



HERITAGE FOODS LIMITED

Registered Office: 6-3-541/C, Adjacent to NIMS, Punjagutta, Hyderabad - 500 082

CIN: L15209TG1992PLC014332, website: www.heritagefoods.in, Tel.No: 040-23391221/23391222 Fax: 30685458, email: hfl@heritagefoods.in

STATEMENT OF UNAUDITED STANDALONE FINANCIAL RESULTS

FOR THE QUARTER AND SIX MONTHS ENDED 30 SEPTEMBER 2019

(Amount in lakhs of ₹ unless otherwise stated)

| Sl. No | Particulars | Quarter ended | | | Six months ended | | Year ended |
|--------|---|---------------------------|---------------------------|---------------------------|---------------------------|---------------------------|-------------------------|
| | | 30.09.2019 (Unaudited) | 30.06.2019 (Unaudited) | 30.09.2018 (Unaudited) | 30.09.2019 (Unaudited) | 30.09.2018 (Unaudited) | 31.03.2019 (Audited) |
| 1 | Revenue | | | | | | |
| | a. Revenue from operations | 66,559.10 | 71,083.24 | 61,215.34 | 1,37,642.34 | 1,24,708.75 | 2,48,234.93 |
| | b. Other income | 306.79 | 246.92 | 171.11 | 553.71 | 355.45 | 1,109.60 |
| | c. Fair value gain on fair value through profit or loss (FVTPL) equity securities | - | 3,634.54 | - | - | - | - |
| | d. Gain due to changes in fair value of derivative liabilities | 14,006.63 | - | 14,620.62 | 10,372.09 | 11,763.02 | 13,109.85 |
| | Total income | 80,872.52 | 74,964.70 | 76,007.07 | 1,48,568.14 | 1,36,827.22 | 2,62,454.38 |
| 2 | Expenses | | | | | | |
| | a. Cost of materials consumed | 53,145.80 | 54,083.39 | 44,163.56 | 1,07,229.19 | 89,068.02 | 1,84,087.30 |
| | b. Purchases of stock-in-trade | 1,537.43 | 1,891.85 | 1,284.64 | 3,429.28 | 3,764.61 | 8,440.19 |
| | c. Changes in inventories of finished goods, semi finished goods, stock-in-trade and work-in-progress | 703.84 | 1,147.13 | 2,604.64 | 1,850.97 | 5,642.99 | 3,391.35 |
| | d. Employee benefits expenses | 3,731.95 | 3,929.81 | 3,615.46 | 7,661.76 | 6,981.29 | 13,685.21 |
| | e. Finance costs | 475.60 | 513.41 | 446.55 | 989.01 | 991.38 | 2,068.64 |
| | f. Depreciation and amortization expense | 1,242.37 | 1,207.55 | 1,097.86 | 2,449.91 | 2,146.00 | 4,371.04 |
| | g. Impairment losses | 6.01 | - | 15.95 | 6.01 | 15.95 | 365.95 |
| | h. Other expenses | 4,987.09 | 5,229.71 | 4,810.23 | 10,216.79 | 10,072.00 | 20,066.03 |
| | i. Loss due to changes in fair value of derivative liabilities | - | 3,634.54 | - | - | - | - |
| | j. Fair value loss on FVTPL equity securities | 14,006.63 | - | 14,620.62 | 10,372.09 | 11,763.02 | 13,109.85 |
| | Total expenses | 79,836.72 | 71,637.39 | 72,659.51 | 1,44,205.01 | 1,30,445.26 | 2,49,585.56 |
| 3 | Profit before tax | 1,035.80 | 3,327.31 | 3,347.56 | 4,363.13 | 6,381.96 | 12,868.82 |
| 4 | Tax expense | | | | | | |
| | a. Current tax/ benefit | (67.95) | 1,142.00 | 1,285.00 | 1,074.05 | 2,164.00 | 4,228.00 |
| | b. Deferred tax expense/(benefit) | (300.37) | 13.97 | 66.17 | (286.40) | 230.16 | 296.63 |
| 5 | Profit for the period/year | 1,404.12 | 2,171.34 | 1,996.39 | 3,575.48 | 3,987.80 | 8,344.19 |
| 6 | Other comprehensive income (OCI) | | | | | | |
| | (a) Items that will not be reclassified to profit or loss | | | | | | |
| | (i) Re-measurement loss on defined benefit plans, net of tax | (39.60) | (39.60) | (19.45) | (79.20) | (38.91) | (158.40) |
| | Income tax effect on (i) above | - | - | - | - | - | - |
| | (ii) Net gain/(loss) on fair value through OCI equity securities | (4,670.77) | 1,211.79 | (4,875.26) | (3,458.98) | (3,922.98) | (4,371.54) |
| | Income tax effect on (ii) above | - | - | - | - | - | - |
| | (b) Items that will be reclassified to profit or loss | - | - | - | - | - | - |
| 7 | Total comprehensive income/(loss) for the period/year | (3,306.25) | 3,343.53 | (2,898.32) | 37.30 | 25.91 | 3,814.25 |
| 8 | Paid up Equity share capital (face value of ₹5 each) | 2,319.90 | 2,319.90 | 2,319.90 | 2,319.90 | 2,319.90 | 2,319.90 |
| 9 | Other equity | | | | | | 78,176.28 |
| 10 | Earnings per equity share ("EPES") | | | | | | |
| | (1) Basic EPES (not annualised) (in absolute ₹ terms) | 3.03 | 4.68 | 4.30 | 7.71 | 8.59 | 17.98 |
| | (2) Diluted EPES (not annualised) (in absolute ₹ terms) | 3.03 | 4.68 | 4.30 | 7.71 | 8.59 | 17.98 |



Heritage Foods Limited

Standalone Balance Sheet as at 30 September 2019

(Amount in lakhs of ₹ unless otherwise stated)

| Particulars | As at | |
|--|--------------------|--------------------|
| | 30 September 2019 | 31 March 2019 |
| ASSETS | | |
| Non-current assets | | |
| (a) Property, plant and equipment | 44,037.34 | 43,879.38 |
| (b) Capital work-in-progress | 2,399.92 | 2,231.26 |
| (c) Investment property | 593.65 | 369.26 |
| (d) Other intangible assets | 824.48 | 1,086.43 |
| (e) Investment in subsidiaries, joint venture and associate | 4,149.30 | 3,379.70 |
| (f) Financial assets | | |
| (i) Investments | 68,802.93 | 82,634.06 |
| (ii) Loans | 475.23 | 438.01 |
| (iii) Other financial assets | 44.54 | 65.36 |
| (g) Other non-current assets | 911.83 | 183.53 |
| Total Non-Current Assets | 1,22,239.22 | 1,34,266.99 |
| Current assets | | |
| (a) Inventories | 7,300.40 | 13,203.33 |
| (b) Financial Assets | | |
| (i) Investments | 0.37 | 0.32 |
| (ii) Trade receivables | 1,528.34 | 3,996.75 |
| (iii) Cash and cash equivalents | 6,483.98 | 6,260.14 |
| (iv) Bank balances other than (iii) above | 175.64 | 280.34 |
| (v) Loans | 276.17 | 236.05 |
| (vi) Other financial assets | 684.16 | 77.29 |
| (c) Current tax assets (net) | 729.48 | 101.79 |
| (d) Other current assets | 1,146.41 | 1,107.73 |
| Total Current Assets | 18,324.95 | 25,263.74 |
| Total Assets | 1,40,564.17 | 1,59,530.73 |
| EQUITY AND LIABILITIES | | |
| Equity | | |
| (a) Equity share capital | 2,319.90 | 2,319.90 |
| (b) Other equity | 77,066.23 | 78,176.28 |
| Total Equity | 79,386.13 | 80,496.18 |
| LIABILITIES | | |
| Non-current liabilities | | |
| (a) Financial liabilities | | |
| (i) Borrowings | 15,384.93 | 15,425.95 |
| (ii) Other financial liabilities | 19,622.92 | 29,501.20 |
| (b) Provisions | 769.52 | 693.56 |
| (c) Government grant | 6.97 | 7.65 |
| (d) Deferred tax liabilities (net) | 2,341.19 | 2,682.39 |
| Total non-current liabilities | 38,125.53 | 48,310.75 |
| Current liabilities | | |
| (a) Financial liabilities | | |
| (i) Borrowings | 2,702.54 | 9,223.07 |
| (ii) Trade payables | | |
| - total outstanding dues of micro and small enterprises; | 441.92 | 752.81 |
| - total outstanding dues of creditors other than micro and small enterprises | 4,965.01 | 5,521.89 |
| (iii) Other financial liabilities | 12,957.25 | 13,865.05 |
| (b) Other current liabilities | 1,057.22 | 556.48 |
| (c) Government grant | 1.36 | 1.36 |
| (d) Provisions | 927.21 | 803.14 |
| Total current liabilities | 23,052.51 | 30,723.80 |
| Total equity and liabilities | 1,40,564.17 | 1,59,530.73 |

Standalone Cash Flow Statement for six months ended 30 September 2019

(Amount in lakhs of ₹ unless otherwise stated)

| | Six months ended | | Year ended |
|---|-------------------|-------------------|--------------------|
| | 30 September 2019 | 30 September 2018 | 31 March 2019 |
| Cash flow from operating activities | | | |
| Profit before tax | 4,363.13 | 6,381.96 | 12,868.82 |
| Adjustments: | | | |
| Fair value loss on FVTPL equity securities | 10,372.09 | 11,763.02 | 13,109.85 |
| Gain due to changes in fair value of derivative liabilities | (10,372.09) | (11,763.02) | (13,109.85) |
| Depreciation and amortization expense | 2,449.91 | 2,146.00 | 4,371.04 |
| Impairment losses | 6.01 | 15.95 | 365.95 |
| Provision for doubtful advances | 2.13 | 6.78 | 19.79 |
| Provision for doubtful debts | 11.35 | 12.34 | 27.38 |
| Advances written off | - | - | 11.09 |
| Loss on sale of PPE | 37.16 | 5.62 | 178.89 |
| Reversal of impairment in value of investments, net | - | - | (261.09) |
| Provisions no longer required/ credit balances written back | (92.63) | (123.49) | (241.76) |
| Interest income | (20.12) | (15.04) | (23.70) |
| Interest expenses | 979.80 | 990.91 | 2,003.12 |
| Guarantee Income | (11.35) | (9.80) | (22.07) |
| Unrealised foreign exchange gain | - | - | (52.75) |
| Lease income | (82.03) | (78.06) | (163.53) |
| Dividend income on long term investments | (4.00) | (4.00) | (4.00) |
| Operating cash flows before working capital changes | 7,639.36 | 9,329.17 | 19,077.18 |
| Movements in working capital: | | | |
| Changes in inventories | 5,902.93 | 9,397.02 | 1,848.56 |
| Changes in trade receivables | 2,457.06 | (301.75) | (3,013.73) |
| Changes in loans | (77.34) | 156.97 | 152.03 |
| Changes in other assets | (36.76) | (355.28) | (394.62) |
| Changes in other financial assets | 48.44 | - | - |
| Changes in trade payables | (867.77) | (569.58) | (112.65) |
| Changes in provisions | 120.83 | 91.48 | 49.08 |
| Changes in Government grant | (0.68) | (0.68) | (1.36) |
| Changes in other financial liabilities | (252.03) | 515.11 | 490.25 |
| Changes in other liabilities | 500.74 | 241.14 | (112.97) |
| Cash generated from operating activities | 15,434.78 | 18,503.60 | 17,981.77 |
| Income-taxes paid, net | (1,746.55) | (1,589.87) | (3,718.33) |
| Net cash generated from operating activities (A) | 13,688.23 | 16,913.73 | 14,263.44 |
| Cash flow from investing activities | | | |
| Purchase of PPE and other intangible assets, including CWIP | (4,624.17) | (6,162.92) | (10,792.08) |
| Proceeds from sale of PPE | 126.71 | 140.02 | 303.10 |
| (Purchase)/ Sale of investments, net | (0.05) | - | 0.06 |
| Investment in joint venture | - | (200.00) | (849.99) |
| Investment in subsidiary | (750.00) | (350.00) | (550.00) |
| Interest received | 26.90 | 19.18 | 34.13 |
| Movement in other bank balances, net | 118.33 | (29.35) | (151.96) |
| Rent received | 78.13 | 78.06 | 144.42 |
| Lease rentals paid (refer note 4) | (146.63) | - | - |
| Dividend income received | 4.00 | 4.00 | 4.00 |
| Net cash used in investing activities (B) | (5,166.78) | (6,501.01) | (11,858.32) |
| Cash flow from financing activities | | | |
| Proceeds from long term borrowings | 2,136.34 | 2,486.25 | 5,223.32 |
| Repayment of long term borrowings | (1,822.45) | (1,502.31) | (3,251.16) |
| Interest paid | (972.27) | (1,070.77) | (1,984.27) |
| Dividend paid including dividend distribution tax | (1,118.70) | (1,118.70) | (1,118.73) |
| Net cash used in financing activities (C) | (1,777.08) | (1,205.53) | (1,130.84) |
| Net increase in cash and cash equivalents during the period/year (A + B + C) | 6,744.37 | 9,207.19 | 1,274.28 |
| Cash and cash equivalents at the beginning of the year | (2,962.93) | (4,237.21) | (4,237.21) |
| Cash and cash equivalents at the end of the period/ year | 3,781.44 | 4,969.98 | (2,962.93) |
| Cash and cash equivalents includes | | | |
| Cash on hand | 329.42 | 734.58 | 758.07 |
| Cheques, drafts on hand | - | 17.15 | 111.02 |
| Balances with banks in current accounts | 6,154.56 | 5,285.99 | 5,391.05 |
| Loans repayable on demand from banks | (2,702.54) | (1,067.74) | (9,223.07) |
| | 3,781.44 | 4,969.98 | (2,962.93) |



Standalone Segment Information

(Amount in lakhs of ₹ unless otherwise stated)

| Sl. No | Particulars | Quarter ended | | | Six months ended | | Year ended |
|----------|---|---------------------------|---------------------------|---------------------------|---------------------------|---------------------------|-------------------------|
| | | 30.09.2019 (Unaudited) | 30.06.2019 (Unaudited) | 30.09.2018 (Unaudited) | 30.09.2019 (Unaudited) | 30.09.2018 (Unaudited) | 31.03.2019 (Audited) |
| 1 | Segment revenue | | | | | | |
| | a. Dairy | 66,489.34 | 70,993.22 | 61,050.22 | 1,37,482.56 | 1,23,804.11 | 2,47,000.58 |
| | b. Renewable energy | 300.22 | 258.82 | 443.67 | 559.04 | 774.87 | 1,137.08 |
| | c. Others | 49.00 | 55.50 | 46.11 | 104.50 | 658.55 | 917.89 |
| | Total | 66,838.56 | 71,307.54 | 61,540.00 | 1,38,146.10 | 1,25,237.53 | 2,49,055.55 |
| | Less: Inter segment revenue | 279.46 | 224.30 | 324.66 | 503.76 | 528.78 | 820.62 |
| | Income from operations | 66,559.10 | 71,083.24 | 61,215.34 | 1,37,642.34 | 1,24,708.75 | 2,48,234.93 |
| 2 | Segment results | | | | | | |
| | Profit before finance costs, tax and other un-allocable items | | | | | | |
| | a. Dairy | 1,364.20 | 3,725.81 | 3,499.23 | 5,090.02 | 6,825.49 | 14,044.96 |
| | b. Renewable energy | 187.44 | 142.83 | 315.30 | 330.27 | 547.22 | 659.25 |
| | c. Others | 3.98 | 3.79 | 10.09 | 7.77 | 64.52 | 116.42 |
| | Total | 1,555.62 | 3,872.43 | 3,824.62 | 5,428.06 | 7,437.23 | 14,820.63 |
| | Less: i. Finance costs | 475.60 | 513.41 | 446.55 | 989.01 | 991.38 | 2,068.64 |
| | ii. Other un-allocable expenses | 14,062.32 | 3,690.23 | 14,664.85 | 10,483.47 | 11,855.75 | 13,303.87 |
| | Add: i. Interest income | 7.48 | 23.99 | 9.72 | 31.47 | 24.84 | 45.77 |
| | ii. Other un-allocable income | 14,010.62 | 3,634.53 | 14,624.62 | 10,376.08 | 11,767.02 | 13,374.93 |
| | Profit before tax | 1,035.80 | 3,327.31 | 3,347.56 | 4,363.13 | 6,381.96 | 12,868.82 |
| 3 | Segment assets | | | | | | |
| | a. Dairy | 53,405.42 | 55,767.19 | 46,719.66 | 53,405.42 | 46,719.66 | 59,938.84 |
| | b. Renewable energy | 6,213.06 | 6,272.91 | 6,541.95 | 6,213.06 | 6,541.95 | 6,359.70 |
| | c. Others | 21.72 | 37.25 | - | 21.72 | - | - |
| | d. Unallocated | 80,923.97 | 98,419.30 | 93,600.70 | 80,923.97 | 93,600.70 | 93,232.19 |
| | Total | 1,40,564.17 | 1,60,496.65 | 1,46,862.31 | 1,40,564.17 | 1,46,862.31 | 1,59,530.73 |
| 4 | Segment liabilities | | | | | | |
| | a. Dairy | 36,913.79 | 37,738.68 | 33,545.02 | 36,913.79 | 33,545.02 | 43,970.83 |
| | b. Renewable energy | 2,602.51 | 2,679.66 | 3,139.79 | 2,602.51 | 3,139.79 | 2,837.96 |
| | c. Others | - | - | - | - | - | - |
| | d. Unallocated | 21,661.74 | 36,264.03 | 33,469.65 | 21,661.74 | 33,469.65 | 32,225.76 |
| | Total | 61,178.04 | 76,682.37 | 70,154.46 | 61,178.04 | 70,154.46 | 79,034.55 |

1. The unaudited standalone financial results for the quarter and six months ended 30 September 2019 were reviewed by the Audit Committee and approved by the Board of Directors of the Company at their meetings held on 30 October 2019.
2. The unaudited standalone financial results for the quarter and six months ended 30 September 2019 were subject to a limited review by the statutory auditors of the Company.
3. As per Ind AS 108- Operating Segments, the Company has identified Dairy and renewable energy as reportable segments.
4. Effective 1 April 2019, the Company adopted Ind AS 116 "Leases", applied to all lease contracts existing on 1 April 2019 using the modified retrospective method and has taken the cumulative adjustment to retained earnings, on the date of initial application. Accordingly, comparatives for the year ended 31 March 2019 and six months and quarter ended 30 September 2018 have not been retrospectively adjusted. On transition, the adoption of the new standard resulted in recognition of Right-of-Use asset (ROU) of ₹678.05 , and a lease liability of ₹699.91. The cumulative effect of applying the standard resulted in ₹16.36 being debited to retained earnings, net of taxes. In view of above, the operating lease rent which was accounted under other expenses in previous periods has now been accounted as depreciation and finance cost. Accordingly, the profit before tax for the current six months and quarter ended 30 September 2019 has increased by ₹32.55 and ₹21.49 respectively. To this extent performance for the current six months and quarter ended 30 September 2019 is not comparable with previous six months and quarterly results.
5. The Company elected to exercise the option permitted under Section 115BAA of the Income-tax Act, 1961 as introduced by the Taxation Laws (Amendment) Ordinance, 2019. Accordingly, the Company has recognised provision for Income-tax for the period ended 30 September 2019 at the new rate prescribed in the said section and re-measured its Deferred tax liabilities (net) basis the rate prescribed in the said section. The full impact of this change has been recognised in the statement of standalone financial results for the quarter ended 30 September 2019.
6. The Supreme Court of India in a judgement dated 28 February 2019 on Provident Fund addressed the principle for determining salary components that form part of basic salary for individuals below a prescribed salary threshold. Management is of the view that the Company has been discharging its provident fund obligations in accordance with the provident fund law and considering circular dated 28 August 2019 issued by the Employees' Provident Fund Organisation, no additional liability is expected to arise in this regard.
7. The Board of Directors of the Company at its meeting held on 22 May 2019 had recommended dividend of ₹2 per equity share of ₹5 each amounting to ₹1,118.70 (inclusive of dividend distribution tax) for the year ended 31 March 2019, which was approved at the annual general meeting held on 30 August 2019.
8. The procurement cost of raw materials has witnessed a steep increase in prices during the quarter ended 30 September 2019 when compared to prior quarters presented.
9. Figures of previous periods/year have been regrouped/rearranged wherever necessary.

For and on behalf of the Board of Directors

Sd/-

N Bhuvaneswari

Vice Chairperson and Managing Director

DIN: 00003741

Date: 30 October 2019

Place: Hyderabad



HERITAGE FOODS LIMITED

Registered Office: 6-3-541/C, Adjacent to NIMS, Punjagutta, Hyderabad - 500 082

CIN: L15209TG1992PLC014332, website: www.heritagefoods.in, Tel.No: 040-23391221/23391222 Fax: 30685458, email: hfl@heritagefoods.in

STATEMENT OF UNAUDITED CONSOLIDATED FINANCIAL RESULTS FOR THE QUARTER AND SIX MONTHS ENDED 30 SEPTEMBER 2019

(Amount in lakhs of ₹ unless otherwise stated)

| Sl. No | Particulars | Quarter ended | | | Six months ended | | Year ended |
|--------|---|---------------------------|---------------------------|---------------------------|---------------------------|---------------------------|--------------------|
| | | 30.09.2019 (Unaudited) | 30.06.2019 (Unaudited) | 30.09.2018 (Unaudited) | 30.09.2019 (Unaudited) | 30.09.2018 (Unaudited) | |
| 1 | Revenue | | | | | | |
| | a. Revenue from operations | 67,958.97 | 72,124.38 | 61,936.98 | 1,40,083.35 | 1,26,097.05 | 2,51,475.17 |
| | b. Other income | 312.34 | 249.55 | 180.34 | 561.89 | 371.89 | 901.70 |
| | c. Fair value gain on FVTPL equity securities | - | 3,634.54 | - | - | - | - |
| | d. Gain due to changes in fair value of derivative liabilities | 14,006.63 | - | 14,620.62 | 10,372.09 | 11,763.02 | 13,109.85 |
| | Total income | 82,277.94 | 76,008.47 | 76,737.94 | 1,51,017.33 | 1,38,231.96 | 2,65,486.72 |
| 2 | Expenses | | | | | | |
| | a. Cost of materials consumed | 55,456.75 | 56,127.86 | 44,979.28 | 1,11,584.61 | 90,694.60 | 1,88,050.35 |
| | b. Purchases of stock-in-trade | 246.66 | 560.73 | 724.90 | 807.39 | 2,616.10 | 5,924.00 |
| | c. Changes in inventories of finished goods, semi finished goods, stock-in-trade and work-in-progress | 700.01 | 1,081.63 | 2,637.09 | 1,781.65 | 5,684.48 | 3,327.24 |
| | d. Employee benefits expenses | 3,929.58 | 4,093.62 | 3,747.22 | 8,023.21 | 7,226.68 | 14,182.70 |
| | e. Finance costs | 523.71 | 554.45 | 458.84 | 1,078.16 | 1,017.99 | 2,148.33 |
| | f. Depreciation and amortization expense | 1,293.93 | 1,256.51 | 1,121.00 | 2,550.44 | 2,191.71 | 4,465.52 |
| | g. Impairment losses | 6.01 | - | 15.95 | 6.01 | 15.95 | 365.95 |
| | h. Other expenses | 5,408.79 | 5,630.19 | 4,980.75 | 11,038.98 | 10,409.81 | 21,121.10 |
| | i. Loss due to changes in fair value of derivative liabilities | - | 3,634.54 | - | - | - | - |
| | j. Fair value loss on FVTPL equity securities | 14,006.63 | - | 14,620.62 | 10,372.09 | 11,763.02 | 13,109.85 |
| | Total expenses | 81,572.07 | 72,939.53 | 73,285.65 | 1,47,242.54 | 1,31,620.34 | 2,52,695.04 |
| 3 | Profit before share of loss of an associate and a joint venture from continuing operations | 705.87 | 3,068.94 | 3,452.29 | 3,774.79 | 6,611.62 | 12,791.68 |
| 4 | Share of loss of an associate and a joint venture | 22.50 | 12.78 | 7.47 | 35.28 | 12.50 | 39.28 |
| 5 | Profit before tax from continuing operations | 683.37 | 3,056.16 | 3,444.82 | 3,739.51 | 6,599.12 | 12,752.40 |
| 6 | Tax expense | | | | | | |
| | a. Current tax expense/(benefit) | (67.89) | 1,142.00 | 1,291.72 | 1,074.11 | 2,185.80 | 4,259.26 |
| | b. Deferred tax expense/(benefit) | (314.95) | 29.48 | 48.94 | (285.48) | 167.05 | 208.64 |
| 7 | Profit for the period/year from continuing operations | 1,066.21 | 1,884.68 | 2,104.16 | 2,950.88 | 4,246.27 | 8,284.50 |
| 8 | Discontinued operations | | | | | | |
| | a. Profit/(loss) before tax | 2.61 | (74.65) | 0.80 | (72.04) | (6.67) | (18.63) |
| | b. Tax expense | - | - | 6.02 | - | 6.02 | 6.42 |
| 9 | Profit/(loss) for the period/year from discontinued operations | 2.61 | (74.65) | (5.22) | (72.04) | (12.69) | (25.05) |
| 10 | Profit for the period/year | 1,068.82 | 1,810.03 | 2,098.94 | 2,878.84 | 4,233.58 | 8,259.45 |
| 11 | Other comprehensive income (OCI) | | | | | | |
| | (a) Items that will not be reclassified to profit or loss | | | | | | |
| | (i) Re-measurement loss on defined benefit plans, net of tax | (39.60) | (39.60) | (19.46) | (79.20) | (38.92) | (164.37) |
| | (ii) Net gain/(loss) on fair value through OCI equity securities | (4,670.77) | 1,211.79 | (4,875.26) | (3,458.98) | (3,922.98) | (4,371.54) |
| | (b) Items that will be reclassified to profit or loss | | | | | | |
| 12 | Total comprehensive income/ (loss) for the period/year | (3,641.55) | 2,982.22 | (2,795.78) | (659.34) | 271.68 | 3,723.54 |
| 13 | Profit/(loss) for the period/year from continuing operations attributable to: | | | | | | |
| | - Owners of the parent | 1,425.95 | 2,001.32 | 2,021.38 | 3,427.28 | 4,100.18 | 8,143.36 |
| | - Non-controlling interest | (359.74) | (116.64) | 82.78 | (476.40) | 146.09 | 141.14 |
| 14 | Profit/(loss) for the period/year from discontinued operations attributable to: | | | | | | |
| | - Owners of the parent | - | - | - | - | - | - |
| | - Non-controlling interest | 2.61 | (74.65) | (5.22) | (72.04) | (12.69) | (25.05) |
| 15 | Total Profit/(loss) for the period/year attributable to: | | | | | | |
| | - Owners of the parent | 1,425.95 | 2,001.32 | 2,021.38 | 3,427.28 | 4,100.18 | 8,143.36 |
| | - Non-controlling interest | (357.13) | (191.29) | 77.56 | (548.44) | 133.40 | 116.09 |
| 16 | Other comprehensive income/(loss) for the period/year attributable to: | | | | | | |
| | - Owners of the parent | (4,710.37) | 1,172.19 | (4,894.72) | (3,538.18) | (3,961.90) | (4,535.91) |
| | - Non-controlling interest | - | - | - | - | - | - |
| 17 | Total comprehensive income/(loss) for the period/year attributable to: | | | | | | |
| | - Owners of the parent | (3,284.42) | 3,173.51 | (2,873.34) | (110.90) | 138.28 | 3,607.45 |
| | - Non-controlling interest | (357.13) | (191.29) | 77.56 | (548.44) | 133.40 | 116.09 |
| 18 | Paid up Equity share capital (face value of ₹5 each) | 2,319.90 | 2,319.90 | 2,319.90 | 2,319.90 | 2,319.90 | 2,319.90 |
| 19 | Other equity (attributable to the Owners of the Company) | | | | | | 77,935.90 |
| 20 | Earnings per equity share("EPES") for continuing operations | | | | | | |
| | (1) Basic EPES (not annualised) (in absolute ₹ terms) | 3.07 | 4.31 | 4.36 | 7.39 | 8.84 | 17.55 |
| | (2) Diluted EPES (not annualised) (in absolute ₹ terms) | 3.07 | 4.31 | 4.36 | 7.39 | 8.84 | 17.55 |
| 21 | EPES for discontinued operations | | | | | | |
| | (1) Basic (Not annualised) (in absolute Rs. terms) | - | - | - | - | - | - |
| | (2) Diluted (Not annualised) (in absolute Rs. terms) | - | - | - | - | - | - |
| 22 | EPES for continuing and discontinued operations | | | | | | |
| | (1) Basic (Not annualised) (in absolute Rs. terms) | 3.07 | 4.31 | 4.36 | 7.39 | 8.84 | 17.55 |
| | (2) Diluted (Not annualised) (in absolute Rs. terms) | 3.07 | 4.31 | 4.36 | 7.39 | 8.84 | 17.55 |



Heritage Foods Limited

Consolidated Balance Sheet as at 30 September 2019

(Amount in lakhs of ₹ unless otherwise stated)

| Particulars | As at | |
|--|--------------------|--------------------|
| | 30 September 2019 | 31 March 2019 |
| ASSETS | | |
| Non-current assets | | |
| (a) Property, plant and equipment | 48,163.99 | 46,100.78 |
| (b) Capital work-in-progress | 2,579.12 | 4,179.24 |
| (c) Investment property | 593.65 | 369.26 |
| (d) Other intangible assets | 824.47 | 1,086.42 |
| (e) Investment in joint venture and associate | 851.80 | 867.48 |
| (f) Financial assets | | |
| (i) Investments | 68,802.93 | 82,634.06 |
| (ii) Loans | 504.32 | 463.19 |
| (iii) Other financial assets | 49.52 | 70.24 |
| (g) Deferred tax asset (net) | 36.52 | - |
| (h) Other non-current assets | 915.00 | 187.23 |
| Total Non-Current Assets | 1,23,321.32 | 1,35,957.90 |
| Current assets | | |
| (a) Inventories | 8,558.40 | 13,836.31 |
| (b) Financial Assets | | |
| (i) Investments | 0.37 | 0.32 |
| (ii) Trade receivables | 1,648.56 | 4,235.20 |
| (iii) Cash and cash equivalents | 6,855.39 | 6,334.86 |
| (iv) Bank balances other than (iii) above | 461.76 | 1,139.80 |
| (v) Loans | 276.85 | 236.69 |
| (vi) Other financial assets | 689.90 | 89.40 |
| (c) Current tax assets (net) | 752.15 | 117.68 |
| (d) Other current assets | 1,370.26 | 1,275.66 |
| (e) Disposable group - Assets held for sale | 155.30 | 227.91 |
| Total Current Assets | 20,768.94 | 27,493.83 |
| Total Assets | 1,44,090.26 | 1,63,451.73 |
| EQUITY AND LIABILITIES | | |
| Equity | | |
| (a) Equity share capital | 2,319.90 | 2,319.90 |
| (b) Other equity | 76,677.62 | 77,935.90 |
| Equity Attributable to the Owners of the Company | 78,997.52 | 80,255.80 |
| Non-controlling interest | 583.90 | 1,170.60 |
| Total Equity | 79,581.42 | 81,426.40 |
| LIABILITIES | | |
| Non-current liabilities | | |
| (a) Financial liabilities | | |
| (i) Borrowings | 16,750.56 | 16,657.48 |
| (ii) Other financial liabilities | 19,576.91 | 29,448.87 |
| (b) Provisions | 801.24 | 716.27 |
| (c) Government grant | 6.97 | 7.65 |
| (d) Deferred tax liabilities (net) | 2,330.54 | 2,634.28 |
| Total non-current liabilities | 39,466.22 | 49,464.55 |
| Current liabilities | | |
| (a) Financial liabilities | | |
| (i) Borrowings | 3,002.54 | 9,457.58 |
| (ii) Trade payables | | |
| - total outstanding dues of micro and small enterprises; | 441.92 | 772.77 |
| - total outstanding dues of creditors other than micro and small enterprises | 5,963.99 | 6,084.10 |
| (iii) Other financial liabilities | 13,515.63 | 14,765.66 |
| (b) Other current liabilities | 1,125.27 | 619.28 |
| (c) Government grant | 1.36 | 1.36 |
| (d) Provisions | 951.10 | 818.65 |
| (e) Disposable group - liabilities related to assets held for sale | 40.81 | 41.38 |
| Total current liabilities | 25,042.62 | 32,560.78 |
| Total equity and liabilities | 1,44,090.26 | 1,63,451.73 |



Heritage Foods Limited

Consolidated Cash Flow Statement for six months ended 30 September 2019

(Amount in lakhs of ₹ unless otherwise stated)

| | For six months ended | | For the year ended |
|---|----------------------|-------------------|--------------------|
| | 30 September 2019 | 30 September 2018 | 31 March 2019 |
| Cash flow from operating activities | | | |
| Profit before tax from continuing operations | 3,739.51 | 6,599.12 | 12,752.40 |
| Adjustments: | | | |
| Fair value loss on FVTPL equity securities | 10,372.09 | 11,763.02 | 13,109.85 |
| Gain due to changes in fair value of derivative liabilities | (10,372.09) | (11,763.02) | (13,109.85) |
| Depreciation and amortization expense | 2,550.44 | 2,191.71 | 4,465.52 |
| Impairment losses | 6.01 | 15.95 | 365.95 |
| Provision for doubtful advances | 2.13 | 6.78 | 19.79 |
| Share of loss of an associate and a joint venture | 35.28 | 12.50 | 39.28 |
| Provision for doubtful debts | 27.85 | 21.05 | 142.23 |
| Guarantee income | (0.35) | - | - |
| Loss on sale of property, plant and equipment (PPE) | 37.16 | 5.62 | 179.52 |
| Provisions no longer required/ credit balances written back | (99.94) | (123.49) | (259.92) |
| Interest income | (44.12) | (40.51) | (85.81) |
| Interest expenses | 1,068.95 | 1,017.52 | 2,084.84 |
| Dividend income | (4.00) | (4.00) | (4.00) |
| Lease rental income | (70.13) | (78.29) | (157.69) |
| Unrealised foreign exchange gain | - | - | (52.74) |
| Operating cash flows before working capital changes | 7,248.79 | 9,623.96 | 19,489.37 |
| Changes in inventories | 5,277.91 | 9,630.09 | 1,638.61 |
| Changes in trade receivables | 2,558.79 | (394.83) | (3,088.01) |
| Changes in loans | (81.29) | 150.51 | 146.70 |
| Changes in other assets | (93.14) | (331.64) | (433.56) |
| Changes in other financial assets | 48.43 | - | 6.58 |
| Changes in trade payables | (450.95) | (430.73) | 420.50 |
| Changes in provisions | 138.22 | 100.19 | 51.55 |
| Changes in Government grant | (0.68) | (0.68) | (1.36) |
| Changes in other financial liabilities | (151.36) | 502.87 | 521.49 |
| Changes in other liabilities | 505.99 | 231.69 | (82.05) |
| Cash generated from operating activities | 15,000.71 | 19,081.43 | 18,669.82 |
| Income-taxes paid, net | (1,753.34) | (1,624.20) | (3,759.13) |
| Net cash generated from operating activities of continuing operations | 13,247.37 | 17,457.23 | 14,910.69 |
| Net cash used in operating activities of discontinued operations | (71.04) | (96.18) | (115.56) |
| Net cash generated from operating activities (A) | 13,176.33 | 17,361.05 | 14,795.13 |
| Cash flows from investing activities | | | |
| Purchase of property, plant and equipment and other intangible assets including Capital work in progress (CWIP) | (5,424.21) | (6,770.93) | (12,700.45) |
| Proceeds from sale of property, plant and equipment | 126.71 | 139.32 | 279.74 |
| Sale/(Purchase) of investments, net | (0.05) | - | 0.10 |
| Investment in joint venture | - | (200.00) | (849.98) |
| Interest received | 57.96 | 43.11 | 95.03 |
| Movement in other bank balances, net | 691.58 | (161.27) | (278.56) |
| Rent received | 65.54 | 78.29 | 138.58 |
| Lease rentals paid (refer note 4) | (146.66) | - | - |
| Dividend received | 4.00 | 4.00 | 4.00 |
| Net cash used in investing activities of continuing operations | (4,625.13) | (6,867.48) | (13,311.54) |
| Net cash generated from investing activities of discontinued operations | - | - | - |
| Net cash used in investing activities (B) | (4,625.13) | (6,867.48) | (13,311.54) |
| Cash flows from financing activities | | | |
| Proceeds from long term borrowings | 2,439.29 | 2,486.25 | 6,195.36 |
| Repayment of long term borrowings | (1,872.45) | (1,552.31) | (3,351.16) |
| Interest paid | (1,056.55) | (1,097.52) | (2,053.30) |
| Movement in minority interest, net | (38.26) | 0.57 | (1.16) |
| Dividend paid including dividend distribution tax | (1,118.70) | (1,118.70) | (1,118.70) |
| Net cash used in financing activities of continuing operations | (1,646.67) | (1,281.71) | (328.96) |
| Net cash used in financing activities of discontinued operations | - | - | - |
| Net cash used in financing activities (C) | (1,646.67) | (1,281.71) | (328.96) |
| Net increase in cash and cash equivalents during the period/year (A + B + C) | 6,904.53 | 9,211.86 | 1,154.63 |
| Cash and cash equivalents at the beginning of the year | (2,910.72) | (4,065.35) | (4,065.35) |
| Cash and cash equivalents at the end of the period/ year | 3,993.81 | 5,146.51 | (2,910.72) |
| Cash and cash equivalents includes | | | |
| - Included in cash and cash equivalents and current borrowings | | | |
| Cash on hand | 330.57 | 735.42 | 758.31 |
| Balances with banks in current accounts | 6,314.82 | 5,315.41 | 5,465.53 |
| Deposit with original maturity of less than 3 months | 210.00 | - | - |
| Cheques, drafts on hand | - | 17.15 | 111.02 |
| Loans repayable on demand from banks | (3,002.54) | (1,152.84) | (9,457.58) |
| | 3,852.85 | 4,915.14 | (3,122.72) |
| - Included in the assets of the disposal group | 140.96 | 231.37 | 212.00 |
| | 3,993.81 | 5,146.51 | (2,910.72) |



Consolidated segment information

(Amount in lakhs of ₹ unless otherwise stated)

| Sl. No | Particulars | Quarter ended | | | Six months ended | | Year ended |
|--------|--|---------------------------|-------------------------|---------------------------|---------------------------|---------------------------|-------------------------|
| | | 30.09.2019 (Unaudited) | 30.06.2019 (Audited) | 30.09.2018 (Unaudited) | 30.09.2019 (Unaudited) | 30.09.2018 (Unaudited) | 31.03.2019 (Audited) |
| 1 | Segment revenue | | | | | | |
| | a. Dairy | 66,489.34 | 70,993.22 | 61,050.22 | 1,37,482.56 | 1,23,804.11 | 2,47,000.58 |
| | b. Renewable energy | 300.22 | 258.82 | 443.67 | 559.04 | 774.87 | 1,137.08 |
| | c. Feed | 3,071.24 | 2,716.06 | 1,674.34 | 5,787.30 | 3,279.93 | 7,376.06 |
| | d. Others | 49.00 | 55.50 | 186.97 | 104.50 | 928.84 | 1,593.74 |
| | Total | 69,909.80 | 74,023.60 | 63,355.20 | 1,43,933.40 | 1,28,787.75 | 2,57,107.46 |
| | Less: Inter segment revenue | 1,950.83 | 1,899.22 | 1,418.22 | 3,850.05 | 2,690.70 | 5,632.29 |
| | Income from operations | 67,958.97 | 72,124.38 | 61,936.98 | 1,40,083.35 | 1,26,097.05 | 2,51,475.17 |
| 2 | Segment results | | | | | | |
| | Profit/(loss) before finance costs, tax and other un-allocable items | | | | | | |
| | a. Dairy | 1,364.20 | 3,725.81 | 3,499.23 | 5,090.02 | 6,825.49 | 14,044.96 |
| | b. Renewable energy | 187.44 | 142.83 | 315.30 | 330.27 | 547.22 | 659.25 |
| | c. Feed | 84.76 | (82.60) | 44.71 | 2.16 | 132.32 | 111.19 |
| | d. Others | (362.57) | (126.05) | 79.50 | (488.62) | 185.14 | 228.82 |
| | Total | 1,273.83 | 3,659.99 | 3,938.74 | 4,933.83 | 7,690.17 | 15,044.22 |
| | Share of loss of an associate and a joint venture | (22.50) | (12.78) | (7.47) | (35.28) | (12.50) | (39.28) |
| | Less: i. Finance costs | 523.71 | 554.45 | 458.84 | 1,078.16 | 1,017.99 | 2,148.33 |
| | ii. Other un-allocable expenses | 14,066.51 | 3,703.67 | 14,670.43 | 10,501.09 | 11,868.09 | 13,303.87 |
| | Add: i. Interest income | 11.60 | 32.51 | 18.20 | 44.12 | 40.51 | 85.82 |
| | ii. Other un-allocable income | 14,010.66 | 3,634.56 | 14,624.62 | 10,376.09 | 11,767.02 | 13,113.84 |
| | Total profit before tax | 683.37 | 3,056.16 | 3,444.82 | 3,739.51 | 6,599.12 | 12,752.40 |
| 3 | Segment assets | | | | | | |
| | a. Dairy | 53,405.42 | 55,767.19 | 46,719.66 | 53,405.42 | 46,719.66 | 59,938.84 |
| | b. Renewable energy | 6,213.06 | 6,272.91 | 6,541.95 | 6,213.06 | 6,541.95 | 6,359.70 |
| | c. Feed | 6,061.75 | 5,821.91 | 3,218.94 | 6,061.75 | 3,218.94 | 5,365.45 |
| | d. Others | 491.44 | 899.60 | 989.34 | 491.44 | 989.34 | 965.68 |
| | e. Unallocated | 77,918.59 | 95,577.15 | 91,526.71 | 77,918.59 | 91,526.71 | 90,822.06 |
| | Total | 1,44,090.26 | 1,64,338.76 | 1,48,996.60 | 1,44,090.26 | 1,48,996.60 | 1,63,451.73 |
| 4 | Segment liabilities | | | | | | |
| | a. Dairy | 36,913.79 | 37,738.68 | 33,545.02 | 36,913.79 | 33,545.02 | 43,970.83 |
| | b. Renewable energy | 2,602.51 | 2,679.66 | 3,139.79 | 2,602.51 | 3,139.79 | 2,837.96 |
| | c. Feed | 3,537.28 | 3,514.16 | 1,166.23 | 3,537.28 | 1,166.23 | 3,158.37 |
| | d. Others | 14.83 | 15.08 | 7.11 | 14.83 | 7.11 | 30.83 |
| | e. Unallocated | 21,440.43 | 36,018.61 | 33,162.21 | 21,440.43 | 33,162.21 | 32,027.34 |
| | Total | 64,508.84 | 79,966.19 | 71,020.36 | 64,508.84 | 71,020.36 | 82,025.33 |

1. The unaudited consolidated financial results for the quarter and six months ended 30 September 2019 were reviewed by the Audit Committee and approved by the Board of Directors of the Company at their meetings held on 30 October 2019.
2. The consolidated financial results for the quarter ended 30 September 2019 were subjected to a limited review by the statutory auditors of the Company.
3. As per Ind AS 108 - Operating Segments, the Group has identified Dairy, Renewable energy and Feed as reportable segments.
4. Effective 1 April 2019, the Group adopted Ind AS 116 "Leases", applied to all lease contracts existing on 1 April 2019 using the modified retrospective method and has taken the cumulative adjustment to retained earnings, on the date of initial application. Accordingly, comparatives for the year ended 31 March 2019 and six months and quarter ended 30 September 2018 have not been retrospectively adjusted. On transition, the adoption of the new standard resulted in recognition of Right-of-Use asset (ROU) of ₹678.05 and a lease liability of ₹699.91. The cumulative effect of applying the standard resulted in ₹16.36 being debited to retained earnings, net of taxes. In view of above, the operating lease rent which was accounted under other expenses in previous periods has now been accounted as depreciation and finance cost. Accordingly, the profit before tax for the current six months and quarter ended 30 September 2019 has increased by ₹32.55 and ₹21.49 respectively. To this extent performance for the current six months and quarter ended 30 September 2019 is not comparable with previous six months and quarterly results.
5. The Holding Company elected to exercise the option permitted under Section 115BAA of the Income-tax Act, 1961 as introduced by the Taxation Laws (Amendment) Ordinance, 2019. Accordingly, the Holding Company has recognised provision for Income-tax for the period ended 30 September 2019 at the new rate prescribed in the said section and re-measured its Deferred tax liabilities (net) basis the rate prescribed in the said section. The full impact of this change has been recognised in the statement of consolidated financial results for the quarter ended 30 September 2019.
6. The Supreme Court of India in a judgement dated 28 February 2019 on provident fund addressed the principle for determining salary components that form part of basic salary for individuals below a prescribed salary threshold. Management is of the view that the Group has been discharging its provident fund obligations in accordance with the provident fund law and considering circular dated 28 August 2019 issued by the Employees' Provident Fund Organisation, no additional liability is expected to arise in this regard.
7. The Board of Directors of the Company at its meeting held on 22 May 2019 had recommended dividend of ₹2 per equity share of ₹5 each amounting to ₹1,118.70 (inclusive of dividend distribution tax) for the year ended 31 March 2019, which was approved at the annual general meeting held on 30 August 2019.
8. The procurement cost of raw materials has witnessed a steep increase in prices during the quarter ended 30 September 2019 when compared to prior quarters presented.
9. Figures of previous periods/year have been regrouped/rearranged wherever necessary.

For and on behalf of the Board of Directors

Sd/-

N Bhuvaneswari

Vice Chairperson and Managing Director

DIN: 00003741

Date: 30 October 2019

Place: Hyderabad