



25
YEARS
OF HERITAGE

Ref: SECT: STOC: 75 - 17

10th November, 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 30th September, 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 – Q2FY18

Hyderabad, 9th November 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

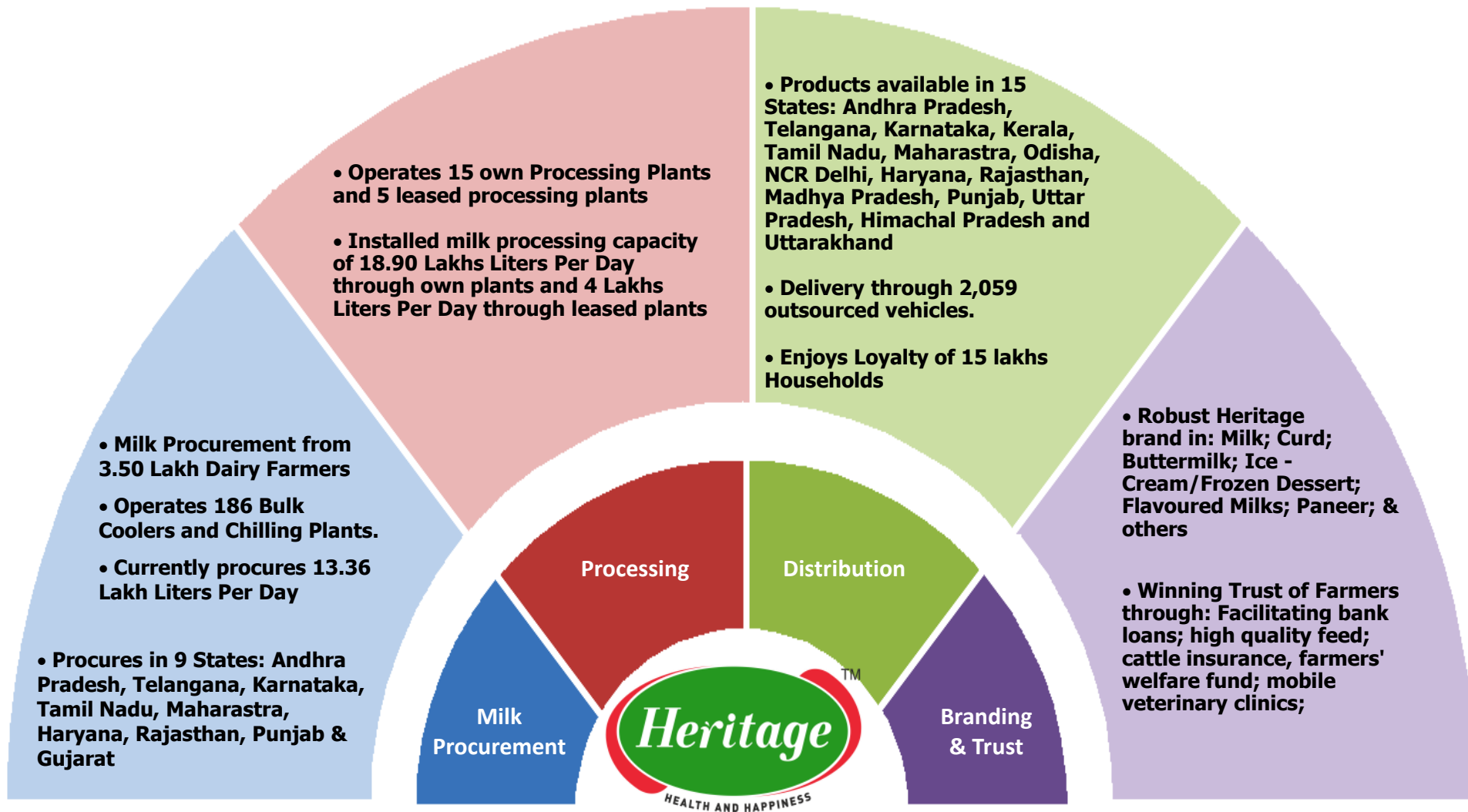
We anticipate, understand and respond to our customers' needs by creating high quality products and making them available through innovative and convenient channels.

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



Heritage Foods bags the Golden Peacock Award for Excellence in Corporate Governance for the year 2017...



Heritage Foods Limited, for the second time has received the '**Golden Peacock Award for Excellence in Corporate Governance**' for the year 2017, by the Awards Jury under the Chairmanship of Justice Dr. Arijit Pasayat, former Judge, Supreme Court of India.

The above award was received by Smt. N Bhuvaneshwari, Vice Chairperson & Managing Director of the Company at a specially organized '*Golden Peacock Award Presentation Ceremony*', held on *Wednesday, 24th October 2017, at 1900 hrs, at Millennium Hotel London Mayfair, 44 Grosvenor Square, London W1K 2HP, UK*, in the presence of distinguished gathering of business leader during *IOD India's "17th London Global Convention on Corporate Governance & Sustainability" and Global Business Meet*. The award has been organized by Institute of Directors, India in partnership with The Institute of Company Secretaries of India(ICSI), New Delhi.



Q2FY18 Key Highlights



Turnover

- ✓ Total Turnover growth by 32 % at Rs 6,080 mn.
- ✓ Dairy Revenue is higher by 32 % at Rs 6,080 mn.
- ✓ Branded Value Added Products in Dairy surged forward by 23 % at Rs 1,220 mn.
- ✓ Branded Value Added products contribution in Dairy is at 20 %

EBITDA

- ✓ Dairy EBITDA is at Rs 220 mn.

Employee Strength

- ✓ Dairy Employee Strength is 2,521.

Q2FY18 Key metrics - Dairy

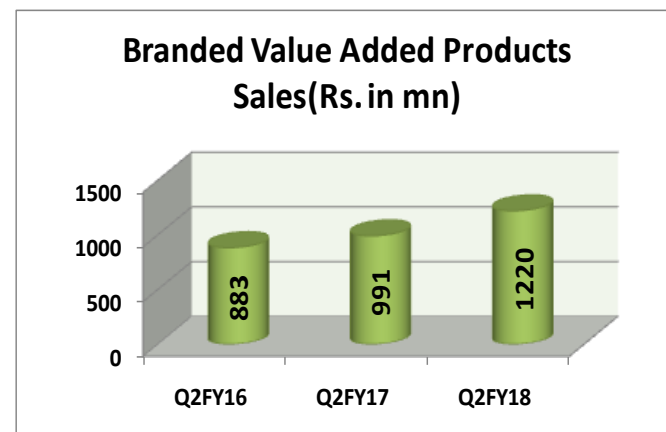


	Q2FY18	Q2FY17	Growth %
Liquid Milk Sales (llpd)	10.92	8.92	22.42 %
Liquid Milk Price Real. (Rs/l)	38.81	37.17	4.41 %
Milk Procurement (llpd)	13.36	10.28	29.96 %
Milk Procurement Price (Rs/l)	33.83	31.67	6.82 %
Branded Value Added Products Sales (Rs mn)	1220	991	23.11 %
No. of Parlours	1279	1574	
llpd: lakh liters per day			

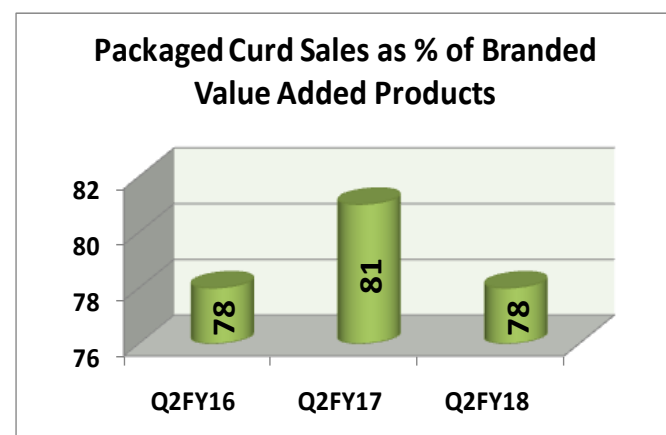
Q2FY18 Key metrics - Dairy (Branded Value Added Products)



Branded Value Added Products	
Year	Sales(Rs. in mn)
Q2FY18	1220
Q2FY17	991
Q2FY16	883



Packaged Curd Sales	
Year	As % of Branded Value Added Products
Q2FY18	78
Q2FY17	81
Q2FY16	78



Q2FY18 Key Highlights - Dairy



- **32 % growth in Turnover to Rs 6080 mn**
- **22 % growth in Milk volume Sales to 10.92 LLPD (Lakh Liters Per Day)**
- **23 % growth achieved in Branded Value Added Products Sales**
- **19 % growth in Packaged Curd sales (accounts for approx. 78 % of Branded Value Added Products Sales)**
- **30 % growth in Milk Procurement to 13.36 LLPD (Lakh Liters Per Day)**
- **EBITDA of Rs 220 mn (EBITDA margin of 3.62 %) as against Rs 364 mn (EBITDA margin of 7.87 %) in Q2FY17**
- **Dairy Parlors as on 30.9.2017 are 1279 Nos.**
- **Export Turnover during Q2FY18 of Rs 27.03 mn**
- **Capital Employed for Dairy Rs 761 mn**



- The Company has commissioned its 3rd Wind Power Plant 2.1MW capacity at Beluguppa, Ananthapur Dist, A.P adding to it existing 4.20MW Wind Power capacity thereby significantly increasing its Renewable Energy Capacity to 10.3MW including 2.4MW Solar Power, 1.66MW Distributed Solar power in the states of Andhra Pradesh, Telangana, Maharashtra, Tamil Nadu and Karnataka for the captive consumption of its Dairy plants.
- 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.
- Turnover in Q2FY18 was Rs 21.50 mn.

Q2FY18 Financial Results - Standalone



STATEMENT OF STANDALONE UNAUDITED FINANCIAL RESULTS FOR THE QUARTER AND SIX MONTHS ENDED SEPTEMBER 30, 2017

(Rs. In lakhs)

Particulars	STANDALONE					
	Quarter Ended			Six Months Ended		Year Ended
	30.09.2017 (Unaudited)	30.06.2017 (Unaudited)	30.09.2016 (Unaudited)	30.09.2017 (Unaudited)	30.09.2016 (Unaudited)	31.03.2017 (Unaudited)
1. REVENUE :						
a. Revenue from operations	60,800.73	60,937.15	45,383.05	121,737.88	90,653.35	183,383.94
b. Revenue on transaction with discontinued operations	-	-	842.11	-	1,661.30	3,759.63
c. Other income	163.39	137.15	77.42	300.54	135.73	360.68
Total Revenue	60,964.12	61,074.30	46,302.58	122,038.42	92,450.38	187,504.25
2. EXPENSES :						
a. Cost of materials consumed	45,773.38	44,728.68	32,490.04	90,502.06	64,438.63	135,056.02
b. Excise duty on sale of goods	-	33.26	16.55	33.26	49.68	87.23
c. Purchase transactions with discontinued operations	-	-	957.29	-	1,782.73	3,913.54
d. Purchases of stock in trade	2,200.09	6,805.44	281.09	9,005.53	514.18	3,053.10
e. Changes in inventories of finished goods, stock-in-trade and work in progress	1,882.80	(1,915.76)	2,175.74	(32.95)	4,720.28	3,342.25
f. Power and fuel	712.85	712.59	652.31	1,425.44	1,355.41	2,607.51
g. Employee benefits expenses	3,024.56	3,058.47	2,389.50	6,083.03	4,759.84	9,791.22
h. Finance costs	378.23	380.38	166.44	758.61	365.19	963.24
i. Depreciation and amortization expenses	903.26	851.84	620.60	1,755.09	1,205.53	2,487.06
j. Impairment losses	-	-	-	-	2.29	84.88
k. Other expenses	4,976.19	5,113.89	3,578.97	10,090.09	7,030.35	14,612.97
Total expenses	59,851.36	59,768.79	43,328.54	119,620.16	86,224.11	175,999.02
3. Profit before share of (loss) of an associate and exceptional items from continuing operations (1-2)	1,112.76	1,305.51	2,974.04	2,418.26	6,226.27	11,505.23
4. Share of (loss) of an associate	-	-	-	-	-	-
5. Profit/(loss) before tax and exceptional items from continuing operations (3-4)	1,112.76	1,305.51	2,974.04	2,418.26	6,226.27	11,505.23
6. Exceptional Items	-	-	-	-	-	-
7. Profit before tax from continuing operations (5-6)	1,112.76	1,305.51	2,974.04	2,418.26	6,226.27	11,505.23
8. Tax expense:						
a. Current Tax	277.00	480.00	536.00	757.00	1,476.00	2,707.50
b. Prior period tax	-	-	(107.54)	-	(107.43)	(107.43)
c. Deferred Tax	(51.85)	61.03	177.87	9.17	141.72	473.66
9. Profit for the period from continuing operations (7-8)	887.61	764.48	2,367.71	1,652.09	4,715.98	8,431.50
10. Discontinued operations :						
a. Profit/(loss) before tax for the period from discontinued operations	-	-	(747.69)	-	(1,498.47)	(1,772.30)
b. Tax (Income)/ expense of discontinued operations	-	-	45.10	-	(6.78)	(17.57)
Profit/(loss) for the period after tax from discontinued operations (a-b)	-	-	(702.79)	-	(1,491.69)	(1,754.73)
11. Profit for the period (9+10)	887.61	764.48	1,574.92	1,652.09	3,224.29	6,676.77
12. Other Comprehensive Income :						
A. Items that will be reclassified to profit or loss						
B. Items that will not be reclassified to profit or loss						
Re-measurement gains (losses) on defined benefit plans	-	-	-	-	-	7.17
Income tax effect	-	-	-	-	-	(2.48)
Net (loss)/gain on FVTOCI equity securities	7,010.74	5,459.07	0.23	12,469.81	0.39	29,056.10
Income tax effect	-	-	-	-	-	-
Total (B)	7,010.74	5,459.07	0.23	12,469.81	0.39	29,060.79
13. Total Comprehensive Income for the period (11+12)	7,898.35	6,223.55	1,575.15	14,121.90	3,224.68	35,737.56
14. Profit for the period from continuing operation attributable to:						
Owners of the parent	-	-	-	-	-	-
Non-controlling interests	-	-	-	-	-	-
15. Profit for the period from discontinued operation attributable to:						
Owners of the parent	-	-	-	-	-	-
Non-controlling interests	-	-	-	-	-	-
16. Total Profit for the period attributable to :						
Owners of the parent	-	-	-	-	-	-
Non-controlling interests	-	-	-	-	-	-
17. Other Comprehensive Income attributable to :						
Owners of the parent	-	-	-	-	-	-
Non-controlling interests	-	-	-	-	-	-
18. Total comprehensive income for the period attributable to:						
Owners of the parent	-	-	-	-	-	-
Non-controlling interests	-	-	-	-	-	-
19. Paid up Equity Share Capital (face value of Rs.5/-each)	2,319.90	2,319.90	2,319.90	2,319.90	2,319.90	2,319.90
20. Earnings per equity share of Rs.5/- each for continuing operations						
1) Basic (Not annualised)	1.91	1.65	5.10	3.56	10.16	18.17
2) Diluted (Not annualised)	1.91	1.65	5.10	3.56	10.16	18.17
21. Earnings per equity share of Rs.5/- each for discontinued operations						
1) Basic (Not annualised)	-	-	(1.71)	-	(3.21)	(3.78)
2) Diluted (Not annualised)	-	-	(1.71)	-	(3.21)	(3.78)
22. Earnings per equity share of Rs.5/- each for discontinued and continuing operations						
1) Basic (Not annualised)	1.91	1.65	3.39	3.56	6.95	14.39
2) Diluted (Not annualised)	1.91	1.65	3.39	3.56	6.95	14.39

Q2FY18 Financial Results - Consolidated



STATEMENT OF CONSOLIDATED UNAUDITED FINANCIAL RESULTS FOR THE QUARTER AND SIX MONTHS ENDED SEPTEMBER 30, 2017

(Rs. In lakhs)

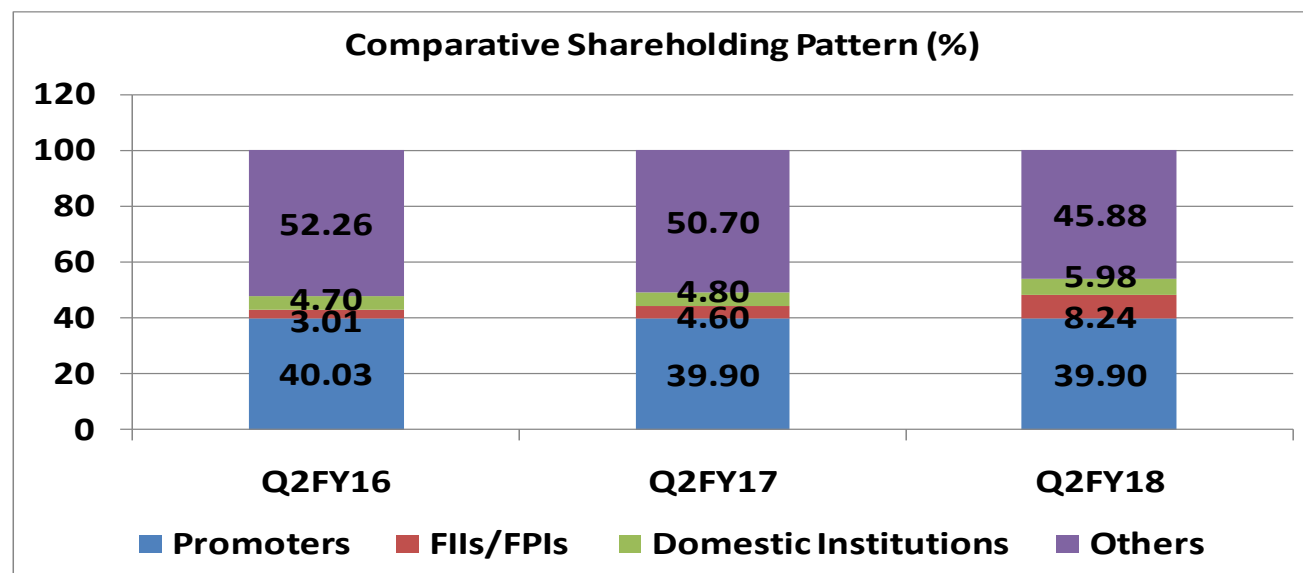
Particulars	CONSOLIDATED					
	Quarter Ended			Six Months Ended		Year Ended
	30.09.2017 (Unaudited)	30.06.2017 (Unaudited)	30.09.2016 (Unaudited)	30.09.2017 (Unaudited)	30.09.2016 (Unaudited)	31.03.2017 (Unaudited)
1. REVENUE :						
a. Revenue from operations	61,608.34	61,677.72	45,966.25	123,286.06	91,894.11	185,699.12
b. Revenue on transaction with discontinued operations	-	-	842.11	-	1,661.30	3,759.63
c. Other income	172.92	149.72	72.82	322.63	165.37	416.40
Total Revenue	61,781.26	61,827.44	46,881.18	123,608.69	93,720.78	189,875.15
2. EXPENSES :						
a. Cost of materials consumed	46,690.97	45,577.84	32,490.28	92,268.82	64,441.49	135,127.29
b. Excise duty on sale of goods	-	33.26	16.56	33.26	49.68	87.23
c. Purchase transactions with discontinued operations	-	-	131.22	-	238.68	468.09
d. Purchases of stock in trade	1,679.13	6,433.10	1,530.12	8,112.23	2,991.20	8,141.71
e. Changes in inventories of finished goods, stock-in-trade and work in progress	1,967.66	(2,006.79)	2,167.17	(39.13)	4,709.63	3,302.35
f. Power and fuel	745.41	743.65	652.31	1,489.06	1,355.41	2,611.32
g. Employee benefits expenses	3,130.34	3,153.83	2,473.77	6,284.17	4,889.28	9,973.26
h. Finance costs	396.39	395.56	168.32	791.95	369.74	970.50
i. Depreciation and amortization expenses	924.48	871.32	622.43	1,795.79	1,209.13	2,497.16
j. Impairment losses	-	-	-	-	2.29	348.99
k. Other expenses	5,282.33	5,053.92	3,585.71	10,336.26	7,088.13	14,833.38
Total expenses	60,816.72	60,255.69	43,837.89	121,072.41	87,344.66	178,361.28
3. Profit before share of (loss) of an associate and exceptional items from continuing operations (1-2)	964.54	1,571.75	3,043.29	2,536.28	6,376.12	11,513.87
4. Share of (loss) of an associate	(0.01)	-	(0.01)	(0.01)	(0.03)	(0.09)
5. Profit/(loss) before tax and exceptional items from continuing operations (3-4)	964.53	1,571.75	3,043.28	2,536.27	6,376.09	11,513.78
6. Exceptional Items	-	-	-	-	-	-
7. Profit before tax from continuing operations (5-6)	964.53	1,571.75	3,043.28	2,536.27	6,376.09	11,513.78
8. Tax expense:						
a. Current Tax	273.00	484.00	536.00	757.00	1,476.00	2,808.97
b. Prior period tax	-	-	(107.54)	-	(107.43)	(107.43)
c. Deferred Tax	(50.75)	54.05	176.67	3.30	140.19	544.02
9. Profit for the period from continuing operations (7-8)	742.27	1,033.70	2,438.15	1,775.97	4,867.33	8,268.22
10. Discontinued operations:						
a. Profit/(loss) before tax for the period from discontinued operations	5.07	3.62	(738.97)	8.69	(1,508.90)	(1,416.26)
b. Tax (income)/ expense of discontinued operations	5.72	-	48.04	5.72	(3.51)	(98.83)
Profit/(loss) for the period after tax from discontinued operations (a-b)	(0.65)	3.62	(787.01)	2.97	(1,505.39)	(1,317.43)
11. Profit for the period (9+10)	741.63	1,037.32	1,651.14	1,778.94	3,361.94	6,950.79
12. Other Comprehensive Income :						
A. Items that will be reclassified to profit or loss	-	-	-	-	-	-
B. Items that will not be reclassified to profit or loss	-	-	-	-	-	-
Re-measurement gains (losses) on defined benefit plans	-	-	-	-	-	0.98
Income tax effect	-	-	-	-	-	(0.34)
Net (loss)/gain on FVTOCI equity securities	7,010.74	5,459.07	0.23	12,469.81	0.39	29,056.10
Income tax effect	-	-	-	-	-	-
Total (B)	7,010.74	5,459.07	0.23	12,469.81	0.39	29,056.74
13. Total Comprehensive Income for the period (11+12)	7,752.37	6,496.39	1,651.37	14,248.75	3,362.33	36,007.53
Comprising Profit and Other Comprehensive Income for the period						
14. Profit for the period from continuing operation attributable to:						
Owners of the parent	730.34	1,020.08	2,398.17	1,750.41	4,771.45	8,084.30
Non-controlling interests	11.94	13.62	39.98	25.56	95.88	183.92
15. Profit for the period from discontinued operation attributable to:						
Owners of the parent	-	-	(808.47)	-	(1,547.20)	(1,401.36)
Non-controlling interests	(0.65)	3.62	21.46	2.97	41.82	83.93
16. Total Profit for the period attributable to :						
Owners of the parent	730.34	1,020.08	1,589.70	1,750.41	3,224.25	6,682.94
Non-controlling interests	11.29	17.25	61.44	28.53	137.70	267.85
17. Other Comprehensive Income attributable to :						
Owners of the parent	7,010.74	5,459.07	0.23	12,469.81	0.39	29,056.74
Non-controlling interests	-	-	-	-	-	-
18. Total comprehensive income for the period attributable to:						
Owners of the parent	7,741.08	6,479.14	1,589.93	14,220.22	3,224.64	35,739.68
Non-controlling interests	11.29	17.25	61.44	28.53	137.70	267.85
19. Paid up Equity Share Capital (face value of Rs.5/- each)	2,319.90	2,319.90	2,319.90	2,319.90	2,319.90	2,319.90
1) Basic (Not annualised)	1.57	2.20	5.17	3.77	10.28	17.42
2) Diluted (Not annualised)	1.57	2.20	5.17	3.77	10.28	17.42
21. Earnings per equity share of Rs.5/- each for discontinued operations						
1) Basic (Not annualised)	-	-	(1.74)	-	(3.33)	(3.02)
2) Diluted (Not annualised)	-	-	(1.74)	-	(3.33)	(3.02)
22. Earnings per equity share of Rs.5/- each for discontinued and continuing operations						
1) Basic (Not annualised)	1.57	2.20	3.43	3.77	6.95	14.40
2) Diluted (Not annualised)	1.57	2.20	3.43	3.77	6.95	14.40

Bring Home Health & Happiness

Q2FY18 Shareholding Pattern



As on September, 2017	shares held	% holding
Promoters	9,256,596	39.90
FPIs / FIIs	1,910,661	8.24
Domestic Institutions	1,388,400	5.98
Others	10,643,343	45.88
Total	23,199,000	100



Q2FY18 Dairy - Spread of Operations



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

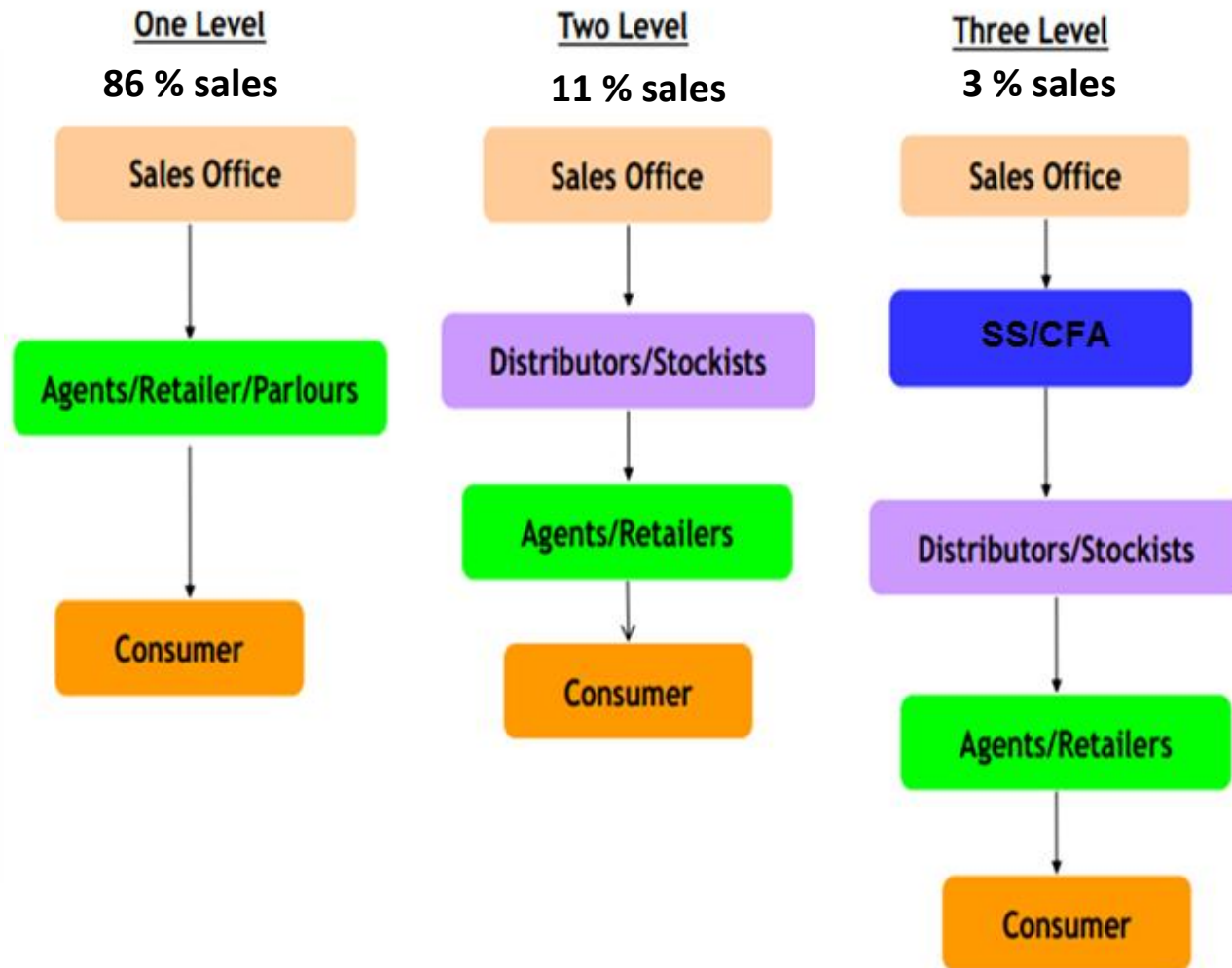
Uttarakhand

Odisha

Haryana

NCR Delhi

Q2FY18 Distribution Network Structure



Range of Products



Bring Home Health & Happiness



To look for additional capacities in procurement, processing, and packing.
Given mandate to E&Y.

To achieve a topline of Rs 6000 crore.

To improve revenue contribution from VAP to 40%.

To set up Yogurt plant in FY18.

To scout for newer VAPs.

To emerge as Pan India player.



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