



Ref: SECT: STOC: 43-22

May 27, 2022

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

Sub: Audited Financial Results (Standalone & Consolidated) along with Auditors Report for the Financial Year ended March 31, 2022

Ref: Regulation 33 of SEBI (LO&DR) Regulations, 2015

Dear Sir / Madam,

We wish to inform that the Board of Directors of the Company at its meeting held today, i.e. May 27, 2022, approved the Audited Financial Results (Standalone & Consolidated) for the year ended March 31, 2022, pursuant to Regulation 33 of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 the following documents are enclosed.

1. The Audited Financial Results (Standalone & Consolidated) of the Company under Indian Accounting Standards (Ind AS) for the Year ended on March 31, 2022, along with the Segment Report, Statement of Assets & Liabilities and Cash Flow Statement of the Company for the year ended March 31, 2022,
2. Auditors Report (Standalone & Consolidated) regarding Audited Financial Results for the year ended March 31, 2022 issued by M/s. Walker Chandiok & Co. LLP, Chartered Accountants, Hyderabad.
3. Declaration pursuant to Regulation 33 (3) (d) of the Securities & Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 by Mr. A Prabhakara Naidu, Chief Financial Officer the Company on Unmodified Standalone & Consolidated Audit Report for the financial year ended March 31, 2022,

The meeting of the Board of Directors commenced at 12.30 PM (IST) and concluded at 02.30 PM (IST)

Kindly take the same on record and display the same on the website of your exchange.

Thanks & Regards
For **HERITAGE FOODS LIMITED**

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

Encl: a/a

About the Company:

Heritage Foods founded in the year 1992 is one of the fastest growing Private Sector Enterprises in India, with two business divisions viz., Dairy and Renewable Energy under its flagship company Heritage Foods Limited and Cattle feed business through its subsidiary, Heritage Nutrivet Limited (HNL). Presently Heritage's milk and milk products have market presence in Andhra Pradesh, Telangana, Karnataka, Kerala, Tamil Nadu, Maharashtra, Odisha, NCR Delhi, Haryana, Uttar Pradesh and Uttarakhand. It has total renewable energy generation capacity of 10.39 MW from both Solar and Wind for captive consumption of its dairy factories.



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: 23326789, 23318090
Email: hfl@heritagefoods.in, Website : www.heritagefoods.in



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 2022

(Amount in millions of ₹ unless otherwise stated)

| Sl. No | Particulars | Quarter ended | | | Year ended | |
|--------|-------------------------------------------------------------------------------------------------------|-------------------------------------|---------------------------|-------------------------------------|-------------------------|-------------------------|
| | | 31.03.2022 (Audited) (note 6) | 31.12.2021 (Unaudited) | 31.03.2021 (Audited) (note 6) | 31.03.2022 (Audited) | 31.03.2021 (Audited) |
| 1 | Revenue | | | | | |
| | a. Revenue from operations | 6,877.40 | 6,571.40 | 6,057.37 | 26,429.21 | 24,070.29 |
| | b. Other income | 21.39 | 27.31 | 34.67 | 103.14 | 84.07 |
| | Total income | 6,898.79 | 6,598.71 | 6,092.04 | 26,532.35 | 24,154.36 |
| 2 | Expenses | | | | | |
| | a. Cost of materials consumed | 5,474.23 | 5,295.88 | 4,683.73 | 20,047.04 | 17,795.41 |
| | b. Purchases of stock-in-trade | 156.75 | 149.99 | 127.88 | 579.88 | 557.07 |
| | c. Changes in inventories of finished goods, semi finished goods, stock-in-trade and work-in-progress | (109.43) | (264.47) | (114.70) | 53.56 | (314.29) |
| | d. Employee benefits expenses | 402.98 | 463.23 | 425.34 | 1,768.13 | 1,703.88 |
| | e. Finance costs | 8.79 | 4.14 | 28.03 | 32.01 | 178.48 |
| | f. Depreciation and amortization expense | 128.99 | 123.65 | 114.26 | 499.64 | 440.54 |
| | g. Impairment losses | 4.24 | - | 23.64 | 4.24 | 42.67 |
| | h. Other expenses | 636.66 | 524.06 | 474.31 | 2,103.85 | 1,740.62 |
| | i. Fair value loss on FVTPL securities | - | - | 0.45 | - | 48.12 |
| | Total expenses | 6,703.21 | 6,296.48 | 5,762.94 | 25,088.35 | 22,192.50 |
| 3 | Profit before exceptional items and tax | 195.58 | 302.23 | 329.10 | 1,444.00 | 1,961.86 |
| 4 | Exceptional items [refer note 7] | - | - | - | (91.40) | - |
| 5 | Profit before tax | 195.58 | 302.23 | 329.10 | 1,352.60 | 1,961.86 |
| 6 | Tax expense | | | | | |
| | a. Current tax expense | 65.54 | 48.60 | 68.80 | 343.01 | 500.37 |
| | b. Deferred tax expense/(benefit) | (14.59) | 29.95 | 14.63 | (5.75) | 9.85 |
| 7 | Profit for the period/year | 144.63 | 223.68 | 245.67 | 1,015.34 | 1,451.64 |
| 8 | 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 | 2.85 | (1.02) | 0.02 | (0.20) | (4.08) |
| | (ii) Net gain/(loss) on fair value through OCI equity securities | 0.05 | - | (0.31) | 0.07 | (17.23) |
| | (b) Items that will be reclassified to profit or loss | | | | | |
| 9 | Total comprehensive income for the period/year | 147.53 | 222.66 | 245.38 | 1,015.21 | 1,430.33 |
| 10 | Paid up Equity Share Capital (face value of ₹5 each) | 231.99 | 231.99 | 231.99 | 231.99 | 231.99 |
| 11 | Other equity | - | - | - | 6,372.87 | 5,705.65 |
| 12 | Earnings per equity share ("EPES") | | | | | |
| | (1) Basic EPES (not annualised) (in absolute ₹ terms) | 3.12 | 4.82 | 5.29 | 21.88 | 31.29 |
| | (2) Diluted EPES (not annualised) (in absolute ₹ terms) | 3.12 | 4.82 | 5.29 | 21.88 | 31.29 |



HERITAGE FOODS LIMITED

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Email: hfl@heritagefoods.in, Website : www.heritagefoods.in





Standalone Segment Information

(Amount in millions of ₹ unless otherwise stated)

| Sl. No | Particulars | Quarter ended | | | Year ended | |
|--------|---------------------------------------------------------------|-------------------------|---------------------------|-------------------------|-------------------------|-------------------------|
| | | 31.03.2022 (Audited) | 31.12.2021 (Unaudited) | 31.03.2021 (Audited) | 31.03.2022 (Audited) | 31.03.2021 (Audited) |
| 1 | Segment revenue | | | | | |
| | a. Dairy | 6,874.77 | 6,560.62 | 6,056.21 | 26,413.02 | 24,064.96 |
| | b. Renewable energy | 16.98 | 22.04 | 15.73 | 90.03 | 68.83 |
| | Total | 6,891.75 | 6,582.66 | 6,071.94 | 26,503.05 | 24,133.79 |
| | Less: Inter segment revenue | 14.35 | 11.26 | 14.57 | 73.84 | 63.50 |
| | Income from operations | 6,877.40 | 6,571.40 | 6,057.37 | 26,429.21 | 24,070.29 |
| 2 | Segment results | | | | | |
| | Profit before finance costs, tax and other un-allocable items | | | | | |
| | a. Dairy | 213.87 | 298.37 | 357.76 | 1,361.42 | 2,184.94 |
| | b. Renewable energy | 3.71 | 8.44 | 12.09 | 37.30 | 28.75 |
| | c. Others | - | (0.31) | - | (0.31) | - |
| | Total | 217.58 | 306.50 | 369.85 | 1,398.41 | 2,213.69 |
| | Less: i. Finance costs | (8.79) | (4.14) | (28.03) | (32.01) | (178.48) |
| | ii. Other un-allocable expenses | (14.72) | (6.92) | (13.95) | (32.06) | (78.72) |
| | Add: i. Interest income | 0.15 | 0.29 | 1.23 | 2.57 | 1.76 |
| | ii. Other un-allocable income | 1.36 | 6.50 | - | 15.69 | 3.61 |
| | Profit before tax | 195.58 | 302.23 | 329.10 | 1,352.60 | 1,961.86 |
| 3 | Segment assets | | | | | |
| | a. Dairy | 7,319.14 | 6,911.95 | 7,224.73 | 7,319.14 | 7,224.73 |
| | b. Renewable energy | 554.42 | 560.24 | 577.38 | 554.42 | 577.38 |
| | c. Others | - | 0.02 | - | - | - |
| | d. Unallocated | 1,034.43 | 1,489.88 | 778.17 | 1,034.43 | 778.17 |
| | Total | 8,907.99 | 8,962.09 | 8,580.28 | 8,907.99 | 8,580.28 |
| 4 | Segment liabilities | | | | | |
| | a. Dairy | 2,067.85 | 2,255.30 | 2,402.23 | 2,067.85 | 2,402.23 |
| | b. Renewable energy | 3.42 | 3.69 | 2.73 | 3.42 | 2.73 |
| | c. Others | - | 0.27 | - | - | - |
| | d. Unallocated | 231.86 | 245.49 | 237.68 | 231.86 | 237.68 |
| | Total | 2,303.13 | 2,504.75 | 2,642.64 | 2,303.13 | 2,642.64 |



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Heritage Foods Limited
Statement of Standalone Assets and Liabilities as at 31 March 2022
(Amount in millions of ₹ unless otherwise stated)

| Particulars | As at | |
|------------------------------------------------------------------------------|----------------------------|----------------------------|
| | 31 March 2022 (Audited) | 31 March 2021 (Audited) |
| ASSETS | | |
| Non-current assets | | |
| (a) Property, plant and equipment | 5,298.31 | 5,300.50 |
| (b) Capital work-in-progress | 73.73 | 154.47 |
| (c) Investment property | 44.20 | 45.28 |
| (d) Other intangible assets | 44.17 | 38.67 |
| (e) Intangible assets under development | 1.09 | 24.13 |
| (f) Financial assets | | |
| (i) Investment in subsidiary, joint venture and associate | 594.37 | 488.22 |
| (ii) Other investments | 2.93 | 2.85 |
| (iii) Other financial assets | 60.46 | 51.65 |
| (g) Other non-current assets | 3.84 | 20.97 |
| Total Non-Current assets | 6,123.10 | 6,126.74 |
| Current assets | | |
| (a) Inventories | 1,957.41 | 1,885.01 |
| (b) Financial Assets | | |
| (i) Investments | 0.03 | 0.04 |
| (ii) Trade receivables | 179.76 | 145.33 |
| (iii) Cash and cash equivalents | 324.76 | 196.64 |
| (iv) Bank balances other than (iii) above | 24.99 | 17.29 |
| (v) Loans | 0.91 | 8.90 |
| (vi) Other financial assets | 36.48 | 31.37 |
| (c) Current tax assets (net) | 31.13 | 22.99 |
| (d) Other current assets | 225.00 | 140.34 |
| (e) Disposal group - assets held for sale | 4.42 | 5.63 |
| Total Current assets | 2,784.89 | 2,453.54 |
| Total assets | 8,907.99 | 8,580.28 |
| EQUITY AND LIABILITIES | | |
| Equity | | |
| (a) Equity share capital | 231.99 | 231.99 |
| (b) Other equity | 6,372.87 | 5,705.65 |
| Total Equity | 6,604.86 | 5,937.64 |
| LIABILITIES | | |
| Non-current liabilities | | |
| (a) Financial liabilities | | |
| (i) Borrowings | 21.10 | 260.71 |
| (ii) Lease liabilities | 47.13 | 22.36 |
| (iii) Other financial liabilities | 8.83 | 11.57 |
| (b) Provisions | 163.75 | 100.52 |
| (c) Government grant | 86.28 | 26.89 |
| (d) Deferred tax liabilities (net) | 231.87 | 237.69 |
| Total non-current liabilities | 558.96 | 659.74 |
| Current liabilities | | |
| (a) Financial liabilities | | |
| (i) Borrowings | 16.37 | 263.01 |
| (ii) Lease liabilities | 28.23 | 22.51 |
| (iii) Trade payables | | |
| - total outstanding dues of micro and small enterprises; | 77.02 | 34.89 |
| - total outstanding dues of creditors other than micro and small enterprises | 405.02 | 292.88 |
| (iv) Other financial liabilities | 1,017.85 | 1,170.76 |
| (b) Other current liabilities | 113.03 | 73.85 |
| (c) Government grant | 6.74 | 0.23 |
| (d) Provisions | 79.91 | 124.77 |
| Total current liabilities | 1,744.17 | 1,982.90 |
| Total equity and liabilities | 8,907.99 | 8,580.28 |

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Heritage Foods Limited
Standalone Cash Flow Statement for the year ended 31 March 2022
 (All amounts in ₹ millions, except share data and where otherwise stated)

| Particulars | For the year ended | |
|-----------------------------------------------------------------------------------------------------|----------------------------|----------------------------|
| | 31 March 2022 (Audited) | 31 March 2021 (Audited) |
| Cash flow from operating activities | | |
| Profit before tax | 1,352.60 | 1,961.86 |
| Adjustments: | | |
| Fair value loss on FVTPL securities | - | 51.62 |
| Depreciation and amortization expense | 499.64 | 440.54 |
| Impairment losses | 4.24 | 42.67 |
| Provision for doubtful advances | - | 0.31 |
| Provision for doubtful debts and bad debts written off | 61.27 | 3.75 |
| Advances written off | 1.32 | 0.66 |
| Profit on sale of Property, plant and equipment ("PPE") | (31.21) | (17.96) |
| Gain on investments | (11.44) | (3.50) |
| Provisions no longer required/ credit balances written back | (8.35) | (16.41) |
| Interest income | (2.57) | (1.76) |
| Interest expenses | 27.21 | 171.33 |
| Guarantee Income | (4.25) | (3.61) |
| Property, plant and equipment written off | 14.35 | 6.18 |
| Amortisation of government grants | (7.36) | (0.30) |
| Lease rental income | (20.40) | (13.55) |
| Operating profits before working capital changes | 1,875.05 | 2,621.83 |
| Movements in working capital: | | |
| Changes in inventories | (72.40) | (521.33) |
| Changes in trade receivables | (95.70) | 61.87 |
| Changes in loans | 7.99 | (10.49) |
| Changes in other assets | (85.64) | (1.37) |
| Changes in other financial assets | (9.43) | 1.15 |
| Changes in trade payables | 154.27 | (240.75) |
| Changes in provisions | 18.10 | 30.20 |
| Changes in other financial liabilities | (49.39) | 214.70 |
| Changes in other liabilities | 46.46 | (0.64) |
| Cash generated from operating activities | 1,789.31 | 2,155.17 |
| Income tax paid, net | (351.15) | (513.90) |
| Net cash generated from operating activities (A) | 1,438.16 | 1,641.27 |
| Cash flow from investing activities | | |
| Purchase of PPE and other intangible assets, including CWIP and intangible assets under development | (444.68) | (911.15) |
| Proceeds from sale of PPE | 44.66 | 262.99 |
| Investment in a joint venture | (104.65) | (66.31) |
| Receipts of government grants | 73.26 | 26.65 |
| Purchase of investments | (2,800.00) | (670.00) |
| Proceeds from sale of investments | 2,811.44 | 2,033.71 |
| Interest received | 2.31 | 3.17 |
| Movement in other bank balances, net | (12.42) | 2.70 |
| Rent received | 20.89 | 13.19 |
| Net cash generated from/(used in) investing activities (B) | (409.19) | 694.95 |
| Cash flow from financing activities | | |
| Proceeds from long term borrowings | - | 282.52 |
| Repayments of long term borrowings | (484.71) | (1,797.03) |
| Interest paid | (20.66) | (172.89) |
| Lease rentals paid | (41.68) | (43.49) |
| Dividend paid | (347.99) | (116.00) |
| Net cash used in financing activities (C) | (895.04) | (1,846.89) |
| Net increase in cash and cash equivalents during the year (A + B + C) | 133.93 | 489.33 |
| Cash and cash equivalents at the beginning of the year | 190.83 | (298.50) |
| Cash and cash equivalents at the end of the year (Note 1) | 324.76 | 190.83 |
| Note 1: | | |
| Cash and cash equivalents include: | | |
| Cash on hand | 25.79 | 33.03 |
| Balances with banks in current accounts | 298.97 | 162.49 |
| Loans repayable on demand from banks | - | (4.69) |
| | 324.76 | 190.83 |

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Notes:

1. The audited standalone financial results for the quarter and year ended 31 March 2022 were reviewed by the Audit Committee and approved by the Board of Directors of the Company at their meetings held on 27 May 2022.
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. As per Ind AS 108- Operating Segments, the management has identified Dairy and renewable energy as reportable segments.
4. 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.
5. 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.
6. The figures for the quarter ended 31 March 2022 and 31 March 2021 are the balancing figures between the audited figures in respect of the full financial year ended 31 March 2022 and 31 March 2021 respectively and the published unaudited year to date figures up to the nine months ended 31 December 2021 and 31 December 2020 respectively, which were subjected to limited review by the statutory auditors.
7. The accompanying standalone financial results for the year ended 31 March 2022 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.
8. The Board of Directors of the Company has recommended final dividend for the Financial Year 2021-22 @50% i.e. ₹2.50/- per equity share of the face value of ₹5/- each subject to the approval of the share holders at the ensuing Annual General Meeting.
9. With effect from quarter ended 31 March 2021, the Company has chosen to present the results in ₹ in millions, instead of ₹ in lakhs.
10. 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 2022
Place: Hyderabad



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Walker Chandiok & Co LLP

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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 2022, 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').
2. In our opinion and to the best of our information and according to the explanations given to us, the Statement:
 - (i) presents financial results in accordance with the requirements of Regulation 33 of the Listing Regulations, 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 the Companies (Indian Accounting Standards) Rules, 2015, and other accounting principles generally accepted in India, of the standalone net profit after tax and other comprehensive income and other financial information of the Company for the year ended 31 March 2022.

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 standalone 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.

Responsibilities of Management and Those Charged with Governance for the Statement

4. This Statement has been prepared on the basis of the standalone annual financial statements and has been approved by the Company's Board of Directors. 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 and other comprehensive income and other financial information of the Company in accordance with the Ind AS prescribed under Section 133 of the Act, read with the Companies (Indian Accounting Standards) Rules, 2015 and other accounting principles generally accepted in India, and in compliance with Regulation 33 of the Listing Regulations. 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 adequate internal financial controls with reference to financial statements 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 the Board of Directors' 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

Walker Chandiok & Co LLP

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 2022, 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: 22207660AJRYIU5993

**SANJAY
KUMAR
JAIN**

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by SANJAY
KUMAR JAIN
Date: 2022.05.27
14:18:31 +05'30'

Place: Hyderabad

Date: 27 May 2022



HEALTH AND HAPPINESS

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 CONSOLIDATED FINANCIAL RESULTS FOR THE QUARTER AND YEAR ENDED 31 MARCH 2022

| Sl. No | Particulars | (Amount in millions of ₹ unless otherwise stated) | | | | |
|-------------------------------------------|----------------------------------------------------------------------------------------------------|---------------------------------------------------|---------------------------|-------------------------------------|-------------------------|-------------------------|
| | | 31.03.2022 (Audited) (note 6) | 31.12.2021 (Unaudited) | 31.03.2021 (Audited) (note 6) | 31.03.2022 (Audited) | 31.03.2021 (Audited) |
| 1 | Revenue | | | | | |
| a | Revenue from operations | 6,958.94 | 6,670.31 | 6,193.62 | 26,812.79 | 24,731.13 |
| b | Other income | 24.64 | 30.70 | 35.41 | 112.72 | 80.33 |
| | Total income | 6,983.58 | 6,701.01 | 6,229.03 | 26,925.51 | 24,811.46 |
| 2 | Expenses | | | | | |
| a | Cost of materials consumed | 5,609.98 | 5,437.53 | 4,824.25 | 20,605.18 | 18,419.76 |
| b | Purchases of stock-in-trade | 64.25 | 41.78 | 52.14 | 169.37 | 266.85 |
| c | Changes in inventories of finished goods, semi finished goods, stock-in-trade and work-in-progress | (119.25) | (254.34) | (120.62) | 60.14 | (312.95) |
| d | Employee benefits expenses | 418.35 | 483.63 | 444.80 | 1,842.88 | 1,778.87 |
| e | Finance costs | 10.55 | 6.05 | 30.39 | 40.07 | 191.80 |
| f | Depreciation and amortization expense | 134.51 | 129.27 | 119.63 | 521.82 | 462.26 |
| g | Impairment losses | 4.24 | - | 23.41 | 4.24 | 42.44 |
| h | Other expenses | 665.75 | 553.95 | 514.73 | 2,222.65 | 1,866.97 |
| | Total expenses | 6,788.38 | 6,397.87 | 5,889.18 | 25,466.35 | 22,764.12 |
| 3 | Profit before share of loss of an associate and a joint venture from continuing operations | 195.20 | 303.14 | 339.85 | 1,459.16 | 2,047.34 |
| 4 | Share of loss of an associate and a joint venture | 17.36 | 15.80 | 11.99 | 60.34 | 22.16 |
| 5 | Profit before exceptional items and tax from continuing operations | 177.84 | 287.34 | 327.86 | 1,398.82 | 2,025.18 |
| 6 | Exceptional items [refer note 7] | - | - | - | (91.40) | - |
| 7 | Profit before tax from continuing operations | 177.84 | 287.34 | 327.86 | 1,307.42 | 2,025.18 |
| 8 | Tax expense | | | | | |
| a | Current tax expense | 64.25 | 48.61 | 71.40 | 343.59 | 516.40 |
| b | Deferred tax expense/(benefit) | (12.82) | 30.58 | 14.14 | (1.38) | 18.28 |
| 9 | Profit for the period/year from continuing operations | 126.41 | 208.15 | 242.32 | 965.21 | 1,490.50 |
| 10 | Discontinued operations | | | | | |
| a | Profit/(loss) before tax | (2.33) | (1.16) | 1.64 | (4.35) | (7.49) |
| b | Tax expense | - | - | - | - | - |
| 11 | Profit/(loss) for the period/year from discontinued operations | (2.33) | (1.16) | 1.64 | (4.35) | (7.49) |
| 12 | Profit for the period/year | 124.08 | 206.99 | 243.96 | 960.86 | 1,483.01 |
| 13 | 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 | 2.52 | (1.03) | (8.02) | (0.53) | (3.84) |
| (ii) | Net gain/(loss) on fair value through OCI equity securities | 0.06 | - | (0.31) | 0.07 | (17.23) |
| (b) | Items that will be reclassified to profit or loss | | | | | |
| 14 | Total comprehensive income for the period/year | 126.66 | 205.96 | 235.63 | 960.40 | 1,461.94 |
| 15 | Profit/(loss) for the period/year, attributed to Owners of the Company: | | | | | |
| - | Profit from continuing operations | 126.85 | 208.16 | 242.79 | 965.69 | 1,499.48 |
| - | Profit/(loss) from discontinuing operations | - | - | - | - | - |
| - | Total profit | 126.85 | 208.16 | 242.79 | 965.69 | 1,499.48 |
| - | Other comprehensive income/(loss) | 2.58 | (1.03) | (8.33) | (0.46) | (21.07) |
| - | Total comprehensive income | 129.43 | 207.13 | 234.46 | 965.23 | 1,478.41 |
| 16 | Profit/(loss) for the period/year, attributed to Non-controlling interest of the Company: | | | | | |
| - | Loss from continuing operations | (0.44) | (0.01) | (0.47) | (0.48) | (8.98) |
| - | Profit/(loss) from discontinuing operations | (2.33) | (1.16) | 1.64 | (4.35) | (7.49) |
| - | Total profit/(loss) | (2.77) | (1.17) | 1.17 | (4.83) | (16.47) |
| - | Other comprehensive income/(loss) | - | - | - | - | - |
| - | Total comprehensive income/(loss) | (2.77) | (1.17) | 1.17 | (4.83) | (16.47) |
| 17 | Paid up Equity share capital (face value of ₹5 each) | 231.99 | 231.99 | 231.99 | 231.99 | 231.99 |
| 18 | Other equity (attributable to the Owners of the Company) | - | - | - | 6,343.51 | 5,726.26 |
| 19 | Earnings per equity share ("EPES") for continuing operations | | | | | |
| Basic and Diluted EPES | | | | | | |
| - Continuing operations | 2.73 | 4.49 | 5.23 | 20.81 | 32.32 | |
| - Discontinuing operations | - | - | - | - | - | |
| - Continuing and discontinuing operations | 2.73 | 4.49 | 5.23 | 20.81 | 32.32 | |



HERITAGE FOODS LIMITED

CIN : L15209TG1992PLC014332

AN ISO: 22000 CERTIFIED COMPANY

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Email: hfl@heritagefoods.in, Website : www.heritagefoods.in





Consolidated segment information

(Amount in millions of ₹ unless otherwise stated)

| Sl. No | Particulars | Quarter ended | | | Year ended | |
|--------|----------------------------------------------------------------------|-------------------------|---------------------------|-------------------------|-------------------------|-------------------------|
| | | 31.03.2022 (Audited) | 31.12.2021 (Unaudited) | 31.03.2021 (Audited) | 31.03.2022 (Audited) | 31.03.2021 (Audited) |
| 1 | Segment revenue | | | | | |
| | a. Dairy | 6,874.77 | 6,560.62 | 6,056.21 | 26,413.02 | 24,064.96 |
| | b. Renewable energy | 16.98 | 22.04 | 15.73 | 90.03 | 68.83 |
| | c. Feed | 224.25 | 246.71 | 265.91 | 946.12 | 1,215.26 |
| | Total | 7,116.00 | 6,829.37 | 6,337.85 | 27,449.17 | 25,349.05 |
| | Less: Inter segment revenue | 157.06 | 159.06 | 144.23 | 636.38 | 617.92 |
| | Income from operations | 6,958.94 | 6,670.31 | 6,193.62 | 26,812.79 | 24,731.13 |
| 2 | Segment results | | | | | |
| | Profit before finance costs, tax and other un-allocable items | | | | | |
| | a. Dairy | 213.87 | 298.37 | 357.76 | 1,361.42 | 2,184.94 |
| | b. Renewable energy | 3.71 | 8.44 | 12.09 | 37.30 | 28.75 |
| | c. Feed | (1.26) | 5.77 | 12.13 | 24.13 | 112.34 |
| | d. Others | (0.44) | (0.32) | (0.48) | (0.79) | (9.10) |
| | Total | 215.88 | 312.26 | 381.50 | 1,422.06 | 2,316.93 |
| | Share of loss of an associate and a joint venture | (17.36) | (15.80) | (11.99) | (60.34) | (22.16) |
| | Less: i. Finance costs | (10.55) | (6.05) | (30.39) | (40.07) | (191.80) |
| | ii. Other un-allocable expenses | (11.92) | (10.18) | (12.14) | (33.00) | (81.84) |
| | Add: i. Interest income | 0.67 | 0.79 | 0.88 | 6.70 | 4.05 |
| | ii. Other un-allocable income | 1.12 | 6.32 | - | 12.07 | - |
| | Profit before tax from continuing operations | 177.84 | 287.34 | 327.86 | 1,307.42 | 2,025.18 |
| 3 | Segment assets | | | | | |
| | a. Dairy | 7,319.14 | 6,911.95 | 7,224.73 | 7,319.14 | 7,224.73 |
| | b. Renewable energy | 554.42 | 560.24 | 577.38 | 554.42 | 577.38 |
| | c. Feed | 546.56 | 523.10 | 554.38 | 546.56 | 554.38 |
| | d. Others | - | 0.02 | - | - | - |
| | e. Unallocated | 605.68 | 1,119.39 | 428.62 | 605.68 | 428.62 |
| | Total | 9,025.80 | 9,114.70 | 8,785.11 | 9,025.80 | 8,785.11 |
| 4 | Segment liabilities | | | | | |
| | a. Dairy | 2,067.85 | 2,255.30 | 2,402.23 | 2,067.85 | 2,402.23 |
| | b. Renewable energy | 3.42 | 3.69 | 2.73 | 3.42 | 2.73 |
| | c. Feed | 152.80 | 172.71 | 188.03 | 152.80 | 188.03 |
| | d. Others | - | 0.27 | 0.87 | - | 0.87 |
| | e. Unallocated | 226.19 | 233.83 | 228.12 | 226.19 | 228.12 |
| | Total | 2,450.26 | 2,665.80 | 2,821.98 | 2,450.26 | 2,821.98 |



HERITAGE FOODS LIMITED

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Email: hfl@heritagefoods.in, Website : www.heritagefoods.in





Heritage Foods Limited
Statement of Consolidated Assets and Liabilities as at 31 March 2022
(Amount in millions of ₹ unless otherwise stated)

| Particulars | As at | |
|------------------------------------------------------------------------------|----------------------------|----------------------------|
| | 31 March 2022 (Audited) | 31 March 2021 (Audited) |
| ASSETS | | |
| Non-current assets | | |
| (a) Property, plant and equipment | 5,704.52 | 5,714.08 |
| (b) Capital work-in-progress | 73.99 | 157.41 |
| (c) Investment property | 44.20 | 45.28 |
| (d) Other intangible assets | 44.39 | 38.95 |
| (e) Intangible assets under development | 6.40 | 25.77 |
| (f) Financial assets | | |
| (i) Investment in joint venture and associate | 173.87 | 129.06 |
| (ii) Other investments | 2.93 | 2.85 |
| (iii) Other financial assets | 64.10 | 55.26 |
| (g) Other non-current assets | 3.84 | 21.88 |
| Total Non-Current Assets | 6,118.24 | 6,190.54 |
| Current assets | | |
| (a) Inventories | 2,058.39 | 1,982.70 |
| (b) Financial Assets | | |
| (i) Investments | 0.03 | 0.04 |
| (ii) Trade receivables | 184.80 | 152.20 |
| (iii) Bank balances other than (iii) above | 25.01 | 17.30 |
| (iv) Loans | 0.91 | 8.90 |
| (v) Other financial assets | 36.56 | 31.59 |
| (c) Current tax assets (net) | 36.05 | 25.78 |
| (d) Other current assets | 230.24 | 145.99 |
| (e) Disposal group - Assets held for sale | 4.46 | 11.81 |
| Total Current Assets | 2,907.56 | 2,594.57 |
| Total Assets | 9,025.80 | 8,785.11 |
| EQUITY AND LIABILITIES | | |
| Equity | | |
| (a) Equity share capital | 231.99 | 231.99 |
| (b) Other equity | 6,343.51 | 5,726.26 |
| Equity Attributable to the Owners of the Company | 6,575.50 | 5,958.25 |
| Non-controlling interest | 0.04 | 4.88 |
| Total Equity | 6,575.54 | 5,963.13 |
| LIABILITIES | | |
| Non-current liabilities | | |
| (a) Financial liabilities | | |
| (i) Borrowings | 79.54 | 340.40 |
| (ii) Lease liabilities | 47.13 | 22.36 |
| (iii) Other financial liabilities | 7.07 | 8.77 |
| (b) Government grant | 86.28 | 26.90 |
| (c) Provisions | 165.45 | 103.73 |
| (d) Deferred tax liabilities (net) | 239.112 | 240.57 |
| Total non-current liabilities | 624.49 | 742.73 |
| Current liabilities | | |
| (a) Financial liabilities | | |
| (i) Borrowings | 37.62 | 298.93 |
| (ii) Lease liabilities | 28.23 | 22.51 |
| (iii) Trade payables | | |
| - total outstanding dues of micro and small enterprises; | 77.02 | 35.14 |
| - total outstanding dues of creditors other than micro and small enterprises | 441.66 | 319.45 |
| (iv) Other financial liabilities | 1,035.08 | 1,194.34 |
| (b) Other current liabilities | 116.66 | 79.15 |
| (c) Government grant | 6.73 | 0.22 |
| (d) Provisions | 82.77 | 127.72 |
| (e) Disposal group - liabilities related to assets held for sale | | 1.79 |
| Total current liabilities | 1,825.77 | 2,079.25 |
| Total equity and liabilities | 9,025.80 | 8,785.11 |

HERITAGE FOODS LIMITED
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Email: hfl@heritagefoods.in, Website : www.heritagefoods.in





| Heritage Foods Limited | | |
|-----------------------------------------------------------------------------------------------------|--------------------|-------------------|
| Consolidated Cash Flow Statement for the year ended 31 March 2022 | | |
| (Amount in millions of ₹ unless otherwise stated) | | |
| | For the year ended | |
| | 31 March 2022 | 31 March 2021 |
| | (Audited) | (Audited) |
| Cash flows from operating activities | | |
| Profit before tax from continuing operations | 1,307.42 | 2,025.18 |
| Adjustments: | | |
| Fair value loss on FVTPL equity securities | - | 51.62 |
| Depreciation and amortization expense | 521.82 | 462.26 |
| Impairment losses | 4.24 | 42.44 |
| Provision for doubtful advances | - | 11.82 |
| Share of loss of an associate and a joint venture | 60.34 | 22.16 |
| Provision for doubtful debts and bad debts written off | 61.27 | 3.05 |
| Guarantee income | (2.20) | (1.23) |
| Amortisation of government grants | (7.36) | (0.31) |
| Property, plant and equipment written off | 14.36 | 6.18 |
| Profit on sale of Property, plant and equipment ("PPE") | (31.24) | (17.77) |
| Provisions no longer required/ credit balances written back | (19.45) | (18.27) |
| Gain on investments | (12.07) | (3.50) |
| Interest income | (4.50) | (2.82) |
| Interest expenses | 35.02 | 185.61 |
| Advances written off | 1.32 | 0.66 |
| Lease rental income | (19.27) | (12.31) |
| Changes in inventories | (75.69) | (535.95) |
| Changes in trade receivables | (93.87) | 63.67 |
| Changes in loans | 7.99 | (10.49) |
| Changes in other assets | (89.10) | 8.60 |
| Changes in other financial assets | (5.46) | 1.07 |
| Changes in trade payables | 164.09 | (244.89) |
| Changes in provisions | 16.05 | 31.84 |
| Changes in other financial liabilities | (35.88) | 221.18 |
| Changes in other liabilities | 40.37 | (10.30) |
| Cash generated from operating activities | 1,838.20 | 2,279.50 |
| Income-taxes paid, net | (353.86) | (530.84) |
| Net cash generated from operating activities of continuing operations | 1,484.34 | 1,748.66 |
| Net cash used in operating activities of discontinued operations | (5.16) | (9.42) |
| Net cash generated from operating activities (A) | 1,479.18 | 1,739.24 |
| Cash flows from investing activities | | |
| Purchase of PPE and other intangible assets, including CWIP and intangible assets under development | (464.73) | (926.25) |
| Proceeds from sale of PPE | 48.01 | 264.43 |
| Investment in a joint venture | (104.65) | (66.30) |
| Receipts of government grants | 73.26 | 26.66 |
| Purchase of investments | (2,851.00) | (670.00) |
| Proceeds from sale of investments | 2,863.07 | 2,033.70 |
| Interest received | 4.17 | 4.32 |
| Movement in other bank balances, net | (12.42) | 9.73 |
| Rent received | 19.84 | 11.99 |
| Net cash generated from/(used in) investing activities of continuing operations | (424.45) | 688.28 |
| Net cash generated from investing activities of discontinued operations | - | - |
| Net cash generated from/(used in) investing activities (B) | (424.45) | 688.28 |
| Cash flows from financing activities | | |
| Proceeds from long term borrowings | - | 282.52 |
| Repayment of long term borrowings | (505.96) | (1,848.27) |
| Interest paid | (30.92) | (187.68) |
| Lease rentals paid | (41.68) | (43.49) |
| Movement in minority interest, net | - | (0.17) |
| Dividend paid | (347.99) | (116.00) |
| Net cash used in financing activities of continuing operations | (926.55) | (1,913.09) |
| Net cash generated from financing activities of discontinued operations | - | - |
| Net cash used in financing activities (C) | (926.55) | (1,913.09) |
| Net increase in cash and cash equivalents during the year (A + B + C) | 128.18 | 514.43 |
| Cash and cash equivalents at the beginning of the year | 202.93 | (311.30) |
| Cash and cash equivalents at the end of the year (Note 1) | 331.11 | 202.93 |
| Note 1: | | |
| Cash and cash equivalents includes | | |
| - Included in cash and cash equivalents and current borrowings | | |
| Cash on hand | 25.81 | 33.05 |
| Balances with banks in current accounts | 305.30 | 169.64 |
| Deposits with original maturity up to 3 months | - | 14.45 |
| Loans repayable on demand from banks | - | (19.36) |
| | 331.11 | 197.78 |
| - Included in the assets of the disposal group | - | 5.15 |
| | 331.11 | 202.93 |

HERITAGE FOODS LIMITED

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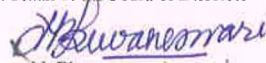




Notes:

1. The audited consolidated financial results for the quarter and year ended 31 March 2022 were reviewed by the Audit Committee and approved by the Board of Directors of the Company at their meetings held on 27 May 2022.
2. 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.
3. As per Ind AS 108 - Operating Segments, the management has identified Dairy, Renewable energy and Feed as reportable segments.
4. 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.
5. 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.
6. The figures for the quarter ended 31 March 2022 and 31 March 2021 are the balancing figures between the audited figures in respect of the full financial year ended 31 March 2022 and 31 March 2021 respectively and the published unaudited year to date figures up to the nine months ended 31 December 2021 and 31 December 2020 respectively, which were subjected to limited review by the statutory auditors.
7. The accompanying consolidated financial results for the year ended 31 March 2022 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.
8. The Board of Directors of the Company has recommended final dividend for the Financial Year 2021-22 @50% i.e. ₹2.50/- per equity share of the face value of ₹5/- each subject to the approval of the share holders at the ensuing Annual General Meeting.
9. With effect from quarter ended 31 March 2021, the Company has chosen to present the results in ₹ in millions, instead of ₹ in lakhs.
10. Figures of previous period/year have been regrouped/rearranged wherever necessary.

For and on behalf of the Board of Directors



N. Bhuvaneswari

Vice Chairperson and Managing Director

DIN: 00003741

Date: 27 May 2022

Place: Hyderabad



HERITAGE FOODS LIMITED

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Walker Chandiok & Co LLP

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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 for the year ended 31 March 2022, 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').
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 report of other auditor on separate audited financial statements of a subsidiary as referred to in paragraph 12 below, the Statement:
 - (i) includes the annual financial results of the entities listed in Annexure 1;
 - (ii) presents financial results in accordance with the requirements of Regulation 33 of the Listing Regulations; 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 the Companies (Indian Accounting Standards) Rules, 2015 and other accounting principles generally accepted in India, of the consolidated net profit after tax and other comprehensive income and other financial information of the Group, its associate and joint venture, for the year ended 31 March 2022.

Basis for Opinion

3. We conducted our audit in accordance with the Standards on Auditing 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 together with the audit evidence obtained by the other auditors in terms of their reports referred to in paragraph 12 of the Other Matter section below, is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of Management and Those Charged with Governance 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 Ind AS prescribed under section 133 of the Act, read with the Companies (Indian Accounting Standards) Rules, 2015 and other accounting principles generally accepted in India and in compliance with Regulation 33 of the Listing Regulations. 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, covered under the Act, 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/management of the entities 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 entity or to cease operations, or has no realistic alternative but to do so.
6. The respective Board of Directors/management of the entities included in the Group and of its associate and joint venture, are responsible for overseeing the financial reporting process of the entities 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 Holding Company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.

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- 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 Board of Directors' 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 and 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 and 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 statements of the entities within the Group, and 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 statements of such entities included in the Statement, of which we are the independent auditors. For an entity included in the Statement, which has been audited by the other auditor, such other auditor remain responsible for the direction, supervision and performance of the audit 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.
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 statement reflects total assets of ₹Nil as at 31 March 2022, total revenues of ₹0.01 million, total net loss after tax of ₹0.48 million, total comprehensive loss of ₹0.48 million, and cash outflows (net) of ₹1.35 million for the year ended on that date, as considered in the Statement. These annual financial statements have been audited by other auditors whose audit report has 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 the subsidiary is based solely on the audit report of such other auditor, and the procedures performed by us as stated in paragraph 11 above.

Our opinion is not modified in respect of this matter with respect to our reliance on the work done by and the report of the other auditor.

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13. The Statement includes the annual financial information of a subsidiary, which has not been audited, whose annual financial information reflect total assets of ₹0.04 million as at 31 March 2022, total revenues of ₹0.97 million, total net loss after tax of ₹4.35 million, total comprehensive loss of ₹4.35 million for the year ended 31 March 2022, and cash outflow (net) of ₹5.16 million 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, in so far as it relates to the amounts and disclosures included in respect of the aforesaid subsidiary is based solely on such 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 with respect to our reliance on the financial information certified by the Board of Directors.

14. The Statement includes the consolidated financial results for the quarter ended 31 March 2022, 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: 22207660AJRYKS9042

**SANJAY
KUMAR
JAIN**

Digitally signed
by SANJAY

KUMAR JAIN

Date: 2022.05.27

14:19:52 +05'30'

Place: Hyderabad

Date: 27 May 2022

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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



DECLARATION

In terms of Regulation 33(3) (d) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with SEBI Circular No.CIR/CFD/CNID/56/2016 dated May 27, 2016, I hereby declare that M/s. Walker Chandiok & Co LLP, Chartered Accountants, Hyderabad, Statutory Auditors of the Company have submitted the Audit Report (Standalone & Consolidated) with unmodified opinion on the financial results of the Company for the period ended on March 31, 2022.



Place: Hyderabad

Date: May 27, 2022

For **Heritage Foods Limited**

A Prabhakara Naidu

Chief Financial Officer

HERITAGE FOODS LIMITED

CIN : L15209TG1992PLC014332

AN ISO: 22000 CERTIFIED COMPANY

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