



A Heritage of

# Dairy Excellence



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### Forward-looking statements

Some information in this report may contain forward-looking statements which include statements regarding Company's expected financial position and results of operations, business plans and prospects etc. and are generally identified by forward-looking words such as "believe," "plan," "anticipate," "continue," "estimate," "expect," "may," "will" or other similar words. Forward-looking statements are dependent on assumptions or basis underlying such statements. We have chosen these assumptions or basis in good faith, and we believe that they are reasonable in all material respects. However, we caution that actual results, performances or achievements could differ materially from those expressed or implied in such forward-looking statements. We undertake no obligation to update or revise any forward-looking statement, whether as a result of new information, future events, or otherwise.

# A Heritage of Dairy Excellence

For more than 3 decades, we have not only stayed true to our values and mission, but also created a diversified product portfolio, which supports dairy farmers, delights consumers and serves their nutritional requirements.

The result is a strong and sustainable Heritage of dairy excellence.

The strength of our business model lies in our technologically advanced R&D infrastructure, quality control mechanism, deeply entrenched distribution network and above all strong and long-lasting relationships with 300,000+ dairy farmers.

Our strategic investments, over the years, to modernise our processing facilities and optimise our supply chain are translating into tangible business outcomes.

In FY2022-23, we have accomplished outstanding top-line growth rate. This sterling performance is a testament of our ability to navigate challenges and leverage market opportunities with a consumer-centric approach.

We will continue to leverage technology both in our

processing and distribution network, streamline processes and adopt best practices to deliver industry-leading value to our consumers and all other stakeholders.



# About Us

Heritage Foods is a leading Indian dairy company that is rapidly expanding with the goal of serving farming community. With the help of more than 300,000 dairy farmers, we are committed to providing high-quality dairy products to consumers.

## 1.5 million

households served daily with healthy and fresh dairy products

Since its inception in 1992, Heritage Foods has consistently demonstrated a commitment to deliver superior quality fresh milk and milk products to numerous households. While maintaining a strong market presence in the states of Andhra Pradesh, Telangana, Karnataka and Tamil Nadu, we are constantly expanding our footprint with diverse products. Our products are now available in 11 states. Our product range now includes different types of milk, curd, buttermilk, butter, ghee, paneer, and a variety of value-added dairy products such as ice cream, flavoured milk, lassi etc.

We have earned a reputation for assuring the quality of products and we take great pride in adhering to strict hygiene standards for processing and packaging

## 31 years

Legacy of providing superior quality products

of our food products. Our technologically advanced R&D infrastructure, with stringent quality control measures, continue to benefit our operational processes. Besides, our distribution network is supported by cutting-edge processing facilities spread across 11 states in India. We also have a presence in the renewable energy sector and have successfully established wind & solar power projects.



### Vision

Delighting every home with Fresh & Healthy products and empowering the Farmer



## Mission

To be a nationally recognised brand for Healthy and Fresh products with a revenue of **INR 6000 Crores**

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

To embrace the **right technology** to delight our customers

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

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

Be the Employer of Choice by **nurturing entrepreneurship and promoting empowerment**, alongside transparency



# About Us

## Key Highlights

### Operational highlights

18

State-of-the-art milk processing facilities

2.65

million litres milk processing capacity per day

201

bulk coolers, mini chilling & chilling centres

2.21

million litres milk chilling capacity per day

### Distribution networks

146

Heritage happiness points

130,000+

Retail outlets

27

Modern retail chains across India

859

Heritage parlours

### Technology integrated network

11300+

Milk procurement representatives

1900+

Distribution vehicles across 11 states

6500+

Distributors deliver Heritage products daily to consumers' doorsteps

### Renewable energy installed capacity 10.50 MW

4.20 MW

Installed capacity of solar power

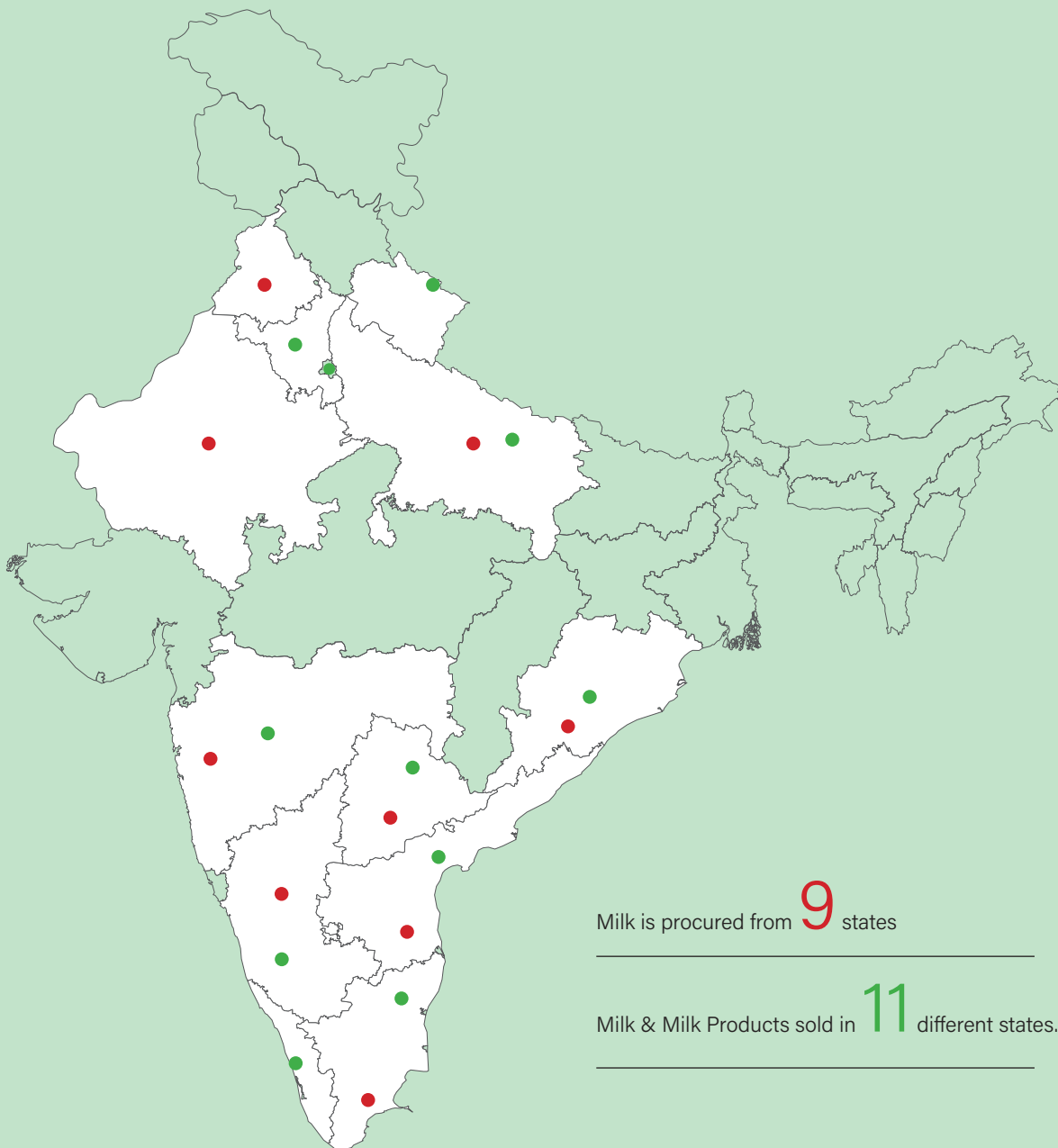
6.30 MW

Installed capacity of wind power



## Growing presence

Our geographic reach continues to expand further on the back of our strong distribution facilities that help to improve milk sourcing and increase the sale of milk and milk products.



# Vice-chairperson & Managing Director's message



Our success in driving top-line growth can be attributed to several key factors. Firstly, we have continued to focus on expanding our product portfolio and enhancing our existing offerings to meet the evolving needs and preferences of our consumers.



**N. Bhuvaneshwari**



Vice-Chairperson & Managing Director



## Dear Shareholders,

I hope this message finds you in good health and high spirits. I am delighted to share with you the exciting news of Heritage Foods Ltd's remarkable performance in the financial year 2022-23. Our Company has delivered substantial top-line growth, and I am pleased to report that we have achieved exceptional results.

First and foremost, I would like to express my gratitude to each and every one of you for your unwavering support and confidence in Heritage Foods. It is your trust and belief in our vision that has propelled us to new heights and enabled us to achieve such impressive growth.

In FY2022-23, your Company witnessed a significant increase in revenue, resulting in an outstanding top-line growth rate. We have not only met, but also exceeded our targets, demonstrating our ability to navigate challenges and seize opportunities in the market. This exceptional performance is a testament to our strong business fundamentals, strategic initiatives, and the hard work and dedication of our talented team.

Our success in driving top-line growth can be attributed to several key factors. Firstly, we have continued to focus on expanding our product portfolio and enhancing our existing offerings to meet the evolving needs and preferences of our consumers. This consumers-centric approach has allowed us to capture new market segments and drive increased sales.

Moreover, we have invested significantly in modernizing our processing facilities and optimizing our supply chain. These investments have not only improved operational efficiency, but also enabled us to scale our operations to meet the growing demand. By leveraging technology and adopting best practices, we have been able to streamline processes, reduce costs and deliver superior value to our customers.

In addition, our unwavering commitment to quality and food safety has played a pivotal role in our success. We understand the importance of delivering products that meet the highest standards and we have implemented stringent quality control measures across our operations. This focus on quality has not only strengthened our brand reputation but also fostered consumer loyalty and trust.

Looking ahead, we remain committed to our growth trajectory and are confident in our ability to capitalize on future opportunities. We will continue to invest in research and development, innovation, and marketing initiatives to drive sustained growth and expand our market reach. Our goal is to further enhance our competitive position and deliver long-term value to our stakeholders.

As we celebrate this exceptional achievement, it is important for us to acknowledge the relentless efforts and dedication of our entire workforce. Their commitment to excellence,

resilience, and ability to adapt to changing market dynamics have been instrumental in our success. I extend my heartfelt appreciation and gratitude to each and every member of the Heritage Foods family.

I would like to express my gratitude to our esteemed shareholders for their unwavering support and confidence in Heritage Foods. Your trust and belief in our vision have been instrumental in our journey forward. We remain deeply committed to creating sustainable value for all our stakeholders.

In conclusion, I would like to express my sincere gratitude once again to our shareholders for their unwavering support and trust. The remarkable top-line growth achieved by Heritage Foods in the fiscal year 2022-23 is a testament to our collective efforts and strong foundation. We are committed to delivering sustainable value and long-term growth, and we look forward to embarking on this journey with your continued support.

Warm regards,

**N. Bhuvaneswari**

Vice-Chairperson & Managing Director

# Executive Director's message

## Dear shareholders,

It is an absolute pleasure for me to look back on the year gone by gathering strength from a robust business model and an innovative approach to capitalise on new and emerging opportunities, we continue to lead Heritage as a progressive brand. Despite the challenging business environment, mostly on account of economic uncertainty, our Company has continued to thrive amidst difficulty. Our commitment to quality and excellence encourages us to sustain our position as a leader in the dairy industry. With growing consumer awareness about health and fitness, the consumption of dairy products have increased significantly over the years. Along with quality concerns, consumers are now seeking value added dairy products to fulfil their nutritional needs.

At Heritage, we strive to provide superior quality, nutrient-enriched dairy products to our customers through continuous innovation and a strong emphasis on operational excellence. Throughout the year, we worked to add value to our product portfolio by investing in technologically advanced R&D infrastructure and consistently expanded our distribution network.

Over the years, Heritage's milk and products have been consumers' favourites, our range of value-added products has been a primary growth driver. We continued on our path to add innovative and unique value-added products. During the year the company launched several new products in the 'drinkable and ice-cream' category to further enrich our product portfolio.



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Along with a focus on expanding our distribution network, we have been strengthening our brand through our omni channel presence in retail trade and improvement of Heritage owned networks. To strictly adhere to the highest standards of quality, we continue to invest in state-of-the-art machinery and product innovation. Moreover, to improve our logistics facilities, we are using latest technology for route planning and it has helped us to lower transportation costs considerably.

We are also planning to broaden our geographical footprint and penetrate deeper into metropolitan cities. At present, we have sales networks in 11 Indian states and are expanding into several towns and semi-urban areas.

I'm delighted to share that our company's credit rating has been revised from A to A+, a testament to our commitment to create value for all our stakeholders and investors. Furthermore, we have a subsidiary company namely, Heritage Nutrivet, which focuses on caring for the nutrition of cattle and it will also be a trusted brand for procuring livestock feed.