

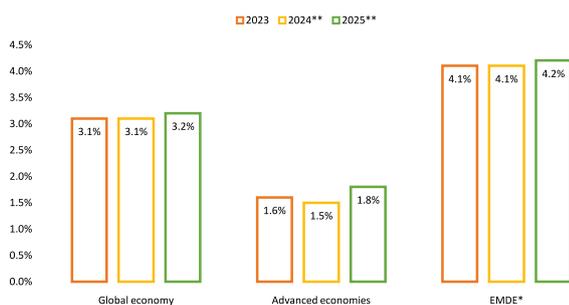
Management Discussion and Analysis

Global economy

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

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

Global economic growth



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

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

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

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

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

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

Outlook

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

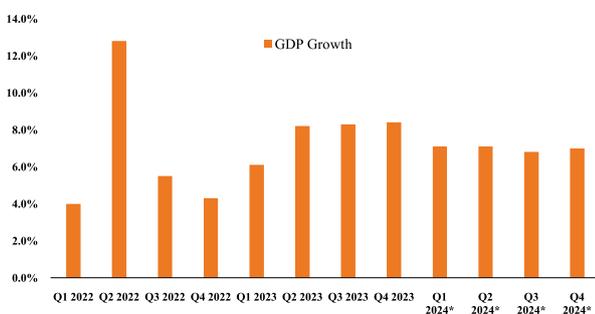
Emerging market and developing economies (EMDEs), especially commodity exporting countries, face challenges related to fiscal policy pro-cyclicality and volatility. Effective policies and strong institutions are essential for boosting investment and enhancing long-term prospects across all EMDEs. The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

Indian economy

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

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

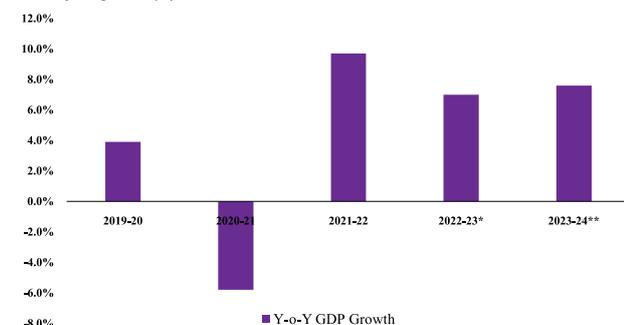
Indian economic growth projection on a quarterly basis



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

Year-on-year growth (%) in GDP

Year-on-year growth (%) in GDP



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

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

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

	<p>Technological innovations spearheading market transformation</p> <p>Technological advancements, specifically comprising the seamless integration of IoT and automation, are poised to transform the dairy food industry. These innovations enable enhanced product tracking, ensuring the safety and quality of dairy goods across the entire supply chain. By leveraging IoT technologies, companies gain precise monitoring capabilities, resulting in increased efficiency and consumer confidence in the handling and safety of dairy products.</p>
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of manufacturing firms. The construction sector gained from higher government capex and demand sustenance for commercial and residential real estate, especially in urban areas due to return-to-office call by most major organisations. Additionally, financial, real estate and professional services are expected to witness robust growth, likely due to buoyant bank credit growth, strong demand for real estate, and growth in professional services, especially global capability centres (GCCs) in India.

Global dairy industry

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

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

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

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

 <p><small>Created by Alton Design www.altondesign.com</small></p>	<p>Organic and sustainable farming influencing consumer choice</p> <p>Organic and sustainable food production methods are exerting a positive influence on the dairy food market. Consumers are increasingly drawn to products linked with health, environmental sustainability, and even animal welfare. The growing demand for organic dairy products is poised to create substantial opportunities for dairy producers worldwide. This consumer shift towards organic</p>
 <p><small>Created by Alton Design www.altondesign.com</small></p>	<p>Cold chain developments boosting market prospects</p> <p>Advancements in sophisticated and technology-oriented cold chains play a pivotal role in the dairy food industry. These enhancements boost product freshness, safety and shelf life. With improved cold chain infrastructure, producers can expand their market presence, meet the demand for dairy products across various regions, adhere to food safety standards, and offer convenience to end-users.</p>
 <p><small>Created by Alton Design www.altondesign.com</small></p>	<p>Focus on clean label products</p> <p>Key players in the dairy food market have been prioritizing innovation, especially in the realm of clean label products. Consumers increasingly favour food items with transparent ingredient lists, devoid of artificial and unwanted additives. Companies that adapt to meet these demands are poised to strengthen their market presence and capitalize on the demand drive towards these products, especially with consumers becoming more aware and conscious of ingredients used in making food products.</p>

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

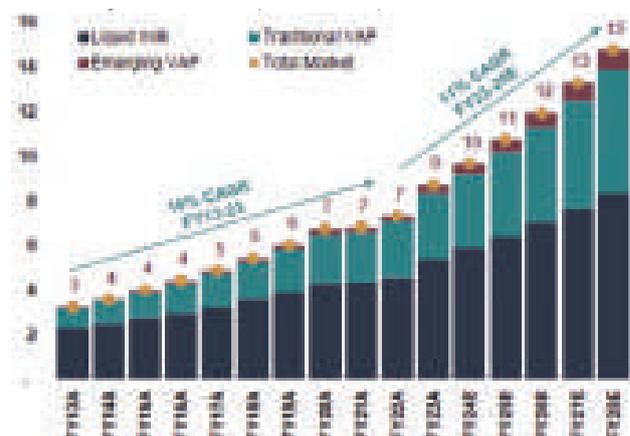
Indian dairy industry

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

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

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

India dairy market size (₹ in trillion)



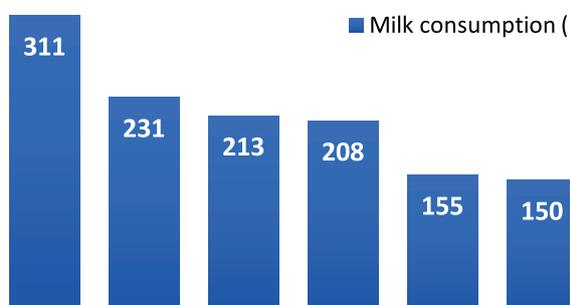
(Source: Investec India, Research report on India Dairy Sector Milking the Rising Consumption Trend)

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

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

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

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



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

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

Key trends shaping the Indian dairy industry

I. Buffalo rearing gaining popularity amongst milk farmers

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

more financially rewarding than raising dairy cows.

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

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

III. Rising demand for next-generation products

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

IV. Technological advancements in dairy processing

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

V. Changing distribution channels and emergence of B2C startups

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

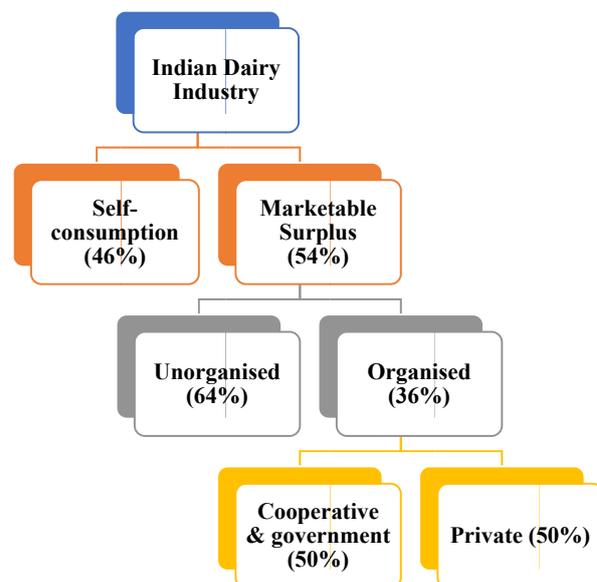
Growth drivers for the Indian dairy industry

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

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

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

Structure of the Indian dairy industry



Shifting consumption trend in the Indian dairy industry

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

Key focus segments within the Indian dairy industry

Liquid milk

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

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

A2 milk

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

Skimmed milk powder (SMP)

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

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

Other value-added products

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

Key challenges faced by the Indian dairy industry

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

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

Outlook

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

Company overview

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

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

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

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

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

Strategic priorities

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

Our product categories

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

Milk

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

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

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

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

Value-added segment

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

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

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

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

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

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

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

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

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

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

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

Fat products

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

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

Empowering farmer community

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

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

Review of Operation

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

(₹ in million)

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

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

Revenue Trends (₹ in million)

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

Dairy Vertical

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

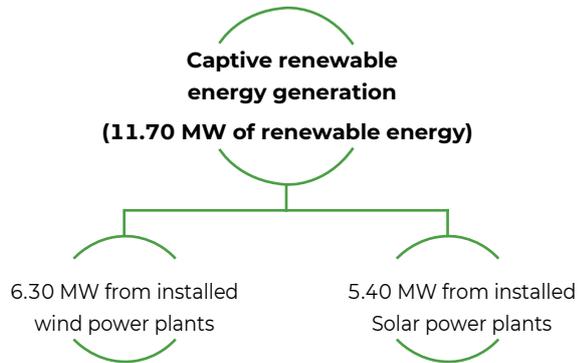
Dairy Revenue (₹ in million)

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

Renewable energy vertical

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

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



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

Heritage Nutrivet Limited

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

Heritage Novandie Foods Private Limited

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

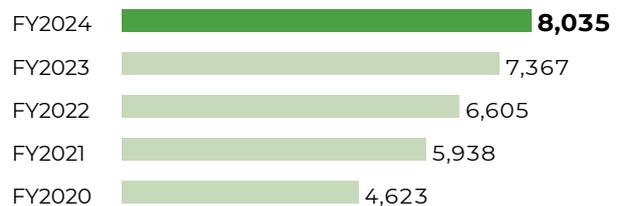
operations in February 2021. The company strategically targets Indian consumers prioritising nutritious food choices. A key differentiator for HNFPL lies in its offering of the first French yoghurt, backed by robust manufacturing facilities and stringent quality control measures for ingredients and processes.

Financial overview

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

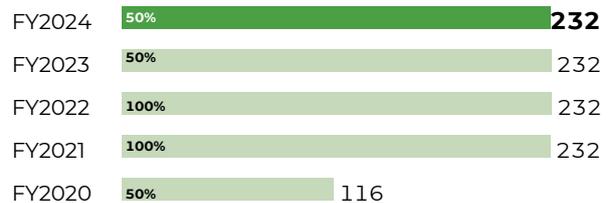
Net worth

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



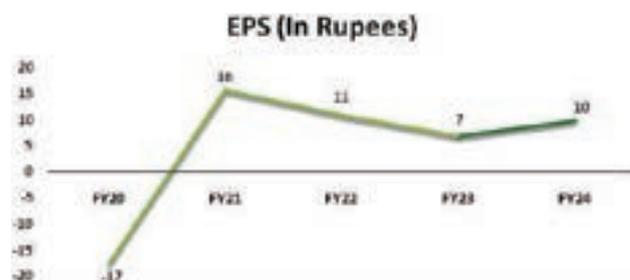
Dividend

The dividend % declared in last five years.



Earnings per share

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



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

Key financial highlights for FY 2023-24

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

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

Standalone Segment results:

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

Segment wise Revenue Break-up :

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

(₹in Millions)

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

CASH FLOW

Cash Inflows

₹in Millions

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

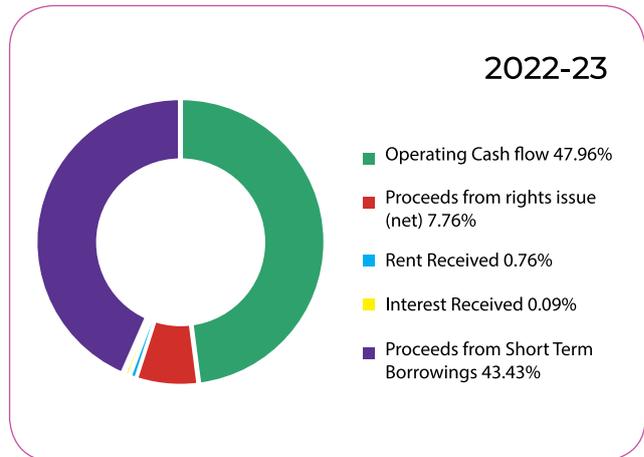
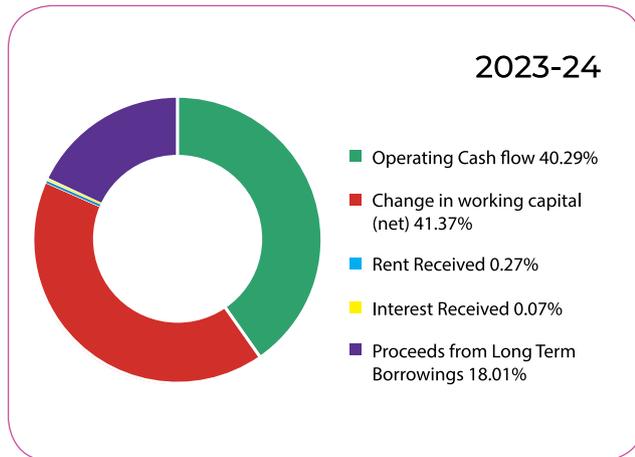
Cash Outflows

₹in Millions

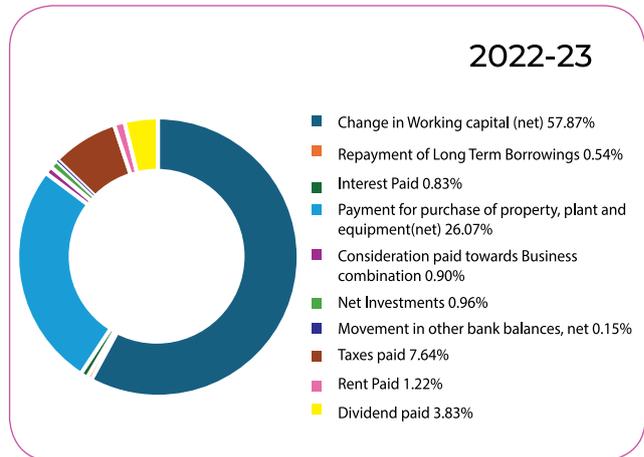
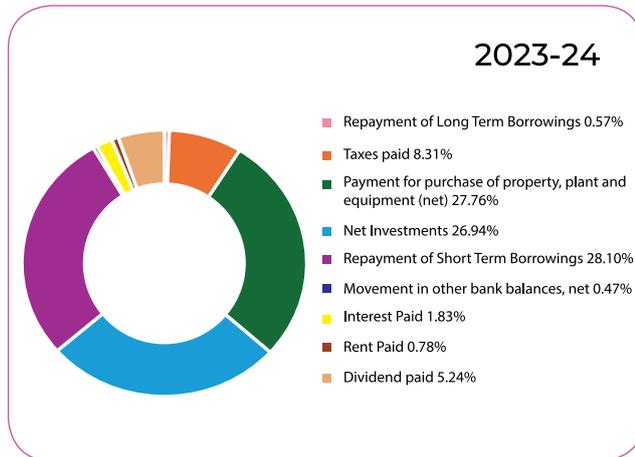
Particulars	2023 - 24	%	2022 - 23	%
Repayment of Long Term Borrowings	25.39	0.57	16.37	0.54
Change in Working capital (net)	-	-	1750.71	57.87
Taxes paid	367.89	8.31	230.97	7.64
Payment for purchase of property, plant and equipment(net)	1228.25	27.76	788.56	26.07
Consideration paid towards Business combination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

CASH FLOW

Cash Inflows



Cash Outflows



Key ratios

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

Growth levers in brief

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

Outlook

Heritage Foods is focused on expanding its market reach within its areas of presence. By leveraging its vast distribution network and an expanding array of products, the company is making significant inroads into both metropolitan and Tier-1 and 2 cities. Concurrently, the organization is reinforcing its foothold in these markets, focusing on strategic brand-building initiatives through customer outreach, etc.

Our risk management process

 <small>Created by Anshu Singh</small>	 <small>Created by Anshu Singh</small>	 <small>Created by Anshu Singh</small>	 <small>Created by Anshu Singh</small>
Identification and assessment approach	Prevention and control strategy	Monitoring and surveillance	Review and reporting
Forecasting and assessing the probability of occurrence, magnitude, category and rating of the risk	Devising plan of action to prevent risk and reduce the aftermath, while ensuring activation of the right strategy to capture potential upsides	Gauging the potency of controls with a view to improve risk identification, monitoring and surveillance	Overseeing the risk process at regular intervals, especially spearheaded by the Board Risk Management Committee

Our risk mitigation plan

The Board takes the following steps as a part of its risk management and mitigation plan:

- Defines the roles and responsibilities of the Board Risk Management Committee
- Participates in major decisions affecting the organization's risk profile
- Integrates risk-management reporting with the Board's overall reporting framework

The company will continue to focus on building an effective supply chain designed to cater to the rising demand for value-added products. With the shifting demand patterns, the company will continue to focus on growing its value-added segment through ensuring the right product-market fit to suit local tastes and preferences and also by adopting innovative marketing strategies. This is rooted in continuous innovation and broadening of the product portfolio, backed by an unwavering commitment to consumer delight.

Moving forward, the company plans to adopt industry-leading practices to boost capacity utilization and operational efficiency that will have a positive bearing on profitability. To further stimulate growth, the company aims to expand its cattle feed business too, establishing the necessary infrastructure and leveraging strong farmer relationships built over decades.

Risk management

A comprehensive risk-management framework allows us to pre-emptively monitor risks spawning from the internal and external environment. As a result, navigating the challenges of the industry, we have been able to create durable value for our stakeholders.

The company functions under a well-defined organization structure. Flow of information is well defined to avoid any conflict or communication gap between two or more departments. Second-level positions are created in most of the department to continue the work without any interruption in case of nonavailability of functional heads. Proper policies are followed in relation to maintenance of inventories of raw materials, consumables, key spares and tools to ensure their availability for planned production programmes. Effective steps are being taken to reduce the cost of production on a continuing basis, taking various changing scenarios in the market.

Key risks and concerns

Risk	Definition	Mitigation
Regulatory Risk	The risk of regulation changes can affect operations.	The company conscientiously adheres to all Safety, Health, and Environment (SH&E) standards. It implements various waste minimization and recycling practices and ensures strict adherence to all pollution control and emission regulations.
Raw material risk	The unavailability of raw materials and fluctuation in raw material prices are significant threats to our business.	HFL's milk processing units are located in close proximity to some of the largest milk producing regions of India. Further, the company has built a widespread farmer network with over 3,00,000 farmers. The company has developed a multi-decadal relationship with its farmer community, thus ensuring a regular and timely supply of quality raw material.
Competition risk	The company operates in a competitive environment and faces competition from local players, large private players and even international players.	The Company focuses on operational excellence, from milk processing to R&D, ensuring prompt product delivery through an efficient network. The company's brand-building and diversification into related categories aim to boost market share, while data-driven targeting and pricing strategies are informed by attractive price-value propositions.
Innovation risk	The ability to innovate and improvise in the dairy business is crucial for growth and profitability.	The company is an R&D-driven focused organization with a team of technically competent persons in the dairy industry. The company focuses on consistently innovating its portfolio to match the changing consumer demand and market trends.
Customer retention risk	The risk of being unable to retain clients due to the rising complexity in demand may lead to a decline in profitability.	The company has meticulously developed a distinguished dairy portfolio, positioning HFL to serve a diverse clientele. The firm's robust focus on research and development, coupled with its drive for innovation and commitment to delivering cost-effective products, underpins the enduring appeal of HFL's offerings and sustains customer interest.
Geographical concentration risk	Higher dependency on any region or market may cause a dip in profitability in case of adverse condition in the region or market	The Company has expanded its product reach to over 12 Indian states, gaining a notable market share in high dairy consumption areas. The company has strategically grown its market influence, moving from a basic retail presence to capturing a significant consumer spending share. This broad distribution helps reduce risks linked to regional instabilities.
Product concentration risk	High concentration on any one product, especially in the dairy industry, may adversely impact revenues and profitability	The Company has established a large portfolio of dairy products. The company has embraced a product diversification strategy, venturing into the Flavored Milk and Ice Cream segments to reduce the risk of product concentration. Furthermore, the company is continually seeking new avenues for further diversification within related markets.
Distribution risk	Dairy products are perishable. Thus, inability to supply finished products within a particular time may lead to waste and loss if products are not sold and consumed within their shelf life.	The company ensured that its products are available through a vast network of retail outlets spread across different states. This has been made possible by a fleet of 6000+ milk and fresh product distributors, 237 Happiness Points, 300+ value added product distributors, 850+ parlours, all reaching nearly 180,000 retail outlets in the General Trade Outlets and a strong presence across all national modern trade and E-Commerce retail. This ensured that fresh products are made available at the convenience of its customers.

Internal control system and adequacy

The company has in place strong internal control procedures commensurate with its size and operations. The company believes that safeguarding of assets and business efficiency can be prolonged by exercising adequate internal controls and standardizing operational processes. The internal control and risk management system is structured and applied in accordance with the principles and criteria established in the corporate governance code of the organisation. It is an integral part of the general organisational structure of the company and involves a range of personnel who act in a coordinated manner while executing their respective responsibilities. The Board of Directors offers guidance, support and strategic supervision to the Executive Directors and management, monitoring and support committees.

Human resources

Heritage Foods values its human and intellectual capital as the key drivers of its success, with employee satisfaction playing a crucial role. The company believes in nurturing its workforce, as their growth directly influences the company's achievements. The Company is dedicated to fostering a diverse and inclusive environment that promotes personal development and wellbeing. The company's ability to attract, develop and retain talent has been a cornerstone of its growth trajectory.

Teamwork and collective professional advancement define the company's ethos. It invests in training and upskilling to support the career growth of its employees. By adopting a transparent communication structure, it encourages open dialogue between staff and management. These practices have been instrumental in attracting and maintaining a dedicated workforce. HFL's employee count stands at 3,225 as of 31st March 2024.

Quality, health and safety measures

Ensuring personnel safety is our top priority. Factory managers lead our safety efforts, conducting regular reviews across all our sites regarding occupational health and safety. We have implemented multiple measures to enhance personnel health and safety, including organizing small teams at each manufacturing site for rapid detection and effective management of safety issues. Our company strictly adheres to comprehensive health and safety protocols. Wellness programs were also organised to support the mental and psychological health of employees.

Quality and safety are paramount for the company. It adheres to stringent quality control and inspection processes to ensure its diverse product range meets high industry standards for quality, safety and nutrition. The company prioritizes milk quality and safety and holds certifications in both the Safety and Health Management System (ISO 45001:2018) and Environment Management System (ISO 14001:2015).

Our sustainable model

The company is committed to minimizing its environmental footprint and fostering a sustainable business approach. It places high priority on energy conservation, ensuring efficient energy utilization across all its operational units. As a utility-conscious entity, the company boasts of a renewable energy generation capacity of 11.70 MW, sourced from renewable energy systems for in-house use. In its pursuit to alleviate the strain on natural resources, the company is dedicated to lowering its carbon footprint. As a validation of this focus, it has earned the distinction of winning all three prestigious CII National Energy Conservation Awards in 2021 and 2023 and holds certifications for its environmental management systems, in compliance with ISO 14001:2015 standards.

Packaging and plastic waste management

Plastic plays a crucial role in ensuring product safety and preventing leaks. As a responsible organization, we acknowledge the impact of our business operations on the natural ecosystem. Consequently, we are committed to shaping a greener future by actively participating in plastic recycling initiatives, etc.

Cautionary statement

The statements made in the Management Discussion and Analysis describing the company's objectives, projections, estimates and expectations may be "forward-looking statements" within the meaning of applicable securities laws and regulations. Actual results could differ materially from those expressed or implied. Important factors that could make a difference to the company's operations include economic conditions affecting demand-supply and price conditions in the markets in which the company operates, changes in government regulations, tax laws and other statutes, and other incidental factors.

