



25  
YEARS  
OF HERITAGE

Ref: SECT: STOC: 52 - 17

11<sup>th</sup> August, 2017

To  
The Secretary,  
The Stock Exchange, Mumbai  
Phiroze Jeejeebhoy Towers,  
Dalal Street,  
Mumbai - 400 001

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

Dear Sir / Madam,

**Sub: Submission of Soft copy of quarterly updates - reg**

**Ref: Stock Code: 519552 / HERITGFOOD**

With reference to the above mentioned subject, we are forwarding a soft copy of the quarterly updates which covers the miles stones achieved by the Company and intended to achieved during the quarter ended 30<sup>th</sup> June, 2017 in the future apart from that there are certain other information which is required to be know by our existing shareholders as well as prospective investors of the Company.

Therefore we will request you to display in the website of the stock exchanges to the benefit of the investor community.

This is for your information and record.

Thanking you,

Yours Faithfully,  
**For HERITAGE FOODS LIMITED**

  
**UMAKANTA BARIK**  
Company Secretary  
M. No. FCS-6317

Encl: a/a



**HERITAGE FOODS LIMITED**

(Formerly known as M/s. Heritage Foods (India) Limited)

CIN : L15209TG1992PLC014332

**AN ISO: 22000 CERTIFIED COMPANY**



# Heritage Foods Limited

## Financial Results – Q1FY18

Hyderabad, 10<sup>th</sup> August 2017

Stock Code: BSE: 519552    NSE: HERITGFOOD



*The release contains forward-looking statements, identified by words like 'plans', 'expects', 'will', 'anticipates', 'believes', 'intends', 'projects', 'estimates' and so on. All statements that address expectations or projections about the future, but not limited to the Company's strategy for growth, product development, market position, expenditures and financial results, are forward-looking statements. Since these are based on certain assumptions and expectations of future events, the Company cannot guarantee that these are accurate or will be realized. Actual results might differ materially from those either expressed or implied in the statement depending on the circumstances. Therefore the investors are requested to make their own independent assessments and judgments by considering all relevant factors before making any investment decision. The Company assumes no responsibility to publicly amend, modify or revise any such statements on the basis of subsequent developments, information or events.*

# Vision, Mission, & Core Values



## Core Values of Heritage Foods

### Values for S.U.C.C.E.S.S.

- S** Speed and Agility
- U** Uphold Integrity
- C** Customer Delight
- C** Collaboration with Leadership Excellence
- E** Empowering Society & Employees
- S** Supremacy Through Innovation
- S** Sustainability

## Vision for Heritage Foods Limited

Delighting Every Home with Fresh and Healthy Products  
And  
Empowering The Farmer

## Mission for Heritage Foods Limited



**To be a nationally recognized brand for healthy and fresh products with a revenue of INR 6000 Crore by 2022**

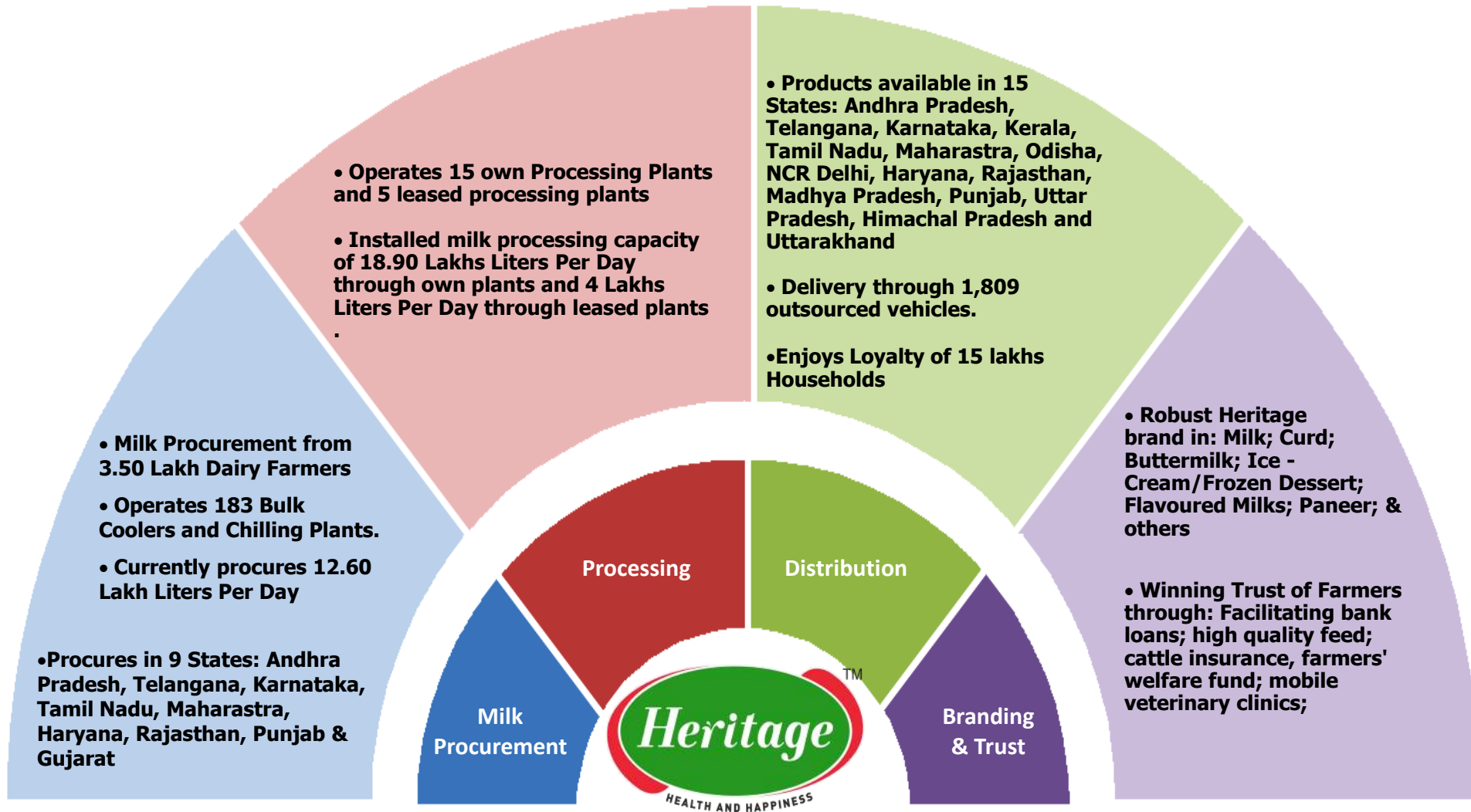
We anticipate, understand and respond to our customers' needs by creating high quality products and making them available through innovative and convenient channels.

We embrace the right technology to delight our customers.

We are a strong supporter of balancing economic, social and environmental aspects to create a better tomorrow. We are devoted to empowering the farming community through our unique "Relationship Farming" Model.

We aim to be the employer of choice by nurturing entrepreneurship, promoting empowerment alongside transparent and open communication.

# Integrated B to C Business - Strong Relationships with Dairy Farmers and Consumers

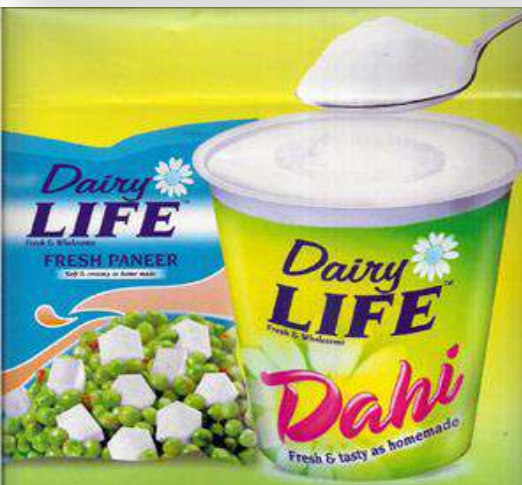




# Integrates with Reliance Dairy, post acquisition...



- ✓ Integrated the operations of the recently acquired Reliance Dairy, part of Reliance Retail Ltd.
- ✓ Reliance Dairy procurement was 1.76 Lakh Liters Per Day (LLPD) as on April, 2017 from over 2,400 villages across 10 states, had 30 Milk Chilling Centers (MCCs), and 17 Bulk Milk Coolers (BMCs).
- ✓ Reliance Dairy transferred its 2 brands: Dairy Life and Dairy Pure.



# Q1FY18 Key Highlights



## Turnover

- ✓ Total Turnover de-growth by 4 % at Rs 6094 mn.
- ✓ Dairy Revenue is higher by 32% at Rs 6092 mn.
- ✓ Branded Value Added Products in Dairy surged forward by 21% at Rs 1583 mn.
- ✓ Branded Value Added products contributed in Dairy 26%

## EBITDA

- ✓ Dairy EBITDA is at Rs 238 mn.

## Employee Strength

- ✓ Dairy Employee Strength is 2522.

# Q1FY18 Key metrics - Dairy



	Q1FY18	Q1FY17	Growth %
Liquid Milk Sales (Ilpd)	10.25	8.41	21.88%
Liquid Milk Price Real. (Rs/l)	38.83	36.91	5.20%
Milk Procurement (Ilpd)	12.60	10.26	22.81%
Milk Procurement Price (Rs/l)	34.72	31.63	9.77%
Branded Value Added Products Sales (Rs mn)	1583	1,308	21.06%
No. of Parlours	1279	1515	

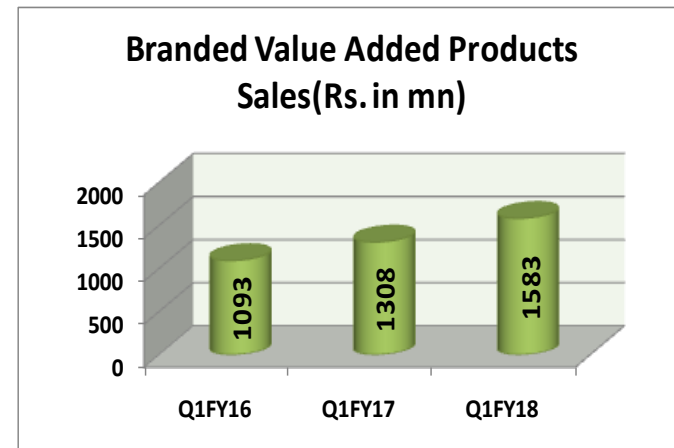
Ilpd: lakh liters per day



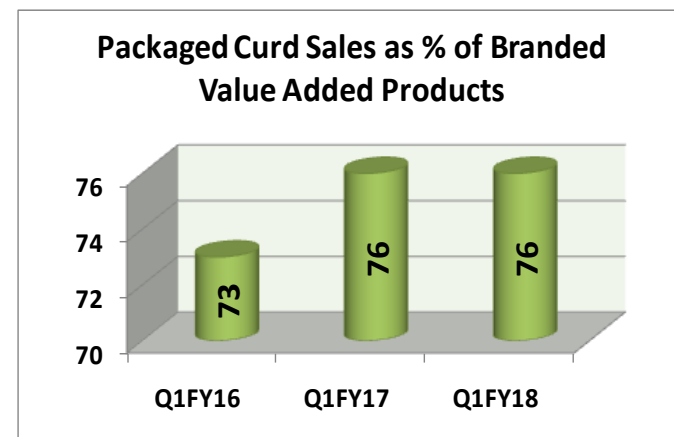
# Q1FY18 Key metrics - Dairy (Branded Value Added Products)



Branded Value Added Products	
Year	Sales(Rs. in mn)
Q1FY18	1583
Q1FY17	1308
Q1FY16	1093



Packaged Curd Sales	
Year	As % of Branded Value Added Products
Q1FY18	76
Q1FY17	76
Q1FY16	73





- **32 % growth in Turnover to Rs 6092 mn**
- **22 % growth in Milk volume Sales to 10.25 LLPD (Lakh Liters Per Day)**
- **21 % growth achieved in Branded Value Added Products Sales**
- **22 % growth in Packaged Curd sales (accounts for approx. 76 % of Branded Value Added Products Sales)**
- **23 % growth in Milk Procurement to 12.6 LLPD (Lakh Liters Per Day)**
- **EBITDA of Rs 238 mn (EBITDA margin of 3.90 %) as against Rs 395 mn (EBITDA margin of 8.57 %) in Q1FY17**
- **Dairy Parlors as on 30.6.2017 are 1279 Nos.**
- **Export Turnover during Q1FY18 of Rs 118.65 mn**
- **Capital Employed for Dairy Rs 3021 mn**



- **Commissioned Distributed Captive Solar Power Plants at its 6 various locations/plants namely, (1) Bobbili packing Station (Andhra Pradesh), (2) Battiprolu packing Station (Andhra Pradesh), (3) Kallur packing Station (Telangana), (3) Sangavi packing Station (Maharashtra), (5) Vada Madurai packing Station (Tamil Nadu) and (6) Bangalore packing Station (Karnataka) with total capacity of 1.66MW with key objective to optimize energy mix by use of clean & Green sources (Renewable) Energy sources to reduce carbon emissions and to secure energy at low cost.**
- **The Company increased its Renewable Energy Capacity to 8.2MW with 2.4MW Solar Power, 1.66MW Distributed Solar power and 4.20MW Wind Power in the states of Andhra Pradesh, Telangana, Maharashtra, Tamil Nadu and Karnataka for the captive consumption of its Dairy plants.**
- **Turnover in Q1FY18 was Rs 17.70 mn.**

# Q1FY18 Financial Results - Standalone



## STATEMENT OF STANDALONE AND CONSOLIDATED UNAUDITED FINANCIAL RESULTS FOR THE QUARTER ENDED JUNE 30, 2017

(Rs. In lakhs)

Particulars	STANDALONE			
	Quarter Ended			Year Ended
	30.06.2017 (Unaudited)	31.03.2017 (Unaudited)	30.06.2016 (Unaudited)	31.03.2017 (Unaudited)
<b>1. REVENUE :</b>				
a. Revenue from operations	60937.15	47719.96	45270.31	183383.94
b. Revenue on transaction with discontinued operations		1127.36	819.19	3758.63
c. Other income	137.15	165.90	80.07	360.68
<b>Total Revenue</b>	<b>61074.30</b>	<b>49013.22</b>	<b>46169.57</b>	<b>187504.25</b>
<b>2. EXPENSES :</b>				
a. Cost of material consumed	44728.68	36505.00	31948.59	135056.02
b. Purchases on transaction with discontinued operations		1051.79	825.44	3913.54
c. Purchases of stock in trade	6805.44	2330.84	233.09	3053.10
d. Changes in inventories of finished goods, stock-in-trade and work in progress	(1915.76)	(1348.23)	2544.53	3342.25
e. Power and fuel	712.59	585.49	703.10	2607.51
f. Excise duty on sale of goods	33.26	22.54	33.13	87.23
g. Employee benefits expenses	3058.47	2490.46	2370.33	9791.22
h. Finance costs	380.39	370.41	198.75	963.24
i. Depreciation and amortization expenses	851.84	644.38	584.93	2487.07
j. Other expenses	5113.89	4002.04	3475.44	14697.86
<b>Total expenses</b>	<b>59768.79</b>	<b>46654.73</b>	<b>42917.33</b>	<b>175999.02</b>
<b>3. Profit/(loss) before share of profit/ (loss) of an associate and exceptional items from continuing operations (1-2)</b>	<b>1305.51</b>	<b>2358.50</b>	<b>3252.24</b>	<b>11505.23</b>
4. Share of profit/ (loss) of an associate	-	-	-	-
<b>5. Profit/(loss) before tax and exceptional items from continuing operations (3-4)</b>	<b>1305.51</b>	<b>2358.50</b>	<b>3252.24</b>	<b>11505.23</b>
6. Exceptional Items	-	-	-	-
<b>7. Profit before tax from continuing operations (5-6)</b>	<b>1305.51</b>	<b>2358.50</b>	<b>3252.24</b>	<b>11505.23</b>
8. Tax expense:				
a. Current Tax	480.00	585.00	940.00	2707.50
b. Prior period tax	-	0.00	0.11	(107.43)
c. Deferred Tax	61.03	391.13	(36.15)	473.66
<b>9. Profit/ (Loss) for the period from continuing operations (7-8)</b>	<b>764.48</b>	<b>1382.36</b>	<b>2348.28</b>	<b>8431.50</b>
<b>10. Discontinued operations:</b>				
a. Profit/(loss) before tax for the period from discontinued operations	-	(98.04)	(750.78)	(1772.30)
b. Tax (Income)/ expense of discontinued operations	-	(185.93)	(51.88)	(17.57)
<b>Profit/ (loss) for the period after tax from discontinued operations (a-b)</b>	<b>-</b>	<b>87.89</b>	<b>(698.90)</b>	<b>(1,754.74)</b>
<b>11. Profit/ (loss) for the period (9+10)</b>	<b>764.48</b>	<b>1470.25</b>	<b>1649.38</b>	<b>6676.76</b>
<b>12. Other Comprehensive Income :</b>				
<b>A Items that will be reclassified to profit or loss</b>	-	-	-	-
<b>B Items that will not be reclassified to profit or loss</b>				
Re-measurement gains (losses) on defined benefit plans	-	7.17	-	7.17
Income tax effect	-	(2.48)	-	(2.48)
Net (loss)/gain on FVTOCI equity securities	5459.07	29055.97	0.16	29056.10
Income tax effect	-	-	-	-
Total (B)	<b>5,459.07</b>	<b>29,060.66</b>	<b>0.16</b>	<b>29,060.79</b>
<b>13. Total Comprehensive Income for the period (11+12)(Comprising Profit (Loss) and Other Comprehensive Income for the period)</b>	<b>6223.55</b>	<b>30530.91</b>	<b>1649.54</b>	<b>35737.55</b>
<b>14. Profit for the period from continuing operation attributable to:</b>				
Equity holders of the parent	-	-	-	-
Non-controlling interests	-	-	-	-
<b>15. Profit for the period from discontinued operation attributable to:</b>				
Equity holders of the parent	-	-	-	-
Non-controlling interests	-	-	-	-
<b>16. Total Profit for the period attributable to :</b>				
Equity holders of the parent	-	-	-	-
Non-controlling interests	-	-	-	-
Equity holders of the parent	-	-	-	-
Non-controlling interests	-	-	-	-
<b>18. Total comprehensive income for the period attributable to:</b>				
Equity holders of the parent	-	-	-	-
Non-controlling interests	-	-	-	-
19. Paid up Equity Share Capital (face value of Rs.10/- each )	<b>2319.90</b>	<b>2319.90</b>	<b>2319.90</b>	<b>2319.90</b>
<b>20. Earnings per equity share of Rs.10/- each for continuing operations</b>				
(1) Basic	<b>3.30</b>	5.96	10.12	36.34
(2) Diluted	<b>3.30</b>	5.96	10.12	36.34
<b>21. Earnings per equity share of Rs.10/- each for discontinued operations</b>				
(1) Basic	<b>0.00</b>	0.38	(3.01)	(7.56)
(2) Diluted	<b>0.00</b>	0.38	(3.01)	(7.56)
<b>22. Earnings per equity share for discontinued and continuing operations</b>				
(1) Basic	<b>3.30</b>	6.34	7.11	28.78
(2) Diluted	<b>3.30</b>	6.34	7.11	28.78

Bring Home Health & Happiness



# Q1FY18 Financial Results - Consolidated



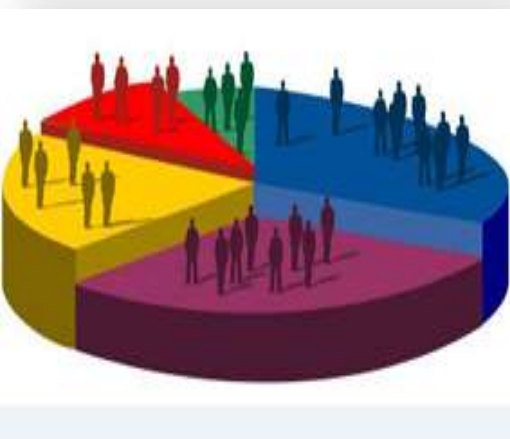
## STATEMENT OF STANDALONE AND CONSOLIDATED UNAUDITED FINANCIAL RESULTS FOR THE QUARTER ENDED JUNE 30, 2017

(Rs. In lakhs)

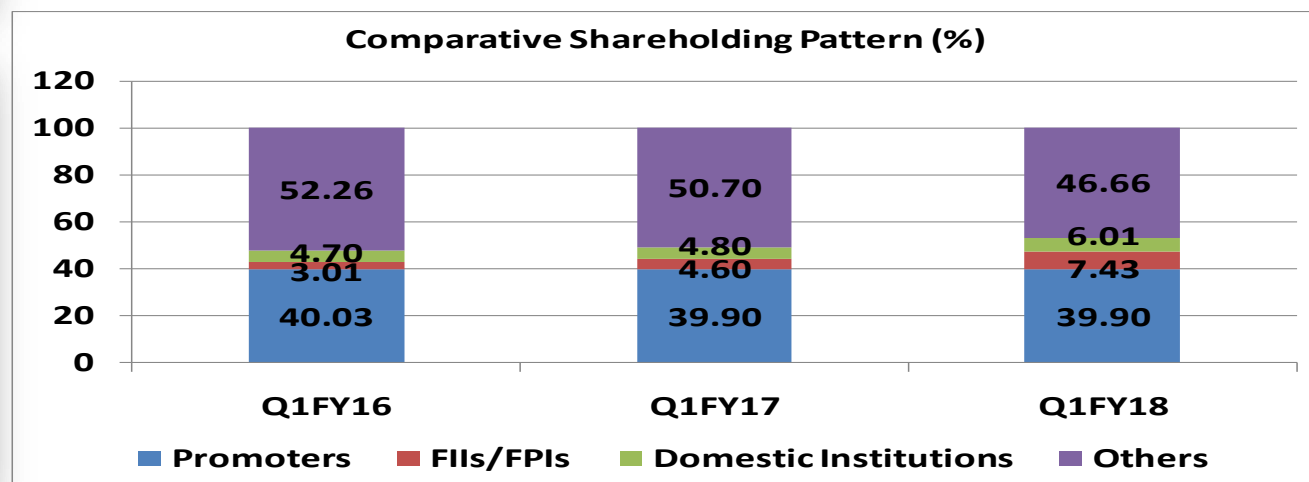
Particulars	CONSOLIDATED			
	Quarter Ended			Year Ended
	30.06.2017 (Unaudited)	31.03.2017 (Unaudited)	30.06.2016 (Unaudited)	31.03.2017 (Unaudited)
<b>1. REVENUE :</b>				
a. Revenue from operations	61677.72	48199.49	45927.86	185699.12
b. Revenue on transaction with discontinued operations		1127.36	819.19	3759.63
c. Other income	149.72	179.23	92.55	416.40
<b>Total Revenue</b>	<b>61827.43</b>	<b>49506.08</b>	<b>46839.60</b>	<b>189875.15</b>
<b>2. EXPENSES :</b>				
a. Cost of material consumed	45577.84	36573.36	31951.21	135127.29
b. Purchases on transaction with discontinued operations		149.85	107.46	468.09
c. Purchases of stock in trade	6433.10	3571.56	1461.09	8141.71
d. Changes in inventories of finished goods, stock-in-trade and work in progress	(2006.79)	(1380.62)	2542.46	3302.35
e. Power and fuel	743.65	589.30	703.10	2611.32
f. Excise duty on sale of goods	33.26	22.54	33.13	87.23
g. Employee benefits expenses	3153.83	2534.47	2415.51	9973.26
h. Finance costs	395.56	372.19	201.45	970.50
i. Depreciation and amortization expenses	871.32	648.82	586.70	2497.16
j. Other expenses	5053.92	4395.38	3504.68	15182.37
<b>Total expenses</b>	<b>60255.69</b>	<b>47476.85</b>	<b>43506.78</b>	<b>178361.27</b>
<b>3. Profit/(loss) before share of profit/ (loss) of an associate and exceptional items from continuing operations (1-2)</b>	<b>1571.74</b>	<b>2029.23</b>	<b>3332.82</b>	<b>11513.87</b>
4. Share of profit/ (loss) of an associate	0.00	(0.03)	(0.01)	(0.09)
<b>5. Profit/(loss) before tax and exceptional items from continuing operations (3-4)</b>	<b>1571.74</b>	<b>2029.20</b>	<b>3332.81</b>	<b>11513.79</b>
6. Exceptional Items	-	-	-	-
<b>7.Profit before tax from continuing operations (5-6)</b>	<b>1571.74</b>	<b>2029.20</b>	<b>3332.81</b>	<b>11513.79</b>
8. Tax expense:				
a. Current Tax	484.00	686.47	940.00	2808.97
b. Prior period tax	-	0.00	0.11	(107.43)
c. Deferred Tax	54.05	293.13	(36.15)	544.02
<b>9. Profit/ (Loss) for the period from continuing operations (7-8)</b>	<b>1033.69</b>	<b>1049.61</b>	<b>2428.85</b>	<b>8268.23</b>
<b>10. Discontinued operations:</b>				
a. Profit/(loss) before tax for the period from discontinued operations	3.62	367.41	(769.93)	(1416.26)
b. Tax (Income)/ expense of discontinued operations	-	(100.57)	(51.88)	(98.83)
<b>Profit/ (loss) for the period after tax from discontinued operations (a-b)</b>	<b>3.62</b>	<b>467.98</b>	<b>(718.05)</b>	<b>(1,317.43)</b>
<b>11. Profit/ (loss) for the period (9+10)</b>	<b>1037.32</b>	<b>1517.59</b>	<b>1710.80</b>	<b>6950.80</b>
<b>12. Other Comprehensive Income :</b>				
<b>A Items that will be reclassified to profit or loss</b>	-	-	-	-
<b>B Items that will not be reclassified to profit or loss</b>	-	-	-	-
Re-measurement gains (losses) on defined benefit plans	-	0.98	-	0.98
Income tax effect	-	-0.34	-	-0.34
Net (loss)/gain on FVTOCI equity securities	5459.07	29,055.97	0.16	29056.10
Income tax effect	-	-	-	-
<b>Total (B)</b>	<b>5,459.07</b>	<b>29,056.61</b>	<b>0.16</b>	<b>29,056.74</b>
<b>13. Total Comprehensive Income for the period (11+12) (Comprising Profit (Loss) and Other Comprehensive Income for the period)</b>	<b>6496.38</b>	<b>30574.20</b>	<b>1710.95</b>	<b>36007.55</b>
<b>14. Profit for the period from continuing operation attributable to:</b>				
Equity holders of the parent	1020.07	1030.65	2388.87	8084.31
Non-controlling interests	13.62	18.96	39.98	183.92
<b>15. Profit for the period from discontinued operation attributable to:</b>				
Equity holders of the parent	0.00	446.63	(739.51)	(1401.36)
Non-controlling interests	3.62	21.35	21.46	83.93
<b>16. Total Profit for the period attributable to :</b>				
Equity holders of the parent	1020.08	1477.28	1649.36	6682.95
Non-controlling interests	17.24	40.31	61.44	267.85
Equity holders of the parent	5459.07	29056.61	0.16	29056.74
Non-controlling interests	-	-	-	-
<b>18. Total comprehensive income for the period attributable to:</b>				
Equity holders of the parent	6479.14	30533.89	1649.51	35739.70
Non-controlling interests	17.24	40.31	61.44	267.85
<b>19. Paid up Equity Share Capital (face value of Rs.10/- each )</b>	<b>2319.90</b>	<b>2319.90</b>	<b>2319.90</b>	<b>2319.90</b>
<b>20. Earnings per equity share of Rs.10/- each for continuing operations</b>				
(1) Basic	4.40	4.44	10.30	34.85
(2) Diluted	4.40	4.44	10.30	34.85
<b>21. Earnings per equity share of Rs.10/- each for discontinued operations</b>				
(1) Basic	0.00	1.93	(3.19)	(6.04)
(2) Diluted	0.00	1.93	(3.19)	(6.04)
<b>22. Earnings per equity share for discontinued and continuing operations</b>				
(1) Basic	4.40	6.37	7.11	28.81
(2) Diluted	4.40	6.37	7.11	28.81



# Q1FY18 Shareholding Pattern



As on June, 2017	shares held	% holding
Promoters	9,256,696	39.90
FPIs / FIIs	1,724,251	7.43
Domestic Institutions	1,393,424	6.01
Others	10,824,629	46.66
<b>Total</b>	<b>23,199,000</b>	<b>100</b>





**Widest regional footprint in India among privately held dairy companies. Spread across 15 states:**

**Andhra Pradesh**

**Kerala**

**Madhya Pradesh**

**Telangana**

**Maharashtra**

**Punjab**

**Karnataka**

**Himachal Pradesh**

**Uttar Pradesh**

**Tamil Nadu**

**Rajasthan**

**Uttarakhand**

**Odisha**

**Haryana**

**NCR Delhi**

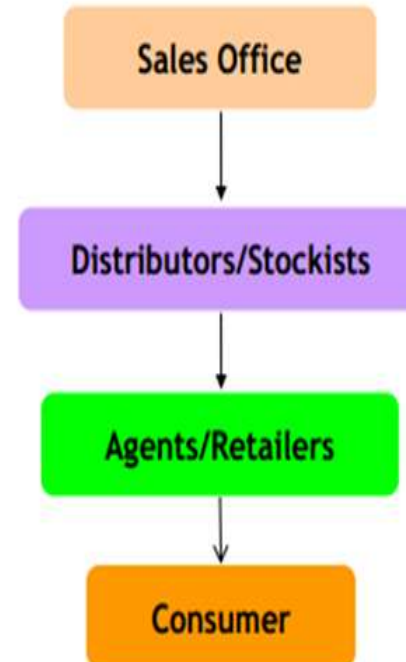
# Q1FY18 Distribution Network Structure



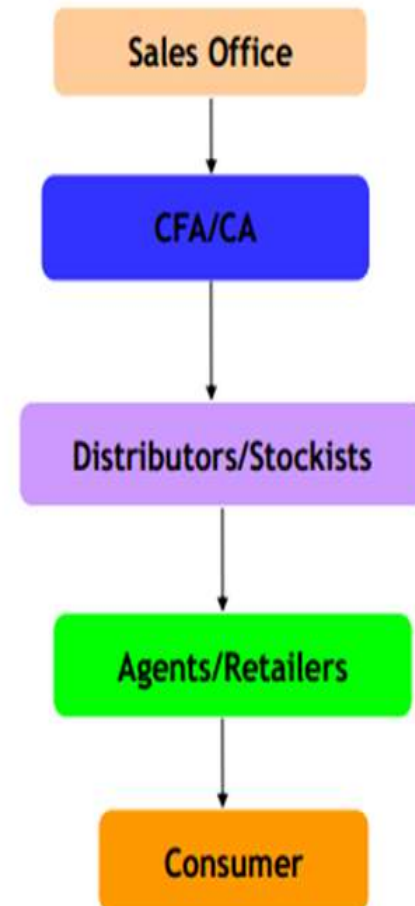
## One Level 86 % sales



## Two Level 11 % sales



## Three Level 3 % sales



# Range of Products



Bring Home Health & Happiness





## Integration with Reliance Dairy, Set up JV



Integration with Reliance Dairy has been completed



Set to improve milk procurement levels



Set to improve the distribution reach



Dairy Life, Dairy Pure brands to continue



Yogurt plant to be setup

## Our Vision



To double the contribution from VAP



To add newer VAPs through JV



To emerge as Pan India player



To achieve a topline of Rs 6000 crore



## Growth in North India

- Milk collection gaining ground.
- Selective advertising on cards.

## Maharashtra

- Milk collection at one lakh liters per day.

## Value Added Products

- Curd to remain a thirst area.
- Curd growing at 22% YoY.

## Areas of Strategic Focus

## Existing Markets

- Entering tier 2 and tier 3 towns.
- To increase milk procurement by 10% YoY.

## Yogurt Plant

- To be set up



*Thank You*