



25
YEARS
OF HERITAGE

Ref: SECT: STOC: 33-20

27th May, 2020

To
The Secretary
BSE Limited
Phiroze Jeejeebhoy Towers,
Dalal Street,
Mumbai - 400 001

To
The Manager,
Listing Department,
National Stock Exchange of India Limited
Exchange Plaza, C-1, G Block, Bandra-Kurla
Complex, Bandra (East), Mumbai - 400 051

Scrip Code: 519552

Scrip Code: HERITGFOOD

Dear Sir / Madam,

Sub: Audited Financial Results (Standalone & Consolidated) for the Financial Year ended 31st March, 2020

Ref: Regulation 33 of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015

We wish to inform that the Board of Directors of the Company at its meeting held today, i.e. 27th May, 2020, approved the Audited Financial Results (Standalone & Consolidated) for the year ended 31st March, 2020, pursuant to Regulation 33 of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 the following documents are enclosed.

1. The Audited Standalone Financial Results of the Company under Indian Accounting Standards (Ind AS) for the Year ended on March 31, 2020, along with the Segment Report and the Statement of Assets and Liabilities of the Company for the year ended 31st March, 2020,
2. The Audited Consolidated Financial Results of the Company under Indian Accounting Standards (Ind AS) for the Year ended on March 31, 2020, along with the Segment Report and the Statement of Assets and Liabilities of the Company for the year ended 31st March, 2020,
3. Auditors Report (Standalone & Consolidated) regarding Audited Financial Results for the year ended 31st March, 2020 issued by M/s. Walker Chandiok & Co. LLP, Chartered Accountants, Hyderabad.

The meeting of the Board of Directors commenced at 11:30 AM (IST) and concluded at 03:00 PM (IST)

This is for your information and records.

Thanking you,

For HERITAGE FOODS LIMITED


UMAKANTA BARIK

Company Secretary & Compliance Officer
M. No: FCS-6317

Encl: a/a



HERITAGE FOODS LIMITED

CIN : L15209TG1992PLC014332

AN ISO: 22000 CERTIFIED COMPANY





25
YEARS
OF HERITAGE

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 AUDITED STANDALONE FINANCIAL RESULTS

FOR THE QUARTER AND YEAR ENDED 31 MARCH 2020

(Amount in lakhs of ₹ unless otherwise stated)

Sl. No	Particulars	Quarter ended			Year ended	
		31.03.2020 (Audited) (note 3)	31.12.2019 (Unaudited)	31.03.2019 (Audited) (note 3)	31.03.2020 (Audited)	31.03.2019 (Audited)
1	Revenue					
	a. Revenue from operations	64,308.18	66,160.11	62,521.99	268,110.63	248,234.93
	b. Other income	153.29	125.39	568.87	832.39	1,109.60
	c. Gain due to changes in fair value of derivative liabilities	13,674.09	5,402.69	6,822.09	29,448.87	13,109.85
	Total income	78,135.56	71,688.19	69,912.95	298,391.89	262,454.38
2	Expenses					
	a. Cost of materials consumed	54,494.10	53,329.48	47,286.76	215,052.77	184,087.30
	b. Purchases of stock-in-trade	1,257.90	1,366.36	3,334.44	6,053.54	8,440.19
	c. Changes in inventories of finished goods, semi finished goods, stock-in-trade and work-in-progress	(2,513.01)	(657.71)	(1,456.65)	(1,319.75)	3,391.35
	d. Employee benefits expenses	3,484.97	3,810.08	3,183.64	14,956.81	13,685.21
	e. Finance costs	597.50	494.22	597.46	2,080.72	2,068.64
	f. Depreciation and amortization expense	1,123.91	1,229.77	1,108.57	4,803.59	4,371.04
	g. Impairment losses	68.24	-	350.00	74.25	365.95
	h. Other expenses	4,975.70	4,804.57	5,204.74	19,997.04	20,066.03
	i. Fair value loss on FVTPL equity securities	35,385.78	5,402.69	6,822.09	51,160.56	13,109.85
	Total expenses	98,875.09	69,779.46	66,431.05	312,859.53	249,585.56
3	Profit/(loss) before tax	(20,739.53)	1,908.73	3,481.90	(14,467.64)	12,868.82
4	Tax expense					
	a. Current tax expense	302.42	474.00	1,055.00	1,850.47	4,228.00
	b. Deferred tax expense/(benefit), net	(8.91)	(22.36)	28.27	(317.67)	296.63
5	Profit/(loss) for the period/year	(21,033.04)	1,457.09	2,398.63	(16,000.44)	8,344.19
6	Other comprehensive income (OCI)					
	(a) Items that will not be reclassified to profit or loss					
	(i) Re-measurement gain/(loss) on defined benefit plan, net of tax	64.07	(39.60)	(100.03)	(54.73)	(158.40)
	(ii) Net loss on fair value through OCI equity securities	(11,799.64)	(1,801.28)	(2,219.89)	(17,059.90)	(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	(32,768.61)	(383.79)	78.71	(33,115.07)	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
9	Other equity				43,913.17	78,176.28
10	Earnings per equity share ("EPES")					
	(1) Basic EPES (not annualised) (in absolute ₹ terms)	(45.33)	3.14	5.17	(34.49)	17.98
	(2) Diluted EPES (not annualised) (in absolute ₹ terms)	(45.33)	3.14	5.17	(34.49)	17.98

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HERITAGE FOODS LIMITED

CIN : L15209TG1992PLC014332

AN ISO: 22000 CERTIFIED COMPANY



Standalone Segment Information

(Amount in lakhs of ₹ unless otherwise stated)

Sl. No	Particulars	Quarter ended			Year ended	
		31.03.2020 (Audited) (note 3)	31.12.2019 (Unaudited)	31.03.2019 (Audited) (note 3)	31.03.2020 (Audited)	31.03.2019 (Audited)
1	Segment revenue					
	a. Dairy	64,170.64	66,114.13	62,396.64	267,767.46	247,000.58
	b. Renewable energy	247.86	131.82	182.41	938.72	1,137.08
	c. Others	44.28	28.22	97.66	176.87	917.89
	Total	64,462.78	66,274.17	62,676.71	268,883.05	249,055.55
	Less: Inter segment revenue	154.60	114.06	154.72	772.42	820.62
	Income from operations	64,308.18	66,160.11	62,521.99	268,110.63	248,234.93
2	Segment results					
	Profit/(Loss) before finance costs, tax and other un-allocable items					
	a. Dairy	1,477.71	2,458.79	3,778.26	9,026.63	14,044.96
	b. Renewable energy	125.52	(12.94)	51.20	442.84	659.25
	c. Others	3.42	3.48	7.75	14.55	116.42
	Total	1,606.65	2,449.33	3,837.21	9,484.02	14,820.63
	Less: i. Finance costs	597.50	494.22	597.46	2,080.72	2,068.64
	ii. Other un-allocable expenses	35,441.46	5,458.38	6,854.15	51,383.31	13,303.87
	Add: i. Interest income	18.69	9.34	13.13	59.50	45.77
	ii. Other un-allocable income	13,674.09	5,402.66	7,083.17	29,452.87	13,374.93
	Profit/(loss) before tax	(20,739.53)	1,908.73	3,481.90	(14,467.64)	12,868.82
3	Segment assets					
	a. Dairy	65,436.72	58,371.99	59,938.84	65,436.72	59,938.84
	b. Renewable energy	6,027.09	6,102.14	6,359.70	6,027.09	6,359.70
	c. Others	-	-	-	-	-
	d. Unallocated	24,721.19	71,984.89	93,232.19	24,721.19	93,232.19
	Total	96,185.00	136,459.02	159,530.73	96,185.00	159,530.73
4	Segment liabilities					
	a. Dairy	45,209.71	38,788.57	43,970.83	45,209.71	43,970.83
	b. Renewable energy	2,209.10	2,448.61	2,837.96	2,209.10	2,837.96
	c. Others	-	-	-	-	-
	d. Unallocated	2,533.12	16,219.50	32,225.76	2,533.12	32,225.76
	Total	49,951.93	57,456.68	79,034.55	49,951.93	79,034.55

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HERITAGE FOODS LIMITED

CIN : L15209TG1992PLC014332

AN ISO: 22000 CERTIFIED COMPANY





25
YEARS
OF HERITAGE

Heritage Foods Limited
Standalone Balance Sheet as at 31 March 2020
(Amount in lakhs of ₹ unless otherwise stated)

Particulars	As at	
	31 March 2020	31 March 2019
ASSETS		
Non-current assets		
(a) Property, plant and equipment	42,650.55	43,879.38
(b) Capital work-in-progress	7,551.23	2,231.26
(c) Investment property	585.05	369.26
(d) Other intangible assets	611.34	1,086.43
(e) Intangible assets under development	158.14	-
(f) Investment in subsidiaries, joint venture and associate	4,180.30	3,379.70
(g) Financial assets		
(i) Investments	14,413.65	82,634.06
(ii) Loans	507.94	438.01
(iii) Other financial assets	47.13	65.36
(h) Other non-current assets	290.87	183.53
Total Non-Current Assets	70,996.20	134,266.99
Current assets		
(a) Inventories	13,636.82	13,203.33
(b) Financial Assets		
(i) Investments	0.37	0.32
(ii) Trade receivables	2,109.49	3,996.75
(iii) Cash and cash equivalents	5,332.33	6,260.14
(iv) Bank balances other than (iii) above	171.03	280.34
(v) Loans	281.87	236.05
(vi) Other financial assets	39.48	77.29
(c) Current tax assets (net)	123.17	101.79
(d) Other current assets	1,394.03	1,107.73
(e) Disposal group - assets held for sale	2,100.21	-
Total Current Assets	25,188.80	25,263.74
Total Assets	96,185.00	159,530.73
EQUITY AND LIABILITIES		
Equity		
(a) Equity share capital	2,319.90	2,319.90
(b) Other equity	43,913.17	78,176.28
Total Equity	46,233.07	80,496.18
LIABILITIES		
Non-current liabilities		
(a) Financial liabilities		
(i) Borrowings	16,013.14	15,425.95
(ii) Other financial liabilities	433.22	29,501.20
(b) Provisions	796.18	693.56
(c) Government grant	6.29	7.65
(d) Deferred tax liabilities (net)	2,292.16	2,682.39
Total non-current liabilities	19,540.99	48,310.75
Current liabilities		
(a) Financial liabilities		
(i) Borrowings	8,317.30	9,223.07
(ii) Trade payables		
- total outstanding dues of micro and small enterprises;	523.89	752.81
- total outstanding dues of creditors other than micro and small enterprises	5,161.36	5,521.89
(iii) Other financial liabilities	14,653.02	13,865.05
(b) Other current liabilities	653.92	556.48
(c) Government grant	1.36	1.36
(d) Provisions	1,100.09	803.14
Total current liabilities	30,410.94	30,723.80
Total equity and liabilities	96,185.00	159,530.73

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HERITAGE FOODS LIMITED

CIN : L15209TG1992PLC014332

AN ISO: 22000 CERTIFIED COMPANY



Heritage Foods Limited
Standalone Cash Flow Statement for the year ended 31 March 2020
(Amount in lakhs of ₹ unless otherwise stated)

Particulars	For the year ended	
	31 March 2020	31 March 2019
Cash flow from operating activities		
Profit/(loss) before tax	(14,467.64)	12,868.82
Adjustments:		
Fair value loss on FVTPL equity securities	51,160.56	13,109.85
Gain due to changes in fair value of derivative liabilities	(29,448.87)	(13,109.85)
Depreciation and amortization expense	4,803.59	4,371.04
Impairment losses	74.25	365.95
Provision for doubtful advances	-	19.79
Provision for doubtful debts	48.49	27.38
Advances written off	4.63	11.09
Loss on sale of Property, plant and equipment ("PPE")	70.59	178.89
Reversal of impairment in value of investments, net	-	(261.49)
Provisions no longer required/ credit balances written back	(166.87)	(241.76)
Interest income	(33.67)	(23.70)
Interest expenses	2,002.77	2,003.12
Guarantee Income	(25.83)	(22.07)
Unrealised foreign exchange gain	-	(52.75)
Lease income	(173.98)	(163.53)
Dividend income on long term investments	(4.00)	(4.00)
Operating cash flows before working capital changes	13,844.02	19,077.18
Movements in working capital:		
Changes in inventories	(433.49)	1,848.56
Changes in trade receivables	1,838.77	(3,013.73)
Changes in loans	(115.75)	152.03
Changes in other assets	(282.48)	(394.62)
Changes in other financial assets	52.75	-
Changes in trade payables	(589.45)	(112.65)
Changes in provisions	326.43	49.08
Changes in government grant	(1.36)	(1.36)
Changes in other financial liabilities	(379.26)	490.25
Changes in other liabilities	97.44	(112.97)
Cash generated from operating activities	14,357.62	17,981.77
Income-taxes paid, net	(1,916.18)	(3,718.33)
Net cash generated from operating activities (A)	12,441.44	14,263.44
Cash flow from investing activities		
Purchase of PPE and other intangible assets, including CWIP and intangible assets under development	(10,297.16)	(10,792.08)
Proceeds from sale of PPE	352.89	303.10
(Purchase)/ Sale of investments	(0.10)	0.06
Investment in joint venture	-	(849.99)
Investment in subsidiary	(750.00)	(550.00)
Interest received	32.09	34.13
Movement in other bank balances, net	121.28	(151.96)
Rent received	166.88	144.42
Lease rentals paid (refer note 5)	(317.88)	-
Dividend income received	4.00	4.00
Net cash used in investing activities (B)	(10,688.00)	(11,858.32)
Cash flow from financing activities		
Proceeds from long term borrowings	5,032.77	5,223.32
Repayment of long term borrowings	(3,699.54)	(3,251.16)
Interest paid	(1,990.01)	(1,984.27)
Dividend paid including dividend distribution tax	(1,118.70)	(1,118.73)
Net cash used in financing activities (C)	(1,775.48)	(1,130.84)
Net increase/(decrease) in cash and cash equivalents during the year (A + B + C)	(22.04)	1,274.28
Cash and cash equivalents at the beginning of the year	(2,962.93)	(4,237.21)
Cash and cash equivalents at the end of the year (Note 1)	(2,984.97)	(2,962.93)
Note 1:		
Cash and cash equivalents includes		
Cash on hand	358.53	758.07
Cheques, drafts on hand	-	111.02
Balances with banks in current accounts	4,973.80	5,391.05
Loans repayable on demand from banks	(8,317.30)	(9,223.07)
	(2,984.97)	(2,962.93)

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HERITAGE FOODS LIMITED

CIN : L15209TG1992PLC014332

AN ISO: 22000 CERTIFIED COMPANY





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1. The audited standalone financial results for the quarter and year ended 31 March 2020 were reviewed by the Audit Committee and approved by the Board of Directors of the Company at their meetings held on 27 May 2020.
2. 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.
3. The figures for the quarter ended 31 March 2020 are the balancing figures between the audited figures in respect of the full financial year ended 31 March 2020 and the unaudited year to date figures up to the nine months ended 31 December 2019, which were subjected to limited review by the statutory auditors.

The figures for the quarter ended 31 March 2019 are the balancing figures between the audited figures in respect of the full financial year ended 31 March 2019 and the unaudited year to date figures up to the nine months ended 31 December 2018, which were subjected to limited review by the statutory auditors.

4. As per Ind AS 108- Operating Segments, the management has identified Dairy and renewable energy as reportable segments.
5. Effective 1 April 2019, the Company has adopted Ind AS 116 "Leases", and pursuant to which it has applied the principles of Ind AS 116, 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 quarter and year ended 31 March 2019 have not been retrospectively adjusted. The adoption of this standard did not have any material impact on the loss and EPES for the quarter and year ended 31 March 2020.
6. 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 during the quarter and period ended 30 September 2019. Accordingly, the Company has recognised the provision for Income-tax and measured the deferred tax liabilities(net) for the quarter and year ended 31 March 2020 at the new rate prescribed in the aforesaid section.
7. As detailed below, the loss before tax, as reported, has impacted significantly due to changes in the (a) fair value of an investment in equity securities, and (b) fair value of corresponding derivative liabilities.

	Quarter Ended 31.03.2020	Quarter Ended 31.12.2019	Quarter Ended 31.03.2019	Year Ended 31.03.2020	Year Ended 31.03.2019
Profit/(loss) before tax	(20,739.53)	1,908.73	3,481.90	(14,467.64)	12,868.82
Adjustments:					
Gain due to changes in the fair value of derivative liabilities	13,674.09	5,402.69	6,822.09	29,448.87	13,109.85
Loss due to changes in the FVTPL equity securities	(35,385.78)	(5,402.69)	(6,822.09)	(51,160.56)	(13,109.85)
Profit after above adjustments	972.16	1,908.73	3,481.90	7,244.05	12,868.82
Core business EPS (Amount in ₹)	1.46	3.14	5.17	12.31	17.98

8. The Board of Directors of the Company has recommended dividend for the Financial Year 2019-20 @ 50% i.e. ₹ 2.50/- per share of the face value of Rs.5/-each subject to the approval of the share holders at the ensuing Annual General Meeting.
9. Figures of previous period/year have been regrouped/rearranged wherever necessary.

For and on behalf of the Board of Directors


N. Bhuvaneshwari

Vice Chairperson and Managing Director
DIN: 00003741

Date: 27 May 2020
Place: Hyderabad



HERITAGE FOODS LIMITED
(Formerly known as M/s. Heritage Foods (India) Limited)
CIN : L15209TG1992PLC014332
AN ISO: 22000 CERTIFIED COMPANY



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: hnl@heritagefoods.in

STATEMENT OF AUDITED CONSOLIDATED FINANCIAL RESULTS FOR THE QUARTER AND YEAR ENDED 31 MARCH 2020

(Amount in lakhs of ₹ unless otherwise stated)

Sl. No	Particulars	Quarter ended		Year ended	
		31.03.2020 (Audited) (note 3)	31.12.2019 (Unaudited)	31.03.2019 (Audited) (note 3)	31.03.2020 (Audited) (note 3)
1	Revenue				
a.	Revenue from operations	65,264.71	67,242.37	63,502.52	272,590.43
b.	Other income	194.17	130.68	315.62	886.74
c.	Gain due to changes in fair value of derivative liabilities	13,674.09	5,402.69	6,822.09	29,448.87
	Total income	79,132.97	72,775.74	70,640.23	302,926.04
2	Expenses				
a.	Cost of materials consumed	55,852.47	55,197.86	48,586.16	222,634.13
b.	Purchases of stock-in-trade	239.47	149.89	2,548.65	1,196.74
c.	Changes in inventories of finished goods, semi finished goods, stock-in-trade and work-in-progress	(2,459.35)	(697.18)	(1,535.62)	(1,375.18)
d.	Employee benefits expenses	3,622.89	3,992.93	3,297.03	15,639.03
e.	Finance costs	645.72	539.47	630.84	2,263.34
f.	Depreciation and amortization expense	1,178.31	1,284.16	1,132.66	5,013.21
g.	Impairment losses	68.24		350.04	74.25
h.	Other expenses	5,265.27	5,263.30	5,097.36	21,567.55
i.	Fair value loss on FVTPL equity securities	35,185.78	5,102.69	6,822.09	51,160.56
	Total expenses	99,798.80	71,132.32	67,529.49	318,173.65
3	Profit/(loss) before share of loss of an associate and a joint venture from continuing operations	(20,665.83)	1,643.42	3,110.74	(15,247.61)
4	Share of loss of an associate and a joint venture	28.78	26.05	16.37	90.11
5	Profit/(loss) before tax from continuing operations	(20,694.61)	1,617.37	3,094.37	(15,337.72)
6	Tax expense				
a.	Current tax expense	311.34	474.00	1,067.74	1,859.35
b.	Deferred tax expense/(benefit), net	(11.28)	(25.00)	13.63	(324.75)
7	Profit/(loss) for the period/year from continuing operations	(20,991.57)	1,168.37	2,013.00	(16,872.32)
8	Discontinued operations				
a.	Profit/(loss) before tax	2.10	2.24	3.48	(67.70)
b.	Tax expense			0.41	6.42
9	Profit/(loss) for the period/year from discontinued operations	2.10	2.24	3.07	(67.70)
10	Profit/(loss) for the period/year	(20,989.47)	1,170.61	2,016.07	(16,940.02)
11	Other comprehensive income (OCI)				
(a)	Items that will not be reclassified to profit or loss				
(i)	Re-measurement gain/(loss) on defined benefit plan, net of tax	60.52	(39.60)	(106.01)	(58.28)
(ii)	Net loss on fair value through OCI equity securities	(11,799.64)	(1,801.27)	(2,219.89)	(17,059.90)
(b)	Items that will be reclassified to profit or loss				
12	Total comprehensive income/(loss) for the period/year	(32,728.59)	(670.26)	(309.83)	(34,058.20)
13	Profit/(loss) for the period/year from continuing operations attributable to:				
- Owners of the parent		(20,921.05)	1,462.55	2,152.52	(16,031.23)
- Non-controlling interest		(70.52)	(294.18)	(139.52)	(841.09)
14	Profit/(loss) for the period/year from discontinued operations attributable to:				
- Owners of the parent		2.10	2.24	3.07	(67.70)
- Non-controlling interest					(25.05)
15	Total Profit/(loss) for the period/year attributable to:				
- Owners of the parent		(20,921.05)	1,462.55	2,152.52	(16,031.23)
- Non-controlling interest		(68.42)	(291.94)	(136.45)	(908.79)
16	Other comprehensive loss for the period/year attributable to:				
- Owners of the parent		(11,739.12)	(1,840.87)	(2,325.90)	(17,118.18)
- Non-controlling interest					(4,535.91)
17	Total comprehensive income/(loss) for the period/year attributable to:				
- Owners of the parent		(32,660.17)	(378.32)	(173.38)	(33,149.41)
- Non-controlling interest		(68.42)	(291.94)	(136.45)	(908.79)
18	Paid up Equity share capital (face value of ₹5 each)	2,319.90	2,319.90	2,319.90	2,319.90
19	Other equity (attributable to the Owners of the Company)				41,638.49
20	Earnings per equity share ("EPES") for continuing operations				
(1) Basic EPES (not annualised) (in absolute ₹ terms)		(45.09)	3.15	4.64	(34.55)
(2) Diluted EPES (not annualised) (in absolute ₹ terms)		(45.09)	3.15	4.64	(34.55)
21	EPES for discontinued operations				
(1) Basic EPES (not annualised) (in absolute ₹ terms)					
(2) Diluted EPES (not annualised) (in absolute ₹ terms)					
22	EPES for continuing and discontinued operations				
(1) Basic EPES (not annualised) (in absolute ₹ terms)		(45.09)	3.15	4.64	(34.55)
(2) Diluted EPES (not annualised) (in absolute ₹ terms)		(45.09)	3.15	4.64	(34.55)

HERITAGE FOODS LIMITED

CIN : L15209TG1992PLC014332

AN ISO: 22000 CERTIFIED COMPANY

Regd. Off: # 6-3-541/C, Panjagutta, Hyderabad - 500 082, Telangana, INDIA. Tel.: +91-40-23391221, 23391222 Fax: 30685458 email: hnl@heritagefoods.in, website: www.heritagefoods.in



Consolidated segment information

(Amount in lakhs of ₹ unless otherwise stated)

Sl. No	Particulars	Quarter ended			Year ended	
		31.03.2020 (Audited) (note 3)	31.12.2019 (Unaudited)	31.03.2019 (Audited) (note 3)	31.03.2020 (Audited)	31.03.2019 (Audited)
1	Segment revenue					
	a. Dairy	64,170.64	66,114.13	62,396.64	267,767.46	247,000.58
	b. Renewable energy	247.86	131.82	182.41	938.72	1,137.08
	c. Feed	2,073.58	2,524.54	2,157.53	10,385.42	7,376.06
	d. Others	44.28	28.22	298.81	176.87	1,593.74
	Total	66,536.36	68,798.71	65,035.39	279,268.47	257,107.46
	Less: Inter segment revenue	1,271.65	1,556.34	1,532.87	6,678.04	5,632.29
	Income from operations	65,264.71	67,242.37	63,502.52	272,590.43	251,475.17
2	Segment results					
	Profit/(loss) before finance costs, tax and other un-allocable items					
	a. Dairy	1,477.71	2,458.79	3,778.26	9,026.63	14,044.96
	b. Renewable energy	125.52	(12.94)	51.20	442.84	659.25
	c. Feed	188.46	77.79	55.07	268.41	111.19
	d. Others	(68.23)	(293.48)	(121.25)	(850.45)	228.82
	Total	1,723.46	2,230.16	3,763.28	8,887.43	15,044.22
	Share of loss of an associate and a joint venture	(28.78)	(26.05)	(16.37)	(90.11)	(39.28)
	Less: i. Finance costs	645.72	539.47	630.86	2,263.36	2,148.33
	ii. Other un-allocable expenses	35,434.01	5,457.46	6,864.64	51,392.56	13,303.87
	Add: i. Interest income	16.36	7.54	20.85	68.02	85.82
	ii. Other un-allocable income	13,674.08	5,402.65	6,822.11	29,452.86	13,113.84
	Total profit/(loss) before tax	(20,694.61)	1,617.37	3,094.37	(15,337.72)	12,752.40
3	Segment assets					
	a. Dairy	65,436.72	58,371.99	59,938.84	65,436.72	59,938.84
	b. Renewable energy	6,027.09	6,102.14	6,359.70	6,027.09	6,359.70
	c. Feed	5,611.86	5,835.73	5,365.45	5,611.86	5,365.45
	d. Others	98.56	163.71	965.68	98.56	965.68
	e. Unallocated	21,646.35	68,865.07	90,822.06	21,646.35	90,822.06
	Total	98,820.58	139,338.64	163,451.73	98,820.58	163,451.73
4	Segment liabilities					
	a. Dairy	45,209.71	38,788.57	43,970.83	45,209.71	43,970.83
	b. Renewable energy	2,209.10	2,448.61	2,837.96	2,209.10	2,837.96
	c. Feed	2,800.83	3,069.90	3,158.37	2,800.83	3,158.37
	d. Others	13.65	17.85	30.83	13.65	30.83
	e. Unallocated	2,413.73	16,112.79	32,027.34	2,413.73	32,027.34
	Total	52,647.02	60,437.72	82,025.33	52,647.02	82,025.33

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Heritage Foods Limited
Consolidated Balance Sheet as at 31 March 2020
(Amount in lakhs of ₹ unless otherwise stated)

Particulars	As at	
	31 March 2020	31 March 2019
ASSETS		
Non-current assets		
(a) Property, plant and equipment	46,912.67	46,100.78
(b) Capital work-in-progress	7,571.61	4,179.24
(c) Investment property	585.05	369.26
(d) Other intangible assets	611.34	1,086.42
(e) Intangible assets under development	158.14	-
(f) Investment in joint venture and associate	817.98	867.48
(g) Financial assets		
(i) Investments	14,413.65	82,634.06
(ii) Loans	538.46	463.19
(iii) Other financial assets	52.36	70.24
(h) Other non-current assets	290.87	187.23
Total Non-Current Assets	71,952.13	135,957.90
Current assets		
(a) Inventories	14,467.48	13,836.31
(b) Financial Assets		
(i) Investments	0.37	0.32
(ii) Trade receivables	2,189.24	4,235.20
(iii) Cash and cash equivalents	5,583.39	6,334.86
(iv) Bank balances other than (iii) above	241.26	1,139.80
(v) Loans	282.44	236.69
(vi) Other financial assets	42.07	89.40
(c) Current tax assets (net)	137.73	117.68
(d) Other current assets	1,665.11	1,275.66
(e) Disposal group - Assets held for sale	2,259.36	227.91
Total Current Assets	26,868.45	27,493.83
Total Assets	98,820.58	163,451.73
EQUITY AND LIABILITIES		
Equity		
(a) Equity share capital	2,319.90	2,319.90
(b) Other equity	43,638.49	77,935.90
Equity Attributable to the Owners of the Company	45,958.39	80,255.80
Non-controlling interest	215.17	1,170.60
Total Equity	46,173.56	81,426.40
LIABILITIES		
Non-current liabilities		
(a) Financial liabilities		
(i) Borrowings	17,222.52	16,657.48
(ii) Other financial liabilities	393.29	29,448.87
(b) Provisions	820.10	716.27
(c) Government grant	6.29	7.65
(d) Deferred tax liabilities (net)	2,235.77	2,634.28
Total non-current liabilities	20,677.97	49,464.55
Current liabilities		
(a) Financial liabilities		
(i) Borrowings	8,844.06	9,457.58
(ii) Trade payables		
- total outstanding dues of micro and small enterprises;	530.58	772.77
- total outstanding dues of creditors other than micro and small enterprises	5,464.30	6,084.10
(iii) Other financial liabilities	15,160.15	14,765.66
(b) Other current liabilities	803.57	619.28
(c) Government grant	1.36	1.36
(d) Provisions	1,124.71	818.65
(e) Disposal group - liabilities related to assets held for sale	40.32	41.38
Total current liabilities	31,969.05	32,560.78
Total equity and liabilities	98,820.58	163,451.73

HERITAGE FOODS LIMITED

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YEARS
OF HERITAGE

Heritage Foods Limited		
Consolidated Cash Flow Statement for the year ended 31 March 2020		
(Amount in lakhs of ₹ unless otherwise stated)		
Particulars	For the year ended	
	31 March 2020	31 March 2019
Cash flow from operating activities		
Profit/(loss) before tax from continuing operations	(15,337.72)	12,752.40
Adjustments:		
Fair value loss on FVTPL equity securities	51,160.56	13,109.85
Gain due to changes in fair value of derivative liabilities	(29,448.87)	(13,419.85)
Depreciation and amortization expense	5,013.21	4,465.52
Impairment losses	74.25	365.95
Provision for doubtful advances	-	19.79
Share of loss of an associate and a joint venture	90.11	39.28
Provision for doubtful debts	59.66	142.23
Guarantee income	(2.44)	-
Loss on sale of property, plant and equipment (PPE)	70.57	179.52
Provisions no longer required/ credit balances written back	(230.75)	(259.92)
Interest income	(68.02)	(85.81)
Interest expenses	2,185.41	2,084.84
Dividend income	(4.00)	(4.00)
Lease rental income	(155.99)	(157.69)
Unrealised foreign exchange gain	-	(52.74)
Operating cash flows before working capital changes	13,405.98	19,489.37
Changes in inventories	(631.17)	1,638.61
Changes in trade receivables	1,986.30	(3,088.01)
Changes in loans	(121.02)	146.70
Changes in other assets	(385.63)	(433.56)
Changes in other financial assets	53.05	6.58
Changes in trade payables	(861.99)	420.50
Changes in provisions	332.01	51.55
Changes in government grant	(1.36)	(1.36)
Changes in other financial liabilities	(299.22)	521.49
Changes in other liabilities	184.29	(82.05)
Cash generated from operating activities	13,661.24	18,669.82
Income-taxes paid, net	(1,922.06)	(3,759.13)
Net cash generated from operating activities of continuing operations	11,739.18	14,910.69
Net cash used in operating activities of discontinued operations	(67.71)	(115.56)
Net cash generated from operating activities (A)	11,671.47	14,795.13
Cash flows from investing activities		
Purchase of property, plant and equipment and other intangible assets including Capital work in progress and intangible assets under development	(11,200.88)	(12,700.45)
Proceeds from sale of property, plant and equipment	355.97	279.74
Sale/(Purchase) of investments, net	(0.10)	0.10
Investment in joint venture	-	(549.98)
Interest received	76.58	95.03
Movement in other bank balances, net	910.56	(278.56)
Rent received	147.57	138.58
Lease rentals paid (refer note 5)	(317.88)	-
Dividend received	4.00	4.00
Net cash used in investing activities of continuing operations	(10,024.18)	(13,311.54)
Net cash generated from investing activities of discontinued operations	-	-
Net cash used in investing activities (B)	(10,024.18)	(13,311.54)
Cash flows from financing activities		
Proceeds from long term borrowings	5,335.73	6,195.36
Repayment of long term borrowings	(3,852.87)	(3,351.16)
Interest paid	(2,169.05)	(2,053.30)
Movement in minority interest, net	(46.64)	(1.16)
Dividend paid including dividend distribution tax	(1,118.70)	(1,118.70)
Net cash used in financing activities of continuing operations	(1,851.53)	(328.96)
Net cash generated from financing activities of discontinued operations	-	-
Net cash used in financing activities (C)	(1,851.53)	(328.96)
Net increase/(decrease) in cash and cash equivalents during the year (A + B + C)	(204.24)	1,154.63
Cash and cash equivalents at the beginning of the year	(2,910.72)	(4,065.35)
Cash and cash equivalents at the end of the year	(3,114.96)	(2,910.72)
Cash and cash equivalents includes		
- Included in cash and cash equivalents and current borrowings		
Cash on hand	359.10	758.31
Balances with banks in current accounts	5,084.29	5,465.53
Deposits with original maturity of less than 3 months	140.00	-
Cheques, drafts on hand	-	111.02
Loans repayable on demand from banks	(8,844.06)	(9,457.58)
	(3,260.67)	(3,122.72)
- Included in the assets of the disposal group	145.71	212.00
	(3,114.96)	(2,910.72)

HERITAGE FOODS LIMITED

CIN : L15209TG1992PLC014332

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- The audited consolidated financial results for the quarter and year ended 31 March 2020 were reviewed by the Audit Committee and approved by the Board of Directors of the Company at their meetings held on 27 May 2020.
- 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.
- The figures for the quarter ended 31 March 2020 are the balancing figures between the audited figures in respect of the full financial year ended 31 March 2020 and the unaudited year to date figures up to the nine months ended 31 December 2019, which were subjected to limited review by the statutory auditors.

The figures for the quarter ended 31 March 2019 are the balancing figures between the audited figures in respect of the full financial year ended 31 March 2019 and the unaudited year to date figures up to the nine months ended 31 December 2018, which were subjected to limited review by the statutory auditors.
- As per Ind AS 108 - Operating Segments, the management has identified Dairy, Renewable energy and Feed as reportable segments.
- Effective 1 April 2019, the Group has adopted Ind AS 116 "Leases", and pursuant to which it has applied the principles of Ind AS 116, 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 quarter and year ended 31 March 2019 have not been retrospectively adjusted. The adoption of this standard did not have any material impact on the loss and EPES for the quarter and year ended 31 March 2020.
- 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 during the quarter and period ended 30 September 2019. Accordingly, the Company has recognised the provision for Income-tax and measured the deferred tax liabilities(net) for the quarter and year ended 31 March 2020 at the new rate prescribed in the aforesaid section.
- As detailed below, the loss before tax from continuing operations, as reported, has impacted significantly due to changes in the (a) fair value of an investment in equity securities, and (b) fair value of corresponding derivative liabilities.

	Quarter Ended 31.03.2020	Quarter Ended 31.12.2019	Quarter Ended 31.03.2019	Year Ended 31.03.2020	Year Ended 31.03.2019
Profit/(loss) before tax from continuing operations	(20,694.61)	1,617.37	3,094.37	(15,337.72)	12,752.40
Adjustments:					
Gain due to changes in the fair value of derivative liabilities	13,674.09	5,402.69	6,822.09	29,448.87	13,109.85
Loss due to changes in the FVTPL equity securities	(35,385.78)	(5,402.69)	(6,822.09)	(51,160.56)	(13,109.85)
Profit after above adjustments	1,017.08	1,617.37	3,094.37	6,373.97	12,752.40
Core business EPS (Amount in ₹)	1.70	3.15	4.64	12.24	17.55

- The Board of Directors of the Company has recommended dividend for the Financial Year 2019-20 @ 50% i.e. ₹ 2.50/- per share of the face value of Rs.5/-each subject to the approval of the share holders at the ensuing Annual General Meeting.
- Figures of previous period/year have been regrouped/rearranged wherever necessary.

For and on behalf of the Board of Directors


N. Bhuvaneshwari

Vice Chairperson and Managing Director
DIN: 00003741

Date: 27 May 2020
Place: Hyderabad



HERITAGE FOODS LIMITED
(Formerly known as M/s. Heritage Foods (India) Limited)
CIN : L15209TG1992PLC014332
AN ISO: 22000 CERTIFIED COMPANY



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Independent Auditor's Report on Standalone Annual Financial Results of the Company Pursuant to the Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended)

To the Board of Directors of Heritage Foods Limited

Opinion

1. We have audited the accompanying standalone annual financial results ('the Statement') of Heritage Foods Limited ('the Company') for the year ended 31 March 2020, attached herewith, being submitted by the Company pursuant to the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended) ('Listing Regulations'), including relevant circulars issued by the SEBI from time to time.
2. In our opinion and to the best of our information and according to the explanations given to us, the Statement:
 - (i) is presented in accordance with the requirements of Regulation 33 of the Listing Regulations, read with SEBI Circular CIR/CFD/FAC/62/2016 dated 5 July 2016 (hereinafter referred to as 'the SEBI Circular'), and
 - (ii) gives a true and fair view in conformity with the applicable Indian Accounting Standards ('Ind AS') prescribed under Section 133 of the Companies Act, 2013 ('the Act'), read with relevant rules issued thereunder, and other accounting principles generally accepted in India, of the standalone net loss after tax and other comprehensive income and other financial information of the Company for the year ended 31 March 2020.

Basis for Opinion

3. We conducted our audit in accordance with the Standards on Auditing ('SAs') specified under section 143(10) of the Act. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Statement* section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ('the ICAI') together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our opinion.

Management's and Those Charged with Governance Responsibilities for the Statement

4. This Statement has been prepared on the basis of the standalone annual financial statements. The Company's Board of Directors is responsible for the preparation and presentation of the Statement that gives a true and fair view of the net profit/loss and other comprehensive income and other financial information of the Company in accordance with the accounting principles generally accepted in India, including Ind AS prescribed under Section 133 of the Act, read with relevant rules issued thereunder and other accounting principles generally accepted in India, and in compliance with Regulation 33 of the Listing Regulations including SEBI Circular. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Statement that gives a true and fair view and is free from material misstatement, whether due to fraud or error.
5. In preparing the Statement, the Board of Directors is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern, and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.
6. The Board of Directors is also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Statement

7. Our objectives are to obtain reasonable assurance about whether the Statement as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with Standards on Auditing, specified under section 143(10) of the Act, will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this Statement.
8. As part of an audit in accordance with the Standards on Auditing, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:
 - Identify and assess the risks of material misstatement of the Statement, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
 - Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3) (i) of the Act, we are also responsible for expressing our opinion on whether the Company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls.
 - Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.

Walker Chandiok & Co LLP

- Conclude on the appropriateness of the management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Statement or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
 - Evaluate the overall presentation, structure and content of the Statement, including the disclosures, and whether the Statement represents the underlying transactions and events in a manner that achieves fair presentation.
9. We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.
10. We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Other Matter

11. The Statement includes the financial results for the quarter ended 31 March 2020, being the balancing figures between the audited figures in respect of the full financial year and the published unaudited year-to-date figures up to the third quarter of the current financial year, which were subject to limited review by us.

For Walker Chandiok & Co LLP

Chartered Accountants

Firm Registration No.: 001076N/N500013

Sanjay Kumar Jain

Partner

Membership No. 207660

UDIN: 20207660AAAABG4664



Digitally signed
by Sanjay
Kumar Jain
Date:
2020.05.27
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Place: Hyderabad

Date: 27 May 2020

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Independent Auditor's Report on Consolidated Annual Financial Results of the Company Pursuant to the Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended)

To the Board of Directors of Heritage Foods Limited

Opinion

1. We have audited the accompanying consolidated annual financial results ('the Statement') of Heritage Foods Limited ('the Holding Company') and its subsidiaries (the Holding Company and its subsidiaries together referred to as 'the Group'), its associate and joint venture (refer Annexure 1 for the list of subsidiaries, associate and joint venture included in the Statement) for the year ended 31 March 2020, attached herewith, being submitted by the Holding Company pursuant to the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended) ('Listing Regulations'), including relevant circulars issued by the SEBI from time to time.
2. In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the reports of other auditors on separate audited financial statements of a subsidiary and a joint venture, as referred to in paragraph 12 below, the Statement:
 - (i) includes the annual financial results of the following entities (refer Annexure 1 for the list of subsidiaries, associate and joint venture included in the Statement);
 - (ii) is presented in accordance with the requirements of Regulation 33 of the Listing Regulations, read with SEBI Circular CIR/CFD/FAC/62/2016 dated 5 July 2016 (hereinafter referred to as 'the SEBI Circular'); and
 - (iii) gives a true and fair view in conformity with the applicable Indian Accounting Standards ('Ind AS') prescribed under Section 133 of the Companies Act, 2013 ('the Act') read with relevant rules issued thereunder, and other accounting principles generally accepted in India, of the consolidated net loss after tax and other comprehensive income and other financial information of the Group, its associate and joint venture, for the year ended 31 March 2020.

Basis for Opinion

3. We conducted our audit in accordance with the Standards on Auditing ('SAs') specified under section 143(10) of the Act. Our responsibilities under those standards are further described in *the Auditor's Responsibilities for the Audit of the Statement* section of our report. We are independent of the Group, its associate and joint venture, in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ('the ICAI') together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act, and the rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence obtained by us and that obtained by the other auditors in terms of their reports referred to in paragraph 12 of the Other Matters section below, is sufficient and appropriate to provide a basis for our opinion.

Management's and Those Charged with Governance Responsibilities for the Statement

4. The Statement, which is the responsibility of the Holding Company's management and has been approved by the Holding Company's Board of Directors, has been prepared on the basis of the consolidated annual financial statements. The Holding Company's Board of Directors is responsible for the preparation and presentation of the Statement that gives a true and fair view of the consolidated net profit or loss after tax and other comprehensive income, and other financial information of the Group including its associate and joint venture in accordance with the accounting principles generally accepted in India, including the Ind AS prescribed under section 133 of the Act, read with relevant rules issued thereunder and other accounting principles generally accepted in India and in compliance with Regulation 33 of the Listing Regulations, including SEBI Circular. The Holding Company's Board of Directors is also responsible for ensuring accuracy of records including financial information considered necessary for the preparation of the Statement. Further, in terms of the provisions of the Act, the respective Board of Directors/management of the companies included in the Group and its associate and joint venture, are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act, for safeguarding of the assets of the Group, and its associate and joint venture, and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively, for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial results, that give a true and fair view and are free from material misstatement, whether due to fraud or error. These financial results have been used for the purpose of preparation of the Statement by the Directors of the Holding Company, as aforesaid.
5. In preparing the Statement, the respective Board of Directors of the companies included in the Group and of its associate and joint venture, are responsible for assessing the ability of the Group and of its associate and joint venture, to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting, unless the respective Board of Directors/ management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.
6. The respective Board of Directors/ management of the companies included in the Group and of its associate and joint venture, are responsible for overseeing the financial reporting process of the companies included in the Group and of its associate and joint venture.

Auditor's Responsibilities for the Audit of the Statement

7. Our objectives are to obtain reasonable assurance about whether the Statement as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with Standards on Auditing, specified under section 143(10) of the Act, will always detect a material misstatement, when it exists.

Misstatements can arise from fraud or error, and are considered material if, individually, or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this Statement.

8. As part of an audit in accordance with the Standards on Auditing, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:
 - Identify and assess the risks of material misstatement of the Statement, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
 - Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, Under section 143(3) (i) of the Act, we are also responsible for expressing our opinion on whether the Group and its associate (covered under the Act) have adequate internal financial controls system in place and the operating effectiveness of such controls.
 - Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
 - Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group, its associate and joint venture, to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Statement or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group, its associate and joint venture to cease to continue as a going concern.
 - Evaluate the overall presentation, structure and content of the Statement, including the disclosures, and whether the Statement represents the underlying transactions and events in a manner that achieves fair presentation.
 - Obtain sufficient appropriate audit evidence regarding the financial information/ financial statements of the entities within the Group, its associate and joint venture, to express an opinion on the Statement. We are responsible for the direction, supervision and performance of the audit of financial information of such entities included in the Statement, of which we are the independent auditors. For the other entities included in the Statement, which have been audited by the other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.
9. We communicate with those charged with governance of the Holding Company and such other entities included in the Statement, of which we are the independent auditors, regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.
10. We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

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11. We also performed procedures in accordance with SEBI Circular CIR/CFD/CMD1/44/2019 dated 29 March 2019, issued by the SEBI under Regulation 33(8) of the Listing Regulations, to the extent applicable.

Other Matters

12. We did not audit the annual financial statements of a subsidiary included in the Statement, whose financial information reflects total assets of ₹110.00 lakhs as at 31 March 2020, total revenues of ₹24.17 lakhs, total net loss after tax of ₹841.09 lakhs, total comprehensive loss of ₹Nil and net cash outflows of ₹37.80 lakhs for the year ended on that date, as considered in the Statement. The Statement also includes the Group's share of net loss after tax of ₹70.04 lakhs and total comprehensive income of ₹Nil for the year ended 31 March 2020, in respect of a joint venture, whose annual financial statements have not been audited by us. These annual financial statements have been audited by other auditors whose audit reports have been furnished to us by the management, and our opinion in so far as it relates to the amounts and disclosures included in respect of this subsidiary and joint venture is based solely on the audit reports of such other auditors, and the procedures performed by us as stated in paragraph 11 above.

Our opinion is not modified in respect of this matter.

13. The Statement includes the annual financial information of a subsidiary which has not been reviewed/audited, whose annual financial information reflect total assets of ₹159.14 lakhs as at 31 March 2020, total revenues of ₹8.82 lakhs, total net loss after tax of ₹67.71 lakhs, total comprehensive income of ₹Nil for the year ended 31 March 2020, and net cash outflows of ₹0.69 lakhs for the year then ended, as considered in the Statement. This financial information has been furnished to us by the Holding Company's management. Our opinion on the Statement, and our report in terms of Regulation 33 of the Listing Regulations, read with SEBI Circulars, in so far as it relates to the aforesaid subsidiary, is based solely on such unreviewed /unaudited financial information. In our opinion, and according to the information and explanations given to us by the management, this financial information is not material to the Group.

Our opinion is not modified in respect of this matter.

14. The Statement includes the consolidated financial results for the quarter ended 31 March 2020, being the balancing figures between the audited consolidated figures in respect of the full financial year and the published unaudited year-to-date consolidated figures up to the third quarter of the current financial year, which were subject to limited review by us.

For Walker Chandiok & Co LLP

Chartered Accountants

Firm Registration No.: 001076N/N500013

Sanjay Kumar Jain

Partner

Membership No. 207660

UDIN: 20207660AAAABH8433



Digitally signed

by Sanjay

Kumar Jain

Date:

2020.05.27

13:25:51 +05:30

Place: Hyderabad

Date: 27 May 2020

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Annexure 1

List of entities included in the Statement

Subsidiaries:

- 1) Heritage Nutrivet Limited
- 2) Heritage Farmers Welfare Trust
- 3) Heritage Employees Welfare Trust

Associate:

- 1) SKIL Raigam Power (India) Limited

Joint Venture:

- 1) Heritage Novandie Foods Private Limited