



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 31.03.2019 (Audited)
		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