



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 NINE MONTHS ENDED 31 DECEMBER 2021

(Amount in millions of ₹ unless otherwise stated)

Sl. No	Particulars	Quarter ended			Nine months ended		Year ended
		31.12.2021 (Unaudited)	30.09.2021 (Unaudited)	31.12.2020 (Unaudited)	31.12.2021 (Unaudited)	31.12.2020 (Unaudited)	31.03.2021 (Audited)
1	Revenue						
	a. Revenue from operations	6,670.31	6,703.00	6,049.16	19,853.85	18,537.51	24,731.13
	b. Other income	30.70	28.98	11.07	88.10	44.82	80.33
	Total income	6,701.01	6,731.98	6,060.23	19,941.95	18,582.33	24,811.46
2	Expenses						
	a. Cost of materials consumed	5,437.53	4,904.81	4,378.20	14,995.20	13,595.51	18,419.76
	b. Purchases of stock-in-trade	41.78	33.76	70.57	105.12	214.71	266.85
	c. Changes in inventories of finished goods, semi finished goods, stock-in-trade and work-in-progress	(254.34)	117.94	(108.54)	179.39	(192.34)	(312.95)
	d. Employee benefits expenses	483.63	479.01	468.00	1,424.53	1,334.07	1,778.87
	e. Finance costs	6.05	9.23	50.92	29.52	161.41	191.80
	f. Depreciation and amortization expense	129.27	130.36	113.21	387.31	342.61	462.26
	g. Impairment losses	-	-	-	-	19.03	42.44
	h. Other expenses	553.95	516.11	462.97	1,556.91	1,352.15	1,866.97
	i. Fair value loss on FVTPL securities	-	-	203.95	-	47.67	48.12
	Total expenses	6,397.87	6,191.22	5,639.28	18,677.98	16,874.82	22,764.12
3	Profit before share of loss of an associate and a joint venture from continuing operations	303.14	540.76	420.95	1,263.97	1,707.51	2,047.34
4	Share of loss of an associate and a joint venture	15.80	13.93	5.37	42.98	10.17	22.16
5	Profit before exceptional items and tax from continuing operations	287.34	526.83	415.58	1,220.99	1,697.34	2,025.18
6	Exceptional Items [refer note 7]	-	91.40	-	91.40	-	-
7	Profit/(loss) before tax from continuing operations	287.34	435.43	415.58	1,129.59	1,697.34	2,025.18
8	Tax expense						
	a. Current tax expense	48.61	126.87	149.32	279.34	444.99	516.40
	b. Deferred tax expense/(benefit)	30.58	(19.11)	6.07	11.44	4.13	18.28
9	Profit for the period/year from continuing operations	208.15	327.67	260.19	838.81	1,248.22	1,490.50
10	Discontinued operations						
	a. Profit/(loss) before tax	(1.16)	(0.49)	(0.22)	(2.01)	(9.12)	(7.49)
	b. Tax expense	-	-	-	-	-	-
11	Profit/(loss) for the period/year from discontinued operations	(1.16)	(0.49)	(0.22)	(2.01)	(9.12)	(7.49)
12	Profit for the period/year	206.99	327.18	259.97	836.80	1,239.10	1,483.01
13	Other comprehensive income (OCI)						
	(a) Items that will not be reclassified to profit or loss						
	(i) Re-measurement loss on defined benefit plan, net of tax	(1.03)	(1.01)	(1.37)	(3.06)	(4.10)	(3.84)
	(ii) Net loss on fair value through OCI equity securities	-	-	(69.11)	0.02	(16.93)	(17.23)
	(b) Items that will be reclassified to profit or loss						
14	Total comprehensive income for the period/year	205.96	326.17	189.49	833.76	1,218.07	1,461.94
15	Profit/(loss) for the period/year from continuing operations attributable to:						
	- Owners of the parent	208.16	327.67	263.54	838.85	1,256.72	1,499.48
	- Non-controlling interest	(0.01)	-	(3.35)	(0.04)	(8.50)	(8.98)
16	Profit/(loss) for the period/year from discontinued operations attributable to:						
	- Owners of the parent	-	-	-	-	-	-
	- Non-controlling interest	(1.16)	(0.49)	(0.22)	(2.01)	(9.12)	(7.49)
17	Total Profit/(loss) for the period/year attributable to:						
	- Owners of the parent	208.16	327.67	263.54	838.85	1,256.72	1,499.48
	- Non-controlling interest	(1.17)	(0.49)	(3.57)	(2.05)	(17.62)	(16.47)
18	Other comprehensive loss for the period/year attributable to:						
	- Owners of the parent	(1.03)	(1.01)	(70.48)	(3.04)	(21.03)	(21.07)
	- Non-controlling interest	-	-	-	-	-	-
19	Total comprehensive income/(loss) for the period/year attributable to:						
	- Owners of the parent	207.13	326.66	193.06	835.81	1,235.69	1,478.41
	- Non-controlling interest	(1.17)	(0.49)	(3.57)	(2.05)	(17.62)	(16.47)
20	Paid up Equity share capital (face value of ₹5 each)	231.99	231.99	231.99	231.99	231.99	231.99
21	Other equity (attributable to the Owners of the Company)	-	-	-	-	-	5,726.26
22	Earnings per equity share ("EPES") for continuing operations [refer note 4]						
	(1) Basic EPES (not annualised) (in absolute ₹ terms)	4.49	7.06	5.68	18.08	27.09	32.32
	(2) Diluted EPES (not annualised) (in absolute ₹ terms)	4.49	7.06	5.68	18.08	27.09	32.32
23	EPES for discontinued operations						
	(1) Basic EPES (not annualised) (in absolute ₹ terms)	-	-	-	-	-	-
	(2) Diluted EPES (not annualised) (in absolute ₹ terms)	-	-	-	-	-	-
24	EPES for continuing and discontinued operations						
	(1) Basic EPES (not annualised) (in absolute ₹ terms)	4.49	7.06	5.68	18.08	27.09	32.32
	(2) Diluted EPES (not annualised) (in absolute ₹ terms)	4.49	7.06	5.68	18.08	27.09	32.32



Consolidated segment information

(Amount in millions of ₹ unless otherwise stated)

Sl. No	Particulars	Quarter ended			Nine months ended		Year ended
		31.12.2021 (Unaudited)	30.09.2021 (Unaudited)	31.12.2020 (Unaudited)	31.12.2021 (Unaudited)	31.12.2020 (Unaudited)	31.03.2021 (Audited)
1	Segment revenue						
	a. Dairy	6,560.62	6,600.09	5,881.26	19,538.26	18,008.75	24,064.96
	b. Renewable energy	22.04	28.77	14.08	73.05	53.10	68.83
	c. Feed	246.71	233.73	297.42	721.88	949.35	1,215.26
	Total	6,829.37	6,862.59	6,192.76	20,333.19	19,011.20	25,349.05
	Less: Inter segment revenue	159.06	159.59	143.60	479.34	473.69	617.92
	Income from operations	6,670.31	6,703.00	6,049.16	19,853.85	18,537.51	24,731.13
2	Segment results						
	Profit before finance costs, tax and other un-allocable items						
	a. Dairy	298.37	441.12	655.14	1,147.55	1,827.19	2,184.94
	b. Renewable energy	8.44	16.09	4.13	33.59	16.67	28.75
	c. Feed	5.77	2.61	23.45	25.38	100.22	112.34
	d. Others	(0.32)	-	(3.35)	(0.35)	(8.62)	(9.10)
	Total	312.26	459.82	679.37	1,206.17	1,935.46	2,316.93
	Share of loss of an associate and a joint venture	(15.80)	(13.93)	(5.37)	(42.98)	(10.17)	(22.16)
	Less: i. Finance costs	(6.05)	(9.23)	(50.92)	(29.52)	(161.41)	(191.80)
	ii. Other un-allocable expenses	(10.18)	(7.30)	(208.46)	(21.08)	(22.05)	(81.84)
	Add: i. Interest income	0.79	0.23	0.96	2.65	3.18	2.56
	ii. Other un-allocable income	6.32	5.84	-	14.35	(47.67)	1.49
	Profit before tax from continuing operations	287.34	435.43	415.58	1,129.59	1,697.34	2,025.18
3	Segment assets						
	a. Dairy	6,911.95	6,359.68	6,841.07	6,911.95	6,841.07	7,224.73
	b. Renewable energy	560.24	568.95	582.56	560.24	582.56	577.38
	c. Feed	523.10	543.42	551.97	523.10	551.97	554.38
	d. Others	0.02	-	1.54	0.02	1.54	-
	e. Unallocated	1,119.39	1,649.59	1,466.87	1,119.39	1,466.87	428.62
	Total	9,114.70	9,121.64	9,444.01	9,114.70	9,444.01	8,785.11
4	Segment liabilities						
	a. Dairy	2,255.30	2,376.23	3,119.81	2,255.30	3,119.81	2,402.23
	b. Renewable energy	3.69	4.51	150.60	3.69	150.60	2.73
	c. Feed	172.71	177.51	226.84	172.71	226.84	188.03
	d. Others	0.27	-	1.35	0.27	1.35	0.87
	e. Unallocated	233.83	204.45	226.15	233.83	226.15	228.12
	Total	2,665.80	2,762.70	3,724.75	2,665.80	3,724.75	2,821.98

Notes:

- The unaudited consolidated financial results for the quarter and nine months ended 31 December 2021 were reviewed by the Audit Committee and approved by the Board of Directors of the Company at their meetings held on 21 January 2022.
- The consolidated financial results have been prepared in accordance with Indian Accounting Standards ('Ind AS') prescribed under Section 133 of the Companies Act, 2013 read with relevant rules thereunder and in terms of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended) and SEBI circular dated 5th July, 2016.
- As per Ind AS 108 - Operating Segments, the management has identified Dairy, Renewable energy and Feed as reportable segments.
- Net Profit for the comparative periods were impacted due to significant fluctuations in the fair value of investments, in Future Retail Limited and the corresponding derivative liabilities, both accounted at fair value through profit and loss. The table below provides additional information regarding the impact of such fluctuation on the profit after tax and corresponding impact on the earnings per equity share ("EPES"):

	(Amount in millions of ₹)					
	Quarter ended	Quarter ended	Quarter ended	Nine months ended	Nine months ended	Year ended
	31.12.2021	30.09.2021	31.12.2020	31.12.2021	31.12.2020	31.03.2021
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)
Profit for the period/year from continuing operations	208.15	327.67	260.19	838.81	1,248.22	1,490.50
Adjustment:						
Gains/ (losses) due to fair value changes	-	-	(203.95)	-	(47.67)	(48.12)
Profit for the period/year from continuing operations, after above adjustment	208.15	327.67	464.14	838.81	1,295.89	1,538.62
Core business EPES (not annualised) (in absolute ₹ terms)	4.49	7.06	10.08	18.08	28.11	33.35

- The Group has considered internal and certain external sources of information including credit reports, economic forecasts and industry reports up to the date of approval of the consolidated financial results in determining the impact on various elements of its consolidated financial results due to COVID-19 pandemic. The Group has used the principles of prudence in applying judgments, estimates and assumptions including sensitivity analysis and based on the current estimates, the Group expects to fully recover the carrying amount of its trade receivables, inventories, other financial assets and other current assets. The eventual outcome of impact of the global health pandemic may be different from those estimated as on the date of approval of these consolidated financial results.
- The Indian Parliament has approved the Code on Social Security, 2020 ("Code") which, inter alia, deals with employee benefits during employment and post employment. The Code has been published in the Gazette of India. The effective date of the Code is yet to be notified and the rules for quantifying the financial impact are also yet to be issued. In view of this, the impact of the change, if any, will be assessed and recognised post notification of the relevant provisions.
- The accompanying consolidated financial results for the nine months ended 31 December 2021 include a provision of ₹91.40 million, on account of disputed liability mainly due to GST classification of flavored milk, being faced by the dairy sector.
- With effect from quarter ended 31 March 2021, the Company has chosen to present the results in ₹ in millions, instead of ₹ in lakhs.
- Figures of previous period/year have been regrouped/rearranged wherever necessary.

For and on behalf of the Board of Directors

Sd/-

N. Bhuvaneshwari

Vice Chairperson and Managing Director
DIN: 00003741

Date: 21 January 2022
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 STANDALONE FINANCIAL RESULTS
FOR THE QUARTER AND NINE MONTHS ENDED 31 DECEMBER 2021

(Amount in millions of ₹ unless otherwise stated)

Sl. No	Particulars	Quarter ended			Nine months ended		Year ended 31.03.2021 (Audited)
		31.12.2021 (Unaudited)	30.09.2021 (Unaudited)	31.12.2020 (Unaudited)	31.12.2021 (Unaudited)	31.12.2020 (Unaudited)	
1	Revenue						
	a. Revenue from operations	6,571.40	6,601.79	5,882.41	19,551.82	18,012.92	24,070.29
	b. Other income	27.31	27.50	14.33	81.76	49.40	84.07
	Total income	6,598.71	6,629.29	5,896.74	19,633.58	18,062.32	24,154.36
2	Expenses						
	a. Cost of materials consumed	5,295.88	4,764.54	4,235.04	14,572.81	13,111.68	17,795.41
	b. Purchases of stock-in-trade	149.99	133.85	128.70	423.13	429.19	557.07
	c. Changes in inventories of finished goods, semi finished goods, stock-in-trade and work-in-progress	(264.47)	112.29	(113.84)	162.99	(199.60)	(314.29)
	d. Employee benefits expenses	463.23	459.49	447.77	1,365.15	1,278.54	1,703.88
	e. Finance costs	4.14	6.98	48.02	23.22	150.46	178.48
	f. Depreciation and amortization expense	123.65	124.78	107.68	370.65	326.28	440.54
	g. Impairment losses	-	-	-	-	19.03	42.67
	h. Other expenses	524.06	486.16	434.32	1,467.19	1,266.32	1,740.62
	i. Fair value loss on FVTPL securities	-	-	203.95	-	47.67	48.12
	Total expenses	6,296.48	6,088.09	5,491.64	18,385.14	16,429.57	22,192.50
3	Profit before exceptional items and tax	302.23	541.20	405.10	1,248.44	1,632.75	1,961.86
4	Exceptional items [refer note 7]	-	91.40	-	91.40	-	-
5	Profit before tax	302.23	449.80	405.10	1,157.04	1,632.75	1,961.86
6	Tax expense						
	a. Current tax expense	48.60	127.47	145.90	277.47	431.57	500.37
	b. Deferred tax expense/(benefit)	29.95	(19.71)	2.73	8.84	(4.78)	9.85
7	Profit for the period/year	223.68	342.04	256.47	870.73	1,205.96	1,451.64
8	Other comprehensive income (OCI)						
	(a) Items that will not be reclassified to profit or loss						
	(i) Re-measurement loss on defined benefit plan, net of tax	(1.02)	(1.01)	(1.37)	(3.05)	(4.11)	(4.08)
	(ii) Net loss on fair value through OCI equity securities	-	-	(69.11)	0.02	(16.93)	(17.23)
	Income tax effect on the above	-	-	-	-	-	-
	(b) Items that will be reclassified to profit or loss	-	-	-	-	-	-
9	Total comprehensive income/(loss) for the period/year	222.66	341.03	185.99	867.70	1,184.92	1,430.33
10	Paid up Equity Share Capital (face value of ₹5 each)	231.99	231.99	231.99	231.99	231.99	231.99
11	Other equity	-	-	-	-	-	5,705.65
12	Earnings per equity share ("EPES") [refer note 4]						
	(1) Basic EPES (not annualised) (in absolute ₹ terms)	4.82	7.37	5.53	18.77	25.99	31.29
	(2) Diluted EPES (not annualised) (in absolute ₹ terms)	4.82	7.37	5.53	18.77	25.99	31.29



Standalone Segment Information

(Amount in millions of ₹ unless otherwise stated)

Sl. No	Particulars	Quarter ended			Nine months ended		Year ended
		31.12.2021 (Unaudited)	30.09.2021 (Unaudited)	31.12.2020 (Unaudited)	31.12.2021 (Unaudited)	31.12.2020 (Unaudited)	31.03.2021 (Audited)
1	Segment revenue						
	a. Dairy	6,560.62	6,600.09	5,881.26	19,538.26	18,008.75	24,064.96
	b. Renewable energy	22.04	28.77	14.08	73.05	53.10	68.83
	Total	6,582.66	6,628.86	5,895.34	19,611.31	18,061.85	24,133.79
	Less: Inter segment revenue	11.26	27.07	12.93	59.49	48.93	63.50
	Income from operations	6,571.40	6,601.79	5,882.41	19,551.82	18,012.92	24,070.29
2	Segment results						
	Profit before finance costs, tax and other un-allocable items						
	a. Dairy	298.37	441.12	655.14	1,147.55	1,827.19	2,184.94
	b. Renewable energy	8.44	16.09	4.13	33.59	16.67	28.75
	c. Others	(0.31)	-	-	(0.31)	-	-
	Total	306.50	457.21	659.27	1,180.83	1,843.86	2,213.69
	Less: i. Finance costs	(4.14)	(6.98)	(48.02)	(23.22)	(150.46)	(178.48)
	ii. Other un-allocable expenses	(6.92)	(6.57)	(207.47)	(17.34)	(64.79)	(78.72)
	Add: i. Interest income	0.29	0.21	1.31	2.42	4.14	1.76
	ii. Other un-allocable income	6.50	5.93	-	14.35	-	3.61
	Profit before tax	302.23	449.80	405.10	1,157.04	1,632.75	1,961.86
		-	-	-	-	-	-
3	Segment assets						
	a. Dairy	6,911.95	6,359.68	6,841.07	6,911.95	6,841.07	7,224.73
	b. Renewable energy	560.24	568.95	582.56	560.24	582.56	577.38
	c. Others	0.02	-	-	0.02	-	-
	d. Unallocated	1,489.88	2,018.67	1,776.28	1,489.88	1,776.28	778.17
	Total	8,962.09	8,947.30	9,199.91	8,962.09	9,199.91	8,580.28
		2.70	-	-	2.70	-	-
4	Segment liabilities						
	a. Dairy	2,255.30	2,376.23	3,119.81	2,255.30	3,119.81	2,402.23
	b. Renewable energy	3.69	4.51	150.60	3.69	150.60	2.73
	c. Others	0.27	-	-	0.27	-	-
	d. Unallocated	245.49	215.90	237.24	245.49	237.24	237.68
	Total	2,504.75	2,596.64	3,507.65	2,504.75	3,507.65	2,642.64

Notes:

- The unaudited standalone financial results for the quarter and nine months ended 31 December 2021 were reviewed by the Audit Committee and approved by the Board of Directors of the Company at their meetings held on 21 January 2022.
- The standalone financial results have been prepared in accordance with Indian Accounting Standards ("Ind AS") prescribed under Section 133 of the Companies Act, 2013 read with relevant rules thereunder and in terms of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended) and SEBI circular dated 5th July, 2016.
- As per Ind AS 108- Operating Segments, the management has identified Dairy and renewable energy as reportable segments.
- Net Profit for the comparative periods were impacted due to significant fluctuations in the fair value of investments, in Future Retail Limited and the corresponding derivative liabilities, both accounted at fair value through profit and loss. The table below provides additional information regarding the impact of such fluctuation on the profit after tax and corresponding impact on the earnings per equity share ("EPES"):

	(Amount in millions of ₹)					
	Quarter ended	Quarter ended	Quarter ended	Nine months ended	Nine months ended	Year ended
	31.12.2021	30.09.2021	31.12.2020	31.12.2021	31.12.2020	31.03.2021
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)
Profit for the period/year	223.68	342.04	256.47	870.73	1,205.96	1,451.64
Adjustment:						
Gains/(losses) due to fair value changes	-	-	(203.95)	-	(47.67)	(48.12)
Profit for the period/year after above adjustment	223.68	342.04	460.42	870.73	1,253.63	1,499.76
Core business EPES (not annualised) (in absolute ₹ terms)	4.82	7.37	9.92	18.77	27.02	32.32

- The Company has considered internal and certain external sources of information including credit reports, economic forecasts and industry reports up to the date of approval of the standalone financial results in determining the impact on various elements of its standalone financial results due to COVID-19 pandemic. The Company has used the principles of prudence in applying judgments, estimates and assumptions including sensitivity analysis and based on the current estimates, the Company expects to fully recover the carrying amount of its trade receivables, inventories, other financial assets and other current assets. The eventual outcome of impact of the global health pandemic may be different from those estimated as on the date of approval of these standalone financial results.
- The Indian Parliament has approved the Code on Social Security, 2020 ("Code") which, inter alia, deals with employee benefits during employment and post employment. The Code has been published in the Gazette of India. The effective date of the Code is yet to be notified and the rules for quantifying the financial impact are also yet to be issued. In view of this, the impact of the change, if any, will be assessed and recognised post notification of the relevant provisions.
- The accompanying standalone financial results for the nine months ended 31 December 2021 include a provision of ₹91.40 million, on account of disputed liability mainly due to GST classification of flavored milk, being faced by the dairy sector.
- With effect from quarter ended 31 March 2021, the Company has chosen to present the results in ₹ in millions, instead of ₹ in lakhs.
- Figures of previous period/year have been regrouped/rearranged wherever necessary.

For and on behalf of the Board of Directors

Sd/-

N. Bhuvanewari

Vice Chairperson and Managing Director

DIN: 00003741

Date: 21 January 2022

Place: Hyderabad