Limited (BSE). During the financial year 2025–26, the Company's shares witnessed adequate liquidity with regular trading volumes on both exchanges and there were no significant price or volume fluctuations beyond normal market movements.

99.61% of the Company's paid-up Equity share capital has been dematerialised as on March 31, 2026. 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	1,27,665	5,44,68,258	5,41,05,602	99.33%
Total:	**1,27,671**	**9,27,96,000**	**9,24,33,344**	**99.61%**

* The number of shareholders is arrived after clubbing the same PAN.

To enable us to serve our investors better, we request shareholders whose shares are in the physical mode to dematerialize their shares and update their bank accounts with the respective depository participants.

j) The Company has not issued any ADRs/GDRs/ Warrants or any convertible instruments during the year under review.

k) Commodity price risk or foreign exchange risk and hedging activities:

The Company is exposed to commodity price risk due to fluctuations in dairy commodity prices. During the year, the Company exported dairy products valued at ₹ 56.33 million, with all receivables denominated in US Dollars, thereby exposing the Company to foreign exchange risk. Details relating to the Company's exposure to foreign currency risk and hedging policies are provided in the accounting policies and notes to the financial statements forming part of this Annual Report.

l) Major Plant Locations:

B. Kothakota

Bering (V), Sankarapuram (Post), Kothakota (M), Chittoor Dist. Pin-517370, Andhra Pradesh, India

Bayyavaram

Bayyavaram (V), Kasimakota, (M), Visakhapatnam Dist. Pin-531031. Andhra Pradesh, India

Bengaluru

Yadavanhalli (V) Neraluru Post, Attibele Hobli Anekal Taluk Bengaluru South, Pin-562107, Karnataka, India

Bobbili

Mettavalasa (V), Growth Center, Bobbili, Vizianagaram Dist. Pin-535558, Andhra Pradesh, India

Gokul

Kasipentala (V), Charndragiri (M), Chittoor Dist. Pin-517101 Andhra Pradesh, India

Kalluru

Koralagudam (V) Kalluru (M), Khammam Dist. Pin-507209 Telangana, India

Manor

Survey No. 13/1 & 13/2, Village Durves, Near Manor, Palghar Taluk, Dist. Pin-401403, Thane, Maharashtra, India

Narketpalli

Cheruguttu (V), Narketpalli (M), Nalgonda Dist. Pin-508254 Telangana, India

Pamarru

Yendagandi (V), K. Gangavaram (M), East Godavari Dist. Pin-533305 Andhra Pradesh, India

Rai

D.No.497, Food Park, Phase-1, Sector-38, Industrial Estate– HSIIDC, Rai, Sonipat Dist. Pin-131029. Haryana, India

Sangvi

Milakt No. 892. AT/Post - Sangavi, Phaltan taluka, Satara Dist. Pin-415523, Maharashtra, India

Shameerpet

Survey No 174,198, 203, Sampanbole Village, Shamirpet Mandal, Medchal Dist. Pin-500078, Telangana, India

Uppal

C-10 Raoad No 7, IDA Uppal, Hyderabad, Pin-500039, Telangana, India

Vadamadurai

MorePatti (V), Vadamadurai, Dindigul Dist. Pin-624802, Tamilnadu, India

m) 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-500033
Telangana, India, Tel: +91-40-23391221
Email: hfl@heritagefoods.in
Website: www.heritagefoods.in

n) Credit Rating:

The details of the credit rating are as follows:

a) **Credit rating obtained by the company**: In respect of Debt Instrument/facilities of the Company

b) **Name of the credit rating agency**: Credit Rating Information Services of India Limited (CRISIL)

c) **Ratings**:
   i. Long term Rating: Crisil AA-/Stable
   ii. Short term Rating: CRISIL A1+

d) **Date on which the credit rating was obtained**: March 31, 2026 (valid up to March 31, 2027)

e) **Revision in the credit rating**: During the period under review no revision in the credit rating in Short term Rating. CRISIL Ratings Limited has enhanced the rating from CRISIL A+/Positive to **Crisil AA-/Stable** in respect of Long-term rating.

f) Reasons provided by the rating agency for a downward revision: Not Applicable

Pursuant to Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("the Regulation"), your Company has intimated such to the stock exchanges, where the shares of the Company are listed.

10. OTHER DISCLOSURES

a) Disclosure in materiality significant related party transactions: Regulation 23 of the SEBI Listing Regulations and as defined under the Act

During the period under review, there were no materially significant related party transactions, monetary transactions, or relationships between the Company and its Directors, Management, Key Managerial Personnel, Subsidiaries, or their relatives, except those disclosed in the Notes to Accounts forming part of the Annual Report.

The Policy on Related Party Transactions is available on the Company's website and can be accessed at: 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 has adopted a Whistle Blower Policy to promote ethical conduct and transparency. The Company has established an effective mechanism that enables employees to report concerns relating to unethical behaviour, actual or suspected fraud, or violations of the Code of Conduct and Ethics.

The Policy provides adequate safeguards against victimization of employees who avail of this mechanism and ensures, in exceptional cases, direct access to the Chairperson of the Audit Committee. The Audit Committee periodically reviews the functioning of the whistle blower mechanism. During the financial year ended March 31, 2026, no complaints were received under this mechanism.

Further, no personnel have been denied access to the Audit Committee. The Whistle Blower Policy is available on the Company's website and can be accessed at: 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 and consolidated financial statements of the Company, including investments made in its unlisted subsidiary companies. The minutes of the Board Meetings of the unlisted subsidiary companies, along with reports on significant developments if any, are periodically placed before the Board of Directors of the Company.

The Company does not have any material unlisted subsidiary. The Company has also adopted a Policy for determining 'Material' Subsidiaries, which is available on its 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 ₹56.33 mn. Details relating to the Company's exposure to foreign currency risk and hedging policies are provided in the accounting policies and notes to the financial statements forming part of this Annual Report.

h) The Company has not made any preferential allotment or qualified institutions placement during the year under review.

i) A certificate obtained from Mr. A. Ravi Shankar (M No: FCS- 5335, CP No: 4318), Partner of M/s. Ravi & Subramanyam, Company Secretaries, Practicing Company Secretary, Hyderabad - 500063, Telangana stating that none of the directors on the Board of the Company have been debarred or disqualified from being appointed or continuing as directors of companies by SEBI/Ministry of Corporate Affairs or any such statutory authority which forms part of the Annual Report [Annexure-3(ii) in the Board's Report].

j) During the year there were no instances where Board had not accepted any recommendation of any Committee of the Board which is mandatorily required.

k) Remuneration/Fees of Statutory Auditor:

During the year under review your Company and its Subsidiaries Company paid the following remuneration/fees to the Statutory Auditor.

Rs in Mn

Particulars	M/s. Walker Chandiok & Co. LLP, Chartered Accountants (FRN 001076N/500013)			M/s. Ahuja V & Associates, Chartered Accountants (FRN 038975N)
	Heritage Foods Limited	Heritage Nutrivet Limited	Heritage Novandie Foods Limited	Peanutbutter and Jelly Limited
Statutory Audit fee	6.90	1.26	0.96	0.19
Limited review fee	2.78	-	-	-
Certification fee	0.63	-	-	-
Tax audit fee	1.11	0.45	-	-
Reimbursement of Expenses	0.61	0.07	-	-
Total	**12.03**	**1.78**	**0.96**	**0.19**

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 2025-26 from the M/s. PHSK & Associates, Chartered Accountant in Practice (F No:014784S) with a certification fee of ₹5,000/-.

Peanutbutter and Jelly Limited became a subsidiary of the Company with effect from January 05, 2026

l) Disclosures in relation to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 as amended from time to item:

The Company is committed to providing a safe, secure and conducive work environment for all its employees and associates. In line with the provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013, the Company has constituted an Internal Complaints Committee and implemented a comprehensive policy and framework for reporting and addressing instances of workplace sexual harassment.

The Company's processes ensure strict confidentiality and protection of the identity of individuals involved. Regular awareness programmes and workshops are conducted across the organization to promote a respectful workplace and to sensitize employees on the prevention of sexual harassment.

The below table provides details of complaints received/ disposed during the financial year 2025-26:

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 loans or advances extended by the Company. The details are provided in note 41 of the standalone financial statements.

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, read with the Rules made thereunder, as amended from time to time, provides for the appointment of Independent Directors. In terms of Section 149(10) of the Act, an Independent Director may hold office for a term of up to five consecutive years on the Board of a company and is eligible for reappointment upon passing of a Special Resolution by the Members. Accordingly, all Independent Directors have been appointed by the Members at the general meeting in compliance with the said provisions.

Further, as per Section 149(11) of the Act, no Independent Director shall hold office for more than two consecutive terms of five years each. Section 149(13) provides that the provisions relating to retirement by rotation, as specified under Sections 152(6) and 152(7) of the Act, shall not apply to Independent Directors.

The Company has issued formal letters of appointment to all Independent Directors, inter alia, setting out their roles, responsibilities, code of conduct, functions and duties. The terms and conditions of appointment of Independent Directors are hosted on the Company's website 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, 2026. 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 2025-26, 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 2025-26, information as mentioned in Part E of Schedule II of the SEBI Listing Regulations, has been placed before the Board for its consideration.

13. The Disclosure of the compliance with corporate governance requirements specified in regulation 17 to 27 and clauses (b) to (i) of sub-regulation (2) of Regulation 46 of Listing Regulations are as follows:

Sr. No.	Particulars	Regulation	Compliance Status Yes/No/NA
1	Board of Directors	17	Yes
2	Maximum Number of Directorships	17A	Yes
3	Audit Committee	18	Yes
4	Nomination and Remuneration Committee	19	Yes
5	Stakeholders Relationship Committee	20	Yes
6	Risk Management Committee	21	Yes
7	Vigil Mechanism	22	Yes
8	Related Party Transaction	23	Yes
9	Subsidiaries of the Company	24	Yes
10	Secretarial Audit and Secretarial Compliance Report	24A	Yes
11	Obligations with respect to Independent Directors	25	Yes
12	Obligations with respect to employees including Senior Management, Key Managerial Personnel, Directors and Promoters	26	Yes
13	Other Corporate Governance requirements	27	Yes
14	Website	46(2)(b) to (i)	Yes

14. CEO and CFO Certification

The Chief Executive Officer and the Chief Financial Officer of the Company have provided the annual certification on financial reporting and internal controls to the Board, in accordance with Regulation 17(8) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

They also furnish quarterly certifications on the financial results while placing the same before the Board, in terms of Regulation 33(2)(a) of the SEBI Listing Regulations. The annual certificate issued by the Chief Executive Officer and the Chief Financial Officer forms part of the Annual Report.

15. Compliance Certificate from the Auditors

Certificate from Statutory Auditors of the Company namely, M/s. Walker Chandiok & Co. LLP, Chartered Accountants (FRN:001076N/N500013), Hyderabad, Telangana confirming Compliance with the conditions of Corporate Governance as stipulated under SEBI (Listing Obligation & Disclosure Requirements) Regulations, 2015 is forming part of the Annual Report.

16. Disclosure with respect to Demat suspense account/ unclaimed suspense account

As on March 31, 2026, there are Nil outstanding shares lying in the suspense account.

17. Disclosure under clause 5A of paragraph A of Part A of Schedule III of Listing Regulations.

There are no agreements entered into by the shareholders or promoters or promoter group entities or related parties or directors or key managerial personnel or employees of the Company or its subsidiaries which either directly or indirectly or has a potential to impact the management or control of the Company by imposing any restrictions or creating any liability upon the Company as specified in Clause 5 A of Paragraph A of Part A of Schedule III of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

18. Transfer of unpaid/unclaimed amounts to Investor Education and Protection Fund

During the year under review, the Company transferred an amount of ₹13,27,930 (Rupees Thirteen Lakh Twenty-Seven Thousand Nine Hundred Thirty only) towards unclaimed/ unpaid dividend pertaining to the financial year 2017–18 to the Investor Education and Protection Fund (IEPF), in accordance with Section 124(5) of the Companies Act, 2013 [corresponding to Section 205C(2) of the Companies Act, 1956], read with the Investor Education and Protection Fund (Awareness and Protection of Investors) Rules, 2016, as amended from time to time.

Further, in compliance with Section 124 of the Companies Act, 2013, the Company has transferred 2,13,802 (Two Lakh Thirteen Thousand Eight Hundred Two only) equity shares belonging to 145 Members to the demat account of the IEPF Authority through Corporate Action dated October 27, 2025, in respect of those Members who had not claimed dividends for a continuous period of seven years.

Pursuant to the aforesaid provisions, the unclaimed/unpaid dividend and the corresponding shares relating to the financial year 2018–19 are due to be transferred to the Investor Education and Protection Fund during the financial year 2026–27.

19. Secretarial Audit

A qualified Practicing Company Secretary has conducted a quarterly reconciliation of share capital to reconcile the total admitted capital with National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL), as well as the physical shareholding with the total issued and listed capital. The audit confirms that the total issued and paid-up capital is in agreement with the aggregate number of shares held in physical form and those in dematerialized form with NSDL and CDSL.

In terms of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, the Company has obtained the Secretarial Compliance Report (UDIN: F005335H000243309) dated April 30, 2026, from Mr. A. Ravi Shankar (Membership No.: FCS 5335; CP No.: 4318), Partner of M/s. Ravi & Subramanyam, Company Secretaries, Telangana. The said report forms part of the Annual Report and has also been submitted to the Stock Exchanges where the shares of the Company are listed.

Pursuant to Section 204 of the Companies Act, 2013 and the Rules made thereunder, the Board of Directors had appointed Mr. A. Ravi Shankar (Membership No.: FCS 5335; CP No.: 4318), Partner of M/s. Ravi & Subramanyam, Company Secretaries, Hyderabad – 500063, Telangana, as the Secretarial

Auditor of the Company. He has issued the Secretarial Audit Report (UDIN: F005335H000243265 dated April 30, 2026 for the financial year ended March 31, 2026, which forms part of the Annual Report.

Further, pursuant to the provisions of Section 204 of the Companies Act, 2013, read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and Regulation 24A of the SEBI Listing Regulations, the Members of the Company, at the 33rd Annual General Meeting held on July 31, 2025, approved the appointment of Mr. A. Ravi Shankar as Secretarial Auditor for a term of five consecutive years, commencing from the conclusion of the 33rd Annual General Meeting up to the conclusion of the 38th Annual General Meeting (i.e., from FY 2025–26 to FY 2029–30), on such remuneration as may be recommended by the Audit Committee and mutually agreed between the Board of Directors and the Secretarial Auditor.

20. No Disqualification Certificate from Practicing Company Secretary:

Certificate (UDIN: F005335H000242981) dated April 30, 2026 from Mr. A Ravi Shankar, (M No: FCS- 5335, CP No: 4318), Partner of M/s. Ravi & Subramanyam Company Secretaries Hyderabad, Telangana, confirming that none of the Directors on the Board of the Company have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs, or any such other Statutory Authority, as stipulated under Regulation 34 of the Listing Regulations, is attached to this Report.

21. Management Discussion and Analysis (MDA) :

MDA forms part of the Directors' Report and is presented in the Annual Report under a separate heading.

22. Any query on the Annual Report

Mr. Umakanta Barik
Company Secretary & Compliance Officer
Heritage Foods Limited,
H.No.8-2-293/82/A/1286, Plot No: 1286,
Road No. 1 & 65, Jubilee Hills,
Hyderabad, Telangana, 500033
Tel: +91-40-23391221
E-mail: hfl@heritagefoods.in

23. Code of Conduct

In compliance with the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 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 all members of the Board, executive officers and employees of the Company and its subsidiaries.

The Code is available on the Company's website at www.heritagefoods.in.

24. Compliance with the corporate governance codes

The Company has consistently upheld the principles of fiscal transparency and has benchmarked its disclosures against a range of national and international guidelines and regulatory frameworks.

Among these, the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 prescribe comprehensive corporate governance requirements, based on the recommendations of the Corporate Governance Committee constituted by SEBI. The Company is in full compliance with the applicable corporate governance provisions under the SEBI Listing Regulations, including Regulations 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 has adopted Indian Accounting Standards ("Ind AS") and accordingly, the standalone and consolidated financial statements have been prepared in compliance with Ind AS, as prescribed under the Companies (Indian Accounting Standards) Rules, 2015, as amended and notified under Section 133 of the Companies Act, 2013, along with other relevant provisions of the Act.

The Company maintains its books of account using SAP S/4HANA, which is equipped with an audit trail (edit log) feature. This feature has been duly enabled and operated throughout the year for all relevant transactions recorded in the system. However, the audit trail feature is not enabled at the database level. Further, no instances of tampering were observed in respect of the software where the audit trail feature was 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, it is hereby confirmed that all Members of the Board and Senior Management Personnel of the Company have affirmed compliance with the Company's Code of Conduct for the Board of Directors and Senior Management for the financial year 2025–26.

For and on behalf of
HERITAGE FOODS LIMITED

Place : Hyderabad
Date: May 11, 2026

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

N. BRAHMANI
Executive Director
(DIN : 02338940)

CEO & CFO Certification

(As per Regulation 17(8) of SEBI (LO&DR) Regulation, 2015)

To
The Board of Directors,
Heritage Foods Limited
CIN:L15209TG1992PLC014332
H.No.8-2-293/82/A/1286, Plot No: 1286,
Road No. 1 & 65, Jubilee Hills, Hyderabad,
Telangana, 500033. India

We, Srideep Madhavan Nair. Kesavan, Chief Executive Officer and A. Prabhakara Naidu, Chief Financial Officer of Heritage Foods Limited ("the Company") to the best of our knowledge and belief certify that

a. We have reviewed the Financial Statements and the Cash Flow Statements for the financial year ended March 31, 2026 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

Place : Hyderabad
Date: May 11, 2026

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 February 9, 2026.

2. We have examined the compliance of conditions of corporate governance by Heritage Foods Limited ('the Company') for the year ended on 31 March 2026, 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 2026.

We state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

Restriction on use

8. This certificate is issued solely for the purpose of complying with the aforesaid regulations and may not be suitable for any other purpose.

For Walker Chandiok & Co LLP
Chartered Accountants
Firm Registration No. 001076N/N500013

Sumesh E S
Partner
M. No. 206931
UDIN: 26206931SSJYXA7016

Place: Hyderabad
Date : May 11, 2026

Independent Auditor's Report

To the Members of Heritage Foods Limited

Report on the Audit of the Standalone Financial Statements

Opinion

1. We have audited the accompanying standalone financial statements of Heritage Foods Limited ('the Company'), which comprise the Standalone Balance Sheet as at 31 March 2026, the Standalone Statement of Profit and Loss (including Other Comprehensive Income), the Standalone Statement of Cash Flow and the Standalone Statement of Changes in Equity for the year ended, and notes to the standalone financial statements, including material accounting policy information and other explanatory information.

2. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ('the Act') in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards ('Ind AS') specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015 and other accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2026, and its profit (including other comprehensive income), its cash flows and the changes in equity for the year ended on that date.

Basis for Opinion

3. We conducted our audit in accordance with the Standards on Auditing specified under section 143(10) of the Act. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Standalone Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ('ICAI') together with the ethical requirements that are relevant to our audit of the standalone financial statements under the provisions of the Act and the rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matter

4. Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements of the current period. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

5. We have determined the matter described below to be the key audit matter to be communicated in our report.

Key audit matter	How our audit addressed the key audit matter
Revenue recognition Refer Note 3(c) to the accompanying standalone financial statements for material accounting policy information on revenue recognition and Note 24 for details of revenue from operations. Revenue from sale of goods is recognized in accordance with the principles of Ind AS 115, "Revenue from Contracts with Customers" ('Ind AS 115'), at a point in time when control of the products being sold is transferred to the customer and when there are no longer any unfulfilled obligations. The Company also focuses on revenue as a key performance measure, which could create an incentive for overstating revenue resulting from the pressure on management to achieve performance targets at the reporting period end. Considering the significance of amount, multiplicity of Company's products, volume of transactions including discounts offered, size of distribution network, nature of customers and significant attention required from us, revenue recognition is determined to be an area involving significant risk in line with the requirements of Standards on Auditing and has been determined as a key audit matter for the current year audit.	Our audit procedures relating to revenue recognition included, but were not limited to, the following: • Understood the process of revenue recognition and assessed the appropriateness of the revenue recognition accounting policies adopted by the management in accordance with Ind AS 115; • Evaluated the design, integrity of the general information and technology control environment and tested the operating effectiveness of Company's manual and IT application controls in respect of revenue recognition, including discounts; • Performed substantive testing on a sample of revenue transactions recorded during the year by verifying the underlying documents, such as customer acknowledged invoices and shipping documents, as appropriate to ensure the accuracy of revenue recorded during the year; • Performed substantive testing on a sample of discount transactions recorded during the year by verifying the terms and conditions of the underlying approved scheme and credit notes, basis which the discount was granted; • Performed analytical procedures such as customer group 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 standalone financial statements in accordance with applicable accounting standards.

Information other than the Standalone Financial Statements and Auditor's Report thereon

6. The Company's Board of Directors are responsible for the other information. The other information comprises the information included in the Annual Report, but does not include the standalone financial statements and our auditor's report thereon.

Our opinion on the standalone financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Standalone Financial Statements

7. The accompanying standalone financial statements have been approved by the Company's Board of Directors. The Company's Board of Directors are responsible for the matters stated in section 134(5) of the Act with respect to the preparation and presentation of these standalone financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, changes in equity and cash flows of the Company in accordance with the Ind AS specified under section 133 of the Act and other accounting principles generally accepted in India. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

8. In preparing the standalone financial statements, the Board of Directors is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

9. The Board of Directors is also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Standalone Financial Statements

10. Our objectives are to obtain reasonable assurance about whether the standalone financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these standalone financial statements.

11. As part of an audit in accordance with Standards on Auditing, specified under section 143(10) of the Act we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls;
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management;
- Conclude on the appropriateness of Board of Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern; and
- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

12. We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

13. We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

14. From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

15. As required by section 197(16) of the Act, based on our audit, we report that the Company has paid remuneration to its directors during the year in accordance with the provisions of and limits laid down under section 197 read with Schedule V to the Act.

16. As required by the Companies (Auditor's Report) Order, 2020 ('the Order') issued by the Central Government of India in terms of section 143(11) of the Act we give in the Annexure A a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

17. Further to our comments in Annexure A, as required by section 143(3) of the Act based on our audit, we report, to the extent applicable, that:

a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit of the accompanying standalone financial statements;

b) Except for the matters stated in paragraph 17(h)(vi) below on reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014 (as amended), in our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.

c) The standalone financial statements dealt with by this report are in agreement with the books of account;

d) In our opinion, the aforesaid standalone financial statements comply with Ind AS specified under section 133 of the Act;

e) On the basis of the written representations received from the directors and taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2026 from being appointed as a director in terms of section 164(2) of the Act;

f) The qualification relating to the maintenance of accounts and other matters connected therewith are as stated in paragraph 17(b) above on reporting under section 143(3)(b) of the Act and paragraph 17(h)(vi) below on reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014 (as amended);

g) With respect to the adequacy of the internal financial controls with reference to financial statements of the Company as on 31 March 2026 and the operating effectiveness of such controls, refer to our separate report in Annexure B wherein we have expressed an unmodified opinion; and

h) With respect to the other matters to be included in the Auditor's Report in accordance with rule 11 of the Companies (Audit and Auditors) Rules, 2014 (as amended), in our opinion and to the best of our information and according to the explanations given to us:

i. The Company, as detailed in note 42(b) to the standalone financial statements, has disclosed the impact of pending litigations on its financial position as at 31 March 2026.

ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses as at 31 March 2026;

iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company during the year ended 31 March 2026;

iv. a. The management has represented that, to the best of its knowledge and belief, as disclosed in note 34(i) to the standalone financial statements, no funds have been advanced or loaned or invested (either from borrowed funds or securities premium or any other sources or kind of funds) by the Company to or in any person(s) or entity(ies), including foreign entities ('the intermediaries'), with the understanding, whether recorded in writing or otherwise, that the intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ('the Ultimate Beneficiaries') or provide any guarantee, security or the like on behalf the Ultimate Beneficiaries;

b. The management has represented that, to the best of its knowledge and belief, as disclosed in note 34(ii) to the standalone financial statements, no funds have been received by the Company from any person(s) or entity(ies), including foreign entities ('the Funding Parties'), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ('Ultimate Beneficiaries') or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and

c. Based on such audit procedures performed as considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the management representations under sub-clauses (a) and (b) above contain any material misstatement.

v. As stated in note 33 to the accompanying standalone financial statements, the final dividend paid by the Company during the year ended 31 March 2026 in respect of such dividend declared for the previous year is in accordance with section 123 of the Act to the extent it applies to payment of dividend. The Board of Directors of the Company have proposed final dividend for the year ended 31 March 2026 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 payment of dividend.

vi. As stated in Note 49 to the standalone financial statements and based on our examination which included test checks, except for instance mentioned below, the Company, in respect of financial year commencing on 1 April 2025, 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 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 exception given below. Furthermore, the audit trail has been preserved by the Company as per the statutory requirements for record retention.

Nature of exception noted	Details of exception
Instances of accounting software for maintaining books of account for which the feature of recording audit trail (edit log) facility was not operated throughout the year for all relevant transactions recorded in the software	The audit trail feature was not enabled at the database level for accounting software to log any direct data changes, used for maintenance of all accounting records by the Company.

For **Walker Chandiok & Co LLP**
Chartered Accountants
Firm's Registration No.: 001076N/N500013

Sumesh E S
Partner
Membership No.: 206931
UDIN: 26206931FPLUHI9601

Place: Hyderabad
Date: 11 May 2026

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 2026, 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 internal financial controls with reference to financial statements criteria established by the Company considering the essential components of internal controls stated in Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of the Company's business, including adherence to the Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

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

3. Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India ('ICAI') prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to financial statements, and the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting ('the Guidance Note') issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements were established and maintained and if such controls operated effectively in all material respects.

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

5. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls with reference to financial statements.

Meaning of Internal Financial Controls with Reference to Financial Statements

6. A company's internal financial controls with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial controls with reference to financial statements include those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls with Reference to Financial Statements

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

Opinion

8. In our opinion, the Company has, in all material respects, adequate internal financial controls with reference to financial statements and such controls were operating effectively as at 31 March 2026, 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

Sumesh E S
Partner
Membership No.: 206931
UDIN: 26206931FPLUHI9601

Place: Hyderabad
Date: 11 May 2026

In terms of the information and explanations sought by us and given by the Company and the books of account and records examined by us in the normal course of audit, and to the best of our knowledge and belief, we report that:

(i) (a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of property, plant and equipment, capital work-in-progress, investment property and relevant details of right-of-use assets.

(B) The Company has maintained proper records showing full particulars of intangible assets.

(b) The property, plant and equipment, capital work-in-progress, investment property and relevant details of right-of-use assets have been physically verified by the management during the year and no material discrepancies were noticed on such verification. In our opinion, the frequency of physical verification programme adopted by the Company, is reasonable having regard to the size of the Company and the nature of its assets.

(c) The title deeds of all the immovable properties (including investment properties) held by the Company (other than properties where the Company is the lessee and the lease agreements are duly executed in favour of the lessee), disclosed in Note 6 and 8 to the standalone financial statements, are held in the name of the Company.

(d) The Company has adopted cost model for its Property, Plant and Equipment (including right-of-use assets) and intangible assets. Accordingly, reporting under clause 3(i)(d) of the Order is not applicable to the Company.

(e) No proceedings have been initiated or are pending against the Company for holding any benami property under the Prohibition of Benami Property Transactions Act, 1988 (as amended) and rules made thereunder.

(ii) (a) The management has conducted physical verification of inventory at reasonable intervals during the year, except for inventory lying with third parties. In our opinion, the coverage and procedure of such verification by the management is appropriate and no discrepancies of 10% or more in the aggregate for each class of inventory were noticed as compared to book records. In respect of inventory lying with third parties, these have been confirmed by the third parties.

(b) As disclosed in Note 18(iii) to the standalone financial statements, the Company has been sanctioned a working capital limit in excess of ₹ 5 crores by banks based on the security of current assets during the year. 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 subject to review.

(iii) The Company has not made investments in firms, limited liability partnerships or any other parties during the year. The Company has also not provided any security or granted any advances in the nature of loans 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 to companies during the year, in respect of which:

(a) The Company has provided loans, guarantee to subsidiaries during the year as per details given below:

(Amounts in ₹ millions)

Particulars	Guarantees	Loans
Aggregate amount provided during the year (₹): - Subsidiaries	50.00	67.34
Balance outstanding as at balance sheet date in respect of above cases (₹): - Subsidiaries	50.00	67.34

(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 are, prima facie, not prejudicial to the interest of the Company.

(c) In respect of loans and advances in the nature of loans granted by the Company, the schedule of repayment of principal and payment of interest has been stipulated and the repayments/receipts of principal and interest are regular.

(d) There is no overdue amount in respect of loans granted to such companies.

(e) The Company has not granted any loan which has fallen due during the year. Further, no fresh loans were granted to any party to settle the overdue loans that existed as at the beginning of the year.

(f) The Company has not granted any 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 loans and investments made and guarantees and security provided by it, as applicable. Further, the Company has not entered into any transaction covered under section 185 of the Act.

(v) In our opinion, and according to the information and explanations given to us, the Company has not accepted any deposits or there are no amounts which have been deemed to be deposits within the meaning of sections 73 to 76 of the Act and the Companies (Acceptance of Deposits) Rules, 2014 (as amended). Accordingly, reporting under clause 3(v) of the Order is not applicable to the Company.

(vi) The Central Government has specified maintenance of cost records under sub-section (1) of section 148 of the Act in respect of the products of the Company. We have broadly reviewed the books of account maintained by the Company pursuant to the rules made by the Central Government for the maintenance of cost records and are of the opinion that, prima facie, the prescribed accounts and records have been made and maintained. However, we have not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.

(vii) (a) In our opinion and according to the information and explanations given to us, the Company is regular in depositing undisputed statutory dues including goods and services tax, provident fund, employees' state insurance, income-tax and other material statutory dues, as applicable, with the appropriate authorities. Further, no undisputed amounts payable in respect thereof were outstanding at the year-end for a period of more than six months from the date they became payable.

(b) According to the information and explanations given to us, we report that there are no statutory dues referred in sub-clause (a) which have not been deposited with the appropriate authorities on account of any dispute except for the following:

(Amounts in ₹ millions)

Name of the statute	Nature of dues	Gross amount	Amount paid under protest	Period to which the amount relates	Forum where dispute is pending
Andhra Pradesh general sales Tax Act, 1957	Purchase Tax	9.51	1.14	2001-02	The High Court of Judicature at Hyderabad for the State of Telangana
	Sales Tax / VAT	4.69	-	2008-09	
The Central Sales Tax Act, 1956	Sales Tax / VAT	1.59	1.59	2010-11	Joint Commissioner of Commercial Taxes (Appeals), Bengaluru
		2.15	1.58	2011-12	
		0.73	0.73	2012-13	
Telangana Tax on Entry of Goods into Local Areas Act, 2001	Entry Tax	0.41	0.10	2011-12	The High Court of Judicature at Hyderabad for the State of Telangana
		2.72	0.68	2012-13	
		3.82	0.95	2013-14	
		0.29	0.07	2014-15	
		0.41	0.10	2015-16	
		2.70	0.68	2016-17	
		0.02	0.01	2017-18	
Andhra Pradesh Tax on Entry of Goods into Local Areas Act, 2001	Entry Tax	0.86	0.22	2014-15	The High Court of Judicature at Amaravati for the State of Andhra Pradesh
		1.55	0.39	2015-16	
		1.36	0.34	2016-17	
		0.00	-	2017-18	
Haryana Tax on Entry of Goods into Local Areas Act, 2008	Entry Tax	5.72	-	2015-18	Assessing Authority
Income Tax Act, 1961	Initiation of Penalty proceedings u/s 271D	2.24	-	2020-21	Commissioner of Income Tax (Appeals)
	Disallowance of expenses	5.19	0.48	2017-18 and 2020-21	

(viii) According to the information and explanations given to us, we report that no transactions were surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (43 of 1961) which have not been previously recorded in the books of accounts.

(ix) (a) In our opinion and according to the information and explanations given to us, the Company has not defaulted in repayment of its loans or borrowings or in the payment of interest thereon to any lender.

(b) According to the information and explanations given to us including representation received from the management of the Company, and on the basis of our audit procedures, we report that the Company has not been declared a willful defaulter by any bank or financial institution or government or any government authority.

(c) In our opinion and according to the information and explanations given to us, money raised by way of term loans were applied for the purposes for which these were obtained.

(d) In our opinion and according to the information and explanations given to us, and on an overall examination of the financial statements of the Company, funds raised by the Company on short term basis have, prima facie, not been utilised for long term purposes.

(e) 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, the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries and associates.

(f) In our opinion and 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 or associate companies.

(x) (a) The Company has not raised any money by way of initial public offer or further public offer (including debt instruments), during the year. Accordingly, reporting under clause 3(x)(a) of the Order is not applicable to the Company.

(b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or (fully, partially or optionally) convertible debentures during the year. Accordingly, reporting under clause 3(x)(b) of the Order is not applicable to the Company.

(xi) (a) To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company or no fraud on the Company has been noticed or reported during the period covered by our audit.

(b) According to the information and explanations given to us including the representation made to us by the management of the Company, no report under sub-section 12 of section 143 of the Act has been filed by the auditors in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014, with the Central Government for the period covered by our audit.

(c) According to the information and explanations given to us including the representation made to us by the management of the Company, there are no whistle-blower complaints received by the Company during the year.

(xii) The Company is not a Nidhi Company and the Nidhi Rules, 2014 are not applicable to it. Accordingly, reporting under clause 3(xii) of the Order is not applicable to the Company.

(xiii) In our opinion and according to the information and explanations given to us, all transactions entered into by the Company with the related parties are in compliance with sections 177 and 188 of the Act, where applicable. Further, the details of such related party transactions have been disclosed in the standalone financial statements, as required under Indian Accounting Standard (Ind AS) 24, Related Party Disclosures specified in Companies (Indian Accounting Standards) Rules 2015 as prescribed under section 133 of the Act.

(xiv) (a) In our opinion and according to the information and explanations given to us, the Company has an internal audit system which is commensurate with the size and nature of its business as required under the provisions of section 138 of the Act.

(b) We have considered the reports issued by the Internal Auditors of the Company till date for the period under audit.

(xv) According to the information and explanation given to us, the Company has not entered into any non-cash transactions with its directors or persons connected with its directors and accordingly, reporting under clause 3(xv) of the Order with respect to compliance with the provisions of section 192 of the Act are not applicable to the Company.

(xvi) (a) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, reporting under clauses 3(xvi)(a), (b) and (c) of the Order are not applicable to the Company.

(d) Based on the information and explanations given to us and as represented by the management of the Company, the Group (as defined in Core Investment Companies (Reserve Bank) Directions, 2016) does not have any CIC.

(xvii) The Company has not incurred any cash losses in the current financial year as well as the immediately preceding financial year.

(xviii) There has been no resignation of the statutory auditors during the year. Accordingly, reporting under clause 3(xviii) of the Order is not applicable to the Company.

(xix) According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information in the standalone financial statements, our knowledge of the plans of the Board of Directors and management and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report indicating that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the company as and when they fall due.

(xx) (a) In our opinion and 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) In our opinion and according to the information and explanations given to us, the Company has transferred the remaining unspent amounts towards Corporate Social Responsibility (CSR) under sub-section (5) of section 135 of the Act, in respect of ongoing project, within a period of 30 days from the end of financial year to a special account in compliance with the provision of sub-section (6) of section 135 of the Act.

(xxi) The reporting under clause 3(xxi) of the Order is not applicable in respect of audit of standalone financial statements of the Company. Accordingly, no comment has been included in respect of said clause under this report.

For **Walker Chandiok & Co LLP**
Chartered Accountants
Firm's Registration No.: 001076N/N500013

Sumesh E S
Partner
Membership No.: 206931
UDIN: 26206931FPLUHI9601

Place: Hyderabad
Date: 11 May 2026

Standalone Balance Sheet as at 31 March 2026

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

	Notes	As at 31 March 2026	As at 31 March 2025
ASSETS			
Non-current assets			
(a) Property, plant and equipment	6	10,408.73	6,670.11
(b) Right of use assets	6	317.92	328.76
(c) Capital work-in-progress	6(a)	466.13	679.56
(d) Investment property	8	39.88	40.96
(e) Other intangible assets	7	12.84	20.67
(f) Intangible assets under development	7(a)	34.77	-
(g) Financial assets			
(i) Investment in subsidiary, joint venture and associate	9	660.94	422.75
(ii) Other investments	10	3.17	3.13
(iii) Loans	11(a)	52.69	-
(iv) Other financial assets	11(b)	186.85	154.24
(h) Other non-current assets	12	220.08	319.98
Total non-current assets		12,404.00	8,640.16
Current assets			
(a) Inventories	13	3,007.42	3,421.02
(b) Financial assets			
(i) Investments	10	1,577.77	1,706.56
(ii) Trade receivables	14	648.11	375.19
(iii) Cash and cash equivalents	15(a)	578.26	632.79
(iv) Bank balances other than (iii) above	15(b)	44.35	51.91
(v) Loans	11(a)	14.65	-
(vi) Other financial assets	11(b)	130.38	131.96
(c) Current tax assets (net)		57.54	43.05
(d) Other current assets	12	223.06	177.46
Total current assets		6,281.54	6,539.94
Total assets		18,685.54	15,180.10
EQUITY AND LIABILITIES			
Equity			
(a) Equity share capital	16	463.98	463.98
(b) Other equity	17	10,174.04	9,007.22
Total equity		10,638.02	9,471.20
Liabilities			
Non-current liabilities			
(a) Financial liabilities			
(i) Borrowings	18	2,230.33	1,089.18
(ia) Lease liabilities	43	295.56	336.45
(ii) Other financial liabilities	19	0.27	1.97
(b) Government grant	48	76.73	66.07
(c) Provisions	20	326.45	275.64
(d) Deferred tax liabilities (net)	21	354.30	264.94
(e) Other non-current liabilities	22	109.60	-
Total non-current liabilities		3,393.24	2,034.25
Current liabilities			
(a) Financial liabilities			
(i) Borrowings	18	1,011.01	252.76
(ia) Lease liabilities	43	58.84	29.34
(ii) Trade payables	23		
- total outstanding dues of micro and small enterprises;		153.32	98.51
- total outstanding dues of creditors other than micro and small enterprises		1,653.51	1,558.39
(iii) Other financial liabilities	19	1,478.04	1,350.92
(b) Other current liabilities	22	192.87	247.63
(c) Government grant	48	7.82	6.74
(d) Provisions	20	98.87	130.36
Total current liabilities		4,654.28	3,674.65
Total equity and liabilities		18,685.54	15,180.10

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

Sumesh E S
Partner
Membership No: 206931

Place : Hyderabad
Date : May 11, 2026

For and on behalf of Board of Directors of
Heritage Foods Limited

N Bhuvaneswari
Vice Chairperson and
Managing Director
DIN: 00003741

N Brahmani
Executive Director
DIN: 02338940

M Sambasiva Rao
Whole Time Director
DIN: 01887410

Srideep Madhavan Nair Kesavan
Chief Executive Officer

A Prabhakara Naidu
Chief Financial Officer
M.No.FCA 200974

Umakanta Barik
Company Secretary &
Compliance Officer
M.No. FCS 6317

Place : Hyderabad
Date : May 11, 2026

Standalone Statement of Profit and Loss for the year ended 31 March 2026

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

	Notes	For the year ended 31 March 2026	For the year ended 31 March 2025
Income			
Revenue from operations	24	44,150.65	40,804.81
Other income	25	236.90	272.84
Total income		44,387.55	41,077.65
Expenses			
Cost of materials consumed	26	32,023.28	29,981.81
Purchase of stock-in-trade		1,822.55	1,554.96
Changes in inventories of finished goods, semi finished goods, stock-in-trade and work-in-progress	27	329.79	(589.62)
Employee benefit expenses	28	3,151.15	3,019.09
Finance costs	29	165.89	150.23
Depreciation and amortisation expense	6, 7 & 8	764.93	671.57
Impairment losses	6	6.12	6.74
Other expenses	30	4,361.89	3,714.51
Total expenses		42,625.60	38,509.29
Profit before exceptional items and tax		1,761.95	2,568.36
Exceptional Items	35	95.98	(234.85)
Profit before tax		1,857.93	2,333.51
Tax expense	31		
Current tax expense		372.17	625.11
Deferred tax expense		88.75	27.58
Profit for the year		1,397.01	1,680.82
Other comprehensive income / (loss) ("OCI")			
Items that will not be reclassified to profit or loss			
(i) Re-measurement gain/(loss) on defined benefit plan, net of tax		1.76	(12.54)
(ii) Net gain/(loss) on FVTOCI equity securities		0.04	(0.07)
Items that will be reclassified to profit or loss		-	-
Total other comprehensive Income / (loss) for the year		1.80	(12.61)
Total comprehensive income for the year		1,398.81	1,668.21
Earnings per equity share [EPES]	32		
Par value per equity share (in ₹ terms)		5.00	5.00
Basic and Diluted EPES (in ₹ terms)		15.05	18.11

The accompanying notes referred to above form an integral part of the standalone financial statements.
This is the Standalone Statement of Profit and Loss referred to in our report of even date.

For **Walker Chandiok & Co LLP**
Chartered Accountants
Firm's Registration No: 001076N/N500013

Sumesh E S
Partner
Membership No: 206931

Place : Hyderabad
Date : May 11, 2026

For and on behalf of Board of Directors of
Heritage Foods Limited

N Bhuvaneswari
Vice Chairperson and
Managing Director
DIN: 00003741

N Brahmani
Executive Director
DIN: 02338940

M Sambasiva Rao
Whole Time Director
DIN: 01887410

Srideep Madhavan Nair Kesavan
Chief Executive Officer

A Prabhakara Naidu
Chief Financial Officer
M.No.FCA 200974

Umakanta Barik
Company Secretary &
Compliance Officer
M.No. FCS 6317

Place : Hyderabad
Date : May 11, 2026

Standalone Statement of Cash Flow for the year ended 31 March 2026

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

	Notes	For the year ended 31 March 2026	For the year ended 31 March 2025
Cash flow from operating activities			
Profit before tax		**1,857.93**	**2,333.51**
Adjustments:			
Depreciation and amortization expense	6,7 & 8	764.93	671.57
Impairment losses on assets	6	6.12	6.74
Impairment losses on investments	35	5.37	234.85
Provision for doubtful advances	30	-	0.15
Provision for doubtful debts and bad debts written off	30	6.38	6.37
Advances written off	30	2.66	1.55
Profit on sale of Property, plant and equipment ("PPE")	25	(15.60)	(32.95)
Gain on investments	25	(129.06)	(163.01)
Provisions no longer required/ credit balances written back	25	(9.72)	(20.62)
Interest income	25	(9.21)	(4.79)
Interest expenses	29	156.45	144.67
Guarantee income	25	(2.16)	(2.20)
Property, plant and equipment written off	30	17.06	7.96
Amortisation of government grants	25	(25.49)	(6.73)
Lease rental income	25	(21.23)	(20.10)
Dividend income on long term investments	25	(0.02)	(0.01)
Operating profits before working capital changes		**2,604.41**	**3,156.96**
Movements in working capital:			
Changes in inventories		413.60	(928.84)
Changes in trade receivables		(279.30)	(94.74)
Changes in other assets		(47.69)	(74.60)
Changes in other financial assets		(30.87)	(50.57)
Changes in trade payables		149.93	276.42
Changes in provisions		21.67	62.40
Changes in other financial liabilities		(136.49)	270.91
Changes in other liabilities		(54.76)	5.64
Cash generated from operating activities		**2,640.50**	**2,623.58**
Income tax paid, net		(386.66)	(621.91)
Net cash generated from operating activities (A)		**2,253.84**	**2,001.67**
Cash flow from investing activities			
Purchase of PPE and other intangible assets, including CWIP and intangible assets under development		(3,840.22)	(1,712.53)
Proceeds from sale of PPE		23.67	48.06
Changes in loans		(67.34)	0.24
Investment in a joint venture		-	(75.00)
Investment in a subsidiary		(175.00)	-
Receipts of government grants		37.23	-
Purchase of investments		(1,450.00)	(2,730.00)
Proceeds from sale of investments		1,707.85	2,316.56
Interest received		8.38	5.10
Movement in other bank balances, net		7.78	(50.91)
Rent received		21.41	19.93
Dividend income received		0.02	0.01
Net cash used in investing activities (B)		**(3,726.22)**	**(2,178.54)**

Standalone Statement of Cash Flow

for the year ended 31 March 2026

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

	Notes	For the year ended 31 March 2026	For the year ended 31 March 2025
Cash flow from financing activities			
Proceeds from long term borrowings		1,641.64	703.45
Repayments of long term borrowings		(256.04)	(247.57)
Proceeds from short term borrowings, net		524.36	-
Interest paid		(193.43)	(141.23)
Lease rentals paid		(66.69)	(53.52)
Dividend paid	43	(231.99)	(231.99)
Net cash generated from financing activities (C)	33	**1,417.85**	**29.14**
Net Change in cash and cash equivalents during the year (A + B + C)		**(54.53)**	**(147.73)**
Cash and cash equivalents at the beginning of the year		632.79	780.52
Cash and cash equivalents at the end of the year (Note 1)		**578.26**	**632.79**
Note 1:			
Cash and cash equivalents include:			
Cash on hand	15(a)	0.45	1.41
Balances with banks in current accounts		577.81	631.38
		578.26	**632.79**

This is the Standalone Statement of Cash Flow referred to in our report of even date.

For **Walker Chandiok & Co LLP**
Chartered Accountants
Firm's Registration No: 001076N/N500013

Sumesh E S
Partner
Membership No: 206931

Place : Hyderabad
Date : May 11, 2026

For and on behalf of Board of Directors of
Heritage Foods Limited

N Bhuvaneswari
Vice Chairperson and
Managing Director
DIN: 00003741

N Brahmani
Executive Director
DIN: 02338940

M Sambasiva Rao
Whole Time Director
DIN: 01887410

Srideep Madhavan Nair Kesavan
Chief Executive Officer

A Prabhakara Naidu
Chief Financial Officer
M.No.FCA 200974

Umakanta Barik
Company Secretary &
Compliance Officer
M.No. FCS 6317

Place : Hyderabad
Date : May 11, 2026

Standalone Statement of Changes in Equity for the year ended 31 March 2026

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

A. Equity Share Capital

	Notes	Number of shares	Amount
As at 1 April 2024		**9,27,96,000**	**463.98**
Changes in equity share capital	16	-	-
As at 31 March 2025		**9,27,96,000**	**463.98**
Changes in equity share capital	16	-	-
As at 31 March 2026		**9,27,96,000**	**463.98**

B. Other equity (refer note 17)

	Reserves and Surplus				OCI	Total
	Capital reserve	Securities premium	Warrants money appropriated	General reserve	Retained earnings	Changes in fair value of equity instruments	
Balance as at 1 April 2024	**12.11**	**368.62**	**31.87**	**842.74**	**6,307.84**	**(0.28)**	**7,571.00**
Profit for the year	-	-	-	-	1,680.82	-	1,680.82
Payment of dividend (₹2.5 per equity share)	-	-	-	-	(231.99)	-	(231.99)
Other comprehensive income/ (loss), net of taxes	-	-	-	-	(12.54)	(0.07)	(12.61)
Balance as at 31 March 2025	**12.11**	**368.62**	**31.87**	**842.74**	**7,744.13**	**(0.35)**	**9,007.22**
Profit for the year	-	-	-	-	1,397.01	-	1,397.01
Payment of dividend (₹2.5 per equity share)	-	-	-	-	(231.99)	-	(231.99)
Other comprehensive income/ (loss), net of taxes	-	-	-	-	1.76	0.04	1.80
Balance as at 31 March 2026	**12.11**	**368.62**	**31.87**	**842.74**	**8,910.91**	**(0.31)**	**10,174.04**

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 Chandiok & Co LLP**
Chartered Accountants
Firm's Registration No: 001076N/N500013

Sumesh E S
Partner
Membership No: 206931

Place : Hyderabad
Date : May 11, 2026

For and on behalf of Board of Directors of
Heritage Foods Limited

N Bhuvaneswari
Vice Chairperson and
Managing Director
DIN: 00003741

N Brahmani
Executive Director
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Whole Time Director
DIN: 01887410

Umakanta Barik
Company Secretary &
Compliance Officer
M.No. FCS 6317

Place : Hyderabad
Date : May 11, 2026

Summary of the material accounting policies and other explanatory information for the year ended 31 March 2026

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 2026. These standalone financial statements were authorised for issuance by the Company's Board of Directors on 11 May 2026.

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.

At each reporting date, the management analyses the movements in the values of assets and liabilities which are required to be re-measured or re-assessed as per the Company's accounting policies. For this analysis, the management verifies the major inputs applied in the latest valuation by agreeing the information in the valuation computation to contracts and other relevant documents.

For the purpose of fair value disclosures, the Company has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset

or liability and the level of the fair value hierarchy as explained above.

c. Revenue recognition

The Company derives revenues primarily from sale of milk and dairy products. It is also engaged in generation of power and trading of dairy and food commodities.

Revenue is recognized on satisfaction of performance obligation upon transfer of control of promised products or services to customers in an amount that reflects the consideration the Company expects to receive in exchange for those products or services ("transaction price").

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

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

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

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

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

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

d. Government grants

Government grants are recognised where there is reasonable assurance that the grant will be received and all attached conditions will be complied with. When the grant relates to an expense item, it is recognised as income on a systematic basis over the periods that the related costs, for which it is intended to compensate, are expensed. When the grant relates to an asset, it is recognised as income in equal amounts over the expected useful life of the related asset.

On receipt of grants of non-monetary assets, the asset and the grant are recorded at fair value amounts and released to the standalone statement of profit and loss over the expected useful life in a pattern of consumption of the benefit of the underlying asset i.e. by equal annual instalments. When loans or similar assistance are provided by governments or related institutions, with an interest rate below the current applicable market rate, the effect of this favourable interest is regarded as a government grant. The loan or assistance is initially recognised and measured at fair value and the government grant is measured as the difference between the initial carrying value of the loan and the proceeds received. The loan is subsequently measured as per the accounting policy applicable to financial liabilities.

e. Taxes

Current income tax

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

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

Deferred tax

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

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

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised, except when the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax is recognised in the standalone statement of profit and loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the deferred tax is also recognised in other comprehensive income or directly in equity, respectively.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

f. Property, plant and equipment and Capital work-in-progress

Freehold land is carried at historical cost. Property, plant and equipment are stated at cost net of accumulated depreciation and accumulated impairment losses, if any. The cost comprises purchase price, the cost of replacing the part of plant and equipment and borrowing costs if capitalization criteria are met and any attributable cost of bringing the asset to its working condition and location for the intended use. Capital work in progress includes cost of property, plant and equipment under installation/ under development as at the balance sheet date net of accumulated impairment loss, if any. Property, plant and equipment under installation or under construction as at balance sheet are shown as capital work-in-progress and the related advances are shown as capital advances.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognised when replaced.

When significant parts of plant and equipment are required to be replaced at intervals, the Company depreciates them separately based on their specific useful lives. Likewise, when a major inspection is performed, its cost is recognised in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognised in the standalone statement of profit and loss as incurred. The present value of the expected cost for the decommissioning of an asset after its use is included in the cost of the respective asset if the recognition criteria for a provision are met.

Spare parts are capitalized when they meet the definition of PPE, i.e., when the company intends to use these during more than a period of 12 months.

Depreciation is provided on the basis of straight-line method at the useful life and in the manner prescribed in Schedule II of the Companies Act, 2013 except in respect of the following assets, based on technical assessment made by technical expert and /or internal evaluation. Management believes that these estimated useful lives are realistic and reflect fair approximation of the period over which the assets are likely to be used.

The useful life provided for different asset classes under schedule II of the Act and considered by the management are as follows:

Asset class	Useful life considered by management (in years)	Useful life prescribed under the Act (in years)
Buildings (including investment property)	3 – 30	30
Plant and machinery	1 – 30	15
Furniture and Fixtures	1 – 20	10
Vehicles	2 – 8	8
Office Equipment	1 – 20	5

i) Depreciation on Improvements to leasehold property is provided over the period of lease.

ii) Depreciation in respect of its Renewable Energy business is provided on straight line method and at rates/ methodology prescribed under the relevant Central Electricity Regulatory Commission (CERC) regulations.

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

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

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

g. Borrowing cost

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

h. Leases

The Company as a lessee

The Company's lease asset classes primarily consist of leases for land, buildings and plant and equipment. The Company assesses whether a contract contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether: (i) the contract involves the use of an identified asset (ii) the Company has substantially all of the economic benefits from use of the asset through the period of the lease and (iii) the Company has the right to direct the use of the asset.

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

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

The Company measures the lease liability at the present value of the lease payments that are not paid at the commencement date of the lease. The lease payments are discounted using the interest rate implicit in the lease, if that rate can be readily determined. If that rate cannot be readily determined, the Company uses incremental borrowing rate. For leases with reasonably similar characteristics, the Company, on a lease by lease basis, may adopt either the incremental borrowing rate specific to the lease or the incremental borrowing rate for the portfolio as a whole. The lease payments shall include fixed payments, variable lease payments, residual value

guarantees, exercise price of a purchase option where the Company is reasonably certain to exercise that option and payments of penalties for terminating the lease, if the lease term reflects the lessee exercising an option to terminate the lease. The lease liability is subsequently remeasured by increasing the carrying amount to reflect interest on the lease liability, reducing the carrying amount to reflect the lease payments made and remeasuring the carrying amount to reflect any reassessment or lease modifications or to reflect revised in-substance fixed lease payments. The Company recognises the amount of the re-measurement of lease liability due to modification as an adjustment to the Right-of-use asset and Standalone Statement of Profit and Loss depending upon the nature of modification. Where the carrying amount of the Right-of-use asset is reduced to zero and there is a further reduction in the measurement of the lease liability, the Company recognises any remaining amount of the re-measurement in the Standalone Statement of Profit and Loss.

The Company as a lessor

Leases for which the Company is a lessor is classified as a finance or operating lease. Whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee, the contract is classified as a finance lease. All other leases are classified as operating leases. For operating leases, rental income is recognized on a straight-line basis over the term of the relevant lease.

Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income.

i. Inventories

All inventories except stores, spares, consumables, semi-finished goods and packaging material, are valued at lower of cost and net realisable value. Stores, spares and consumables, semi-finished goods and packing material held for use in the production of finished products are not written down below cost except in cases where material prices have declined and it is estimated that the cost of the finished products will exceed their net realisable value. Costs for all categories of inventories have been ascertained using weighted average cost method.

Cost of inventories comprises of the following:

- Raw material, stock-in-trade, semi-finished goods, packaging materials and stores, spares and consumables: Cost includes purchase price, import duties and other taxes excluding taxes those are subsequently recoverable from the concerned authorities, freight inwards and other expenditure incurred in bringing such inventories to their present location and condition.
- Finished goods and work in progress: Cost comprises cost of direct material, direct labour and appropriate proportion of variable and fixed overhead expenditure, the latter being allocated on the basis of normal operating capacity, but excluding borrowing costs.

Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

j. Impairment of assets

The Company assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) fair value less costs of disposal and its value in use. Recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. Value in use is based on the estimated future cash flows, discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU.

When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. Impairment losses of continuing operations, including impairment on inventories, are recognised in the standalone statement of profit and loss.

For assets excluding goodwill, an assessment is made at each reporting date to determine whether there is an indication that previously recognised impairment losses no longer exist or have decreased. If such indication exists, the Company estimates the asset's or CGU's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years.

k. Provisions and contingencies

Provisions

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

When the Company expects some or all of a provision to be reimbursed, reimbursement is recognised as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented in the standalone statement of profit and loss net of any reimbursement.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

Contingencies

Contingent liabilities are identified and disclosed with respect to following:

- a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity; or
- a present obligation that arises from past events but is not recognised because:
- it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation; or
- the amount of the obligation cannot be measured with sufficient reliability.

Contingent assets are neither recognized nor disclosed, unless inflow of economic benefits is probable. However, when realization of income is virtually certain, related asset is recognized.

l. Employee benefits

Short term benefits

Short Term Employee Benefits are accounted for in the period during which the services have been rendered.

Post-employment benefits and other long-term employee benefits

Provident Fund: Retirement benefit in the form of provident fund is a defined contribution scheme. The contributions to the provident fund administered by the Central Government under the Provident Fund Act, 1952, are charged to the standalone statement of profit and loss for the year in which the contributions are due. The company has no obligation, other than the contribution payable to the provident fund. If the contribution payable to the scheme for service received before the standalone balance sheet date exceeds the contribution already paid, the deficit payable to the scheme is recognized as a liability after deducting the contribution already paid. If the contribution already paid exceeds the contribution due for services received before the standalone balance sheet date, then excess is recognized as an asset to the extent that the pre-payment will lead to a reduction in future payment.

Gratuity: The Company operates a defined benefit gratuity plan in India, which requires contributions to be made to a separately administered fund. The cost of providing benefits under the defined benefit plan is determined using the projected unit credit method.

Remeasurements, comprising mainly of actuarial gains and losses, are recognised immediately in the standalone balance sheet with a corresponding debit or credit to retained earnings through OCI in the period in which they occur. Remeasurements are not reclassified to the standalone statement of profit and loss in subsequent periods.

Leave Encashment: The Company operates a long-term leave encashment plan in India. Accrued liability for leave encashment including sick leave is determined on actuarial valuation basis using Projected Unit Credit (PUC) Method at the end of the year and provided completely in profit and loss account as per Ind AS - 19 "Employee Benefits".

m. Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Financial assets

Initial recognition and measurement

All financial assets, excluding trade receivables are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset. Trade receivables that do not contain a significant financing component are measured at transaction price.

Subsequent measurement

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

- Debt instruments at amortised cost
- Debt instruments, derivative 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 and other receivables that do not contain a significant financing component.

The application of simplified approach does not require the Company to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition.

Lifetime ECL are the expected credit losses resulting from all possible default events over the expected life of a financial instrument. The 12-month ECL is a portion of the lifetime ECL which results from default events that are possible within 12 months after the reporting date.

ECL is the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the entity expects to receive (i.e., all cash shortfalls), discounted at the original EIR. When estimating the cash flows, an entity is required to consider:

- All contractual terms of the financial instrument (including prepayment, extension, call and similar options) over the expected life of the financial instrument. However, in rare cases when the expected life of the financial instrument cannot be estimated reliably, then the entity is required to use the remaining contractual term of the financial instrument.
- Cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms

ECL impairment loss allowance (or reversal) recognized during the period is recognized as income/ expense in the standalone statement of profit and loss. This amount is reflected under the head 'other expenses' in the standalone statement of profit and loss. The standalone balance sheet presentation for various financial instruments is described below:

- Financial assets measured at amortised cost: ECL is presented as an allowance, i.e., as an integral part of the measurement of those assets in the standalone balance sheet. The allowance reduces the net carrying amount. Until the asset meets write-off criteria, the company does not reduce impairment allowance from the gross carrying amount.
- Financial guarantee contracts: ECL is presented as a provision in the standalone balance sheet, i.e. as a liability.

Financial liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings or payables, as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Company's financial liabilities include trade and other payables, loans and borrowings including financial guarantee contracts and derivative financial instruments.

Subsequent measurement

The measurement of financial liabilities depends on their classification, as described below:

Loans and borrowings

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in the standalone statement of profit and loss when the liabilities are derecognised as well as through the EIR amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the standalone statement of profit and loss.

This category generally applies to borrowings from banks.

Trade and other payables

These amounts represent liabilities for goods and services provided to the Company prior to the end of financial year which are unpaid. The amounts are unsecured and are usually paid as per agreed terms. Trade and other payables are presented as current liabilities unless payment is not due within 12 months after the reporting period. They are recognised initially at their fair value and subsequently measured at amortised cost using the effective interest method.

De-recognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the de-recognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the standalone statement of profit and loss.

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the standalone balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

Derivative financial instruments

Derivative financial instruments are accounted for at FVTPL except for derivatives designated as hedging instruments in cash flow hedge relationships, which require a specific accounting treatment.

The Company has not designated certain forward currency contracts as hedging instruments in cash flow hedge relationships. These arrangements have been entered into to mitigate foreign currency exchange risk arising from certain capital equipment purchase transactions denominated in foreign currency and are entered into for periods consistent with foreign currency exposure of the underlying transactions generally upto 6 months. All derivative financial instruments used for hedge accounting are recognised initially at fair value and reported subsequently at fair value.

n. Earnings per share

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders (after deducting preference dividends, if any, and attributable taxes) by the weighted average number of equity shares outstanding during the period.

For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the year are adjusted for the effects of all dilutive potential equity shares.

o. Cash flow statement

The standalone cash flow statement is prepared in accordance with the Indirect method. Standalone cash flow statement presents the cash flows by operating, financing and investing activities of the Company. Operating cash flows are arrived by adjusting profit or loss before tax for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments, and items of income or expense associated with investing or financing cash flows.

For the purpose of the standalone cash flow statement, cash and cash equivalents consist of cash at banks and on hand and deposits, as defined above, net of outstanding loans repayable on demand from banks as they are considered an integral part of the Company's cash management.

p. Cash and cash equivalents

Cash and cash equivalent in the standalone balance sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

q. Cash dividends to equity holders

Annual dividend distribution to the shareholders is recognised as a liability in the period in which the dividend is approved by the shareholders. Any interim dividend paid is recognised on approval by Board of Directors. Dividend payable / paid is recognised directly in equity.

r. Investments in subsidiary, joint venture and associate

The Company has elected to recognise its investments in equity instruments in subsidiary, joint venture and associate at cost in accordance with the option available in Ind AS 27, 'Separate Financial Statements'.

4. Key accounting estimates, judgements and assumptions

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

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

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

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

b. Useful lives of depreciable and amortisable assets

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

c. Leases

Ind AS 116 requires lessees to determine the lease term as the non-cancellable period of a lease adjusted with any option to extend or terminate the lease, if the use of such option is reasonably certain. The Company makes an assessment on the expected lease term on a lease-by-lease basis and thereby assesses whether it is reasonably certain that any options to extend or terminate the contract will be exercised. In evaluating the lease term, the Company considers factors such as any significant leasehold improvements undertaken over the lease term, costs relating to the termination of the lease and the importance of the underlying asset to Company's operations taking into account the location of the underlying asset and the availability of suitable alternatives.

d. Impairment of assets

The impairment provisions for Financial Assets are based on assumptions about risk of default and expected cash loss rates. The Company uses judgement in making these assumptions and selecting the inputs to the impairment calculation, based on Company's past history, existing market conditions as well as forward-looking estimates at the end of each reporting period.

In case of non-financial assets, assessment of impairment indicators involves consideration of future risks. Further, the company estimates asset's recoverable amount, which is higher of an asset's or Cash Generating Units (CGU's) fair value less costs of disposal and its value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account, if no such transactions can be identified, an appropriate valuation model is used.

5. Standards and recent pronouncements issued but not yet effective

Ministry of Corporate Affairs ("MCA") notified new standards or amendments to the existing standards under Companies (Indian Accounting Standards) Rules 2015, as issued from time to time.

New and amended standards

The Ministry of Corporate Affairs (MCA) has notified amendments to certain Ind AS standards effective 1 April 2025. Amendments to Ind AS 21 provide guidance on assessing exchangeability of currencies and determining spot rates where exchangeability is lacking, along with enhanced disclosures. Amendments to Ind AS 1 clarify principles for classification of liabilities as current or non-current, including the need for a substantive right to defer settlement and treatment of covenants and settlement through own instruments. Further, amendments to Ind AS 7 and Ind AS 107 introduce additional disclosures for supplier finance arrangements to enhance transparency on liquidity risk and cash flows. Amendments to Ind AS 12 introduce a temporary exception for deferred tax recognition relating to Pillar Two rules and require targeted disclosures. These amendments do not have a material impact on the Company's financial statements

Standards notified but not yet effective

During the year ended 31 March 2026, MCA notified amendments to Ind AS 1 relating to classification of liabilities with covenants. The amendment revises paragraph 74 to require classification of a liability as current where a covenant breach at the reporting date makes the liability payable on demand, even if the lender subsequently waives the right before approval of financial statements. This reflects that the entity does not have a substantive right to defer settlement as of the reporting date. The amendment is effective for annual periods beginning on or after 1 April 2026 and is to be applied retrospectively in accordance with Ind AS 8. The Company does not expect this amendment to have a material impact on its financial statements.

Summary of the material accounting policies and other explanatory information

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

6. Property, plant and equipment

	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 2024	**503.53**	**2,102.84**	**77.75**	**5,560.05**	**55.21**	**164.95**	**77.81**	**8,542.14**	**497.08**
Additions during the year	66.68	149.95	-	790.31	15.01	30.63	9.51	1,062.09	34.45
Disposals/transfers during the year	(0.38)	(0.66)	-	(140.33)	(0.87)	(10.66)	(14.74)	(167.64)	(3.87)
Balance as at 31 March 2025	**569.83**	**2,252.13**	**77.75**	**6,210.03**	**69.35**	**184.92**	**72.58**	**9,436.59**	**527.66**
Additions during the year	101.88	1,316.80	0.43	2,965.20	17.34	41.96	17.07	4,460.68	58.19
Disposals/transfers during the year	-	-	-	(166.72)	(1.59)	(8.50)	(11.12)	(187.93)	(7.34)
Balance as at 31 March 2026	**671.71**	**3,568.93**	**78.18**	**9,008.51**	**85.10**	**218.38**	**78.53**	**13,709.34**	**578.51**
Accumulated depreciation									
Up to 1 April 2024	**-**	**407.18**	**6.47**	**1,773.26**	**19.95**	**62.54**	**36.84**	**2,306.24**	**147.11**
Depreciation charge for the year	-	90.84	4.93	464.91	6.87	21.47	9.05	598.07	62.30
Adjustment for disposals/transfers	-	(0.18)	-	(121.68)	(0.73)	(8.87)	(13.11)	(144.57)	(10.51)
Impairment loss	-	-	-	6.59	-	0.15	-	6.74	-
Up to 31 March 2025	**-**	**497.84**	**11.40**	**2,123.08**	**26.09**	**75.29**	**32.78**	**2,766.48**	**198.90**
Depreciation charge for the year	-	106.48	4.95	535.31	8.63	24.15	8.54	688.06	66.14
Adjustment for disposals/transfers	-	-	-	(141.71)	(1.27)	(7.37)	(9.70)	(160.05)	(4.45)
Impairment loss	-	-	-	5.74	0.07	0.31	-	6.12	-
Up to 31 March 2026	**-**	**604.32**	**16.35**	**2,522.42**	**33.52**	**92.38**	**31.62**	**3,300.61**	**260.59**
Net carrying value									
As at 31 March 2025	**569.83**	**1,754.29**	**66.35**	**4,086.95**	**43.26**	**109.63**	**39.80**	**6,670.11**	**328.76**
As at 31 March 2026	**671.71**	**2,964.61**	**61.83**	**6,486.09**	**51.58**	**126.00**	**46.91**	**10,408.73**	**317.92**

Notes:

(i) For details of assets pledged as security, refer note 18(a) and 18(b).

(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.

6(a) Capital Work-in-Progress:

		As at 31 March 2026	As at 31 March 2025
(i)	**Ageing schedule of capital work-in-progress (CWIP)**		
	Projects in progress		
	< 1 Year	454.04	677.46
	1-2 Years	12.09	2.10
	>2 Years	-	-
	Projects in progress (total)	**466.13**	**679.56**
	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 2024	**200.63**
Additions during the year *	1,474.34
Capitalisations during the year	(995.41)
Closing as at 31 March 2025	**679.56**
Additions during the year *	4,145.37
Capitalisations during the year	(4,358.80)
Closing as at 31 March 2026	**466.13**

*includes borrowing cost capitalised aggregating to ₹47.51 (31 March 2025:₹0.16)

7. Other intangible assets

	Computer Software	Brand	Non-compete	Procurement network	Distribution Network	Total
Gross Block						
As at 1 April 2024	**99.82**	**74.55**	**32.18**	**43.76**	**50.69**	**301.00**
Additions during the year	0.57	-	-	-	-	**0.57**
Disposals/transfers during the year	3.81	-	-	-	-	**3.81**
As at 31 March 2025	**104.20**	**74.55**	**32.18**	**43.76**	**50.69**	**305.38**
Additions during the year	1.82	-	-	-	-	1.82
As at 31 March 2026	**106.02**	**74.55**	**32.18**	**43.76**	**50.69**	**307.20**
Accumulated amortization						
Up to 1 April 2024	**70.19**	**74.55**	**32.18**	**43.53**	**50.51**	**270.96**
Amortization charge for the year	9.81	-	-	0.17	0.14	**10.12**
Adjustment for disposals/transfers	3.63	-	-	-	-	**3.63**
Up to 31 March 2025	**83.63**	**74.55**	**32.18**	**43.70**	**50.65**	**284.71**
Amortization charge for the year	9.60	-	-	0.03	0.02	**9.65**
Up to 31 March 2026	**93.23**	**74.55**	**32.18**	**43.73**	**50.67**	**294.36**
Net carrying amount						
As at 31 March 2025	20.57	-	-	**0.06**	**0.04**	**20.67**
As at 31 March 2026	**12.79**	-	-	**0.03**	**0.02**	**12.84**

7(a) Intangible assets under development:

		As at 31 March 2026	As at 31 March 2025
(i)	**Ageing schedule of Intangible assets under development (IAUD)**		
	Projects in progress		
	< 1 Year	34.77	-
	1-2 Years	-	-
	2-3 Years	-	-
	> 3 Years	-	-
	Projects in progress (total)	**34.77**	**-**
	Projects temporarily suspended	-	-

(ii) The Company does not have any material IAUD which is overdue or has exceeded its cost compared to its original plan and hence the disclosure of IAUD completion schedule is not applicable.

Summary of the material accounting policies and other explanatory information

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

(iii)	IAUD movement schedule:	
		Total
	Opening as at 1 April 2024	**-**
	Additions during the year	0.57
	Capitalisations during the year	(0.57)
	Closing as at 31 March 2025	**-**
	Additions during the year	36.59
	Capitalisations during the year	(1.82)
	Closing as at 31 March 2026	**34.77**

8. Investment property

	Land	Building	Total
Gross Block			
As at 1 April 2024	**23.30**	**26.67**	**49.97**
Additions / transfers during the year	-	-	-
As at 31 March 2025	**23.30**	**26.67**	**49.97**
Additions / transfers during the year	-	-	-
As at 31 March 2026	**23.30**	**26.67**	**49.97**
Accumulated depreciation			
Up to 1 April 2024	-	**7.93**	**7.93**
Depreciation charge for the year	-	1.08	1.08
Up to 31 March 2025	-	**9.01**	**9.01**
Depreciation charge for the year	-	1.08	1.08
Up to 31 March 2026	-	**10.09**	**10.09**
Net carrying amount			
As at 31 March 2025	**23.30**	**17.66**	**40.96**
As at 31 March 2026	**23.30**	**16.58**	**39.88**

(a) Information of net income derived from Investment property

	For the year ended	
	31 March 2026	31 March 2025
Lease rental income	18.60	17.22
Less: Depreciation	(1.08)	(1.08)
Net income derived from Investment property	**17.52**	**16.14**

(b) Description of valuation technique and key assumptions used

	31 March 2026		31 March 2025	
	Land	Building	Land	Building
Valuation technique: Discounted Cash Flow ("DCF") method				
Estimated rental value per month (in absolute ₹ terms)	78,750	NA	78,750	NA
Estimated rental value per square feet per month (in absolute ₹ terms)	NA	30	NA	30
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 2024	**349.84**
Increase in fair value of an existing Investment property	24.69
Fair value as on 31 March 2025	**374.53**
Increase in fair value of an existing Investment property	-
Fair value as on 31 March 2026	**374.53**

Summary of the material accounting policies and other explanatory information
(All amounts in ₹ millions, except share data and where otherwise stated)

9. Investment in subsidiary, joint venture and associate

		As at	
		31 March 2026	31 March 2025
Unquoted			
Investment in subsidiaries:			
a.	3,709,464 (31 March 2025: 3,709,464) equity shares of ₹10 each fully paid held in Heritage Nutrivet Limited (HNL)	326.70	326.70
b.	15,095,334 (31 March 2025: Nil) equity shares of ₹10 each fully paid held in Heritage Novandie Foods Limited (HNFL)#	583.85	-
	Less: Impairment of investment	(408.17)	-
		175.68	**-**
c.	11,060 (31 March 2025: Nil) equity shares of ₹10 each fully paid held in Peanut Butter and Jelly Limited (PBJL) (formerly Peanut Butter and Jelly Limited Private Limited)*	158.56	-
		660.94	**326.70**
Investment in an Joint venture			
	Nil (31 March 2025: 7,995,339) equity shares of ₹10 each fully paid held in Heritage Novandie Foods Limited (HNFL)#	-	498.85
	Less: Impairment of investment	-	(402.80)
		-	**96.05**
Investment in an associate**			
	650,000 (31 March 2025: 650,000) equity shares of ₹10 each fully paid held in SKIL Raigam Power (India) Limited	6.50	6.50
	Less: Impairment of investment	(6.50)	(6.50)
		-	**-**
	** SKIL Raigam Power (India) Limited has been declared as Dormant Company as per Section 455(2) of Companies Act, 2013		
		660.94	**422.75**
	Aggregate amount of unquoted investments	660.94	422.75
	Aggregate amount of impairment in value of investments	414.67	6.50

(#) In the month of May 2025, the Company has entered into a Share Purchase Agreement (SPA) for acquiring 71,00,000 equity shares of ₹10/- each in HNFL from the other joint venture partner for a consideration of ₹ 85.00 million. The transaction was completed on 16 June 2025. Upon completion, the Company has acquired controling interest in HNFL.

(*) includes contractual commitment to acquire 3,116 equity shares of ₹10 each in PBJL. As the terms of the arrangement, the Company has access to the risks and returns associated with the ownership interest with respect to these shares as well.

Refer note 35 on disclosures related to the impairment loss.

10. Investments

	As at	
	31 March 2026	31 March 2025
Non current		
Investments at fair value through other comprehensive income ("FVTOCI")		
Investments in equity instruments		
117 (31 March 2025: 117) quoted equity shares of ₹10 each fully paid held in Union Bank of India	0.02	0.01
1,740 (31 March 2025: 1,740) quoted equity shares of ₹2 each fully paid held in Bank of Baroda	0.43	0.40
200,000 (31 March 2025: 200,000) unquoted equity shares of ₹10 each fully paid held in Heritage Finlease Limited	2.60	2.60
	3.05	**3.01**
Investments at amortized cost		
Investments in government securities	0.12	0.12
	0.12	**0.12**
	3.17	3.13
Aggregate market value of quoted investments	0.45	0.41
Aggregate value of unquoted investments	2.72	2.72
Aggregate amount of impairment in value of investments	-	-

Summary of the material accounting policies and other explanatory information

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

	As at	
	31 March 2026	31 March 2025
Current		
Investment in Mutual Funds (measured at FVTPL)		
Nil (31 March 2025: 696,122) units held in Aditya Birla Sun Life Liquid Fund Growth	-	288.11
14,915,975 (31 March 2025: 14,714,150) units held in Kotak Arbitrage Fund Regular Plan Growth	583.98	542.71
7,481,799 (31 March 2025: 18,408,829) units held in Aditya Birla Sun Life Arbitrage Fund Growth	207.45	481.07
22,251,842 (31 March 2025: 11,866,642) units held in SBI Arbitrage Opportunities Fund Regular Plan Growth	786.31	394.64
Total	**1,577.74**	**1,706.53**
Investments at amortized cost		
Investments in government securities	0.03	0.03
	1,577.77	**1,706.56**
Aggregate market value of quoted investments	1,577.74	1,706.53
Aggregate value of unquoted investments	0.03	0.03
Aggregate amount of impairment in value of investments	-	-

11(a). Loans

	As at	
	31 March 2026	31 March 2025
Non Current		
Unsecured, considered good		
Loans to related parties	52.69	-
	52.69	**-**
Current		
Unsecured, Considered good		
Loans to related parties	14.65	-
	14.65	**-**

The balance of loans to related parties represents amounts lent to its subsidiary companies for the purpose of providing working capital finance to the subsidiaries. The loan along with interest at 9.5% p.a, is repayable on completion of 1 year from the date of disbursement.

11(b). Other financial assets

	As at	
	31 March 2026	31 March 2025
Non-current		
Unsecured, Considered good		
Interest accrued but not due on bank deposits	0.03	0.03
Margin money deposits with banks	0.30	0.79
Security deposits	186.52	153.42
	186.85	**154.24**
Current		
Unsecured, Considered good		
Interest accrued but not due on bank deposits	1.27	0.44
Rent receivable	1.76	1.94
Security deposits	52.31	47.86
Fair value of derivatives	5.46	-
Others	69.58	81.72
	130.38	**131.96**

Summary of the material accounting policies and other explanatory information
(All amounts in ₹ millions, except share data and where otherwise stated)

12. Other assets

	As at	
	31 March 2026	31 March 2025
Non-current		
Unsecured, Considered good		
Capital advances	142.43	318.76
Prepaid expenses	0.65	1.22
Balance with Statutory authorities [refer note 22]	77.00	-
	220.08	**319.98**
Unsecured, Considered doubtful		
Capital advances	1.25	1.25
Less: Allowance for doubtful capital advances	(1.25)	(1.25)
	-	-
	220.08	**319.98**
Current		
Unsecured, Considered good		
Balance with Statutory authorities	88.73	24.70
Prepaid expenses	68.80	79.41
Advances to suppliers and others	65.53	73.35
	223.06	**177.46**
Unsecured, Considered doubtful		
Other advances	7.77	7.77
Less: Provision for doubtful advances	(7.77)	(7.77)
	223.06	**177.46**

No advances are due from directors or other officers of the Company either severally or jointly with any other person or amounts due by firms or private companies respectively in which any director is a partner or a director or a member. Refer note 41 for dues from related parties.

13. Inventories

	As at	
	31 March 2026	31 March 2025
Raw materials	432.83	580.04
Work-in-progress	38.19	19.72
Semi finished goods	1,288.47	1,597.88
Finished goods	898.94	922.73
Stock-in-trade	99.67	114.73
Packing materials	162.99	112.07
Stores, spares and consumables	86.33	73.85
	3,007.42	**3,421.02**

Note:

The write down of inventories to net realisable value during the year ended 31 March 2026 aggregated to ₹21.88 (31 March 2025: ₹19.45). This write down is included in the changes in inventories of finished goods, semi finished goods, stock-in-trade and work-in-progress in the statement of profit and loss.

14. Trade receivables

	As at	
	31 March 2026	31 March 2025
Unsecured, considered good	663.53	385.92
Unsecured, credit impaired	66.50	71.25
	730.03	**457.17**
Less: Allowance for credit loss	(81.92)	(81.98)
	648.11	**375.19**

Summary of the material accounting policies and other explanatory information

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

The movement in the allowance for credit loss and expected credit loss for the year ended 31 March 2026 and 31 March 2025 is as follows:

	For the year ended	
	31 March 2026	31 March 2025
Opening balance at beginning of the year	81.98	**81.10**
Add: Provision made during the year	6.38	6.37
Less: Amount recovered during the year	(0.01)	(2.90)
Less: Bad debts written off during the year	(6.43)	(2.59)
Closing balance at end of the year	81.92	**81.98**

Trade Receivables ageing schedule as on 31 March 2026

Particulars	Outstanding for following periods from due date of payment					
	Less than 6 months	6 months - 1year	1-2 years	2-3 years	More than 3 years	Total
Undisputed						
Considered good	663.53	-	-	-	-	663.53
Credit impaired	-	-	1.06	-	65.45	66.50
Disputed						
Considered good	-	-	-	-	-	-
Credit impaired	-	-	-	-	-	-

Trade Receivables ageing schedule as on 31 March 2025

Particulars	Outstanding for following periods from due date of payment					
	Less than 6 months	6 months - 1year	1-2 years	2-3 years	More than 3 years	Total
Undisputed						
Considered good	385.92	-	-	-	-	**385.92**
Credit impaired	-	1.35	-	3.04	63.41	**67.80**
Disputed						
Considered good	-	-	-	-	-	**-**
Credit impaired	-	-	-	-	3.45	**3.45**

Trade receivables include dues aggregating to ₹ Nil (31 March 2025: ₹0.84) receivable from Heritage Novandie Foods Limited, in which Director of the Company is a Director.

15. Cash and Bank Balances

		As at	
		31 March 2026	31 March 2025
(a)	**Cash and cash equivalents**		
	Balances with banks in current accounts	577.81	631.38
	Cash on hand	0.45	1.41
		578.26	**632.79**
(b)	**Other bank balances**		
	Earmarked balances with banks		
	Unpaid dividend	12.20	12.47
	CSR unspent money (Refer note 30(ii))	10.01	28.41
	Margin money deposits with banks	22.14	11.03
		44.35	**51.91**

16. Equity share capital

i. Authorised share capital

	31 March 2026		31 March 2025	
	Number	Amount	Number	Amount
Equity shares of ₹5 each	9,60,00,000	480.00	9,60,00,000	480.00
Preference shares of ₹10 each	20,00,000	20.00	20,00,000	20.00
		500.00		**500.00**

Summary of the material accounting policies and other explanatory information
(All amounts in ₹ millions, except share data and where otherwise stated)

ii. Issued, subscribed and fully paid up

	31 March 2026		31 March 2025	
	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 2026		31 March 2025	
	Number	Amount	Number	Amount
Equity shares				
At the beginning of the year	9,27,96,000	463.98	9,27,96,000	463.98
Add: Issues during the year	-	-	-	-
At the end of the year	9,27,96,000	463.98	**9,27,96,000**	**463.98**

iv. Rights, preferences and restrictions attached to equity shares

The Company has only one class of issued, subscribed and paid up equity shares having a par value of ₹5 each per share. Each holder of equity shares is entitled to one vote per share. The Company declares and pays dividend in Indian rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the Annual General Meeting.

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the share holders.

v. Details of shareholders holding more than 5% equity shares in the Company

Name of the equity shareholders	31 March 2026		31 March 2025	
	Number	% holding	Number	% holding
N Bhuvaneswari	2,26,11,525	24.37%	2,26,11,525	24.37%
Nirvana Holdings Private Limited	1,09,13,107	11.76%	1,09,13,107	11.76%
Nara Lokesh	1,00,37,453	10.82%	1,00,37,453	10.82%
Megabid Finance & Investment Private Limited	51,90,937	5.59%	51,90,937	5.59%

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 2026

Name of the promoter *	As at 31 March 2026		As at 31 March 2025		% Change during the year
	No.of Shares	% of total shares	No.of Shares	% of total shares	
N Bhuvaneswari	2,26,11,525	24.37%	2,26,11,525	24.37%	0.00%
Nara Lokesh	1,00,37,453	10.82%	1,00,37,453	10.82%	0.00%
Megabid Finance & Investment Private Limited	51,90,937	5.59%	51,90,937	5.59%	0.00%
N Brahmani	4,30,952	0.46%	4,30,952	0.46%	0.00%
N Devaansh	56,075	0.06%	56,075	0.06%	0.00%
Ramakrishna Nandamuri	800	0.00%	800	0.00%	0.00%

viii. Shareholding of Promoters as at 31 March 2025

Name of the promoter *	As at 31 March 2025		As at 31 March 2024		% Change during the year
	No.of Shares	% of total shares	No.of Shares	% of total shares	
N Bhuvaneswari	2,26,11,525	24.37%	2,26,11,525	24.37%	0.00%
Nara Lokesh	1,00,37,453	10.82%	1,00,37,453	10.82%	0.00%
Megabid Finance & Investment Private Limited	51,90,937	5.59%	51,90,937	5.59%	0.00%
N Brahmani	4,30,952	0.46%	4,30,952	0.46%	0.00%
N Devaansh	56,075	0.06%	56,075	0.06%	0.00%
Ramakrishna Nandamuri	800	0.00%	800	0.00%	0.00%

* Details of promoters are identified based on information submitted with the stock exchanges as per SEBI (LODR) Regulations, 2015 (as amended) and the Annual Returns filed in accordance with the provisions of Section 92 of the Act.

Summary of the material accounting policies and other explanatory information

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

17. Other equity

	As at	
	31 March 2026	31 March 2025
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	8,910.91	7,744.13
	10,174.35	**9,007.57**
Item of OCI		
Changes in fair value of equity instruments	(0.31)	(0.35)
	(0.31)	**(0.35)**
	10,174.04	**9,007.22**

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.

18. Borrowings

	As at	
	31 March 2026	31 March 2025
Non-current		
Secured		
Term loans from banks [refer note 18(a)]	2,230.33	1,089.18
	2,230.33	**1,089.18**
Current		
Secured		
Current maturities of Long term borrowings [refer note 18(a)]	486.65	252.76
Loans repayable on demand from banks [refer note 18(b)]	524.36	-
	1,011.01	**252.76**

(i) Reconciliation of liabilities arising from financial activities*

	For the year ended	
	31 March 2026	31 March 2025
Balance at beginning of the year	**1,341.94**	**891.04**
Proceeds from long term borrowings	1,641.64	703.45
Repayments of long term borrowings	(256.04)	(247.57)
Others	(10.56)	(4.98)
Balance at end of the year	**2,716.98**	**1,341.94**

*Includes only current and non-current portions of long term borrowings

(ii) Reconciliation of interest accrued but not due on term loans from banks

	For the year ended	
	31 March 2026	31 March 2025
Balance at beginning of the year	**0.67**	**-**
Interest expense for the year	108.75	107.06
Interest paid during the year	99.25	106.39
Balance at end of the year	**10.17**	**0.67**

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

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 2026	31 March 2025
Bank of Baroda	Three Month MCLR	Repayable in 24 quarterly installments commencing from 31 March 2024	1st Paripassu charge with HDFC Bank on Land, Building & Plant & Machinery and any movable & Immovable fixed assets at Shamirpet Plant, both present and future.	180.38	228.39
Bank of Baroda	One Month MCLR +0.15% per annum	Repayable in 24 quarterly installments commencing from 31 December 2026	1st Paripassu charge with HDFC Bank on Land, Building & Plant & Machinery and any movable & Immovable fixed assets at Shamirpet Plant, both present and future.	80.09	-
Bank of Baroda	One Month MCLR +0.15% per annum	Repayable in 24 quarterly installments commencing from 31 December 2026	1. 1st Paripassu charge(upto the share of total assets created out of Term Loan III on Shamirpet plant) with HDFC Bank on land & Building, Plant & Machinery and any movable & Immovable fixed assets at Shamirpet Plant, both present and future. 2. Assets created out of fresh term loan III at Gokul infavour of Kotak Bank, Mulugu Plants and Manor in favour of ICICI bank, subject to reciprocal ceding of 1:1 Charge on fixed assets situated at Gokul and mulugu plants by Kotak and ICICI Bank respectively. 3. Exclusive charge on pamarru, CCs (chittor, Kandukuru, Mardi and Waranga) or any unencumbered plant of company assets created by Term loan III.	41.97	-
ICICI Bank	3 Months MCLR +0.40% per annum	Repayable in 24 quarterly installments commencing from 30 Jun 2024	- First charge by way of equitable mortgage over immovable fixed assets of Borrower at Mulugu, Manor and Narketpally Plants. - First charge by way of hypothication of movable fixed assets at Mulugu, Manor and Narketpally Plants.	794.90	999.98

Summary of the material accounting policies and other explanatory information

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

Name	Interest rate (%)	Terms of repayment	Type of security	Outstanding balance as on* 31 March 2026	31 March 2025
HDFC Bank	One month Repo rate + spread of 2.00%	Repayable in 24 quarterly installments commencing from 15 May 2026	- Movable fixed assets - First pari passu charge on plant and machinery at Shamirpet plant (excluding Renewable Energy Division Assets) - Immovable fixed assets - First pari passu charge on land and buildings at Shamirpet plant	1,220.82	113.57
ICICI Bank	3 Months MCLR +0.15% per annum	Repayable in 24 quarterly installments commencing from 30 Jun 2026	- First charge by way of equitable mortgage over the identified immovable fixed assets of Borrower. - First charge by way of hypothication of movable fixed assets of above identified immovable fixed assets of Borrower.	26.51	-
Kotak Mahindra Bank	3 Months Repo + 2.45 %	Repayable in 24 quarterly installments commencing from 30 December 2026	Exclusive Charge on movable and immovable fixed assets at Gokul Plant.(Excluding Renewable Energy Division Assets)	319.17	-
Kotak Mahindra Bank	3 Months Repo + 2.70 %	Repayable in 24 quarterly installments commencing from 22 April 2027	Exclusive Charge on movable and immovable fixed assets at Gokul Plant.(Excluding Renewable Energy Division Assets)	53.14	-
				2,716.98	1,341.94

*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 2026	31 March 2025
ICICI Bank - CC	Six months I-MCLR	First pari passu charge on the entire current assets of the Company both present and future. First pari passu charge on Land and Buildings, Plant and Machinery and other movable and immovable fixed assets on three properties i.e. Uppal, Telangana, Bobbili, AP., Pamarru, AP., both present and future.	-	-
ICICI Bank - WCDL	REPO + SPREAD		345.00	-
Bank of Baroda	One year MCLR + 0.25% per annum		-	-
Kotak Mahindra Bank - WCDL	REPO +SPREAD		100.00	-
HDFC Bank - CC	REPO +SPREAD		-	-
HDFC Bank - WCDL	REPO +SPREAD		79.36	-
			524.36	-

19. Other financial liabilities

	As at 31 March 2026	31 March 2025
Non-current		
Financial guarantee	0.27	1.97
	0.27	**1.97**
Current		
Current maturities of financial guarantee	1.70	2.16
Interest accrued but not due on borrowings	10.17	0.67
Capital creditors	486.70	302.11
Employee related payables	271.76	469.11
Security deposits	608.74	530.88
Unpaid dividend	12.20	12.47
Payables towards acquisition of shares	69.98	-
Other payables	16.79	33.52
	1,478.04	1,350.92

Summary of the material accounting policies and other explanatory information
(All amounts in ₹ millions, except share data and where otherwise stated)

20. Provisions

	As at 31 March 2026	31 March 2025
Non-current		
Compensated absences	326.45	275.64
	326.45	**275.64**
Current		
Gratuity (refer note (a) below)	50.69	7.45
Compensated absences	48.18	122.91
	98.87	**130.36**

(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 wage 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 2026	31 March 2025
Projected benefit obligation at the beginning of the year	247.01	201.03
Service cost	31.51	25.38
Interest cost	16.09	13.54
Past service cost - plan amendments	48.07	-
Actuarial loss - experience assumptions	2.33	10.75
Actuarial gain - financial assumptions	(3.11)	5.82
Benefits paid	(23.31)	(9.51)
Projected benefit obligation at the end of the year	**318.59**	**247.01**

(ii) Change in fair value of plan assets

	As at 31 March 2026	31 March 2025
Fair value of plan assets at the beginning of the year	239.56	203.96
Interest income	15.69	14.79
Contribution made	34.39	30.51
Return on plan assets greater / (lesser) than discount rate	1.58	(0.19)
Benefits paid	(23.31)	(9.51)
Fair value of plan assets at the end of the year	**267.90**	**239.56**

(iii) Reconciliation of present value of projected benefit obligation and fair value of plan assets

	As at 31 March 2026	31 March 2025
Present value of projected benefit obligation	318.59	247.01
Funded status of plan assets	267.90	239.56
Net liability / (asset) recognised in the balance sheet	**50.69**	**7.45**

(iv) Expense recognized in the Statement of Profit and Loss

	For the year ended 31 March 2026	31 March 2025
Interest cost	16.09	13.54
Service cost	79.59	25.38
Interest income	(15.69)	(14.79)
	79.99	24.13

Summary of the material accounting policies and other explanatory information

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

(v) Expense recognized in OCI

	For the year ended	
	31 March 2026	31 March 2025
Actuarial loss / (gain), net	(2.35)	16.76
	(2.35)	**16.76**

(vi) Key actuarial assumptions

	As at	
	31 March 2026	31 March 2025
Discount rate	6.60%	6.40%
Salary escalation rate	8.00%	8.00%
Attrition rate	15.00%	15.00%
Mortality rate	Indian Assured Lives Mortality (2006-08) Ult.	Indian Assured Lives Mortality (2006-08) Ult.

(vii) Sensitivity analysis

Reasonably possible changes as at 31 March 2026 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 2026	
	Increase	Decrease
Discount rate (1% movement)	(14.24)	15.72
Salary escalation rate (1% movement)	14.73	(13.71)
Attrition rate (1% movement)	(1.68)	1.78

(viii) The Company expects to contribute ₹ 50.69 as its contribution to gratuity within one year from the year ended 31 March 2026.

(ix) Maturity analysis of Gratuity as on 31 March 2026 is as follows:

	Increase	Decrease
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	40.81	44.88
2 to 5 years	149.11	122.65
More than 5 years	106.92	97.30
	296.84	264.83

(x) On 21 November 2025, the Government of India notified four Labour Codes, effective immediately, replacing the existing 29 labour legislations. In accordance with Ind AS 19 - Employee Benefits and the guidance issued by the Institute of Chartered Accountants of India, changes to employee benefit plans arising from legislative amendments are treated as plan amendments, requiring immediate recognition of past service cost in the statement of profit and loss.

The incremental impact of these changes, assessed by the Company, on the basis of the information available, resulted in estimated one time increase in provision for defined benefit obligations amounting to ₹48.07 million and the same has been recognised as an employee benefit expense. The Company continues to monitor the developments pertaining to labour codes and will evaluate the impact if any on the measurement of liabilities pertaining to employee benefits.

21. Deferred tax liabilities (net)

	As at	
	31 March 2026	31 March 2025
Deferred tax liabilities arising on account of:		
Property, Plant and Equipment ("PPE") and Intangible aassets	487.65	411.28
	487.65	411.28
Deferred tax assets arising on account of:		
Provision for employee benefits	(98.06)	(103.99)
Receipt of government grant	(20.87)	(17.91)
Interest on GST liability	-	(8.69)
Others	(14.42)	(15.75)
	(133.35)	(146.34)
	354.30	264.94

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 and intangible aassets	Provision for employee benefits	Receipt of government grant	Interest on GST liability	Others	Total
As at 1 April 2024	386.02	(85.75)	(19.59)	(8.69)	(30.40)	**241.59**
Charged						
- to Statement of Profit and Loss	25.26	(14.02)	1.68	-	14.65	**27.57**
- to OCI	-	(4.22)	-	-	-	**(4.22)**
As at 31 March 2025	411.28	(103.99)	(17.91)	(8.69)	(15.75)	**264.94**
Charged						
- to Statement of Profit and Loss	76.37	5.32	(2.96)	8.69	1.33	**88.75**
- to OCI	-	0.61	-	-	-	**0.61**
As at 31 March 2026	487.65	(98.06)	(20.87)	-	(14.42)	**354.30**

22. Other liabilities

	As at	
	31 March 2026	31 March 2025
Non-current		
Statutory dues payable @	109.60	-
	109.60	-
Current		
Advances from customers*	115.22	107.31
Statutory dues payable	77.65	140.32
	192.87	247.63

*represents contract liabilities against which the Company has recognized a revenue of ₹107.31 (31 March 2025: ₹111.95) from the amounts included under advances from customers at the beginning of the year.

@ The Company has imported machineries under Manufacture and Other Operations in Warehouse Regulations, 2019 (MOOWR) for its projects at Shamirpet. As per MOOWR, payment of Integrated Goods and Services Tax and Custom Duty aggregating to ₹109.60 (Previous year : Nil) on imported machineries is deferred till removal of such machineries from the designated location. The liability in respect of the same is disclosed above as non-current Statutory liabilities and the corresponding IGST Input Tax Credit amounting to ₹77.00 (Previous year : Nil) is disclosed in note no.12 under Other non-current assets. Additionally, Customs Duty amounting to ₹32.60 million has been capitalised as part of the cost of the respective assets.

23. Trade payables

	As at	
	31 March 2026	31 March 2025
Total outstanding dues of micro and small enterprises	153.32	98.51
Total outstanding dues of creditors other than micro and small enterprises	1,653.51	1,558.39
	1,806.83	1,656.90

Trade payables ageing schedule as on 31 March 2026

	Particulars	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
(i)	MSME	153.32	-	-	-	**153.32**
(ii)	Others	1,649.01	4.50	-	-	**1,653.51**
		1,802.33	**4.50**	**-**	**-**	**1,806.83**

Trade payables ageing schedule as on 31 March 2025

	Particulars	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
(i)	MSME	98.51	-	-	-	**98.51**
(ii)	Others	1,557.57	0.82	-	-	**1,558.39**
		1,656.08	**0.82**	**-**	**-**	**1,656.90**

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 2026	31 March 2025
Sale of products	44,114.13	40,766.34
Sale of services	12.90	16.89
Other operating income		
- Scrap sales and others	23.62	21.58
	44,150.65	40,804.81

(i) Reconciliation of revenue from sale of products with the contracted price

	For the year ended	
	31 March 2026	31 March 2025
Revenue as per contracted price	45,767.72	42,302.65
Adjusted for:		
Discounts	(1,544.82)	(1,459.83)
Sales returns	(72.25)	(38.02)
Total revenue from contracts with customers	44,150.65	40,804.81

(ii) Revenue disaggregation geography wise is as follows:

	For the year ended	
	31 March 2026	31 March 2025
India	44,094.32	40,785.07
Other than India	56.33	19.74
	44,150.65	40,804.81

(iii) Contract balances

		As at	
	31 March 2026	31 March 2025	1 April 2024
Trade Receivables (refer note 14)	648.11	375.19	286.82
Advance from customer (refer note 22)	115.22	107.31	111.95

Notes:

(a) The Company has no single customer from whom the revenue is more than 10% of the revenue from operations for the year ended 31 March 2026 and 31 March 2025.

(b) Revenue from sale of products, scrap sales is recognized at a point in time, whereas revenue from sale of services is recognised over time.

25. Other income

	For the year ended	
	31 March 2026	31 March 2025
Interest income from bank and other deposits	8.51	4.79
- Others	0.70	-
Guarantee income	2.16	2.20
Dividend income on long term investments	0.02	0.01
Subsidy transferred from deferred government grant (under capital subsidy scheme)	25.49	6.73
Lease rental income	21.23	20.10
Provisions no longer required/ credit balances written back	9.72	20.62
Gain on foreign exchange fluctuations, net	-	0.12
Gain on sale of Property, plant and equipment (net)	15.60	32.95
Gain on investments (net)	129.06	163.01
Gain on derivative instruments	5.46	-
Other non operating income	18.95	22.31
	236.90	272.84

26. Cost of materials consumed

	For the year ended	
	31 March 2026	31 March 2025
Raw Material*		
Opening stock	580.04	258.26
Add: Purchases during the year	30,240.41	28,772.24
Less: Closing stock	432.83	580.04
	30,387.62	28,450.46
Packing Material*		
Opening stock	112.07	114.01
Add: Purchases during the year	1,686.58	1,529.41
Less: Closing stock	162.99	112.07
	1,635.66	1,531.35
	32,023.28	29,981.81

*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 2026	31 March 2025
Opening balance		
- Finished goods	922.73	798.63
- Semi finished goods	1,597.88	1,179.94
- Work-in-progress	19.72	17.79
- Stock-in-trade	114.73	69.08
	2,655.06	2,065.44
Closing balance		
- Finished goods	898.94	922.73
- Semi finished goods	1,288.47	1,597.88
- Work-in-progress	38.19	19.72
- Stock-in-trade	99.67	114.73
	2,325.27	2,655.06
	329.79	(589.62)

28. Employee benefit expenses

	For the year ended	
	31 March 2026	31 March 2025
Salaries and wages	2,749.42	2,673.63
Contribution to provident and other funds (refer note a below)	130.09	121.24
Gratuity expense (refer note 20(a)(iv))	79.99	24.13
Compensated absences expense	115.11	128.03
Staff welfare expenses	76.54	72.06
	3,151.15	3,019.09

(a) The amount recognized as an expense towards contribution to provident fund and employee state insurance schemes for the year ended 31 March 2026 amounts to ₹130.09 (31 March 2025: ₹121.24).

29. Finance costs

	For the year ended	
	31 March 2026	31 March 2025
Interest on borrowings calculated using effective interest method	120.64	109.75
Interest on income tax	-	0.19
Interest on lease liabilities	35.81	34.92
Interest on share purchases	1.42	-
Other borrowing costs	8.02	5.37
	165.89	150.23

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 2026	31 March 2025
Consumption of stores, spares and consumables	428.61	380.22
Power and fuel	620.69	595.08
Rent	358.21	265.02
Repairs and maintenance		
- Buildings	19.37	45.84
- Plant and equipment	35.85	53.38
- Others	119.99	96.85
Insurance	42.53	36.43
Electricity charges	36.41	33.19
Rates and taxes, excluding taxes on income	85.88	63.37
Freight outwards	1,276.24	1,134.18
Communication	31.52	25.58
Office maintenance	9.05	8.12
Travelling and conveyance	87.95	75.12
Legal and professional fees	243.71	174.14
Property, plant and equipment written off	17.06	7.96
Payment to auditors (refer note (i) below)	12.03	10.85
Corporate social responsibility (CSR) expenditure	34.36	26.99
Selling and distribution expenses	712.85	513.67
Provision for doubtful advances	-	0.15
Advances written off	2.66	1.55
Provision towards doubtful debts and bad debts written off	6.38	6.37
Bank charges	11.60	16.18
Advertisement expenses	2.21	1.63
Security charges	91.90	80.08
Printing and stationery	12.50	12.56
Directors sitting fees	5.40	4.20
Miscellaneous expenses	56.93	45.80
	4,361.89	**3,714.51**

(i) Details of payments to auditors :

	For the year ended	
	31 March 2026	31 March 2025
As auditor:		
- Statutory audit fee	6.90	6.02
- Tax audit fee	1.11	1.06
- Limited review fee	2.78	2.66
In other capacities:		
- Certification fees	0.63	0.59
- Reimbursement of expenses	0.61	0.52
	12.03	**10.85**

Note: Amounts reported is inclusive of goods and service tax of amounting ₹ 1.84 (31 March 2025 ₹ 1.66).

(ii) Details of CSR expenditure :

		For the year ended	
		31 March 2026	31 March 2025
(a)	Gross amount required to be spent during the year	34.36	26.99
(b)	Amount spent during the year		
	(i) Construction/ acquisition of asset	30.98	30.00
	(ii) On purposes other than (i) above	21.78	-
(c)	Shortfall at the end of the year	10.01	28.41
(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	28.41	31.42
	Add: Amount required to be spent during the year	34.36	26.99
	Less: Amount spent during the year	(52.76)	(30.00)
	Closing provision (refer note 1)	10.01	28.41

Note: 1

As the selected projects for CSR spent are long-term in nature, the balance amount of ₹10.01 as at 31 March 2026 will be spent during the financial year 2026-27. In accordance with the provisions of Section 135(6) of the Act, the Company has transferred the unspent amount to a separate bank account and the unspent amount has been provided in the accompanying financial statements. Further, the Company has spent an amount of ₹21.78 in FY24-25 over and above the mandated obligation and has set off the spent against the CSR requirement for the current financial year i.e. FY25-26.

31. Income tax expense

		For the year ended	
		31 March 2026	31 March 2025
(a)	**Income tax expense reported in the Statement of Profit and Loss**		
	Tax expense comprises of:		
	Current tax expense	372.17	625.11
	Deferred tax expense/(benefit)	88.75	27.58
		460.92	**652.69**

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 2025: 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

	31 March 2026	31 March 2025
Profit before tax	1,857.93	2,333.51
Expected tax expense at the Indian tax rate 25.168% (31 March 2025: 25.168%)	467.60	587.30
Tax effect of amounts which are not deductible/taxable in calculating taxable income:		
Effect of deductions allowed under Chapter VI-A of the Income Tax Act, 1961 ("IT Act, 1961)	(4.06)	(5.04)
Effect of expenses not deductible under the IT Act, 1961	10.00	69.60
Effect of income not subject to tax under the IT Act, 1961	(0.54)	(0.55)
Effect of income subject to tax under the IT Act, 1961	1.37	2.40
Others	(13.45)	(1.02)
Income tax expense	**460.92**	**652.69**

32. Earnings per equity share

	For the year ended	
	31 March 2026	31 March 2025
Profit for the year	1,397.01	1,680.82
Weighted average number of equity shares outstanding during the year	9,27,96,000	9,27,96,000
Earnings per equity share (EPES) (in absolute ₹ terms)		
Face value per share equity share	5.00	5.00
Basic and Diluted EPES	15.05	18.11

The Company did not have any potential dilutive equity shares as on 31 March 2026 and 31 March 2025.

Summary of the material accounting policies and other explanatory information

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

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 2026	31 March 2025
Proposed final dividend on equity shares of ₹5 each *		
Per equity share (in absolute ₹ terms)	2.50	2.50
Amount	231.99	231.99

The proposed final dividend, is subject to the approval of shareholders in the ensuing Annual General Meeting of the Company and accordingly not recognized as a liability in accordance with the applicable accounting principles.

Note: The Company has paid a dividend of ₹2.50 per share during the year ended 31 March 2026 (31 March 2025: ₹2.50 per share) amounting to ₹231.99 (31 March 2025: ₹231.99).

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

(i) No funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the 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. Exceptional items

	For the year ended	
	31 March 2026	31 March 2025
Reversal of disputed statutory liability	101.35	-
Impairment charge (refer note below)	(5.37)	(234.85)
	95.98	**(234.85)**

Note:

In view of the limited market potential and continuous losses from operations reported by its erstwhile joint venture, Heritage Novandie Foods Limited ("HNFL"), the Board of HNFL in its meeting held during March 2025 had approved a proposal, allowing the Company to obtain controlling stake by acquiring equity shares from the other joint venture partner and restructure / repurpose the business operations of HNFL.

Subsequently in the month of June 2025, the Company has acquired 71,00,000 equity shares of ₹10 each in HNFL from the other joint venture partner for a consideration of ₹85.00. Upon completion, the Company has acquired controlling interest in HNFL.

The recoverable value of the investment in HNFL is determined using the fair value on the basis of the above agreed sales consideration, which has resulted in recognition of impairment of ₹234.85 during the year ended 31 March 2025, which has been classified as exceptional items. An additional impairment charge of ₹5.37 has been recognized for the year ended 31 March 2026 by determining the recoverable value of its investment in HNFL using the discounted cash flow method. Significant unobservable inputs considered include terminal growth rate of 5% and discount rate of 13.40%.

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 2026	31 March 2025
Financial assets		
Fair value hierarchy (Level 1)		
Quoted equity shares	0.45	0.41
Investment in mutual funds	1,577.74	1,706.53
Fair value hierarchy (Level 2)		
Derivatives asset	5.46	-
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 2026 and 31 March 2025 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 2 instruments:

The Company's foreign currency forward contracts are not traded in active markets. These contracts have been fair valued using observable forward exchange rates corresponding to the maturity of the contract. The effects of non-observable inputs are not significant for foreign currency forward contracts.

Summary of the material accounting policies and other explanatory information
(All amounts in ₹ millions, except share data and where otherwise stated)

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.

Categories of financial instruments

	31 March 2026			31 March 2025		
	FVTPL	FVTOCI	Amortised cost	FVTPL	FVTOCI	Amortised cost
Financial assets*						
Quoted equity shares	-	0.45	-	-	0.41	-
Unquoted equity shares	-	2.60	-	-	2.60	-
Investment in government securities	-	-	0.15	-	-	0.15
Investments in mutual funds	1,577.74	-	-	1,706.53	-	-
Trade receivables	-	-	648.11	-	-	375.19
Cash and cash equivalents	-	-	578.26	-	-	632.79
Other bank balances	-	-	44.35	-	-	51.91
Loans	-	-	67.34	-	-	-
Other financial assets	-	-	317.23	-	-	286.20
	1,577.74	**3.05**	**1,655.44**	**1,706.53**	**3.01**	**1,346.24**

(*) excludes the investment in subsidiary and associate, which is carried at cost.

	31 March 2026			31 March 2025		
	FVTPL	FVTOCI	Amortised cost	FVTPL	FVTOCI	Amortised cost
Financial liabilities						
Borrowings	-	-	3,241.34	-	-	1,341.94
Lease liabilities	-	-	354.40	-	-	365.79
Trade payables	-	-	1,806.83	-	-	1,656.90
Other financial liabilities	-	-	1,478.31	-	-	1,352.89
	-	**-**	**6,880.88**	**-**	**-**	**4,717.52**

The fair value of the financial assets and financial liabilities are included at an amount at which the instruments could be exchanged in a current transaction between the willing parties, other than in a forced or liquidation sale.

38. Financial risk management objectives and policies

Financial Risk Management Framework

The Company's Board of Directors has an overall responsibility for the establishment and oversight of the Company's risk management framework. The Board of Directors has established Risk Management Committee, which is responsible for developing and monitoring the Company's risk management policies. The Committee reports regularly to the Board of Directors on its activities.

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 and its capital expansion. The Company's principal financial assets include trade and other receivables, and cash and cash equivalents that the Company derives directly from its operations.

The Company is exposed primarily to Credit risk, Liquidity risk and Market risk (fluctuations in interest rates, foreign currency rates, and prices of equity instruments), which may adversely impact the fair value of its financial instruments. The Company assesses the unpredictability of the financial environment and seeks to mitigate potential adverse effects on the financial performance of the Company.

A. Credit risk

Credit risk is the risk that the counterparty shall not meet its obligations under a financial instrument or customer contract, leading to a financial loss. Credit risk encompasses of both, the direct risk of default and the risk of deterioration of the creditworthiness as well as concentration of risks. Credit risk arises primarily from financial assets such as trade receivables, investment in equity shares, balances with banks, loans and other receivables.

Credit risk is controlled by analyzing credit limits and creditworthiness of the customers on a continuous basis to whom credits have been granted after obtaining necessary approvals. Financial instruments that are subject to concentration of credit risk principally consist of trade receivables, investments, cash and cash equivalents, bank deposits and other financial assets. None of the financial instruments of the Company result in material concentration of credit risk.

Exposure to credit risk

The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk was ₹3,236.23 and ₹3,055.78 as of 31 March 2026 and 31 March 2025 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 2026 and 31 March 2025. The Company has diversified its portfolio of investment in cash and cash equivalents and term deposits with various banks which have secure credit ratings hence the risk is reduced. Concentration of exposures are actively monitored by the finance department of the Company.

Financial assets that are past due but not impaired

The Company's credit period for customers generally ranges from 0 - 30 days. The aging of trade receivables, net of those provided for in the books of account, is given below:

	As at	
	31 March 2026	31 March 2025
Number of days		
0-30 days	584.08	352.92
31-60 days	64.03	22.27
61-90 days	-	-
Greater than 90 days	-	-
	648.11	**375.19**

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 2026				As at 31 March 2025			
	On demand	Up to 1 year	More than 1 year	Total	On demand	Up to 1 year	More than 1 year	Total
Financial guarantees#	**-**	-	-	**-**	35.41	-	-	**35.41**
Borrowings	524.36	486.65	2,230.33	**3,241.34**	-	252.76	1,089.18	**1,341.94**
Lease liabilities	-	87.71	476.12	**563.83**	-	76.35	518.84	**595.19**
Trade payables	-	1,806.83	-	**1,806.83**	-	1,656.90	-	**1,656.90**
Other financial liabilities	-	1,476.34	-	**1,476.34**	-	1,348.76	-	**1,348.76**
	524.36	**3,857.53**	**2,706.45**	**7,088.34**	**35.41**	**3,334.77**	**1,608.02**	**4,978.20**

Represents the loan amounts outstanding to bankers by the subsidiary as at 31 March 2025, in respect of which the Company had entered financial guarantees. The said loan have been fully repaid during the current year.

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. During the year, the Company entered into forward exchange contracts solely for hedging foreign currency exposures relating to foreign capital creditors. such contracts are monitored periodically in line with company's policy. The Company's approach to management of currency risk is to minimise any material adverse impact arising from fluctuations in foreign exchange rates.

Summary of the material accounting policies and other explanatory information
(All amounts in ₹ millions, except share data and where otherwise stated)

The carrying amounts of the Company's unhedged foreign currency denominated monetary items in ₹ terms as at 31 March 2026 and 31 March 2025 are as follows:

Financial assets - Trade receivables

	31 March 2026	31 March 2025
- USD	2.32	-

Financial liabilities- capital creditors

	31 March 2026	31 March 2025
- EURO	27.69	-
- USD	1.12	-

As at 31 March 2026, the Company has an foreign currency exchange contract in place with an notional amount of euro 0.18 millions (INR: 19.87). Addtionallly, the Company entered into forward exchange contract to manage foreign currency risk arising from forecast purchases of capital equipment denominated in foregin currency, with an notional amount of euro 2.16 million (INR: 232.10). The fair value of the contract aggregated to INR 5.46 recognized under other financial asset. The hedge maturity period ranges from April to September 2026.

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 2025:₹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 2026	31 March 2025
Borrowings from banks	3,241.34	1,341.94
Less: Cash and cash equivalents	(578.26)	(632.79)
Net debt (A)	**2,663.08**	709.15
Total equity (B)	10,638.02	9,471.20
Net debt and total equity (A) + (B)	**13,301.10**	**10,180.35**
Gearing ratio (%)	**20.02%**	**6.97%**

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 2026 and 31 March 2025.

No changes were made in the objectives, policies or processes for managing capital during the years ended 31 March 2026 and 31 March 2025.

40. Disclosure of Interest in subsidiary, joint venture and associate:

	Nature of relationship	Country of Incorporation	Ownership interest (%)	
			31 March 2026	31 March 2025
Heritage Nutrivet Limited	Subsidiary	India	100.00%	100.00%
SKIL Raigam Power (India) Limited	Associate	India	43.33%	43.33%
Heritage Novandie Foods Limited (Joint Venture till 15.06.2025)	Subsidiary	India	94.40%	50.00%
Peanut Butter and Jelly Limited (w.e.f. 05.01.2026)	Subsidiary	India	71.00%	0.00%

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 Limited ("HNFL") (w.e.f. 16.06.2025) (formerly Heritage Novandie Foods Private Limited)	Subsidiary Company
Peanut Butter and Jelly Limited ("PBJL") (w.e.f. 05.01.2026) (formerly Peanut Butter and Jelly Private Limited)	Subsidiary Company
SKIL Raigam Power (India) Limited	Associate
Heritage Finlease Limited	Enterprise over which Vice - Chairperson and Managing Director, Executive Director and Whole-Time Director of the Company exercise significant influence
Nirvana Holdings Private Limited 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-Chairpeson & Managing Director
N Bhuvaneswari (Vice Chairperson and Managing Director)	Key Managerial Personnel (KMP)
N Brahmani (Executive Director)	
M Sambasiva Rao (President upto 31.03.2025 and Whole-Time Director w.e.f 01.04.2025)	
Srideep Madhavan Nair Kesavan (Chief Executive Officer)	
A Prabhakara Naidu (Chief Financial Officer)	
Umakanta Barik (Company Secretary & Compliance Officer)	
Rajesh Thakur Ahuja (upto 22.03.2026)	Non-Executive Independent Directors
Aparna Surabhi	
Muthu Raju Paravasa Raju Vijay Kumar	
A V Girijakumar	
Nagaraja Naidu Vadlamudi (upto 21.08.2024)	Non-Executive Director

(b) Transactions with related parties

	For the year ended	
	31 March 2026	31 March 2025
Heritage Nutrivet Limited		
Sale of products	8.51	7.14
Purchases	1,387.48	1,300.98
Expenditure incurred on behalf of HNL	2.25	2.26
Brand income	4.41	3.50
Heritage Novandie Foods Limited		
Investment made (including financial guarantee)	-	75.50
Sale of products	31.56	17.87
Purchase of products	34.73	-
Financial guarantee income	2.16	2.20
Lease rental income	1.27	1.39
Expenditure incurred on behalf of HNFL	5.50	9.03
Loans given	50.00	-
Other advances given	0.50	-
Purchase of assets	0.66	-
Interest accrued on loans given	2.69	-
Peanut Butter and Jelly Limited		
Sale of products	24.07	-
Purchase of products	25.60	-
Loans given	14.50	-
Interest accrued on loans given	0.15	-
Heritage Finlease Limited		
Remittance of loan proceeds collected on behalf of Heritage Finlease Limited	1,885.31	1881.58
Cattle loan facilitation charges	3.90	3.98
Reimbursement of insurance proceeds received on behalf of Heritage Finlease Ltd	3.06	-
Deposit paid	22.57	12.63
Lease rental expenses	149.03	106.25
NTR Memorial Trust		
CSR expenditure	29.57	30.00
N Bhuvaneswari		
Short-term employee benefits	96.03	132.21
Post-employment benefits	1.46	1.46
Other long-term benefits	3.63	1.30
N Brahmani		
Short-term employee benefits	76.82	105.71
Post-employment benefits	0.73	0.73
Lease rentals	12.87	12.25
Other long-term benefits	1.82	-
N Devaansh		
Lease rentals	12.87	12.25
M Sambasiva Rao		
Short-term employee benefits	19.21	43.39
Post-employment benefits	1.04	0.98
Other long-term benefits	4.12	-
Srideep Madhavan Nair Kesavan		
Short-term employee benefits	32.60	28.06
Post-employment benefits	1.14	1.00
Other long-term benefits	1.09	-
A Prabhakara Naidu		
Short-term employee benefits	14.29	12.37
Post-employment benefits	0.67	0.61
Other long-term benefits	0.91	1.10
Umakanta Barik		
Short-term employee benefits	6.59	5.70
Post-employment benefits	0.31	0.28
Other long-term benefits	0.41	0.44
Sitting fees		
Rajesh Thakur Ahuja	1.40	1.07
Aparna Surabhi	1.40	1.01
Muthu Raju Paravasa Raju Vijay Kumar	1.15	0.95
AV Girija Kumar	1.45	1.07
Nagaraja Naidu Vadlamudi	-	0.10

(c) Balances receivable/(payable)

	As at	
	31 March 2026	31 March 2025
Heritage Nutrivet Limited		
Trade payables	(28.50)	(27.19)
Heritage Finlease Limited		
Security deposits	77.33	54.76
Lease rent payable	(4.35)	(4.89)
Other payables	(45.90)	(62.21)
Other receivables	0.28	0.37
Heritage Novandie Foods Limited		
Trade receivables	-	0.84
Rent receivable	-	0.13

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 2026	31 March 2025
Security deposits Payable	(0.45)	(0.45)
Loan given (Including interest accrued)	52.69	-
Other advances given	0.50	-
Other receivables	2.03	0.82
Peanut Butter and Jelly Limited		
Trade payables	(2.24)	-
Trade receivables	18.08	-
Loan given (Including interest accrued)	14.65	-
N Bhuvaneswari		
Employee related payables	(69.03)	(104.27)
N Brahmani		
Employee related payables	(63.32)	(92.21)
Security deposits	5.74	5.74
Lease rent payable	(1.20)	(1.14)
M Sambasiva Rao		
Employee related payables	(0.01)	(25.16)
N Devaansh		
Security deposits	5.74	5.74
Lease rent payable	(1.20)	(1.03)

(d) **Guarantees outstanding**

	As at	
	31 March 2026	31 March 2025
Value of guarantees extended during the year		
Heritage Novandie Foods Limited	50.00	50.00
Guarantees outstanding as at balance sheet date		
Heritage Novandie Foods Limited	50.00	220.00
Borrowings outstanding as at balance sheet date, against which guarantee is extended		
Heritage Novandie Foods Limited	-	35.41

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 (except for loan balances) 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 2026, the Company has not recorded any impairment of receivables relating to amounts owed by related parties (31 March 2025: Nil). This assessment is undertaken each financial year through examining the financial position of the related parties and the market in which such parties operates.

(b) Post-employment and other long-term benefits, disclosed above, does not include those benefits which are computed for the Company as a whole.

42. Contingent liabilities and commitments

		As at	
		31 March 2026	31 March 2025
(a)	**Commitments**		
	(i) Estimated amount of contracts remaining to be executed on capital account and not provided for	1,168.21	2,044.96
	(ii) Other commitments		
	Investment in the subsidiary entity, Heritage Novandie Foods Limited	-	85.00

Summary of the material accounting policies and other explanatory information
(All amounts in ₹ millions, except share data and where otherwise stated)

		As at			
		31 March 2026		31 March 2025	
		Contingent Liability	Paid under protest*	Contingent Liability	Paid under protest*
(b)	**Contingent liabilities, not provided for**				
	In respect of income tax matters [refer (i) below]	5.05	0.45	7.43	0.48
	In respect of sales tax / value added tax matters [refer (ii) below]	18.67	5.04	18.67	5.04
	In respect of other matters [refer (iii) below]	22.44	3.55	21.75	3.55
	(*) 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 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 years 2017-18 and 2018-19 in relation to point (b) above.

			As at	
			31 March 2026	31 March 2025
(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
(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 Karnataka Central GST Act, 2017 on classification of flavored milk product #	-	5.03
	-	Disputed entry tax levied under Haryana Tax on Entry of Goods into Local Areas Act, 2008 on interstate purchases @@	5.72	-
	-	Disputed RPPO (Renewable power purchase obligation) charges demand levied by the APERC (Andhra pradesh Electricity Regulatory Authority)	2.58	2.58
		$ Pending with Honorable High Court of Andhra Pradesh; # The Company has received the favourable order during the financial year 2025-26 with respect to flavoured milk classification against the appeal filed before the CGST Appellate, Commissioner and the Company has filed the refund application for refund of tax paid under protest. Further the flavoured milk tariff litigation across India has reached the finalty and during the fincnial year 2025-26 various High Courts have held that the Flavoured Milk is rightly classifiable under HSN code 0402 with 5% GST followed by dismissal of GST Department SLP(Special leave petition) by the Honorable Supreme Court. Consequent to the favourable orders the Company has filed the refund applications and refund has been received in all the states where the Company has deposited the differential GST under protest without any demand. @@ Pending with Excise & Taxation Officer cum Assessing Authority, Gurugram(North), Haryana.		
		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 2026.		
(c)	**Guarantees excluding financial guarantees**		8.15	8.10
(d)	**Others**			
	Duty including interest liability in case of export obligation if not fulfilled as per EPCG scheme		115.10	128.47

43. Leases

Company as lessee

The Company has lease arrangements for its office premises located in Hyderabad and various Heritage Distribution centers / Parlours / Sales offices located across India. These leases typically have original lease terms not exceeding 21 years and generally contain multiyear renewal options. The agreements entered into by the Company have, rent escalation upto 10%. There are no residual value guarantees provided by the third parties. The carrying amount for such right-of-use assets as at 31 March 2026 amounts to ₹248.70 (31 March 2025: ₹255.82).

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 2026 amounts to ₹69.22 (31 March 2025: ₹72.94).

Summary of the material accounting policies and other explanatory information

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

The Company leases certain plant and equipments comprising of freezers, coolers, etc., with contract terms upto five years. These leases are short-term and/or leases of low-value items. The Company has elected not to recognise right-of-use assets and lease liabilities for these leases.

The movement in lease liabilities is as follows:

Particulars	For the year ended	
	31 March 2026	31 March 2025
Balance at the beginning of the year	365.79	378.22
Additions during the year	58.19	34.45
Adjustment for disposals/transfers	(2.89)	6.64
Finance cost accrued during the year	35.81	34.92
Payment of interest on lease liabilities	(35.81)	(34.92)
Payment of lease liabilities	(66.69)	(53.52)
Lease liabilities at the end of the year	**354.40**	**365.79**
Current lease liabilities	58.84	29.34
Non-current lease liabilities	**295.56**	**336.45**

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

Particulars	As at	
	31 March 2026	31 March 2025
Less than one year	87.71	76.35
One to five years	231.84	239.23
More than five years	244.28	279.61
Total	**563.83**	**595.19**

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 2026 is ₹358.21(31 March 2025: ₹265.02). Leases not yet commenced to which the Company is committed aggregated to ₹Nil as on 31 March 2026.

Depreciation expenses and Lease rentals paid for the year ended 31 March 2026 are ₹66.14 and ₹102.50 (31 March 2025: ₹62.30 and ₹88.44) respectively.

Company as lessor

The Company has leased its land and buildings located in Manor and Chennai regions. These leases typically range between 5 to 30 years and generally contain multiyear renewal options. The agreements entered into by the Company have, rent escalation upto 5%.

Future minimum rentals receivable under non-cancellable operating lease is as follows:

Particulars	As at	
	31 March 2026	31 March 2025
Less than one year	18.97	18.07
One to five years	-	6.48
More than five years	-	44.75
Total	**18.97**	**69.30**

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.

45. Key Ratios

	Note	31 March 2026	31 March 2025	Change %
Current ratio = Current assets / current liabilities		1.35	1.78	(24.17)%
Debt equity ratio = (Long-term borrowings + short term borrowings + lease liabilities) / Equity	(i)	0.34	0.18	87.46%
Debt Service coverage ratio = (Net profit + depreciation + finance cost + gain on sale of PPE) / (finance cost + lease payments + principal repayments)		4.77	5.49	(13.16)%
Return on equity ratio / return on investment ratio = net profit after tax / average equity	(ii)	13.89	19.20	(27.64)%
Inventory turnover ratio = cost of goods sold divided by average inventory @		10.63	10.47	1.58%
Trade receivables turnover ratio = revenue from operations / average trade receivables	(iii)	86.29	123.28	(30.00)%
Trade payables turnover ratio = cost of goods sold / average trade payables		19.98	20.63	(3.14)%
Net capital turnover ratio = Revenue from operations / (current assets minus current liabilities)		27.13	14.24	90.52%
Net Profit Margin (%) = (PAT/Revenue from operations)		3.16%	4.12%	(23.18)%
Return on capital employed = (earnings before finance cost, other income, taxes and exceptional items) / average capital employed #	(ii)	13.23	23.13	(42.79)%

@ 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 increase of long term and short term borrowings availed during the year ended 31 March 2026.

(ii) Principal reason for change in the return on equity ratio / return on capital employed is attributed to the increase in raw material prices resulting in decrease in profits reported during the year ended 31 March 2026 compared to the year ended 31 March 2025.

(iii) Principal reason for increase in trade receivables turn over ratio is primarily attributable to higher proportion of sales involving products for which the Company extends longer-than-average credit terms.

46. Research and development expenses

	For the year ended	
	31 March 2026	31 March 2025
Capital expenditure	33.22	0.30
Revenue expenditure	16.61	12.59
Total	**49.83**	**12.89**

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 2026	31 March 2025
(i)	The principal amount remaining unpaid as at the end of the year.	153.32	98.51
(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 2026	31 March 2025
Opening liability	72.81	79.54
Received during the year	37.23	-
Released to the statement of profit and loss	(25.49)	(6.73)
Closing liability	84.55	72.81
Current	**7.82**	**6.74**
Non-current	**76.73**	**66.07**

(*) Government grant has been received for purchase of certain items of Property, plant and equipment and interest subvention. There are no unfulfilled conditions or contingencies attached to these grants.

Summary of the material accounting policies and other explanatory information

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

49. Audit Trail

The Ministry of Corporate Affairs (MCA) has prescribed a 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 uses an accounting software for maintaining its books of accounts. The audit trail (edit log) feature was enabled at application level and the same operated throughout the current and previous year. However, the Company did not enable the feature for recording audit trails (edit logs) at the database level to log any direct data changes, as this consumes storage space on the disk and can significantly impact database performance. The users of the Company, except for authorized personnel, do not have access to database IDs with Data Manipulation Language (DML) authority, which can make direct data changes (create, change, delete) at the database level. Furthermore, the audit trail has been preserved by the Company as per the statutory requirements for record retention.

50. Additional disclosures

(a) No proceeding have been initiated on or is pending against the Company for holding benami property under the Benami Transactions Prohibition) Act, 1988 (45 of 1988) and Rules made thereunder.

(b) The Company has not been declared wilful defaulter by any bank or financial Institution or other lender.

(c) No transactions are carried out with companies struck off under section 248 of the Act or section 560 of Companies Act, 1956.

(d) No charges or satisfaction yet to be registered with ROC beyond the statutory period.

(e) The Company has complied with the number of layers prescribed under clause (87) of section 2 of the Act read with Companies (Restriction on number of Layers) Rules, 2017.

(f) No Scheme of Arrangements has been approved by the Competent Authority in terms of sections 230 to 237 of the Act.

(g) There is no income surrendered or disclosed as income during the current or previous year in the tax assessments under the Income Tax Act, 1961, that has not been recorded in the books of account.

(h) The Company has not traded or invested in crypto currency or virtual currency during the current or previous year.

(i) There was no revaluation of Property, plant and equipment (including right-of-use assets) and Intangible assets carried out by the Company during the respective reporting period

This is the summary of material accounting policies and other explanatory information referred to in our report of even date.

For **Walker Chandiok & Co LLP**
Chartered Accountants
Firm's Registration No: 001076N/N500013

Sumesh E S
Partner
Membership No: 206931

Place : Hyderabad
Date : May 11, 2026

For and on behalf of Board of Directors of
Heritage Foods Limited

N Bhuvaneswari
Vice Chairperson and
Managing Director
DIN: 00003741

N Brahmani
Executive Director
DIN: 02338940

M Sambasiva Rao
Whole Time Director
DIN: 01887410

Srideep Madhavan Nair Kesavan
Chief Executive Officer

A Prabhakara Naidu
Chief Financial Officer
M.No.FCA 200974

Umakanta Barik
Company Secretary &
Compliance Officer
M.No. FCS 6317

Place : Hyderabad
Date : May 11, 2026

Independent Auditor's Report

To the Members of Heritage Foods Limited

Report on the Audit of the Consolidated Financial Statements

Opinion

1. We have audited the accompanying consolidated financial statements of Heritage Foods Limited ('the Holding Company') and its subsidiaries (the Holding Company and its subsidiaries together referred to as 'the Group'), its associate, as listed in Annexure 1, which comprise the Consolidated Balance Sheet as at 31 March 2026, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Cash Flow Statement and the Consolidated Statement of Changes in Equity for the year ended, and notes to the consolidated financial statements, including material accounting policy information and other explanatory information.

2. In our opinion and to the best of our information and according to the explanations given to us the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 ('the Act') in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards ('Ind AS') specified under section 133 of the Act, read with the Companies (Indian Accounting Standards) Rules, 2015, and other accounting principles generally accepted in India of the consolidated state of affairs of the Group, its associate, as at 31 March 2026, and their consolidated profit (including other comprehensive income), consolidated cash flows and the consolidated changes in equity for the year ended on that date.

Basis for Opinion

3. We conducted our audit in accordance with the Standards on Auditing specified under section 143(10) of the Act. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group, its associate in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ('ICAI') together with the ethical requirements that are relevant to our audit of the consolidated financial statements under the provisions of the Act and the rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained together with the audit evidence obtained by the other auditors in terms of their reports referred to in paragraph 15 of the Other Matter section below, is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matter

4. Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

5. We have determined the matter described below to be the key audit matter to be communicated in our report.

Key audit matter	How our audit addressed the key audit matter
Revenue recognition Refer Note 3(d) to the accompanying consolidated financial statements for material accounting policy information on revenue recognition and Note 24 for details of revenue from operations. Revenue from sale of goods is recognized in accordance with the principles of Ind AS 115, "Revenue from Contracts with Customers" ('Ind AS 115'), at a point in time when control of the products being sold is transferred to the customer and when there are no longer any unfulfilled obligations. The Holding Company also focuses on revenue as a key performance measure, which could create an incentive for overstating revenue resulting from the pressure on management to achieve performance targets at the reporting period end. Considering the significance of amount, multiplicity of Holding Company's products, volume of transactions including discounts offered, size of distribution network, nature of customers and significant attention required from us, revenue recognition is determined to be an area involving significant risk in line with the requirements of Standards on Auditing and has been determined as a key audit matter for the current year audit.	Our audit procedures relating to revenue recognition included, but were not limited to, the following: • Understood the process of revenue recognition and assessed the appropriateness of the revenue recognition accounting policies adopted by the management in accordance with Ind AS 115; • Evaluated the design, integrity of the general information and technology control environment and tested the operating effectiveness of Holding Company's manual and IT application controls in respect of revenue recognition, including discounts; • Performed substantive testing on a sample of revenue transactions recorded during the year by verifying the underlying documents, such as customer acknowledged invoices and shipping documents, as appropriate to ensure the accuracy of revenue recorded during the year; • Performed substantive testing on a sample of discount transactions recorded during the year by verifying the terms and conditions of the underlying approved scheme and credit notes, basis which the discount was granted; • Performed analytical procedures such as customer group 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.

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 in accordance with the Ind AS specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, and other accounting principles generally accepted in India. The respective Board of Directors of the companies included in the Group and its associate are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Group and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Board of Directors of the Holding Company, as aforesaid.

8. In preparing the consolidated financial statements, the respective Board of Directors of the companies included in the Group and of its associate are responsible for assessing the ability of the Group and of its associate 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 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.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

10. Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

11. As part of an audit in accordance with Standards on Auditing specified under section 143(10) of the Act we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act we are also responsible for expressing our opinion on whether the Holding Company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls;
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management;
- Conclude on the appropriateness of Board of Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group and its associate 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 to cease to continue as a going concern;
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation; and
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group, and its associate, to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of financial statements of such entities included in the consolidated financial statements, of which we are the independent auditors. For the other entities included in the consolidated financial statements, which have been audited by the other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

12. We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

13. We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

14. From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other Matters

15. We did not audit the financial statements of a subsidiary, whose financial statements reflect total assets of ₹131.70 million as at 31 March 2026, total revenues of ₹333.18 million and net cash inflows of ₹3.99 Million for the year ended on that date, as considered in the consolidated financial statements. These financial statements have been audited by other auditors whose report has been furnished to us by the Holding Company's management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of this subsidiary, and our report in terms of sub-section (3) of section 143 of the Act in so far as it relates to the aforesaid subsidiary, are based solely on the reports of the other auditors.

Our opinion above on the consolidated financial statements, and our report on other legal and regulatory requirements below, are not modified in respect of the above matter with respect to our reliance on the work done by and the reports of the other auditors.

16. The accompanying consolidated financial statements also include the Group's share of net loss (including other comprehensive income) of ₹Nil for the year ended 31 March 2026 in respect of an associate, whose financial information has not been audited by us. This financial information of an associate is unaudited and has been furnished to us by the management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of the aforesaid associate, is based solely on such unaudited financial information. In our opinion and according to the information and explanations given to us by management, this financial information of associate is not material to the group.

Our opinion above on the consolidated financial statements, and our report on other legal and regulatory requirements below, are not modified in respect of the above matter with respect to our reliance on the financial information certified by the management.

Report on Other Legal and Regulatory Requirements

17. As required by section 197(16) of the Act, based on our audit and on the consideration of the report of the other auditor, referred to in paragraph 15, on separate financial statements of the subsidiary, we report that the Holding Company and a subsidiary, incorporated in India whose financial statements have been audited under the Act have paid remuneration to their respective directors during the year in accordance with the provisions of and limits laid down under section 197 read with Schedule V to the Act. Further, we report that subsidiaries 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 subsidiaries.

18. As required by clause (xxi) of paragraph 3 of Companies (Auditor's Report) Order, 2020 ('the Order') issued by the Central Government of India in terms of section 143(11) of the Act based on the consideration of the Order reports issued by us and by the respective other auditors as mentioned in paragraph 15 above, 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.

19. As required by section 143(3) of the Act, based on our audit and on the consideration of the report of the other auditor on separate financial statements of the subsidiary incorporated in India whose financial statements have been audited under the Act, we report, to the extent applicable, that:

a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit of the aforesaid consolidated financial statements;

b) Except for the matters stated in paragraph 19(h)(vi) below on reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014 (as amended), in our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors;

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 and its subsidiaries and taken on record by the Board of Directors of the Holding Company and its subsidiaries covered under the Act, none of the directors of the Holding Company and its subsidiaries, are disqualified as on 31 March 2026 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 19(b) above on reporting under section 143(3)(b) of the Act and paragraph 19(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, and its subsidiaries and associate covered under the Act, and the operating effectiveness of such controls, refer to our separate report in 'Annexure A' wherein we have expressed an unmodified opinion; and

h) With respect to the other matters to be included in the Auditor's Report in accordance with rule 11 of the Companies (Audit and Auditors) Rules, 2014 (as amended), in our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the report of the other auditors on separate financial statements of the subsidiary incorporated in India whose financial statements have been audited under the Act:

i. The consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group, its associate as detailed in Note 42(b) to the consolidated financial statements;

ii. The Holding Company, its subsidiaries and associate did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses as at 31 March 2026;

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 subsidiaries covered under the Act, during the year ended 31 March 2026;

iv. a. The respective managements of the Holding Company and its subsidiaries incorporated in India whose financial statements have been audited under the Act have represented to us and the other auditors of the subsidiary respectively that, 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 subsidiaries 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 subsidiaries ('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 subsidiaries incorporated in India whose financial statements have been audited under the Act have represented to us and the other auditors of the subsidiary that 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 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 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 and that performed by the auditors of the subsidiary, as considered reasonable and appropriate in the circumstances, nothing has come to our or other auditors notice that has caused us or the other auditors to believe that the management representations under sub-clauses (a) and (b) above contain any material misstatement.

v. The subsidiaries have not declared or paid any dividend during the year ended 31 March 2026. 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 2026 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 2026 which is subject to the approval of the members at the ensuing Annual General Meeting. The dividend declared is in accordance with section 123 of the Act to the extent it applies to declaration of dividend.

vi. As stated in note 50 to the consolidated financial statements and based on our examination which included test checks and that performed by the auditors of a subsidiary of the Holding Company which are companies incorporated in India and audited under the Act, except for instances mentioned below, the Holding Company its subsidiaries, in respect of financial year commencing on 1 April 2025, have used accounting software for maintaining their books of account which have a feature of recording audit trail (edit log) facility and the same have been operated throughout the year for all relevant transactions recorded in the software. Further, during the course of our audit we and respective auditors of the above referred subsidiary did not come across any instance of audit trail feature being tampered with, other than the consequential impact of the exceptions given below. Furthermore, except for instances mentioned below the audit trail has been preserved by the Holding Company and its subsidiaries as per the statutory requirements for record retention.

Nature of exception noted	Details of exception
Instances of accounting software for maintaining books of account for which the feature of recording audit trail (edit log) facility was not operated throughout the year for all relevant transactions recorded in the software	The audit trail feature was not enabled at the database level for accounting software to log any direct data changes, used for maintenance of all accounting records by the Holding Company and its two subsidiaries.
Instances of accounting software maintained by a third party where we are unable to comment on the audit trail feature at database level	The accounting software used from 1 April 2025 till 4 November 2025 for maintenance of records by a subsidiary is operated by a third-party software service provider. In the absence of any information on existence of audit trail (edit logs) for any direct changes made at the database level in 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), we are unable to comment on whether audit trail feature with respect to the database of the said software was enabled and operated throughout the year.

For Walker Chandiok & Co LLP
Chartered Accountants
Firm's Registration No.: 001076N/N500013

Sumesh E S
Partner
Membership No.: 206931
UDIN: 26206931UWYPCP7572

Place: Hyderabad
Date: 11 May 2026

Annexure 1

List of entities included in the Statement

Subsidiaries:

1. Heritage Nutrivet Limited
2. Heritage Novandie Foods Limited (formerly Heritage Novandie Foods Private Limited) [Effective 16 June 2025; Joint venture entity till 15 June 2025]
3. Peanut Butter and Jelly Limited (formerly Peanut Butter and Jelly Private Limited) [Effective 5 January 2026]

Associate:

1. SKIL Raigam Power (India) Limited

Independent Auditor's Report on the internal financial controls with reference to financial statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ('the Act')

1. In conjunction with our audit of the consolidated financial statements of Heritage Foods Limited ('the Holding Company') and its subsidiaries (the Holding Company and its subsidiaries together referred to as 'the Group'), its associate as at and for the year ended 31 March 2026, we have audited the internal financial controls with reference to financial statements of the Holding Company, its subsidiary company, its associate company, which are companies covered under the Act, as at that date.

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

2. The respective Board of Directors of the Holding Company, its subsidiary company 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 control with reference to financial statements criteria established by the Company considering the essential components of Internal control stated in the Guidance Note on Audit of Internal Financial controls over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of the Company's business, including adherence to the Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

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

3. Our responsibility is to express an opinion on the internal financial controls with reference to financial statements of the Holding Company, its subsidiary company, its associate company, as aforesaid, based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India ('ICAI') prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to financial statements, and the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting ('the Guidance Note') issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements were established and maintained and if such controls operated effectively in all material respects.

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

5. We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors in terms of their reports referred to in the Other Matter paragraph below, 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 companies and its associate company as aforesaid.

Meaning of Internal Financial Controls with Reference to Financial Statements

6. A company's internal financial controls with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial controls with reference to financial statements include those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls with Reference to Financial Statements

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

Opinion

8. In our opinion and based on the consideration of the reports of the other auditors on internal financial controls with reference to financial statements of the subsidiary company, the Holding Company, its subsidiary companies and 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 2026, based on the internal financial controls with reference to the financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note issued by the ICAI.

Other Matters

9. We did not audit the internal financial controls with reference to financial statements insofar as it relates to a subsidiary company, which are companies covered under the Act, whose financial statements reflect total assets of ₹131.70 million as at 31 March 2026, total revenues of ₹333.18 million and net cash inflows amounting to ₹3.99 million for the year ended on that date, as considered in the consolidated financial statements. The internal financial controls with reference to financial statements in so far as it relates to such subsidiary company have been audited by other auditors whose reports has been furnished to us by the management and our report on the adequacy and operating effectiveness of the internal financial controls with reference to financial statements for the Holding Company, its subsidiary companies, as aforesaid, under Section 143(3)(i) of the Act in so far as it relates to such subsidiary company is based solely on the reports of the auditors of such companies. Our opinion is not modified in respect of this matter with respect to our reliance on the work done by and on the reports of the other auditors.

10. We did not audit the internal financial controls with reference to financial statements in so far as it relates to associate company, which are companies 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 2026 has been considered in the consolidated financial statements. The internal financial controls with reference to financial statements of this associate company, which are companies covered under the Act, are unaudited and our opinion under Section 143(3)(i) of the Act on adequacy and operating effectiveness of the internal financial controls with reference to financial statements insofar as it relates to the aforesaid associate company, which are companies covered under the Act, is solely based on the corresponding internal financial controls with reference to financial report certified by the management of such company. In our opinion and according to the information and explanations given to us by the management, these financial statements are not material to the Group. Our opinion is not modified in respect of the above matter with respect to our reliance on the internal financial controls with reference to financial statements report certified by the management.

For Walker Chandiok & Co LLP
Chartered Accountants
Firm's Registration No.: 001076N/N500013

Sumesh E S
Partner
Membership No.: 206931
UDIN: 26206931UWYPCP7572

Place: Hyderabad
Date: 11 May 2026

Consolidated Balance Sheet as at 31 March 2026

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

	Notes	As at 31 March 2026	As at 31 March 2025
ASSETS			
Non-current assets			
(a) Property, plant and equipment	6	11,060.88	7,069.18
(b) Right of use assets	6	333.83	341.58
(c) Capital work-in-progress	6(a)	466.20	679.56
(d) Investment property	8	16.58	40.96
(e) Goodwill	46	71.85	-
(f) Other intangible assets	7	157.29	24.06
(g) Intangible assets under development	7(a)	34.77	-
(h) Investment in associate and joint venture	9	-	96.05
(i) Financial assets			
(i) Other investments	10	3.17	3.13
(ii) Other financial assets	11	197.17	157.26
(j) Other non-current assets	12	220.72	319.98
Total non-current assets		12,562.46	8,731.76
Current assets			
(a) Inventories	13	3,182.53	3,552.10
(b) Financial assets			
(i) Investments	10	1,854.56	1,862.16
(ii) Trade receivables	14	711.51	380.46
(iii) Cash and cash equivalents	15 (i)	647.06	644.76
(iv) Bank balances other than (iii) above	15 (ii)	55.62	51.92
(v) Other financial assets	11	146.30	132.74
(c) Current tax assets (net)		60.74	43.91
(d) Other current assets	12	277.28	183.59
Total current assets		6,935.60	6,851.64
Total assets		19,498.06	15,583.40
EQUITY AND LIABILITIES			
Equity			
(a) Equity share capital	16	463.98	463.98
(b) Other equity	17	10,569.23	9,255.62
Equity attributable to the owners of the Company		11,033.21	9,719.60
(c) Non-controlling interest		47.93	-
Total equity		11,081.14	9,719.60
Liabilities			
Non-current liabilities			
(a) Financial liabilities			
(i) Borrowings	18	2,230.33	1,110.26
(ia) Lease liabilities	43	312.67	351.14
(ii) Other financial liabilities	19	-	1.97
(b) Government grant		77.65	67.07
(c) Provisions	20	331.78	280.58
(d) Deferred tax liabilities (net)	21	416.73	287.12
(e) Other liabilities	22	109.60	-
Total non-current liabilities		3,478.76	2,098.14
Current liabilities			
(a) Financial liabilities			
(i) Borrowings	18	1,011.00	253.68
(ia) Lease liabilities	43	60.81	29.73
(ii) Trade payables	23		
- total outstanding dues of micro and small enterprises;		193.25	113.13
- total outstanding dues of creditors other than micro and small enterprises		1,849.35	1,602.02
(iii) Other financial liabilities	19	1,508.63	1,370.27
(b) Other current liabilities	22	203.91	254.16
(c) Government grant		7.91	6.82
(d) Provisions	20	103.30	135.85
Total current liabilities		4,938.16	3,765.66
Total equity and liabilities		19,498.06	15,583.40

The accompanying notes referred to above form an integral part of the consolidated financial statements.
This is the Consolidated Balance Sheet referred to in our report of even date.

For **Walker Chandiok & Co LLP**
Chartered Accountants
Firm's Registration No: 001076N/N500013

Sumesh E S
Partner
Membership No: 206931

Place : Hyderabad
Date : May 11, 2026

For and on behalf of Board of Directors of
Heritage Foods Limited

N Bhuvaneswari
Vice Chairperson and
Managing Director
DIN: 00003741

N Brahmani
Executive Director
DIN: 02338940

M Sambasiva Rao
Whole Time Director
DIN: 01887410

Srideep Madhavan Nair Kesavan
Chief Executive Officer

A Prabhakara Naidu
Chief Financial Officer
M.No.FCA 200974

Umakanta Barik
Company Secretary &
Compliance Officer
M.No. FCS 6317

Place : Hyderabad
Date : May 11, 2026

Consolidated Statement of Profit and Loss for the year ended 31 March 2026

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

	Notes	For the year ended 31 March 2026	For the year ended 31 March 2025
Income			
Revenue from operations	24	45,259.91	41,345.95
Other income	25	242.30	278.73
Total income		45,502.21	41,624.68
Expenses			
Cost of materials consumed	26	33,361.34	30,868.50
Purchase of stock-in-trade		977.27	745.80
Changes in inventories of finished goods, semi finished goods, stock-in-trade and work-in-progress	27	314.17	(600.08)
Employee benefits expenses	28	3,310.65	3,131.91
Finance costs	29	172.22	154.32
Depreciation and amortisation expense	6, 7 & 8	809.83	695.56
Impairment losses	6	6.12	6.74
Other expenses	30	4,627.66	3,883.39
Total expenses		43,579.26	38,886.14
Profit before share of loss of an associate and a joint venture		1,922.95	2,738.54
Share of loss of an associate and a joint venture		(13.12)	(69.09)
Profit before exceptional items and tax		1,909.83	2,669.45
Exceptional items	30 (iii)	101.35	(87.07)
Profit before tax		2,011.18	2,582.38
Tax expense	31		
Current tax expense		413.39	674.04
Deferred tax expense		96.41	25.54
Profit for the year		1,501.38	1,882.80
Other comprehensive income / (loss)			
Items that will not be reclassified to profit or loss			
(i) Re-measurement gain/(loss) on defined benefit plan, net of taxes		2.14	(12.73)
(ii) Net gain/(loss) on FVTOCI equity securities		0.04	(0.07)
Items that will be reclassified to profit or loss		-	-
Total other comprehensive income/(loss) for the year		2.18	(12.80)
Total comprehensive income for the year		1,503.56	1,870.00
Profit/(loss) for the year, attributed to Owners of the Company:			
- Total profit		1,505.21	1,882.80
- Other comprehensive loss		2.18	(12.80)
- Total comprehensive income		1,507.39	1,870.00
Loss for the year, attributed to Non-controlling interest of the Company:			
- Total loss		(3.83)	-
- Other comprehensive loss		-	-
- Total comprehensive loss		(3.83)	-
Earnings per equity share [EPES] (in absolute ₹ terms)	32		
Nominal value per equity share		5.00	5.00
Basic and Diluted EPES		16.22	20.29

The accompanying notes referred to above form an integral part of the consolidated financial statements.
This is the Consolidated Statement of Profit and Loss referred to in our report of even date.

For **Walker Chandiok & Co LLP**
Chartered Accountants
Firm's Registration No: 001076N/N500013

Sumesh E S
Partner
Membership No: 206931

Place : Hyderabad
Date : May 11, 2026

For and on behalf of Board of Directors of
Heritage Foods Limited

N Bhuvaneswari
Vice Chairperson and
Managing Director
DIN: 00003741

N Brahmani
Executive Director
DIN: 02338940

M Sambasiva Rao
Whole Time Director
DIN: 01887410

Srideep Madhavan Nair Kesavan
Chief Executive Officer

A Prabhakara Naidu
Chief Financial Officer
M.No.FCA 200974

Umakanta Barik
Company Secretary &
Compliance Officer
M.No. FCS 6317

Place : Hyderabad
Date : May 11, 2026

Consolidated Statement of Cash Flow for the year ended 31 March 2026

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

	Notes	For the year ended 31 March 2026	31 March 2025
Cash flow from operating activities			
Profit before tax		2,011.18	2,582.38
Adjustments:			
Depreciation and amortization expense	6, 7 & 8	809.83	695.56
Impairment losses on assets	6	6.12	6.74
Impairment loss on investments	30 (iii)	-	87.07
Provision for doubtful advances	30	0.41	0.15
Share of loss of an associate and a joint venture		13.12	69.09
Provision for doubtful debts and bad debts written off	30	6.29	6.37
Guarantee income	25	-	(2.20)
Amortisation of government grants	25	(25.58)	(7.65)
Property, plant and equipment written off	30	17.06	9.41
Gain on sale of Property, plant and equipment ("PPE")	25	(15.60)	(32.95)
Provisions no longer required/credit balances written back	25	(11.88)	(20.73)
Gain on investments	25	(142.26)	(169.03)
Interest income	25	(9.93)	(4.99)
Interest expenses	29	163.56	148.33
Advances written off	25	6.29	1.55
Dividend income	25	(0.02)	(0.01)
Lease rental income	25	(17.46)	(18.93)
Operating profits before working capital changes		**2,811.13**	**3,350.16**
Changes in inventories		346.97	(932.97)
Changes in trade receivables		(378.58)	(99.77)
Changes in other assets		(273.92)	(121.43)
Changes in loans		-	0.24
Changes in other financial assets		(12.66)	(5.52)
Changes in trade payables		364.00	265.32
Changes in provisions		31.18	66.10
Changes in other financial liabilities		(89.48)	275.43
Changes in other liabilities		(28.75)	8.36
Cash generated from operating activities		**2,769.89**	**2,805.92**
Income tax paid, net		(398.11)	(666.65)
Net cash generated from operating activities (A)		**2,371.78**	**2,139.27**
Cash flows from investing activities			
Purchase of PPE and other intangible assets including CWIP and Intangible assets under development		(3,823.88)	(1,764.46)
Proceeds from sale of PPE		29.62	48.01
Investment in a joint venture		-	(75.00)
Investment in a subsidiary		(162.23)	-
Receipts of government grants		37.23	-
Purchase of investments		(1,608.06)	(2,930.00)
Proceeds from sale of investments		1,757.92	2,458.73
Interest received		7.92	5.29
Movement in other bank balances, net		(3.48)	(50.91)
Rent received		17.64	18.76
Dividend received		0.02	0.01
Net cash used in investing activities (B)		**(3,747.30)**	**(2,289.57)**

Consolidated Statement of Cash Flow for the year ended 31 March 2026

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

	Notes	For the year ended 31 March 2026	31 March 2025
Cash flows from financing activities			
Proceeds from long term borrowings		1,627.47	725.45
Repayment of long term borrowings		(292.21)	(284.76)
Proceeds from short term borrowings, net		518.07	-
Interest paid		(199.29)	(145.06)
Lease rentals paid	43	(44.23)	(53.66)
Dividend paid	33	(231.99)	(231.99)
Net cash generated from financing activities (C)		**1,377.82**	**9.98**
Net Change in cash and cash equivalents during the year (A + B + C)		**2.30**	**(140.32)**
Cash and cash equivalents at the beginning of the year		644.76	785.08
Cash and cash equivalents at the end of the year		**647.06**	**644.76**
Note 1:			
Cash and cash equivalents include:			
- Included in cash and cash equivalents	15(i)		
Cash on hand		0.45	1.41
Balances with banks in current accounts		646.61	643.35
		647.06	**644.76**

The accompanying notes referred to above form an integral part of the consolidated financial statements.

This is the Consolidated Statement of Cash Flow referred to in our report of even date.

For **Walker Chandiok & Co LLP**
Chartered Accountants
Firm's Registration No: 001076N/N500013

Sumesh E S
Partner
Membership No: 206931

Place : Hyderabad
Date : May 11, 2026

For and on behalf of Board of Directors of
Heritage Foods Limited

N Bhuvaneswari
Vice Chairperson and
Managing Director
DIN: 00003741

N Brahmani
Executive Director
DIN: 02338940

M Sambasiva Rao
Whole Time Director
DIN: 01887410

Srideep Madhavan Nair Kesavan
Chief Executive Officer

A Prabhakara Naidu
Chief Financial Officer
M.No.FCA 200974

Umakanta Barik
Company Secretary &
Compliance Officer
M.No. FCS 6317

Place : Hyderabad
Date : May 11, 2026

Consolidated Statement of Changes in Equity for the year ended 31 March 2026

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

	Notes	Number of shares	Amount
A Equity Share Capital			
As at 1 April 2024		**9,27,96,000**	**463.98**
Changes in equity share capital	16	-	-
As at 31 March 2025		**9,27,96,000**	**463.98**
Changes in equity share capital	16	-	-
As at 31 March 2026		**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	Warrants money appropriated	General reserve	Retained earnings	Changes in fair value of equity instruments		
Balance as at 1 April 2024	**(14.97)**	**8.10**	**368.62**	**31.87**	**842.74**	**6,381.53**	**(0.28)**	**-**	**7,617.61**
Profit for the year	-	-	-	-	-	1,882.80	-	-	1,882.80
Payment of dividend (₹2.50 per equity share)	-	-	-	-	-	(231.99)	-	-	(231.99)
Other comprehensive loss, net of taxes						(12.73)	(0.07)		(12.80)
Balance as at 31 March 2025	**(14.97)**	**8.10**	**368.62**	**31.87**	**842.74**	**8,019.61**	**(0.35)**	**-**	**9,255.62**
Profit for the year	-	-	-	-	-	1,505.21	-	(3.83)	1,501.38
Acquisition of subsidiaries with NCI						38.21		51.76	89.97
Payment of dividend (₹2.50 per equity share)	-	-	-	-	-	(231.99)	-	-	(231.99)
Other comprehensive income / (loss), net of taxes	-	-	-	-	-	2.14	0.04	-	2.18
Balance as at 31 March 2026	**(14.97)**	**8.10**	**368.62**	**31.87**	**842.74**	**9,333.18**	**(0.31)**	**47.93**	**10,617.16**

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

For **Walker Chandiok & Co LLP**
Chartered Accountants
Firm's Registration No: 001076N/N500013

Sumesh E S
Partner
Membership No: 206931

Place : Hyderabad
Date : May 11, 2026

For and on behalf of Board of Directors of
Heritage Foods Limited

N Bhuvaneswari
Vice Chairperson and
Managing Director
DIN: 00003741

N Brahmani
Executive Director
DIN: 02338940

M Sambasiva Rao
Whole Time Director
DIN: 01887410

Sridep Madhavan Nair
Chief Executive Officer

A Prabhakara Naidu
Chief Financial Officer
M.No.FCA 200974

Umakanta Barik
Company Secretary &
Compliance Officer
M.No. FCS 6317

Place : Hyderabad
Date : May 11, 2026

Summary of the material accounting policies and other explanatory information for the year ended 31 March 2026

1. Corporate information

Heritage Foods Limited ("the Company" or "Parent Company" or "Holding Company") together with its subsidiary (collectively referred as "the Group"), a joint venture and an associate, is a leading India based Dairy Company, headquartered, and having its registered office at #H.No. 8-2-293/82/A/1286, Plot No: 1286, Road No. 1 & 65, Jubilee Hills, Hyderabad – 500033, Telangana, India. The Group operates through its three business divisions (a) Dairy, (b) Renewable Energy and (c) Animal Feed Products. The Parent Company's shares are listed and traded on the Indian Stock Exchanges viz., BSE Limited and the National Stock Exchange of India.

2. Basis of preparation of the consolidated financial statements

The consolidated financial statements of the Group 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 2026. These consolidated financial statements were authorised for issuance by the Company's Board of Directors on 11 May 2026.

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. Ind AS12 Income Taxes applies to temporary differences that arise from the elimination of profits and losses resulting from intragroup transactions.

Profit or loss and each component of other comprehensive income (OCI) are attributed to the equity holders of the Parent Company and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance.

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 2026	31 March 2025
Heritage Nutrivet Limited ("HNL")	Subsidiary	India	100%	100%
Heritage Novandie Foods Limited (Joint Venture till 15 June 2025)	Subsidiary	India	94.40%	50%
Peanut Butter and Jelly Limited (w.e.f 5 January 2026)	Subsidiary	India	71%	0%
SKIL Raigam Power (India) Limited*	Associate	India	43.33%	43.33%

*Declared as Dormant Company as per Section 455(2) of Companies Act, 2013 vide SRN No T42936765 dated 22 September 2021.

b. Current versus non-current classification

The Group presents assets and liabilities in the consolidated balance sheet based on current/ non-current classification.

An asset is treated as current when it is:

- Expected to be realised or intended to be sold or consumed in normal operating cycle
- Held primarily for the purpose of trading
- Expected to be realised within twelve months after the reporting period, or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in normal operating cycle
- It is held primarily for the purpose of trading
- It is due to be settled within twelve months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

All other liabilities are classified as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

The operating cycle is the time between the acquisition of assets for processing and their realisation in cash and cash equivalents. The Group has identified twelve months as its operating cycle.

c. Fair value measurement

The Group measures financial instruments at fair value at each consolidated balance sheet date.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible by the Group.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the consolidated financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1- Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3- Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognised in the consolidated financial statements on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

At each reporting date, the management analyses the movements in the values of assets and liabilities which are required to be re-measured or re-assessed as per the Group's accounting policies. For this analysis, the management verifies the major inputs applied in the latest valuation by agreeing the information in the valuation computation to contracts and other relevant documents.

For the purpose of fair value disclosures, the Group has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

d. Revenue recognition

The Group derives revenues primarily from sale of milk, dairy products and feed products. It is also engaged in generation of power and trading of dairy and food commodities.

Revenue is recognized on satisfaction of performance obligation upon transfer of control of promised products or services to customers in an amount that reflects the consideration the Group expects to receive in exchange for those products or services ("transaction price").

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

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

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

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

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

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

e. Government grants

Government grants are recognised where there is reasonable assurance that the grant will be received and all attached conditions will be complied with. When the grant relates to an expense item, it is recognised as income on a systematic basis over the periods that the related costs, for which it is intended to compensate, are expensed. When the grant relates to an asset, it is recognised as income in equal amounts over the expected useful life of the related asset.

On receipt of grants of non-monetary assets, the asset and the grant are recorded at fair value amounts and released to the standalone statement of profit and loss over the expected useful life in a pattern of consumption of the benefit of the underlying asset i.e. by equal annual instalments. When loans or similar assistance are provided by governments or related institutions, with an interest rate below the current applicable market rate, the effect of this favourable interest is regarded as a government grant. The loan or assistance is initially recognised and measured at fair value and the government grant is measured as the difference between the initial carrying value of the loan and the proceeds received. The loan is subsequently measured as per the accounting policy applicable to financial liabilities.

f. Taxes

Current income tax

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

Current income tax is recognised in the 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 Group 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 Group depreciates them separately based on their specific useful lives. Likewise, when a major inspection is performed, its cost is recognised in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognised in the consolidated statement of profit and loss as incurred. The present value of the expected cost for the decommissioning of an asset after its use is included in the cost of the respective asset if the recognition criteria for a provision are met.

Spare parts are capitalized when they meet the definition of PPE, i.e., when the Group intends to use these during more than a period of 12 months.

Depreciation is provided on the basis of straight-line method at the useful life and in the manner prescribed in Schedule II of the Companies Act, 2013 except in respect of the following assets, based on technical assessment made by technical expert and /or internal evaluation. Management believes that these estimated useful lives are realistic and reflect fair approximation of the period over which the assets are likely to be used.

The useful life provided for different asset classes under schedule II of the Act and considered by the management are as follows:

Asset class	Useful life considered by management (in years)	Useful life prescribed under the Act (in years)
Buildings (including investment property)	3 – 30	30
Plant and machinery	1 – 30	15
Furniture and Fixtures	1 – 20	10
Vehicles	2 – 8	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 Group depreciates general spares over the life of the spare from the date it is available for use.

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

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

h. Borrowing cost

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

i. Leases

The Group as a lessee

The Group's lease asset classes primarily consist of leases for land, buildings and plant and equipment. The Group assesses whether a contract contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Group assesses whether: (i) the contract involves the use of an identified asset (ii) the Group has substantially all of the economic benefits from use of the asset through the period of the lease and (iii) the Group has the right to direct the use of the asset.

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

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

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

The Group as a lessor

Leases for which the Group is a lessor is classified as a finance or operating lease. Whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee, the contract is classified as a finance lease. All other leases are classified as operating leases. For operating leases, rental income is recognized on a straight-line basis over the term of the relevant lease.

Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income.

j. Inventories

All inventories except stores, spares, consumables, semi-finished goods and packaging material, are valued at lower of cost and net realisable value. Stores, spares and consumables, semi-finished goods and packing material held for use in the production of finished products are not written down below cost except in cases where material prices have declined and it is estimated that the cost of the finished products will exceed their net realisable value. Costs for all categories of inventories have been ascertained using weighted average cost method.

Cost of inventories comprises of the following:

- Raw material, stock-in-trade, semi-finished goods, packaging materials and stores, spares and consumables: Cost includes purchase price, import duties and other taxes excluding taxes those are subsequently recoverable from the concerned authorities, freight inwards and other expenditure incurred in bringing such inventories to their present location and condition.
- Finished goods and work in progress: Cost comprises cost of direct material, direct labour and appropriate proportion of variable and fixed overhead expenditure, the latter being allocated on the basis of normal operating capacity, but excluding borrowing costs.

Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

k. Impairment of assets

The Group assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Group estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) fair value less costs of disposal and its value in use. Recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. Value in use is based on the estimated future cash flows, discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU.

When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. Impairment losses of continuing operations, including impairment on inventories, are recognised in the consolidated statement of profit and loss.

For assets excluding goodwill, an assessment is made at each reporting date to determine whether there is an indication that previously recognised impairment losses no longer exist or have decreased. If such indication exists, the Group estimates the asset's or CGU's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years.

l. Provision and contingencies

Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

When the Group expects some or all of a provision to be reimbursed, reimbursement is recognised as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented in the consolidated statement of profit and loss net of any reimbursement.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

Contingencies

Contingent liabilities is identified and disclosed with respect to following:

- a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity; or
- a present obligation that arises from past events but is not recognised because:
  - it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation; or
  - the amount of the obligation cannot be measured with sufficient reliability.

Contingent assets are neither recognized nor disclosed, unless inflow of economic benefits is probable. However, when realization of income is virtually certain, related asset is recognized.

m. Employee benefits

Short term benefits

Short Term Employee Benefits are accounted for in the period during which the services have been rendered.

Post-employment benefits and other long term employee benefits

Provident Fund: Retirement benefit in the form of provident fund is a defined contribution scheme. The contributions to the provident fund administered by the Central Government under the Provident Fund Act, 1952, are charged to the consolidated statement of profit and loss for the year in which the contributions are due. The Group has no obligation, other than the contribution payable to the provident fund. If the contribution payable to the scheme for service received before the consolidated balance sheet date exceeds the contribution already paid, the deficit payable to the

scheme is recognized as a liability after deducting the contribution already paid. If the contribution already paid exceeds the contribution due for services received before the consolidated balance sheet date, then excess is recognized as an asset to the extent that the pre-payment will lead to a reduction in future payment.

Gratuity: The Group operates a defined benefit gratuity plan in India, which requires contributions to be made to a separately administered fund. The cost of providing benefits under the defined benefit plan is determined using the projected unit credit method.

Remeasurements, comprising mainly of actuarial gains and losses, are recognised immediately in the consolidated balance sheet with a corresponding debit or credit to retained earnings through OCI in the period in which they occur. Remeasurements are not reclassified to the consolidated statement of profit and loss in subsequent periods.

Leave Encashment: The Group operates a long-term leave encashment plan in India. Accrued liability for leave encashment including sick leave is determined on actuarial valuation basis using Projected Unit Credit (PUC) Method at the end of the year and provided completely in profit and loss account as per Ind AS - 19 "Employee Benefits".

n. Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Financial assets

Initial recognition and measurement

All financial assets, excluding trade receivables are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset. Trade receivables that do not contain a significant financing component are measured at transaction price.

Subsequent measurement

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

- Debt instruments at amortised cost
- Debt instruments, derivative and equity instruments at fair value through profit or loss (FVTPL)
- Equity instruments measured at FVTOCI and FVTPL

Debt instruments at amortised cost

A 'debt instrument' is measured at the amortised cost if both the following conditions are met:

a) The asset is held within a business model, whose objective is to hold assets for collecting contractual cash flows, and

b) Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance income in the consolidated statement of profit and loss. The losses arising from impairment are recognised in the consolidated statement of profit and loss.

Debt instrument at FVTPL

FVTPL is a residual category for debt instruments. Any debt instrument, which does not meet the criteria for categorization as at amortized cost or as FVTOCI, is classified as at FVTPL.

Debt instruments included within the FVTPL category are measured at fair value with all changes recognized in the consolidated statement of profit and loss.

Equity instruments

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

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

De-recognition

A financial asset is primarily derecognised when:

- The rights to receive cash flows from the asset have expired, or
- The Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Group has transferred substantially all the risks and rewards of the asset, or (b) the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Group has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Group continues to recognise the transferred asset to the extent of the Group's continuing involvement. In that case, the Group also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Group could be required to repay.

Impairment of financial assets

In accordance with Ind AS 109, the Group applies expected credit loss (ECL) model for measurement and recognition of impairment loss on the following financial assets and credit risk exposure:

- Financial assets that are debt instruments, and are measured at amortised cost e.g., loans, debt securities, deposits, trade receivables and bank balances
- Financial guarantee contracts which are not measured at FVTPL
- Lease receivables under Ind AS 116

The Group follows 'simplified approach' for recognition of impairment loss allowance on trade and other receivables that do not contain a significant financing component.

The application of simplified approach does not require the Group to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition.

Lifetime ECL are the expected credit losses resulting from all possible default events over the expected life of a financial instrument. The 12-month ECL is a portion of the lifetime ECL which results from default events that are possible within 12 months after the reporting date.

ECL is the difference between all contractual cash flows that are due to the Group in accordance with the contract and all the cash flows that the entity expects to receive (i.e., all cash shortfalls), discounted at the original EIR. When estimating the cash flows, an entity is required to consider

- All contractual terms of the financial instrument (including prepayment, extension, call and similar options) over the expected life of the financial instrument. However, in rare cases when the expected life of the financial instrument cannot be estimated reliably, then the entity is required to use the remaining contractual term of the financial instrument.
- Cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

ECL impairment loss allowance (or reversal) recognized during the period is recognized as income/ expense in the consolidated statement of profit and loss. This amount is reflected under the head 'other expenses' in the consolidated statement of profit and loss.

Financial assets measured at amortised cost: ECL is presented as an allowance, i.e., as an integral part of the measurement of those assets in the consolidated balance sheet. The allowance reduces the net carrying amount. Until the asset meets write-off criteria, the Group does not reduce impairment allowance from the gross carrying amount.

Financial liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings or payables, as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Group's financial liabilities include trade and other payables, loans and borrowings including financial guarantee contracts and derivative financial instruments.

Subsequent measurement

The measurement of financial liabilities depends on their classification, as described below:

Loans and borrowings

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in the consolidated statement of profit and loss when the liabilities are derecognised as well as through the EIR amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the consolidated statement of profit and loss.

This category generally applies to borrowings from banks.

Trade and other payables

These amounts represent liabilities for goods and services provided to the Group prior to the end of financial year which are unpaid. The amounts are unsecured and are usually paid as per agreed terms. Trade and other payables are presented as current liabilities unless payment is not due within 12 months after the reporting period. They are recognised initially at their fair value and subsequently measured at amortised cost using the effective interest method.

De-recognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the de-recognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the consolidated statement of profit and loss.

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the consolidated balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

Derivative financial instruments

Derivative financial instruments are accounted for at FVTPL except for derivatives designated as hedging instruments in cash flow hedge relationships, which require a specific accounting treatment.

The Group has not designated certain forward currency contracts as hedging instruments in cash flow hedge relationships. These arrangements have been entered into to mitigate foreign currency exchange risk arising from certain capital equipment purchase transactions denominated in foreign currency and are entered into for periods consistent with foreign currency exposure of the underlying transactions generally upto 6 months. All derivative financial instruments used for hedge accounting are recognised initially at fair value and reported subsequently at fair value.

o. Earnings per share

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders (after deducting preference dividends and attributable taxes) by the weighted average number of equity shares outstanding during the period.

For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the year are adjusted for the effects of all dilutive potential equity shares.

p. Cash flow statement

The consolidated cash flow statement is prepared in accordance with the Indirect method. Consolidated Cash Flow Statement presents the cash flows by operating, financing and investing activities of the Group. Operating cash flows are arrived by adjusting profit or loss before tax for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments, and items of income or expense associated with investing or financing cash flows.

For the purpose of Consolidated Cash flow statement, cash and cash equivalents consist of cash on hand and balances with banks in current accounts and short-term deposits with an original maturity of three months or less, and excludes balances maintained in cash credit accounts, as they are not considered to be an integral part of the Group's cash management.

q. Cash and cash equivalents

Cash and cash equivalent in the consolidated balance sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

r. Cash dividends to equity holders

Annual dividend distribution to the shareholders is recognised as a liability in the period in which the dividend

is approved by the shareholders. Any interim dividend paid is recognised on approval by Board of Directors. Dividend payable / paid, is recognised directly in equity.

s. Operating segments

Operating segments are reported in a manner consistent with the internal reporting provided to Chief Operating Decision Maker.

Vice Chairperson and Managing Director, Executive Director, Whole Time Director, Chief Executive Officer, Chief Operating Officer and Chief Financial Officer have been identified as Chief Operating Decision Maker. Refer note 48 for segment information.

t. Business combinations

Business combinations are accounted for using the acquisition accounting method as at the date of the acquisition, which is the date at which control is transferred to the Company. The consideration transferred in the acquisition and the identifiable assets acquired and liabilities assumed are recognised at fair values on their acquisition date. Goodwill is initially measured at cost, being the excess of the aggregate of the consideration transferred and the amount recognised for non-controlling interests, and any previous interest held, over the net identifiable assets acquired and liabilities assumed. The Group recognises any non-controlling interest in the acquired entity on an acquisition by-acquisition basis either at fair value or at the non-controlling interest's proportionate share of the acquired entity's net identifiable assets. Consideration transferred does not include amounts related to settlement of pre-existing relationships. Such amounts are recognised in the standalone statement of profit and loss.

Transaction costs are expensed in the standalone statement of profit and loss as incurred, other than those incurred in relation to the issue of debt or equity securities which are directly adjusted in other equity. Any contingent consideration payable is measured at fair value at the acquisition date. Subsequent changes in the fair value of contingent consideration are recognised in the standalone statement of profit and loss.

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 Group 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") notified new standards or amendments to the existing standards under Companies (Indian Accounting Standards) Rules 2015, as issued from time to time.

New and amended standards

The Ministry of Corporate Affairs (MCA) has notified amendments to certain Ind AS standards effective 1 April 2025. Amendments to Ind AS 21 provide guidance on assessing exchangeability of currencies and determining spot rates where exchangeability is lacking, along with enhanced disclosures. Amendments to Ind AS 1 clarify principles for classification of liabilities as current or non-current, including the need for a substantive right to defer settlement and treatment of covenants and settlement through own instruments. Further, amendments to Ind AS 7 and Ind AS 107 introduce additional disclosures for supplier finance arrangements to enhance transparency on liquidity risk and cash flows. Amendments to Ind AS 12 introduce a temporary exception for deferred tax recognition relating to Pillar Two rules and require targeted disclosures. These amendments do not have a material impact on the Group's financial statements.

Standards notified but not yet effective

During the year ended 31 March 2026, MCA notified amendments to Ind AS 1 relating to classification of liabilities with covenants. The amendment revises paragraph 74 to require classification of a liability as current where a covenant breach at the reporting date makes the liability payable on demand, even if the lender subsequently waives the right before approval of financial statements. This reflects that the entity does not have a substantive right to defer settlement as of the reporting date. The amendment is effective for annual periods beginning on or after 1 April 2026 and is to be applied retrospectively in accordance with Ind AS 8. The Group does not expect this amendment to have a material impact on its financial statements.

Summary of the material accounting policies and other explanatory information

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

6. Property, Plant and Equipment

	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 2024	555.53	2,347.78	77.75	5,752.12	58.14	172.61	77.88	9,041.81	512.27
Additions during the year	66.68	183.47	-	807.39	15.26	33.61	9.51	1,115.92	34.45
Disposals/ transfers during the year	(0.38)	(0.66)	-	(142.97)	(1.00)	(11.24)	(14.74)	(170.99)	(3.87)
Balance as at 31 March 2025	621.83	2,530.59	77.75	6,416.54	72.40	194.98	72.65	9,986.74	542.85
Additions during the year	101.88	1,351.03	1.81	2,988.87	21.96	44.44	17.13	4,527.12	64.68
Acquisition of subsidiary	-	174.16	2.04	213.72	8.23	10.65	0.23	409.03	12.36
Disposals/ transfers during the year	23.30	-	-	(166.72)	(1.67)	(10.40)	(11.12)	(166.61)	(16.82)
Balance as at 31 March 2026	747.01	4,055.78	81.60	9,452.41	100.92	239.67	78.89	14,756.28	603.07
Accumulated depreciation									
Up to 1 April 2024	-	462.43	6.47	1,841.64	22.31	67.64	36.90	2,437.39	148.47
Depreciation charge for the year	-	99.92	4.93	476.91	7.09	22.04	9.06	619.95	63.31
Adjustment for disposals/ transfers	-	(0.18)	-	(123.08)	(0.85)	(9.29)	(13.12)	(146.52)	(10.51)
Impairment loss	-	-	-	6.59	-	0.15	-	6.74	-
Up to 31 March 2025	-	562.17	11.40	2,202.06	28.55	80.54	32.84	2,917.56	201.27
Acquisition of subsidiary	-	99.02	0.76	100.07	2.99	5.20	0.05	208.09	2.56
Depreciation charge for the year	-	118.72	7.45	556.15	9.48	26.03	8.57	726.40	67.15
Adjustment for disposals/ transfers	-	-	(2.08)	(140.78)	(1.34)	(8.87)	(9.70)	(162.77)	(1.74)
Impairment loss	-	-	-	5.74	0.07	0.31	-	6.12	-
Up to 31 March 2026	-	779.91	17.53	2,723.24	39.75	103.21	31.76	3,695.40	269.24
Net carrying value									
As at 31 March 2025	621.83	1,968.42	66.35	4,214.48	43.85	114.44	39.81	7,069.18	341.58
As at 31 March 2026	747.01	3,275.87	64.07	6,729.17	61.17	136.46	47.13	11,060.88	333.83

Notes:

(i) For details of assets pledged as security, refer note 18(a) to 18(b).

(ii) The Group has recognised impairment loss on account of physical wear and tear of assets.

(iii) The title deeds of all the immovable properties including investment properties held by the Group (other than properties where the Group is the lessee and the lease agreements are duly executed in favour of the lessee), are held in the name of the Group.

Summary of the material accounting policies and other explanatory information

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

6(a) Capital Work-in-Progress (CWIP)

		As at 31 March 2026	As at 31 March 2025
(i)	**Capital Work-in-Progress:**		
	Ageing schedule of capital work-in-progress (CWIP)		
	Projects in progress		
	< 1 Year	454.11	677.46
	1-2 Years	12.09	2.10
	> 2 Years	-	-
	Projects in progress (total)	**466.20**	**679.56**
	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:**		
	Opening as at 1 April 2024		**200.63**
	Additions during the year *		1,528.17
	Capitalisations during the year		(1,049.24)
	Closing as at 31 March 2025		**679.56**
	Additions/ Transfers during the year *		4,211.88
	Capitalisations during the year		(4,425.24)
	Closing as at 31 March 2026		**466.20**

*includes borrowing cost capitalised aggregating to ₹ 47.51 (31 March 2025:₹ 0.16)

7. Other intangible assets

	Computer software	Brand	Non-compete	Procurement network	Distribution network	Total
Gross Block						
Balance as at 1 April 2024	**106.78**	**74.55**	**32.18**	**43.76**	**50.69**	**307.96**
Additions during the year	0.70	-	-	-	-	**0.70**
Adjustment for disposals/ transfers	3.81	-	-	-	-	**3.81**
Balance as at 31 March 2025	**111.29**	**74.55**	**32.18**	**43.76**	**50.69**	**312.47**
Additions during the year	1.82	-	-	-	-	**1.82**
Acquisition of subsidiary	1.67	117.20	-	-	29.15	**148.02**
Balance as at 31 March 2026	**114.78**	**191.75**	**32.18**	**43.76**	**79.84**	**462.31**
Accumulated amortization						
Up to 1 April 2024	**72.75**	**74.55**	**32.18**	**43.57**	**50.51**	**273.56**
Amortization charge for the year	10.90	-	-	0.18	0.14	**11.22**
Adjustments for disposals/transfer	3.63	-	-	-	-	**3.63**
Up to 31 March 2025	**87.28**	**74.55**	**32.18**	**43.75**	**50.65**	**288.41**
Amortization charge for the year	10.74	3.45	-	0.01	1.00	**15.20**
Acquisition of subsidiary	1.41	-	-	-	-	**1.41**
Up to 31 March 2026	**99.43**	**78.00**	**32.18**	**43.76**	**51.65**	**305.02**
Net carrying amount						
As at 31 March 2025	**24.01**	-	-	**0.01**	**0.04**	**24.06**
As at 31 March 2026	**15.35**	**113.75**	-	-	**28.19**	**157.29**

7(a) Intangible assets under development:

		As at 31 March 2026	As at 31 March 2025
(i)	**Ageing schedule of Intangible assets under development (IAUD)**		
	Projects in progress		
	< 1 Year	34.77	-
	1-2 Years	-	-
	2-3 Years	-	-
	> 3 Years	-	-
	Projects in progress (total)	**34.77**	**-**
	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:**		
	Opening as at 1 April 2024		**-**
	Additions during the year		0.70
	Capitalisations during the year		(0.70)
	Closing as at 31 March 2025		**-**
	Additions during the year		36.59
	Capitalisations during the year		(1.82)
	Closing as at 31 March 2026		**34.77**

8. Investment property

	Land	Building	Total
Gross Block			
Balance as at 1 April 2024	**23.30**	**26.67**	**49.97**
Transfers during the year	-	-	**-**
Balance as at 31 March 2025	**23.30**	**26.67**	**49.97**
Transfers during the year	(23.30)	-	**(23.30)**
Balance as at 31 March 2026	**-**	**26.67**	**26.67**
Accumulated depreciation			
Up to 31 March 2024	-	**7.93**	**7.93**
Depreciation charge for the year	-	1.08	**1.08**
Up to 31 March 2025	-	**9.01**	**9.01**
Depreciation charge for the year	-	1.08	**1.08**
Up to 31 March 2026	-	**10.09**	**10.09**
Net carrying amount			
As at 31 March 2025	**23.30**	**17.66**	**40.96**
As at 31 March 2026	**-**	**16.58**	**16.58**

(a) Information of net income derived from Investment property

	For the year ended 31 March 2026	For the year ended 31 March 2025
Lease rental income	18.37	17.22
Less: Depreciation	(1.08)	(1.08)
Net income from Investment property	**17.29**	**16.14**

(b) Description of valuation technique and key assumptions used

	31 March 2026		31 March 2025	
	Land	Building	Land	Building
Valuation technique: Discounted Cash Flow ("DCF") method				
Estimated rental value per month (in absolute ₹ terms)	NA	NA	78,750	NA
Estimated rental value per square feet per month (in absolute ₹ terms)	NA	30	NA	30
Rental growth per annum	NA	5%	5%	5%
Discount rate	NA	6.50%	6.50%	6.50%

Summary of the material accounting policies and other explanatory information

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

(c)	Changes in fair value of Investment property is shown below:	
		Amount
	Fair value as on 31 March 2024	**349.84**
	Increase in fair value of an existing Investment property	24.69
	Fair value as on 31 March 2025	**374.53**
	Increase in fair value of an existing/transfer Investment property	(14.53)
	Fair value as on 31 March 2026	**360.00**

9. Investment in associate and joint venture

	As at	
	31 March 2026	31 March 2025
Unquoted		
Investment in an associate*		
650,000 (31 March 2025: 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#		
Nil (31 March 2025: 79,95,339) equity shares of ₹10 each fully paid held in Heritage Novandie Foods Limited	-	498.85
Less: Share of accumulated losses	-	(402.80)
	-	**96.05**
Aggregate amount of unquoted investments	-	96.05
Aggregate amount of impairment in value of investments	6.27	35.11

(#) In the month of May 2025, the Group has entered into a Share Purchase Agreement (SPA) for acquiring 71,00,000 equity shares of ₹10/- each in HNFL from the other joint venture partner for a consideration of ₹ 85.00. The transaction was completed on 16 June 2025. Upon completion, the Group has acquired controling interest in HNFL.

10. Investments

	As at	
	31 March 2026	31 March 2025
Non current		
Investments at fair value through other comprehensive income ("FVTOCI")		
Investments in equity instruments		
117 (31 March 2025: 117) quoted equity shares of ₹10 each fully paid held in Union Bank of India	0.02	0.01
1,740 (31 March 2025: 1,740) quoted equity shares of ₹2 each fully paid held in Bank of Baroda	0.43	0.40
200,000 (31 March 2025: 200,000) unquoted equity shares of ₹10 each fully paid held in Heritage Finlease Limited	2.60	2.60
	3.05	**3.01**
Investments at amortized cost		
Investments in government securities	0.12	0.12
	0.12	**0.12**
	3.17	**3.13**
Aggregate market value of quoted investments	0.45	0.41
Aggregate value of unquoted investments	2.72	2.72
Aggregate amount of impairment in value of investments	-	-

	As at	
	31 March 2026	31 March 2025
Current		
Investments at fair value through profit or loss ("FVTPL")		
Investment in Mutual Funds		
Nil (31 March 2025: 696,122) units held in Aditya Birla Sun Life Liquid Fund Growth	-	288.11
21,985,569 (31 March 2025: 18,932,758) units held in Kotak Arbitrage Fund Regular Plan Growth	860.77	698.30
7,481,799 (31 March 2025: 18,408,829) units held in Aditya Birla Sun Life Arbitrage Fund Growth	207.45	481.07
22,251,842 (31 March 2025: 11,866,642) units held in SBI Arbitrage Opportunities Fund Regular Plan Growth	786.31	394.64
	1,854.53	**1,862.13**
Investments at amortized cost		
Investments in government securities	0.03	0.03
	0.03	**0.03**
	1,854.56	**1,862.16**
Aggregate market value of quoted investments	1,854.53	1,862.13
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 2026	31 March 2025
Non-current		
Unsecured, Considered good		
Interest accrued but not due on bank deposits	0.03	0.03
Security deposits	189.11	156.44
Margin money deposits with banks	0.30	0.79
Bank deposits with more than 12 months maturity	7.73	-
	197.17	**157.26**
Current		
Unsecured, Considered good		
Interest accrued but not due on bank deposits	2.46	0.45
Rent receivable	1.76	1.94
Security deposits	54.27	48.60
Fair value of Derivatives	5.46	-
Others	82.35	81.75
	146.30	**132.74**

12. Other assets

	As at	
	31 March 2026	31 March 2025
Non-current		
Unsecured, Considered good		
Capital advances	142.43	318.76
Prepaid expenses	1.29	1.22
Balance with statutory authorities	77.00	-
	220.72	**319.98**
Unsecured, Considered doubtful		
Capital advances	1.25	1.25
Less: Allowance for doubtful capital advances	(1.25)	(1.25)
	-	-
	220.72	**319.98**
Current		
Unsecured, Considered good		
Balance with statutory authorities	137.97	24.70
Prepaid expenses	70.53	80.89
Advances to suppliers and others	68.78	78.00

Summary of the material accounting policies and other explanatory information

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

	As at	
	31 March 2026	31 March 2025
Unsecured, Considered doubtful		
Other advances	15.40	15.40
Less: Provision for doubtful advances	(15.40)	(15.40)
	-	-
	277.28	183.59

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 2026	31 March 2025
Raw materials	548.18	681.34
Work-in-progress	38.19	19.72
Semi finished goods	1,288.47	1,597.88
Finished goods (including goods in transit of ₹3.46 (31 March 2025: ₹6.40))	941.34	941.67
Stock-in-trade	87.86	110.76
Packing materials	182.67	120.20
Stores, spares and consumables	95.82	80.53
	3,182.53	3,552.10

Note:

The write down of inventories to net realisable value during the year ended 31 March 2026 aggregated to ₹21.88 (31 March 2025 : ₹19.45). This write down is included in the changes in inventories of finished goods, semi finished goods stock-in-trade and work-in-progress in the statement of profit and loss.

14. Trade receivables

	As at	
	31 March 2026	31 March 2025
Unsecured, considered good	725.92	391.19
Unsecured, credit impaired	78.08	81.77
	804.00	472.96
Less: Allowance for credit loss	(92.49)	(92.50)
	711.51	380.46

(a) The movement in the allowance for credit loss and expected credit loss for the year ended 31 March 2026 and 31 March 2025 is as follows:

	For the year ended	
	31 March 2026	31 March 2025
Opening balance at beginning of the year	92.50	91.74
Provision made during the year	6.38	6.37
Less: Amount recovered during the year	(0.01)	(3.01)
Less: Bad debts written off during the year	(6.38)	(2.60)
Closing balance at end of the year	92.49	92.50

Summary of the material accounting policies and other explanatory information
(All amounts in ₹ millions, except share data and where otherwise stated)

(b) Trade receivables ageing schedule

Particulars	Outstanding for following periods from due date of payment					
	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	Total
As at 31 March 2026						
Undisputed						
Considered good	725.92	-	-	-	-	**725.92**
Credit impaired	-	-	2.14	-	65.45	**67.58**
Disputed						
Considered good	-	-	-	-	-	-
Credit impaired	-	-	-	-	10.50	**10.50**
As at 31 March 2025						
Undisputed						
Considered good	391.19	-	-	-	-	**391.19**
Credit impaired	-	1.35	-	3.04	63.41	**67.80**
Disputed						
Considered good	-	-	-	-	-	-
Credit impaired	-	-	-	-	13.97	**13.97**

Trade receivables include dues aggregating to ₹Nil (31 March 2025: ₹0.84) receivable from Heritage Novandie Foods Limited, in which Director of the Holding Company is a Director.

15. Cash and Bank Balances

		As at	
		31 March 2026	31 March 2025
(i)	**Cash and cash equivalents**		
	Balances with banks in current accounts	646.61	643.35
	Cash on hand	0.45	1.41
		647.06	644.76
(ii)	**Other bank balances**		
	Earmarked balances with banks		
	Unpaid dividend	12.20	12.47
	CSR unspent money (Refer 30 (ii))	10.01	28.41
	Margin money deposits with banks	22.15	11.04
	Deposits with original maturity of more than three months but less than 12 months	11.26	-
		55.62	51.92

16. Equity share capital

		31 March 2026		31 March 2025	
		Number	Amount	Number	Amount
i.	**Authorised share capital**				
	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

		31 March 2026		31 March 2025	
		Number	Amount	Number	Amount
ii.	**Issued, subscribed and fully paid up**				
	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 2026		31 March 2025	
	Number	Amount	Number	Amount
Equity shares				
At the beginning of the year	9,27,96,000	463.98	9,27,96,000	463.98
Changes during the year		-	-	-
At the end of the year	**9,27,96,000**	**463.98**	**9,27,96,000**	**463.98**

iv. Rights, preferences and restrictions attached to equity shares

The Company has only one class of issued, subscribed and paid up equity shares having a par value of ₹5 each per share. Each holder of equity shares is entitled to one vote per share. The Company declares and pays dividend in Indian rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the Annual General Meeting.

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the share holders.

v. Details of shareholders holding more than 5% equity shares in the Company

	31 March 2026		31 March 2025	
	Number	% holding	Number	% holding
N Bhuvaneswari	2,26,11,525	24.37%	2,26,11,525	24.37%
Nirvana Holdings Private Limited	1,09,13,107	11.76%	1,09,13,107	11.76%
Nara Lokesh	1,00,37,453	10.82%	1,00,37,453	10.82%
Megabid Finance & Investment Private Limited	51,90,937	5.59%	51,90,937	5.59%

vi. Shareholding of Promoters as at 31 March 2026

Name of the promoter *	As at 31 March 2026		As at 31 March 2025		% Change during the year
	No.of Shares	% of total shares	No.of Shares	% of total shares	
N Bhuvaneswari	2,26,11,525	24.37%	2,26,11,525	24.37%	0.00%
Nara Lokesh	1,00,37,453	10.82%	1,00,37,453	10.82%	0.00%
Megabid Finance & Investment Private Limited	51,90,937	5.59%	51,90,937	5.59%	0.00%
N Brahmani	4,30,952	0.46%	4,30,952	0.46%	0.00%
N Devaansh	56,075	0.06%	56,075	0.06%	0.00%
Ramakrishna Nandamuri	800	0.00%	800	0.00%	0.00%

vii. Shareholding of Promoters as at 31 March 2025

Name of the promoter *	As at 31 March 2025		As at 31 March 2024		% Change during the year
	No. of Shares	% of total shares	No. of Shares	% of total shares	
N Bhuvaneswari	2,26,11,525	24.37%	2,26,11,525	24.37%	0.00%
Nara Lokesh	1,00,37,453	10.82%	1,00,37,453	10.82%	0.00%
Megabid Finance & Investment Private Limited	51,90,937	5.59%	51,90,937	5.59%	0.00%
N Brahmani	4,30,952	0.46%	4,30,952	0.46%	0.00%
N Devaansh	56,075	0.06%	56,075	0.06%	0.00%
Ramakrishna Nandamuri	800	0.00%	800	0.00%	0.00%

* Details of promoters are identified based on information submitted with the stock exchanges as per SEBI (LODR) Regulations, 2015 (as amended) and the Annual Returns filed in accordance with the provisions of Section 92 of the Act.

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

Summary of the material accounting policies and other explanatory information

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

17. Other equity

	As at	
	31 March 2026	31 March 2025
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	9,333.18	8,019.61
	10,569.54	**9,255.97**
Item of OCI		
Changes in fair value of equity instruments	(0.31)	(0.35)
	(0.31)	**(0.35)**
	10,569.23	**9,255.62**

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.

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.

18. Borrowings

	As at	
	31 March 2026	31 March 2025
Non-current		
Secured		
Term loans from banks [refer note 18(a)]	2,230.33	1,110.26
	2,230.33	**1,110.26**
Current		
Secured		
Current maturities of term loans from banks [refer note 18(a)]	486.64	253.68
Loans repayable on demand from banks [refer note 18(b)]	524.36	-
	1,011.00	**253.68**

(i) Reconciliation of liabilities arising from financial activities*

	For the year ended	
	31 March 2026	31 March 2025
Balance at beginning of the year	1,363.94	928.23
Proceeds from long term borrowings	1,627.47	725.45
On acquisition of subsidiary	28.33	-
Repayments of long term borrowings	(292.21)	(284.76)
Others	(10.56)	(4.98)
Balance at end of the year	**2,716.97**	**1,363.94**

**Includes only current and non-current portions of long term borrowings.*

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 2026	31 March 2025
Balance at beginning of the year	**0.84**	**0.34**
Interest expense for the year	111.00	109.45
Interest paid during the year	100.25	108.95
Balance at end of the year	**11.59**	**0.84**

18(a) Terms and conditions of term loans from banks

Name	Interest rate (%)		Type of security	Outstanding balance as on* 31 March 2026	31 March 2025
Bank of Baroda	Three Month MCLR	Repayable in 24 quarterly installments commencing from 31 March 2024	1st Paripassu charge with HDFC Bank on Land, Building & Plant & Machinery and any movable & Immovable fixed assets at Shamirpet Plant, both present and future.	180.38	228.39
Bank of Baroda	One Month MCLR +0.15% per annum	Repayable in 24 quarterly installments commencing from 31 December 2026	1st Paripassu charge with HDFC Bank on Land, Building & Plant & Machinery and any movable & Immovable fixed assets at Shamirpet Plant, both present and future.	80.09	-
Bank of Baroda	One Month MCLR +0.15% per annum	Repayable in 24 quarterly installments commencing from 31 December 2026	1. 1st Paripassu charge (upto the share of total assets created out of Term Loan III on Shamirpet plant) with HDFC Bank on land & Building, Plant & Machinery and any movable & Immovable fixed assets at Shamirpet Plant, both present and future. 2. Assets created out of fresh term loan III at Gokul in favour of Kotak Bank, Mulugu Plants and Manor in favour of ICICI bank, subject to reciprocal ceding of 1:1 Charge on fixed assets situated at Gokul and mulugu plants by Kotak and ICICI Bank respectively. 3. Exclusive charge on pamarru, CCs (Chittor, Kandukuru, Mardi and Waranga) or any unencumbered plant of company assets created by Term loan III.	41.97	-
ICICI Bank	3 Months MCLR +0.40% per annum	Repayable in 24 quarterly installments commencing from 30 Jun 2024	- First charge by way of equitable mortgage over immovable fixed assets of Borrower at Mulugu, Manor and Narketpally Plants. - First charge by way of hypothication of movable fixed assets at Mulugu, Manor and Narketpally Plants.	794.90	999.98
HDFC Bank	One month Repo rate + spread of 2.00%	Repayable in 24 quarterly installments commencing from 15 May 2026	- Movable fixed assets - First pari passu charge on plant and machinery at Shamirpet plant (excluding Renewable Energy Division Assets) - Immovable fixed assets - First pari passu charge on land and buildings at Shamirpet plant	1,220.82	113.57
ICICI Bank	3 Months MCLR +0.15% per annum	Repayable in 24 quarterly installments commencing from 30 Jun 2026	- First charge by way of equitable mortgage over the identified immovable fixed assets of Borrower. - First charge by way of hypothication of movable fixed assets of above identified immovable fixed assets of Borrower.	26.51	-

Summary of the material accounting policies and other explanatory information
(All amounts in ₹ millions, except share data and where otherwise stated)

Name	Interest rate (%)		Type of security	Outstanding balance as on* 31 March 2026	31 March 2025
Kotak Mahindra Bank	3 Months Repo + 2.45 %	Repayable in 24 quarterly installments commencing from 30 December 2026	Exclusive Charge on movable and immovable fixed assets at Gokul Plant. (Excluding Renewable Energy Division Assets)	319.16	-
Kotak Mahindra Bank	3 Months Repo + 2.70 %	Repayable in 24 quarterly installments commencing from 22 April 2027	Exclusive Charge on movable and immovable fixed assets at Gokul Plant. (Excluding Renewable Energy Division Assets)	53.14	-
Kotak Mahindra Bank	Three months MCLR+ spread per annum	Repayable in 24 quarterly installments commencing from January 2026	- 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.	-	22.00
				2,716.97	**1,363.94**

*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 2026	31 March 2025
ICICI Bank - WCDL	REPO + SPREAD	First pari passu charge on the entire current assets of the Company both present and future. First pari passu charge on Land and Buildings, Plant and Machinery and other movable and immovable fixed assets on three properties i.e. Uppal, Telangana, Bobbili, AP., Pamarru, AP., both present and future.	345.00	-
Bank of Baroda	One year MCLR + 0.25% per annum		-	-
Kotak Mahindra Bank - WCDL	REPO +SPREAD		100.00	-
HDFC Bank - CC	REPO +SPREAD			-
HDFC Bank - WCDL	REPO +SPREAD		79.36	
Kotak Mahindra Bank	6 Months MCLR + spread per annum	First charge on the present and future assets of the feed division of the group		-
ICICI Bank - CC	Six months MCLR +1% spred per annum	First pari passu charge on the entire current assets of Heritage Novandie Foods Limited for both present and future.	-	-
			524.36	-

19. Other financial liabilities

	As at 31 March 2026	31 March 2025
Non-current		
Financial guarantee	-	1.97
	-	**1.97**
Current		
Current maturities of financial guarantee	-	2.16
Interest accrued but not due on borrowings	11.59	0.84
Capital creditors	495.61	304.14
Employee related payables	295.08	486.26
Security deposits	608.81	530.88
Unpaid dividend	12.20	12.47
Other payables	85.34	33.52
	1,508.63	**1,370.27**

Summary of the material accounting policies and other explanatory information

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

20. Provisions

	As at	
	31 March 2026	31 March 2025
Non-current		
Compensated absences	331.78	280.58
	331.78	**280.58**
Current		
Gratuity (refer note (a) below)	52.08	7.45
Compensated absences	51.22	128.40
	103.30	**135.85**

(a) Gratuity

The Group provides its employees with benefits under a defined benefit plan, referred to as the "Gratuity Plan". The Gratuity Plan entitles an employee, who has rendered at least five years of continuous service, to receive 15 days salary for each year of completed service (service of six months and above is rounded off as one year) at the time of retirement/exit in accordance with the Payment of Gratuity Act, 1972. The Group maintains its investments with Life Insurance Corporation of India, to fund its gratuity plan.

(i) Change in projected benefit obligation

	As at	
	31 March 2026	31 March 2025
Projected benefit obligation at the beginning of the year	**249.95**	**203.24**
Defined benefit obligation of acquired subsidiaries	0.95	-
Service cost	32.61	26.10
Interest cost	16.30	13.68
Past service cost - plan amendments	48.27	-
Actuarial loss - experience	1.99	10.95
Actuarial gain - financial assumptions	(3.10)	5.87
Benefits paid	(23.76)	(9.89)
Projected benefit obligation at the end of the year	**323.21**	**249.95**

(ii) Change in fair value of plan assets

	As at	
	31 March 2026	31 March 2025
Fair value of plan assets at the beginning of the year	**242.95**	**207.50**
Interest income	15.89	15.02
Contribution made	34.41	30.51
Return on plan assets greater / (lesser) than discount rate	1.64	(0.19)
Benefits paid	(23.76)	(9.89)
Fair value of plan assets at the end of the year	**271.13**	**242.95**

(iii) Reconciliation of present value of projected benefit obligation and fair value of plan assets

	As at	
	31 March 2026	31 March 2025
Present value of projected benefit obligation	323.21	249.95
Funded status of plan assets	271.13	242.95
Liability recognised in the Consolidated Balance Sheet	52.08	7.45
Asset recognised in the Consolidated Balance Sheet	-	**0.45**

(iv) Expense recognized in the Consolidated Statement of Profit and Loss

	For the year ended	
	31 March 2026	31 March 2025
Past service cost - plan amendments	48.27	-
Interest cost	16.30	13.68
Service cost	32.61	26.10
Interest income	(15.89)	(15.02)
	81.29	**24.76**

Summary of the material accounting policies and other explanatory information

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

(v) Expense recognized in OCI

	For the year ended	
	31 March 2026	31 March 2025
Actuarial (gain)/(loss, net	(2.75)	17.01
	(2.75)	**17.01**

(vi) Key actuarial assumptions

	As at	
	31 March 2026	31 March 2025
Discount rate	6.4%-7.90%	6.40%
Salary escalation rate	8.00%-10.00%	8.00%-9.00%
Attrition rate	15%- 30%	15%- 30%
Mortality rate	Indian Assured Lives Mortality (2006-08) Ult.	Indian Assured Lives Mortality (2006-08) Ult.

(vii) Sensitivity analysis

Reasonably possible changes as at 31 March 2026 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 2026	
	Increase	Decrease
Discount rate (1% movement)	(14.38)	15.87
Salary escalation rate (1% movement)	14.87	(13.85)
Attrition rate (1% movement)	(1.72)	1.83

(viii) The Group expects to contribute ₹52.08 as its contribution to gratuity within one year from the year ended 31 March 2026.

(ix) Maturity analysis of Gratuity as on 31 March 2026 is as follows:

	As at	
	31 March 2026	31 March 2025
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	41.48	45.35
Within two to five years	151.63	124.65
More than five years	108.15	98.43
	301.26	**268.43**

(x) On 21 November 2025, the Government of India notified four Labour Codes, effective immediately, replacing the existing 29 labour legislations. In accordance with Ind AS 19 - Employee Benefits and the guidance issued by the Institute of Chartered Accountants of India, changes to employee benefit plans arising from legislative amendments are treated as plan amendments, requiring immediate recognition of past service cost in the statement of profit and loss.

The incremental impact of these changes, assessed by the Group, on the basis of the information available, resulted in estimated one time increase in provision for defined benefit obligations amounting to ₹48.27 and the same has been recognised as an employee benefit expense. The Group continues to monitor the developments pertaining to labour codes and will evaluate the impact if any on the measurement of liabilities pertaining to employee benefits.

Summary of the material accounting policies and other explanatory information

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

21. Deferred tax liabilities (net)

	As at 31 March 2026	As at 31 March 2025
Deferred tax liabilities arising on account of:		
Property, Plant and Equipment (PPE) and Intangible assets	558.55	444.11
	558.55	**444.11**
Deferred tax assets arising on account of:		
Provision for employee benefits	(100.01)	(106.62)
Others	(41.81)	(50.37)
	(141.82)	**(156.99)**
	416.73	**287.12**

Movement in deferred tax liabilities, net

	PPE and intangible assets	Provision for employee benefits	MAT credit entitlement	Others	Total
As at 1 April 2024	**421.17**	**(87.65)**	**(4.44)**	**(67.75)**	**261.33**
Charged/ recognised					
- to Statement of Profit and Loss	22.94	(14.69)	-	17.29	**25.54**
- to OCI	-	(4.28)	-	-	**(4.28)**
-Utilised during the year	-	-	4.44	0.09	**4.53**
As at 31 March 2025	**444.11**	**(106.62)**	**-**	**(50.37)**	**287.12**
-On acquisition of subsidiary	36.83	-	-	(4.24)	**32.59**
Charged/ recognised					**-**
- to Statement of Profit and Loss	77.61	6.00	-	12.80	**96.41**
- to OCI	-	0.61	-	-	**0.61**
As at 31 March 2026	**558.55**	**(100.01)**	**-**	**(41.81)**	**416.73**

22. Other current liabilities

	As at 31 March 2026	As at 31 March 2025
Non-Current		
Other statuory payables @	109.60	-
	109.60	**-**
Current		
Advances from customers *	121.63	110.01
Statutory dues payable	82.28	144.15
	203.91	**254.16**

*represents contract liabilities against which the Group has recognized a revenue of ₹110.01 (31 March 2025:₹113.27) from the amounts included under advances from customers at the beginning of the year.

@ The Group has imported machineries under Manufacture and Other Operations in Warehouse Regulations, 2019 (MOOWR) for its projects at Shamirpet. As per MOOWR, payment of Integrated Goods and Services Tax and Custom Duty aggregating to ₹109.60 (Previous year : Nil) on imported machineries is deferred till removal of such machineries from the designated location. The liability in respect of the same is disclosed above as non-current Statutory liabilities and the corresponding IGST Input Tax Credit amounting to ₹77.00 (Previous year : Nil) is disclosed in note no.12 under non-current assets. Additionally, customs duty amounting to ₹32.60 has been capitalised as part of the cost of the respective assets.

Summary of the material accounting policies and other explanatory information
(All amounts in ₹ millions, except share data and where otherwise stated)

23. Trade payables

	As at 31 March 2026	As at 31 March 2025
Total outstanding dues of micro and small enterprises	193.25	113.13
Total outstanding dues of creditors other than micro and small enterprises	1,849.35	1,602.02
	2,042.60	**1,715.15**

Trade payables ageing schedule as on 31 March 2026

	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) MSME	193.25	-	-	-	**193.25**
(ii) Others	1,844.85	4.50	-	-	**1,849.35**
	2,038.10	**4.50**	**-**	**-**	**2,042.60**

Trade payables ageing schedule as on 31 March 2025

	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) MSME	113.13	-	-	-	**113.13**
(ii) Others	1,601.20	0.82	-	-	**1,602.02**
	1,714.33	**0.82**	**-**	**-**	**1,715.15**

Note: There are no disputed dues payables outstanding as at 31 March 2026 and 31 March 2025.

24. Revenue from operations

	For the year ended 31 March 2026	For the year ended 31 March 2025
Sale of products	45,218.49	41,305.93
Sale of services	12.90	16.89
Other operating income		
- Scrap sales and others	28.52	23.13
	45,259.91	**41,345.95**

(i) Reconciliation of revenue from sale of products with the contracted price

	For the year ended 31 March 2026	For the year ended 31 March 2025
Revenue as per contracted price	46,966.92	42,865.29
Adjusted for:		
Discounts	(1,633.19)	(1,478.97)
Sales returns	(73.82)	(40.38)
Total revenue from contracts with customers	**45,259.91**	**41,345.94**

(ii) Revenue disaggregation geography wise is as follows:

	For the year ended 31 March 2026	For the year ended 31 March 2025
India	45,203.58	41,326.21
Other than India	56.33	19.74
	45,259.91	**41,345.95**

Summary of the material accounting policies and other explanatory information

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

(iii) Contract balances

	As at		
	31 March 2026	31 March 2025	1 April 2024
Trade Receivables (refer note 14)	711.51	380.46	287.06
Advance from customer (refer note 22)	115.22	107.31	113.27

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 2026 and 31 March 2025.

(b) Revenue from sale of products, scrap sales is recognized at a point in time, whereas revenue from sale of services is recognised over time.

25. Other income

	For the year ended	
	31 March 2026	31 March 2025
Interest income		
- Bank and other deposits	8.83	4.99
- Others	1.10	-
Guarantee income	-	2.20
Dividend income on long term investments	0.02	0.01
Subsidy transferred from deferred government grant (under capital subsidy scheme)	25.58	7.65
Lease rental income	17.46	18.93
Provisions no longer required/ credit balances written back	11.88	20.73
Gain on sale of Property, plant and equipment (net)	15.60	32.95
Gain on redemption of investments (net)	142.26	169.03
Gain on derivatives instruments	5.46	-
Gain on foreign exchange fluctuations, net	-	0.12
Other non operating income	14.11	22.12
	242.30	**278.73**

26. Cost of materials consumed

	For the year ended	
	31 March 2026	31 March 2025
Raw Material*		
Opening stock	681.34	363.74
Add: Purchases during the year	31,531.35	29,622.85
Less: Closing stock	548.18	681.34
	31,664.51	**29,305.25**
Packing Material*		
Opening stock	120.20	122.60
Add: Purchases during the year	1,759.30	1,560.85
Less: Closing stock	182.67	120.20
	1,696.83	**1,563.25**
	33,361.34	**30,868.50**

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

Summary of the material accounting policies and other explanatory information
(All amounts in ₹ millions, except share data and where otherwise stated)

27. Changes in inventories of finished goods, semi finished goods, stock-in- trade and work-in-progress

	For the year ended	
	31 March 2026	31 March 2025
Opening balance		
- Finished goods	941.67	809.66
- Semi finished goods	1,597.88	1,179.94
- Work-in-progress	19.72	17.79
- Stock-in-trade	110.76	62.56
	2,670.03	**2,069.95**
Closing balance		
- Finished goods	941.34	941.67
- Semi finished goods	1,288.47	1,597.88
- Work-in-progress	38.19	19.72
- Stock-in-trade	87.86	110.76
	2,355.86	**2,670.03**
	314.17	**(600.08)**

28. Employee benefits expense

	For the year ended	
	31 March 2026	31 March 2025
Salaries and wages	2,889.91	2,770.55
Contribution to provident and other funds (refer (a) note a below)	137.55	126.60
Gratuity expense	81.29	24.75
Compensated absences expense	120.29	134.31
Staff welfare expenses	81.61	75.70
	3,310.65	**3,131.91**

(a) The amount recognized as an expense towards contribution to provident fund and employee state insurance schemes for the year ended 31 March 2026 amounts to ₹ 137.55 (31 March 2025: ₹126.60).

29. Finance costs

	For the year ended	
	31 March 2026	31 March 2025
Interest on borrowings calculated using effective interest method	126.24	112.13
Interest on income tax	0.37	0.22
Interest on lease liabilities	37.32	36.20
Other borrowing costs	8.29	5.77
	172.22	**154.32**

30. Other expenses

	For the year ended	
	31 March 2026	31 March 2025
Consumption of stores and spares and consumables	441.99	391.40
Power and fuel	641.29	607.86
Rent	357.35	266.47
Repairs and maintenance		
- Buildings	19.37	46.26
- Plant and equipment	36.48	53.43
- Others	123.22	99.68
Insurance	44.69	37.47
Electricity charges	36.65	33.19
Rates and taxes, excluding taxes on income	87.98	65.56
Freight outwards	1,421.23	1,231.78
Communication	32.44	26.27

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 2026	31 March 2025
Office maintenance	9.23	8.19
Travelling and conveyance	95.30	79.34
Legal and professional fees	251.73	177.48
Property, plant and equipment written off	17.06	9.41
Payment to auditors	15.22	12.09
Corporate social responsibility (CSR) expenditure	36.38	27.54
Selling and distribution expenses	750.34	529.89
Provision for doubtful advances and advances written off	0.41	0.15
Provision towards doubtful debts and bad debts written off	6.38	6.37
Bank charges	12.26	16.24
Advertisement expenses	3.09	1.63
Security charges	94.85	82.92
Directors sitting fees	5.84	4.51
Miscellaneous expenses	86.88	68.26
	4,627.66	3,883.39

(i) Details of payments to auditors:

	For the year ended	
	31 March 2026	31 March 2025
As auditor:		
- Statutory audit fee	9.57	6.76
- Tax audit fee	1.56	1.47
- Limited review fee	2.78	2.66
In other capacities:		
- Certification fees	0.63	0.64
- Reimbursement of expenses	0.68	0.56
	15.22	12.09

Note: Amounts reported is inclusive of goods and service tax of amounting ₹ 1.84 (31 March 2025 ₹ 1.66).

(ii) Details of CSR expenditure:

		For the year ended	
		31 March 2026	31 March 2025
(a)	Gross amount required to be spent during the year	36.38	27.54
(b)	Amount spent during the year		
	(i) Construction / acquisition of asset	33.00	30.55
	(ii) On purposes other than (i) above	21.78	-
(c)	Shortfall at the end of the year	10.01	28.41
(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
(h)	Movements in the provision during the year		
	Opening provision	28.41	31.42
	Add: Amount required to be spent during the year	36.38	27.54
	Less: Amount spent during the year	(54.78)	(30.55)
	Closing provision (Refer Note:1)	10.01	28.41

Note 1

As the selected projects for CSR spent are long-term in nature, the balance amount of ₹10.01 as at 31 March 2026 will be spent during the financial year 2026-27. In accordance with the provisions of Section 135(6) of the Act, the Company has transferred the unspent amount to a separate bank account and the unspent amount has been provided in the accompanying financial statements. Further, the Company has spent an amount of ₹21.78 in FY2024-2025 over and above the mandated obligation and has set off in the current financial year i.e.FY2025-2026 against the CSR requirements.

Summary of the material accounting policies and other explanatory information
(All amounts in ₹ millions, except share data and where otherwise stated)

(iii) Exceptional items

	For the year ended	
	31 March 2026	31 March 2025
Reversal of disputed statutory liability	101.35	-
Impairment charge (refer note below)	-	(87.07)
	101.35	(87.07)

Note

In view of the limited market potential and continuous losses from operations reported by its erstwhile joint venture, Heritage Novandie Foods Limited ("HNFL"), the Board of HNFL in its meeting held during March 2025 had approved a proposal, allowing the Group to obtain controlling stake by acquiring equity shares from the other joint venture partner and restructure / repurpose the business operations of HFNL.

Subsequently in the month of June 2025, the Company has acquired 71,00,000 equity shares of ₹10 each in HNFL from the other joint venture partner for a consideration of ₹85.00. Upon completion, the Company has acquired controlling interest in HNFL.

The recoverable value of the investment in HNFL is determined using the fair value on the basis of the above agreed sales consideration, which has resulted in recognition of impairment of ₹28.84 during the year ended 31 March 2025, which has been classified as exceptional items, in addition to ₹58.23 representing the share of impairment charge on property, plant and equipment recorded during the year ended 31 March 2025 by HNFL.

31. Income tax expense

		For the year ended	
		31 March 2026	31 March 2025
(a)	**Tax expense comprises of:**		
	Current income tax	413.39	674.04
	Deferred tax expense	96.41	25.54
	Income tax expense reported in the Consolidated Statement of Profit and loss	509.80	699.58

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 2025: 25.168%) and the reported tax expense in the Consolidated Statement of Profit and Loss is as follows:

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

	For the year ended	
	31 March 2026	31 March 2025
Profit before tax	2,011.18	2,582.38
Expected income tax expense at the Indian tax rate 25.168% (31 March 2025: 25.168%)	**506.17**	**649.93**
Tax effect of amounts which are not deductible/ (taxable) in calculating taxable income:		
Effect of deductions allowed under Chapter VI-A of the Income Tax Act, 1961 ("IT Act, 1961)	(4.06)	(5.04)
Effect of expenses not deductible under the IT Act, 1961	11.33	69.83
Effect of income not subject to tax under the IT Act, 1961	(0.54)	(0.55)
Effect of income subject to tax under the IT Act, 1961	1.37	2.40
Others	(4.47)	(16.99)
Income tax expense	509.80	699.58

32. Earnings per equity share (EPES)

	For the year ended	
	31 March 2026	31 March 2025
Attributable to Owners of the Company		
Profit for the year	**1,505.21**	**1,882.80**
Weighted average number of equity shares outstanding during the year	9,27,96,000	9,27,96,000
Earnings per equity share (in absolute ₹ terms)		
Nominal value per equity share	5.00	5.00
Basic and Diluted EPES	16.22	20.29

The Group did not have any potential dilutive equity shares as on 31 March 2026 and 31 March 2025.

Summary of the material accounting policies and other explanatory information

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

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 2026	31 March 2025
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 2026 (31 March 2025: ₹2.50 per share) amounting to ₹231.99 (31 March 2025: ₹231.99).

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

(i) No funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Group to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries") with the understanding, whether recorded in writing or otherwise, that the Intermediary shall lend or invest in party identified by or on behalf of the Group (Ultimate Beneficiaries).

(ii) The Group has not received any fund from any party(s) (Funding Party) with the understanding that the Group shall whether, directly or indirectly lend or invest in other persons or entities identified by or on behalf of the Group ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

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 2026	31 March 2025
Financial assets		
Fair value hierarchy (Level 1)		
Quoted equity shares	0.45	0.41
Investment in mutual funds	1,854.53	1,862.13
Fair value hierarchy (Level 2)		
Derivatives asset	5.46	-
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 2026 and 31 March 2025 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 2 instruments:

The Group's foreign currency forward contracts are not traded in active markets. These contracts have been fair valued using observable forward exchange rates corresponding to the maturity of the contract. The effects of non-observable inputs are not significant for foreign currency forward contracts.

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.

Categories of financial instruments

	31 March 2026			31 March 2025		
	FVTPL	FVTOCI	Amortised cost	FVTPL	FVTOCI	Amortised cost
Financial assets						
Quoted equity shares	-	0.45	-	-	0.41	-
Unquoted equity shares	-	2.60	-	-	2.60	-
Investment in government securities	-	-	0.15	-	-	0.15
Investment in mutual funds	1,854.53	-	-	1,862.13	-	-
Trade receivables	-	-	711.51	-	-	380.46
Cash and cash equivalents	-	-	647.06	-	-	644.76
Other bank balances	-	-	55.62	-	-	51.92
Other financial assets	-	-	343.47	-	-	290.00
	1,854.53	3.05	1,757.81	1,862.13	3.01	1,367.29

	31 March 2026			31 March 2025		
	FVTPL	FVTOCI	Amortised cost	FVTPL	FVTOCI	Amortised cost
Financial liabilities						
Borrowings	-	-	3,241.33	-	-	1,363.94
Lease liabilities	-	-	373.48	-	-	380.87
Trade payables	-	-	2,042.60	-	-	1,715.15
Other financial liabilities	-	-	1,508.63	-	-	1,372.24
	-	-	7,166.04	-	-	4,832.20

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 and its capital expansion. The Group's principal financial assets include investments in equity shares, loans, trade and other receivables, and cash and cash equivalents that the Group derives directly from its operations.

The Group is exposed primarily to Credit risk, Liquidity risk and Market risk (fluctuations in interest rates, foreign currency rates, and prices of equity instruments), which may adversely impact the fair value of its financial instruments. The Group assesses the unpredictability of the financial environment and seeks to mitigate potential adverse effects on the financial performance of the Group.

A. Credit risk

Credit risk is the risk that the counterparty shall not meet its obligations under a financial instrument or customer contract, leading to a financial loss. Credit risk encompasses of both, the direct risk of default and the risk of deterioration of the creditworthiness as well as concentration of risks. Credit risk arises primarily from financial assets such as trade receivables, investment in equity shares, balances with banks, loans and other receivables.

Credit risk is controlled by analyzing credit limits and creditworthiness of the customers on a continuous basis to whom credits have been granted after obtaining necessary approvals. Financial instruments that are subject to concentration of credit risk principally consist of trade receivables, investments, cash and cash equivalents, bank deposits and other financial assets. None of the financial instruments of the Group result in material concentration of credit risk.

Exposure to credit risk

The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk was ₹ 3,615.39 and ₹ 3,232.43 as of 31 March 2026 and 31 March 2025 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 2026 and 31 March 2025. The Group has diversified its portfolio of investment in cash and cash equivalents and term deposits with various banks which have secure credit ratings hence the risk is reduced. Concentration of exposures are actively monitored by the finance department of the Holding Company.

Financial assets that are past due but not impaired

The Group's credit period for customers generally ranges from 0 - 30 days. The aging of trade receivables, net of those provided for in the books of account, is given below:

	31 March 2026	31 March 2025
0-30 days	646.41	358.18
31-60 days	64.03	22.27
61-90 days	-	-
Greater than 90 days	1.07	-
	711.51	380.45

Ind AS requires expected credit losses to be measured through a loss allowance. The Group assesses at each date of Balance Sheet whether a financial asset or a group of financial assets are impaired. Expected credit losses are measured at an amount equal to 12 months expected credit losses or at an amount equal to the life time expected credit losses if the credit risk on the financial assets have increased significantly since the initial recognition. The Group has used a practical expedient by computing the expected credit loss allowance for trade receivables based on a provision matrix. The provision matrix takes into account historical credit loss experience and is adjusted for forward-looking information. Based on such data, loss on collection of receivable is not material.

B. Liquidity risk

Liquidity risk refers to the risk that the Group cannot meet its financial obligations as and when they become due. The objective of liquidity risk management is to maintain sufficient liquidity and to ensure that funds are available for meeting due obligations of the Group. The Group manages liquidity risk by maintaining adequate reserves, banking facilities, continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of the financial assets and financial liabilities.

The table below summarises the maturity profile of the Group's financial liabilities based on contractual undiscounted payments:

Particulars	As at 31 March 2026				As at 31 March 2025			
	On demand	Up to 1 year	More than 1 year	Total	On demand	Up to 1 year	More than 1 year	Total
Financial guarantees#	-	-	-	-	35.41	-	-	**35.41**
Borrowings	524.36	486.64	2,230.33	**3,241.33**	-	253.68	1,110.26	**1,363.94**
Lease liabilities	-	90.42	550.46	**640.88**	-	77.86	543.14	**621.00**
Trade payables	-	2,042.60	-	**2,042.60**	-	1,715.15	-	**1,715.15**
Other financial liabilities	-	1,508.63	-	**1,508.63**	-	1,368.11	-	**1,368.11**
	524.36	4,128.29	2,780.79	7,433.44	35.41	3,414.80	1,653.40	5,103.61

Represents the loan amounts outstanding to bankers by the subsidiary as at 31 March 2025, in respect of which the Company had entered financial guarantees. The said loan have been fully repaid during the current year.

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 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. During the year, the Group entered into forward exchange contracts solely for hedging foreign currency exposures relating to foreign capital creditors. such contracts are monitored periodically in line with group's policy. The Group's approach to management of currency risk is to minimise any material adverse impact arising from fluctuations in foreign exchange rates.

Financial assets - Trade receivables

	31 March 2026	31 March 2025
- USD	2.32	-

Financial liabilities- capital creditors

	31 March 2026	31 March 2025
- EURO	27.69	-
- USD	1.12	-

As at 31 March 2026, the Group has an foreign currency exchange contract in place with an notional amount of euro 0.18 millions (INR: 19.87). Addtionallly, the Group entered into forward exchange contracts to manage foreign currency risk arising from forecast purchases of capital equipment denominated in foregin currency, with an notional amount of euro 2.16 million (INR: 232.10). The fair value of the contract aggregated to INR 5.46 recognized under other financial asset. The hedge maturity period ranges from April to September 2026.

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 2025: ₹2.60). The impact on account of change in the assumptions are not considered as significant.

38. Capital risk management

For the purpose of the Group's capital management, capital includes issued equity capital, share premium and all other reserves attributable to the equity holders. The primary objective of the Group's capital management is to maximise the shareholder value.

The Group manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. To maintain or adjust the capital structure, the Group may adjust the dividend payments to shareholders, return capital to shareholders or issue new shares. The Group monitors capital using a gearing ratio, which is net debt divided by total equity plus net debt. The Group's policy is to keep the gearing ratio up to 35%. The Group includes within net debt, borrowings from banks less cash and cash equivalents. Borrowings from banks comprise of term loans and loans repayable on demand.

	31 March 2026	31 March 2025
Borrowings from banks	3,241.33	1,363.94
Less: Cash and cash equivalents	(647.06)	(644.76)
Net debt (A)	2,594.27	**719.18**
Total equity (B)	11,081.14	9,719.60
Net debt and total equity (A) + (B)	13,675.41	10,438.78
Gearing ratio (%)	**18.97%**	**6.89%**

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 2026 and 31 March 2025.

No changes were made in the objectives, policies or processes for managing capital during the years ended 31 March 2026 and 31 March 2025.

39. Disclosure of Interest in Joint venture and associate:

	Nature of relationship	Country of Incorporation	Ownership interest (%)	
			31 March 2026	31 March 2024
SKIL Raigam Power (India) Limited	Associate	India	43.33%	43.33%
Heritage Novandie Foods Limited	Joint venture (Upto 15.06.2025)	India	NA	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 (except subsidiaries), as defined under the Act, during the years ended 31 March 2026 and 31 March 2025.

41. Related party disclosures

(a) **Names of the related parties and nature of relationship**

	Names of related parties	Nature of relationship
	Heritage Novandie Foods Limited ("HNFL") (formerly Heritage Novandie Foods Private Limited)	Joint Venture (upto 15 June 2025) and Subsidiary (w.e.f 16 June 2025)
	SKIL Raigam Power (India) Limited	Associate
	Heritage Finlease Limited	Enterprise over which Vice -Chairperson and Managing Director, Executive Director and Whole-Time Director of the Company exercise significant influence

Summary of the material accounting policies and other explanatory information

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

Names of related parties	Nature of relationship
NTR Memorial Trust	Enterprise over which Vice -Chairperson and Managing Director and Executive Director of the Company exercise significant influence
Megabid Finance & Investment Private Limited	
Nirvana Holdings Private Limited	
N Devaansh	Relative of Executive Director and Vice-Chairpeson & Managing Director
N Bhuvaneswari (Vice Chairperson and Managing Director)	Key Managerial Personnel (KMP)
N Brahmani (Executive Director)	
M Sambasiva Rao (President upto 31 March 2025 and WTD w.e.f.01.04.2025)	
Srideep Madhavan Nair Kesavan (Chief Executive Officer)	
A Prabhakara Naidu (Chief Financial Officer)	
Umakanta Barik (Company Secretary & Compliance Officer)	
Rajesh Thakur Ahuja (upto 22.03.2026)	Non-Executive Independent Director
Aparna Surabhi	
A V Girijakumar	
Muthu Raju Paravasa Raju Vijay Kumar	
Nagaraja Naidu Vadlamudi (upto 21.08.2024)	Non-Executive Director

(b) **Transactions with related parties**

	For the year ended	
	31 March 2026	31 March 2025
Heritage Novandie Foods Limited (Upto 15.06.2025)		
Investment made (including financial guarantee)	-	75.50
Sale of products	1.06	17.87
Purchase of products	0.47	-
Financial guarantee income	0.55	2.20
Lease rental income	0.31	1.39
Expenditure incurred on behalf of HNFL	1.19	9.03
Heritage Finlease Limited		
Remittance of loan proceeds collected on behalf of Heritage Finlease Limited	1,885.31	1,881.58
Cattle loan facilitation charges	3.90	3.98
Reimbursement of insurance proceeds received on behalf of Heritage Finlease Ltd	3.06	-
Deposit paid	22.57	12.63
Lease rental paid	149.03	106.25
NTR Memorial Trust		
CSR expenditure	29.57	30.00
N Bhuvaneswari		
Short-term employee benefits	96.11	132.29
Post-employment benefits	1.46	1.46
Other long-term benefits	3.63	1.30
N Brahmani		
Short-term employee benefits	76.82	105.71
Post-employment benefits	0.73	0.73
Lease Rentals	13.59	13.01
Other long-term benefits	1.82	-
N Devaansh		
Lease Rentals	13.59	13.01
M Sambasiva Rao		
Short-term employee benefits	19.29	43.47
Post-employment benefits	1.04	0.98
Other long-term benefits	4.12	-
Srideep Madhavan Nair Kesavan		
Short-term employee benefits	32.60	28.06
Post-employment benefits	1.14	1.00
Other long-term benefits	1.09	-
A Prabhakara Naidu		
Short-term employee benefits	14.29	12.37

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 2026	31 March 2025
Post-employment benefits	0.67	0.61
Other long-term benefits	0.91	1.10
Umakanta Barik		
Short-term employee benefits	6.59	5.70
Post-employment benefits	0.31	0.28
Other long-term benefits	0.41	0.44
Sitting fees		
Rajesh Thakur Ahuja	1.47	1.14
Aparna Surabhi	1.56	1.09
Muthu Raju Paravasa Raju Vijay Kumar	1.15	0.95
A V Girijakumar	1.50	1.07
Nagaraja Naidu Vadlamudi	-	0.10

(c) **Balances receivable/(payable)**

	As at	
	31 March 2026	31 March 2025
Heritage Finlease Limited		
Security deposits	77.33	54.76
Lease rent payable	(4.35)	(4.89)
Other payables	(45.90)	(62.21)
Other receivables	0.28	0.37
Heritage Novandie Foods Limited		
Trade receivables	-	0.84
Rent receivable	-	0.13
Security deposits	-	(0.45)
Other receivables	-	0.82
N Bhuvaneswari		
Employee related payables	(69.03)	(104.27)
N Brahmani		
Employee related payables	(63.32)	(92.21)
Security deposits	6.08	6.08
Lease rent payable	(1.26)	(1.21)
N Devaansh		
Security deposits	6.08	6.08
Lease rent payable	(1.26)	(1.09)
M Sambasiva Rao		
Employee related payables	(0.01)	(25.16)

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 2026, the Group has not recorded any impairment of receivables relating to amounts owed by related parties (31 March 2025: ₹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 2026, the Group has an outstanding guarantee given to a banker towards term loan and working capital facility availed by HNFL. Amount outstanding to the banker by HNFL as at as at 31 March 2026 aggregates to ₹Nil (31 March 2025 aggregates to ₹35.41).

(c) Post-employment and other long-term benefits, disclosed above, does not include those benefits which are computed for the Group as a whole.

Summary of the material accounting policies and other explanatory information

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

42. Contingent liabilities and commitments

		As at 31 March 2026	As at 31 March 2025
(a)	**Commitments**		
(i)	Estimated amount of contracts remaining to be executed on capital account and not provided for	1,168.21	2,049.38
(ii)	Other commitment		
	Investment in the Joint venture entity, Heritage Novandie Foods Limited	-	85.00

		As at 31 March 2026		As at 31 March 2025	
		Contingent Liability	Paid under protest*	Contingent Liability	Paid under protest*
(b)	**Contingent liabilities, not provided for**				
	In respect of income tax matters [refer (i) below]	5.05	0.45	7.43	0.48
	In respect of sales tax / value added tax matters [refer (ii) below]	18.67	5.04	18.67	5.04
	In respect of other matters [refer (iii) below]	22.72	3.55	22.03	3.55

(*) 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 year 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 years 2017-18 and 2018-19 in relation to point (b) above.

		As at 31 March 2026	As at 31 March 2025
(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 Karnataka Central GST Act, 2017 on classification of flavored milk product #	-	5.03
	- Disputed entry tax levied under Haryana Tax on Entry of Goods into Local Areas Act, 2008 on interstate purchases @@	5.72	-
	- Disputed RPPO (Renewable power purchase obligation) charges demand levied by the APERC (Andhra pradesh Electricity Regulatory Authority)	2.86	2.86
	‘$ Pending with Honorable High Coourt of Andhra Pradesh; $ Pending with Honorable High Coourt of Andhra Pradesh;		
	# The Company has received the favourable order during the financial year 2025-26 with respect to flavoured milk classification against the appeal filed before the CGST Appellate, Commissioner and the Company has filed the refund application for refund of tax paid under protest. Further the flavoured milk tariff litigation across India has reached the finalty and during the fincnial year 2025-26 various High Courts have held that the Flavoured Milk is rightly classifiable under HSN code 0402 with 5% GST followed by dismissal of GST Department SLP(Special leave petition) by the Honorable Supreme Court. Consequent to the favourable orders the Company has filed the refund applications and refund has been received in all the states where the Company has deposited the differential GST under protest without any demand.		
	@@ Pending with Excise & Taxation Officer cum Assessing Authority, Gurugram(North), Haryana.		
	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 2026.		

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 2026	As at 31 March 2025
(c)	**Guarantees excluding financial guarantees**	8.15	8.10
(d)	**Others**		
	Duty including interest liability in case of export obligation if not fulfilled as per EPCG scheme	115.10	128.47

43. Leases

Group as a lessee

The Group has lease arrangements for its office premises located in Hyderabad and various Heritage Distribution centres / Parlours / Sales offices located across India. These leases typically have original terms not exceeding 21 years and generally contain multiyear renewal options. The agreements entered into by the Company have, rent escalation upto 10%. There are no residual value guarantees provided by the third parties. The carrying amount for such right-of-use assets as at 31 March 2026 amounts to ₹264.61 (31 March 2025: ₹268.64).

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 2026 amounts to ₹69.22 (31 March 2025:₹72.94).

The Holding Company leases certain plant and equipments comprising of freezers, coolers, etc., with contract terms upto five years. These leases are short-term and/or leases of low-value items. The Holding Company has elected not to recognise right-of-use assets and lease liabilities for these leases.

The movement in lease liabilities is as follows:

Particulars	For the year ended 31 March 2026	For the year ended 31 March 2025
Balance at the beginning of the year	380.87	393.44
Additions during the year	64.68	34.45
Adjustment for disposal/transfers	(27.84)	6.64
Finance cost accrued during the year	37.32	36.20
Payment of interest on lease liabilities	(37.32)	(36.20)
Payment of lease liabilities	(44.23)	(53.66)
Lease liabilities at the end of the year	**373.48**	**380.87**
Current lease liabilities	60.81	29.73
Non-current lease liabilities	312.67	351.14

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

Particulars	As at 31 March 2026	As at 31 March 2025
Less than one year	90.42	77.86
One to five years	247.34	247.99
More than five years	303.12	295.15
Total	**640.88**	**621.00**

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 2026 is ₹357.35 (31 March 2025: ₹266.47). Leases not yet commenced to which the Group is committed aggregated to ₹Nil as on 31 March 2026.

Depreciation expenses and Lease rentals paid for the year ended 31 March 2026 are ₹67.15 and ₹81.55 (31 March 2025: ₹63.31 and ₹89.86) 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 2026	As at 31 March 2025
Less than one year	18.97	18.07
One to five years	-	6.48
More than five years	-	44.75
Total	**18.97**	**69.30**

Summary of the material accounting policies and other explanatory information

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

44. Research and development expenses

Particulars	For the year ended	
	31 March 2026	31 March 2025
Capital expenditure	33.22	0.30
Revenue expenditure	16.61	12.59
	49.83	12.89

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:

	Particulars	As at	
		31 March 2026	31 March 2025
(i)	The principal amount remaining unpaid as at the end of the year.	193.25	113.13
(ii)	The amount of interest accrued and remaining unpaid on (i) above.	-	-
(iii)	Amount of interest paid by the Group in terms of Section 16, of the MSMED Act, 2006 along with the amounts of payments made beyond the appointed date during the year.	-	-
(iv)	The amount of interest due and payable for the period (where the principal has been paid but interest under the MSMED Act, 2006 not paid)	-	-
(v)	The amount of further interest remaining due and payable in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprises for the purpose of disallowance as a deductible expenditure under Section 23 of the MSMED Act, 2006.	-	-

Notes:

(a) Explanation - The terms 'appointed day', 'buyer', 'enterprise', 'micro enterprise', 'small enterprise' and 'supplier' shall have the same meaning as assigned to them under clauses (b),(d),(e), (h), (m) and (n) respectively of section 2 of the Micro, Small and Medium Enterprises Development Act, 2006.

(b) This information required to be disclosed has been determined to the extent such parties have been identified on the basis of information available with the Group. The auditors have placed reliance on the information provided by the management.

46. Business Combinations

(i) Acquisition of additional stake in Heritage Novandie Foods Limited ("HNFL") (formerly Heritage Novandie Foods Private Limited)

The Group signed and executed a Share Purchase Agreement (SPA) for acquisition of 7,100,000 equity shares of ₹ 10/- each of Heritage Novandie Foods Limited (HNFL) from the other joint venturer partner for a consideration of ₹85.00. The acquisition was made to increase the Group's production capacity and launch its own brand of yogurt. The transaction was completed on 16 June 2025. Upon completion, the Group has acquired controlling interest in HNFL. The acquisition has been accounted for as a business combination in accordance with Ind AS 103.

(ii) Acquisition of stake in Peanut Butter and Jelly Limited ("PBJ") (formerly Peanut Butter and Jelly Private Limited)

The Holding Company has entered into a Share Purchase Agreement (SPA) and Share Holder's Agreement (SHA) to acquire 71% stake in PBJL. The acquisition was made to enhance the Group's range of premium desserts. PBJL is engaged in selling desserts such as ice creams, popsicles, kulfis, cheesecakes and gelatos with a focus on health-oriented ingredients and has a reasonable presence in the Group's targeted market. The transaction of 51% as explained below was completed on 05 January 2026. Upon completion, the Group has acquired controlling interest in PBJL. The acquisition has been accounted for as a business combination in accordance with Ind AS 103.

As per the terms of the SPA and SHA, the Holding Company has acquired 51% stake in PBJL during the month of January 2026 and balance 20% stake is proposed to be acquired before the end of July 2026. As the Holding Company has a contractual commitment to acquire the non-controlling interest of 20%,which gives access to risks and returns associated with the non-controlling interest and is accordingly regarded as an ownership interest in substance. Accordingly, the Group has accounted its commitment to acquire the remaining equity shares as a liability at its present value as on the date of acquisition.

(a) Consideration transferred

The following table summarises the acquisition date fair value of major class of consideration transferred:

Description	HNFL	PBJL
Consideration paid	85.00	90.00
Deferred consideration	-	68.56
Total Consideration	**85.00**	**158.56**

Summary of the material accounting policies and other explanatory information
(All amounts in ₹ millions, except share data and where otherwise stated)

(b) Identifiable assets acquired and liabilities assumed

The following table summarises the acquisition date fair value of assets acquired, fair value of the consideration transferred:

The valuation techniques used for measuring the fair value of material assets (other intangible assets) acquired were as follows:

Relief-from-royalty method and multi-period excess earnings method: The relief-from royalty method considers the discounted estimated royalty payments that are expected to be avoided as a result of the trade mark being owned. The multi-period excess earnings method considers the present value of net cash flows expected to be generated from the product know-how, by excluding any cash flows related to contributory assets.

Description	HNFL	PBJL
Assets		
Property, plant and equipment and ROU	206.49	4.26
Identifiable Intangible assets		
Brand	-	117.20
Distribution network	-	29.15
Others	0.21	-
Cash and bank balances	4.62	8.16
Inventories	8.05	14.55
Investments	0.06	-
Trade receivables	4.11	-
Other assets	50.10	50.80
Liabilities		
Borrowings	(28.33)	-
Lease liabilities	(15.05)	-
Provisions	(1.96)	-
Trade payables	(2.78)	-
Other liabilities	(11.55)	(65.15)
Deferred tax liability	-	(36.83)
Total identifiable net assets at fair value	**213.97**	**122.14**

(c) Goodwill

Goodwill arising from the acquisition has been determined as follows:

Description	HNFL	PBJL
Consideration transferred (refer note (a) above)	85.00	158.56
Fair value of existing holding	96.05	-
Non-controlling interest	16.34	35.42
Less: Fair value of net identifiable assets (refer note (b) above)	(213.97)	122.14
Goodwill	**(16.58)**	**71.85**

(d) HNFL and PBJL has incurred a loss of ₹37.20 and ₹0.18 respectively from the date of acquisition of control to the reporting date. Revenue for the aforesaid period was ₹33.93 and ₹131.63 respectively. If HNFL and PBJL had been acquired on 1 April 2025, revenue of the Group for the year ended 31 March 2026 would have been ₹45,467.99 and profit for the year would have been ₹1,486.64.

47. Interest in an immaterial associate

The Group has interest in a single associate ("SKIL"), which, in the opinion of the Holding Company's Board of Directors, is immaterial to the Group. The Group's share in loss after tax and other comprehensive income for the year is ₹Nil (31 March 2025: Nil) and ₹Nil (31 March 2025: Nil) respectively in respect of such associate.

48. Segment reporting

The Chief Operating Decision Maker ("CODM") evaluates the Group's performance and allocates the resources based on an analysis of various performance indicators by reportable segments.

The measurement of each segment's revenue, expenses, assets and liabilities is consistent with the accounting policies that are used in preparation of the Group's consolidated financial statements.

The Group has been organised into different verticals based on its products. Three verticals have been identified as reportable operating segments by the Group, which are as follows:

(i) Dairy vertical: Under this vertical, the Group manufactures and market a complete range of milk and milk products.

(ii) Renewable energy vertical: Under this vertical, the Group produces power for captive consumption through its solar and wind power plants.

Summary of the material accounting policies and other explanatory information

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

(iii) Feed vertical: Under this vertical, the Group manufactures wide varieties of animal feeds.

No operating segments have been aggregated to form the above reportable segments.

Segment performance is evaluated based on revenue and earnings before interest and tax and is measured consistently in line with the measurement principles used in the financial statements, expect 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 2026				For the year ended and as at 31 March 2025			
	Segment revenue	Segment results	Segment assets	Segment liabilities	Segment revenue	Segment results	Segment assets	Segment liabilities
Dairy	44,308.75	1,827.55	15,398.19	7,829.01	40,798.66	2,551.54	11,408.35	5,341.76
Renewable energy	99.64	49.33	660.69	129.01	87.70	24.03	594.37	102.20
Feed	2,454.45	198.02	674.63	243.20	1,849.27	169.19	601.97	159.91
Intersegment revenue	(1,602.93)	-	-	-	(1,389.68)	-	-	-
Unallocated	-	-	2,764.55	215.70	-	-	2,978.71	259.93
Total	**45,259.91**	**2,074.90**	**19,498.06**	**8,416.92**	**41,345.95**	**2,744.76**	**15,583.40**	**5,863.80**

	For the year ended	
	31 March 2026	31 March 2025
Reconciliation of segment results to profit before tax:		
Amount as per segment results	**2,074.90**	**2,744.76**
Less:		
Finance costs	172.22	154.32
Share of loss of an associate and a joint venture	13.12	69.09
Other unallocable expenses	36.03	115.22
	221.37	**338.63**
Add:		
Interest income	9.93	7.19
Other unallocable income	147.72	169.06
	157.65	**176.25**
Profit before tax	**2,011.18**	**2,582.38**

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 2026 and 31 March 2025 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 2026 and 31 March 2025.

49. Additional disclosure as required under paragraph 2 of 'General Instructions for the preparation of Consolidated Financial Statements' of the Schedule III to the Act

(i) As at and for the year ended 31 March 2026:

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	96.00%	10,638.02	93.05%	1,397.01	82.57%	1.80	93.03%	1,398.81
Subsidiaries:								
Heritage Nutrivet Limited	6.69%	741.73	10.46%	156.97	16.97%	0.37	10.47%	157.34
Heritage Novandie Foods Limited	1.59%	176.26	(2.48)%	(37.20)	0.00%	-	(2.47)%	(37.20)
Peanut Butter and Jelly Limited	0.09%	9.69	(0.01)%	(0.18)	0.00%	-	(0.01)%	(0.18)
Associate								
SKIL Raigam Power (India) Limited	0.00%	-	0.00%	-	0.00%	-	0.00%	-
Non-controlling interest	(0.43)%	(47.93)	(0.26)%	(3.83)	0.00%	-	(0.25)%	(3.83)
Total	**103.94%**	**11,517.77**	**100.76%**	**1,512.77**	**99.54%**	**2.17**	**100.76%**	**1,514.94**
Consolidation adjustments	(3.94)%	(436.63)	(0.76)%	(11.39)	0.46%	0.01	(0.76)%	(11.38)
Net amount	**100.00%**	**11,081.14**	**100.00%**	**1,501.38**	**100.00%**	**2.18**	**100.00%**	**1,503.56**

(ii) As at and for the year ended 31 March 2025:

Name of the entity	Net assets		Share in profit or loss		Share of OCI		Share of total comprehensive income	
	As a % of consolidated net assets	Amount	As a % of consolidated profit or loss	Amount	As a % of consolidated net assets	Amount	As a % of consolidated profit or loss	Amount
Parent Company								
Heritage Foods Limited	97.44%	9,471.20	89.27%	1,680.82	98.52%	(12.61)	89.21%	1,668.21
Subsidiary								
Heritage Nutrivet Limited	6.01%	584.39	6.56%	123.51	1.48%	(0.19)	6.59%	123.32
Joint venture (Investment as per equity method)								
Heritage Novandie Foods Limited	0.99%	96.05	(6.76)%	(127.32)	0.00%	-	(6.81)%	(127.32)
Associate								
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	**104.45%**	**10,151.64**	**89.07%**	**1,677.01**	**100.00%**	**(12.80)**	**89.00%**	**1,664.21**
Consolidation adjustments	(4.45)%	(432.04)	10.93%	205.79	0.00%	-	11.00%	205.79
Net amount	**100.00%**	**9,719.60**	**100.00%**	**1,882.80**	**100.00%**	**(12.80)**	**100.00%**	**1,870.00**

The disclosure as above represents separate information for each of the consolidated entities before elimination of inter–company transactions. The net impacts on elimination of inter–company transactions/profits or (losses)/consolidation adjustments have been disclosed separately. Based on the Group structure, the management is of the view that the above disclosure is appropriate under the requirements of the Act.

50. 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 two of subsidiary companies uses an accounting software for maintaining its books of account. The audit trail (edit log) feature was enabled at application level and the same operated throughout the current and previous year. However, the Holding Company and its one subsidiary company did not enable the feature for recording audit trails (edit logs) at the database level to log any direct data changes, as this consumes storage space on the disk and can significantly impact database performance. The users of the Company, except for authorized personnel, do not have access to database IDs with Data Manipulation Language (DML) authority, which can make direct data changes (create, change, delete) at the database level. Furthermore, the audit trail has been preserved by the Company as per the statutory requirements for record retention.

Further, one of the subsidiary company, has used an accounting software from 01 April 2025 till 04 November 2025 operated by a third-party software service provider for maintaining its books of account which which has a feature of recording audit trail facility and the

Summary of the material accounting policies and other explanatory information

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

same been operated throughout the year for all relevant transactions recorded in the software at the application level. The 'Independent Service Auditor's Assurance Report on the Description of Controls, their Design and Operating Effectiveness' ('Type 2 report' issued in accordance with SAE 3402, Assurance Reports on Controls at a Service Organization) is not available for the year ending 31 March 2026 and 31 March 2025. The Company has migrated to other accounting software from 05 November 2025 for maintaining its books of account which has a feature of audit trail (edit log) facility and the same was enabled at the application level. During the year ended 31 March 2026, 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. Furthermore, the audit trail at application level has been preserved by the Company as per the statutory requirements for record retention.

51. Additional disclosures

(a) No proceeding have been initiated on or is pending against the Group for holding benami property under the Benami Transactions Prohibition) Act, 1988 (45 of 1988) and Rules made thereunder.

(b) The Group has not been declared wilful defaulter by any bank or financial Institution or other lender.

(c) No transactions are carried out with companies struck off under section 248 of the Act or section 560 of Companies Act, 1956.

(d) No charges or satisfaction yet to be registered with ROC beyond the statutory period.

(e) The Group has complied with the number of layers prescribed under clause (87) of section 2 of the Act read with Companies (Restriction on number of Layers) Rules, 2017.

(f) No Scheme of Arrangements has been approved by the Competent Authority in terms of sections 230 to 237 of the Act.

(g) There is no income surrendered or disclosed as income during the current or previous year in the tax assessments under the Income Tax Act, 1961, that has not been recorded in the books of account.

(h) There was no revaluation of Property, plant and equipment (including right -of-use assets) and Intangible assets carried out by the Group during the respective reporting periods.

(i) The Company has not traded or invested in crypto currency or virtual currency during the current or previous year.

This is the summary of the material accounting policies and other explanatory information referred to in our report of even date.

For **Walker Chandiok & Co LLP**
Chartered Accountants
Firm's Registration No: 001076N/N500013

Sumesh E S
Partner
Membership No: 206931

For and on behalf of Board of Directors of
Heritage Foods Limited

N Bhuvaneswari
Vice Chairperson and
Managing Director
DIN: 00003741

N Brahmani
Executive Director
DIN: 02338940

M Sambasiva Rao
Whole Time Director
DIN: 01887410

Srideep Madhavan Nair Kesavan
Chief Executive Officer

A Prabhakara Naidu
Chief Financial Officer
M.No.FCA 200974

Umakanta Barik
Company Secretary &
Compliance Officer
M.No. FCS 6317

Place : Hyderabad
Date : May 11, 2026

Place : Hyderabad
Date : May 11, 2026

Form AOC-1

(persuant 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 acuired	Reporting period for the subsidiary cocerned if different from the holding company's reporting period	As at					For the Year ended					
				Share Capital	Reserves & Surplues	Total Assets	Total Liabili-ties	Invest-ments	Turover	Profit/(Loss) before taxation	Provision for taxation (incl. Deferred Tax)	Profit / (Loss) after Taxation	Proposed Dividend	Exten of Share Holding (%)
1	**Heritage Nutrivet Limited**													
	As at/ Year Ended:	01.12.2008												
	31.03.2026		Reporting period same	37.10	704.62	1015.26	273.54	-	2,454.45	206.61	49.65	156.96	-	100.00
	31.03.2025		Reporting period same	37.10	547.29	770.41	186.02	-	1,849.27	170.74	47.23	123.51	-	100.00
2	**Heritage Novandie Foods Limited#**													
	As at/ Year Ended:	16.06.2025												
	31.03.2026 (w.e.f. 16.06.2025)		Reporting period same	159.91	16.35	249.77	73.51	-	33.93	(37.20)	-	(37.20)	-	94.40
	31.03.2025 (Not applicable)		Reporting period same	-	-	-	-		-	-	-	-	-	-
3	**Peanut Butter and Jelly Limited@**													
	As at/ Year Ended:	05.01.2026												
	31.03.2026 (w.e.f. 05.01.2026)		Reporting period same	0.16	9.54	131.70	122.01	-	131.63	(0.18)	-	(0.18)	-	71.00
	31.03.2025 (Not applicable)		Reporting period same	-	-	-	-		-	-	-	-	-	-

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 acuired	Shares of Associate/ Joint ventures held by the Company on the Year End			Description of how there is significant influence	Reason why the associate/Joint Venture is not consolidated	Net worth attributable to share holding as per latest audited Balance sheet	Profit / (Loss) fof the Year	
				No of Shares	Amount of Investment	Exten of Holding (%)				Considered in consolidation	Not Considered in consolidation
1	**Skill Raigam Power (India) Limited (Associate)***	31.03.2026	2011-12	6,50,000	6.50	43.33	N.A	N.A	-	-	(0.02)
		31.03.2025	2011-12	6,50,000	6.50	43.33	N.A	N.A	-	-	(0.02)
2	**Heritage Novandie Foods Private Limited (Joint Venture upto 15.06.2025)#**	31.03.2026	2017-18	79,95,339^	569.45	94.40	N.A	N.A	106.98#	(13.12)	(13.12)
		31.03.2025	2017-18	79,95,339	484.45	50.00	N.A	N.A	119.85	(127.32)	(127.32)

@ Refer note 9(c) of standalone financial statement

* SKIL Raigam Power (India) Limited has been declared as Dormant Company as per Section 455(2) of Companies Act, 2013 vide SRN No T42936765 dated 22.09.2021. Networth attributable to sharehodling as per balance sheet as on 31 March 2026 is ₹16.83 millions but disclosed as Nill, since the Company has already provided impairment loss to the extent of its equity shareholding of ₹ 6.50 millions.

Heritage Novandie Foods Limited is a Joint Venture Company upto 15.06.2025 and it has become a subsidiary w.e.f. 16.06.2025, hence the details for FY 2025-26 is disclosed accordingly. Heritge Foods Limited has given corporate guarantee of ₹ 50.00 million (31 Mrarch 2025 ₹ 220 Million) as at 31st March'2026 for the credit facilities availed by its Joint Venture Company namely M/s. Heritage Novandie Foods Limted and the outstanding amount of credit facilites as on March 31, 2026 was ₹ Nil (31 March 2025: 35.41 million)

^ Up to 15.06.2025 no of shares are 79,95,339 and wef. 16.06.2025 no of shares are 1,50,95,339

For and on behalf of Board of Directors of
Heritage Foods Limited

N Bhuvaneswari
Vice Chairperson and
Managing Director
DIN: 00003741

N Brahmani
Executive Director
DIN: 02338940

M Sambasiva Rao
Whole Time Director
DIN: 01887410

Srideep Madhavan Nair Kesavan
Chief Executive Officer

A Prabhakara Naidu
Chief Financial Officer
M.No.FCA 200974

Umakanta Barik
Company Secretary &
Compliance Officer
M.No. FCS 6317

Place : Hyderabad
Date : May 11, 2026

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Heritage®
HEALTH AND HAPPINESS

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