



# Heritage Foods Limited

(Formerly known as Heritage Foods (India) Ltd)

**23rd Annual Report 2014-15**



## Adding Value

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### Caution regarding forward-looking statements

This document contains statements about expected future events and financial and operating results of Heritage Foods Limited, which are forward-looking. By their nature, forward-looking statements require the company to make assumptions and are subject to inherent risks and uncertainties. There is significant risk that the assumptions, predictions and other forward-looking statements will not prove to be accurate. Readers are cautioned not to place undue reliance on forward-looking statements as a number of factors could cause assumptions, actual future results and events to differ materially from those expressed in the forward-looking statements. Accordingly, this document is subject to the disclaimer and qualified in its entirety by the assumptions, qualifications and risk factors referred to in the management's discussion and analysis of the Heritage Foods Limited Annual Report 2014-15.

## Adding Value

Heritage is in the business of value-added dairy products, retail, agriculture and bakery. The inherent value of our products is the main driving force for ever increasing brand equity and economic growth of the company. In recent years, we have fortified our product mix with many value-added variants. Our dairy & bakery product portfolio as well as our retail business were revamped with renewed values and features. Beyond adding value to products, at Heritage, it's our earnest endeavour to persistently create social as well as financial value for our stakeholders. We channelize our organisational strategies and resources to add value to our employees, our community encompassing farmers, our suppliers and other stakeholders. Going forward, we will continue to delight our stakeholders by adding value.



# Our Vision

Delighting Every Home with Fresh and Healthy Products and Empowering the Farmer

## How we create value

### Speed and Agility

Our strategic agility is strengthened and propelled by our operational agility

**Uphold Integrity**  
We do the right thing in right way

### Customer Delight

Customer Delight is paramount. We are passionate about building sustainable, valuable and enduring inter-generational relationships with them

### Collaboration with Leadership Excellence

We work collectively and believe in leading by example; communicating in a clear and transparent fashion

### Empowering Society and Employees

We believe in caring for our community and our employees

### Supremacy Through Innovation

We strive to do things differently

### Sustainability

We aim to build a better future for the generations to come

## Our Mission

To be a nationally recognized brand for healthy and fresh products with a revenue of INR 6000 Crores by 2020

We anticipate, understand and respond to our customers' needs by creating high quality products and making them available through innovative and convenient channels

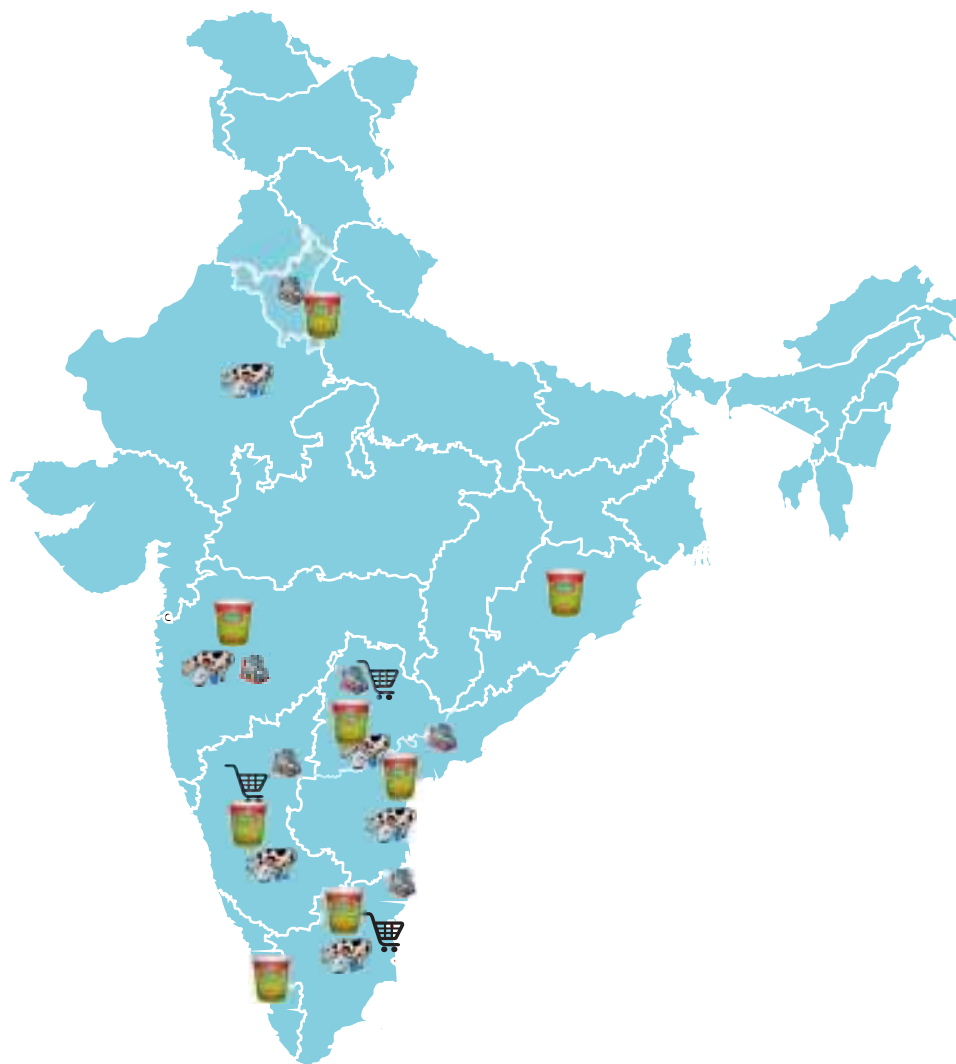
We embrace the right technology to delight our customers

We are a strong supporter of balancing economic, social and environmental aspects to create a better tomorrow. We are devoted to empowering the farming community through our unique "Relationship Farming" Model

We aim to be the employer of choice by nurturing entrepreneurship, promoting empowerment alongside transparent and open communication



# Heritage operates in 10 states



Map Not to Scale


Processing/Cooling  
/Chilling Plants


Milk/Milk Product (Sales)



Milk Procurement



Retail Stores

	AP	Telangana	TN	Karnataka	Maharashtra	Kerala	Odisha	Haryana	Rajasthan	NCR
Milk & Milk product (Sales)								-	-	
Milk Procurement (Litres Per Day)	498,142	94,147	165,293	15,447	180,327	-	-	3,787	11,821	-
No. of Processing, Bulk cooling /Chilling Plants	78	46	13	1	7	-	-	1	2	-
Retail Stores	-	51	27	14	-	-	-	-	-	-

## Refreshing Values

**“ Dairy, our flagship business segment clocked a revenue of Rs.1,556 cr in the year 2014 - 15 a 17.14% growth Year-on-Year (Y-o-Y). In the year under review, the revenue contribution of value-added products in the dairy product mix is 20% against 17% in the previous year. This is in sync with our long-term strategy to increase the revenue from value-added products and to capitalise on the growing demand for value-added dairy products in India ”**

### Dear Fellow Shareholder,

Before taking you to the highlights of the performance of the year under review, I would like to inform you with profound grief, the demise of Dr. A Appa Rao, who served the Board of your Company as Non-Executive Independent Director, early this financial year. He served the Company for 14 long years and contributed significantly to put in place good operational systems. He guided the management in adopting best practices in governance and made significant contributions during Board deliberations. At this juncture, along with my colleagues on the Board, I sincerely appreciate the contributions made by Dr. A Appa Rao, during his tenure with the Company.

The company continues to maintain its growth momentum. I have immense pleasure in informing you that the Financial Year 2014-15 is another milestone in the history of the company and a memorable year for the organization, with gross revenue from operations crossing the Rs. 2,000 cr mark.

The revenue for the year stands at

Rs. 2,073 cr as against Rs. 1,722 cr in the previous year.

In tune with our progressive dividend policy, the Board of Directors have recommended a final dividend of Rs. 3 per share for FY 2014-15.

Another hallmark of this year's performance has been the increase in the store level EBIDTA by 61% on a Y-o-Y basis in our retail business. This is a clear indication of our strategies to turnaround the retail business yielding results. As you may recall, since the last 5 years we have been rationalising the retail business by renegotiating rents, relocating underperforming stores and improving various retail business practices. We continue to expand on the retail business front. The retail carpet area crossed 3 lakhs sq ft during the year to reach a total of 3.38 lakhs sq ft at the end of the year. While we added 22 new stores during the year, we closed 4 underperforming stores as part of our rationalization process. During the year we could also reduce the Stores Fixed Costs by Rs. 20 per sq ft per month.

Dairy, our flagship business segment

clocked a revenue of Rs. 1556 cr in the year - a 17.14% growth. In the year under review, the revenue contribution of value-added product in the dairy products mix is 20% against 17% in the previous year. This is in sync with our long-term strategy to increase the revenue from value-added products and to capitalise on the growing demand for value-added dairy products in India. Going forward we are confident that the value-added dairy product sales will increase its share in the overall dairy revenue.

Today Heritage is a pan-India dairy brand with our footprints in Kerala, Tamil Nadu, Andhra Pradesh, Telangana, Karnataka, Odisha, Maharashtra and NCR Delhi. Commercial production of our 14th Packing Station was commenced on December 26, 2014 at our newly acquired plant at Sonipet, Haryana. This unit comes with 75,000 litres per day capacity to process liquid milk, paneer, pouch and cup curd, buttermilk and lassi. With this new plant, we are able to serve the consumers in and around NCR.



**“We have clearly set our targets for 2020 to become a Rs. 6,000 cr (USD 1 Billion) company. While our operational mechanism is gearing up to achieve this goal, our strategies are aimed at increasing the value-added products sales in the dairy business and making a complete turnaround of the retail business by improving margins”**



### Our Renewed Mission and Values

We remain clear on our long-term strategy to grow branded and value-added products sales, to become more efficient, to reduce risk, to improve the quality of our earnings and to make value enhancing acquisitions and disposals.

We have clearly set our targets for 2020 to become a Rs. 6,000 cr (USD 1 Billion) company. While our operational mechanism is gearing up to achieve this goal, our strategies are aimed at increasing the value-added products sales in the dairy business and making a complete turnaround of the retail business by improving margins.

To strengthen our endeavour towards achieving this goal we have engaged an external consultant to guide us on all aspects of the business which includes rationalization of business operations, opportunity mapping, and business restructuring.

### Milk Procurement

Currently we procure milk from over 300,000 farmers in Southern and Western India. Procurement of more milk gives us the strength to grow.

Heritage, therefore increased its milk volume significantly in 2015. Out of 9.69 lakhs liters per day (LLPD) milk procured, AP contributes 51%, Maharashtra 18.5%, Tamil Nadu 17% and Telangana 10%.

Farmer empowerment is inherent in our vision. What makes Heritage attractive for a dairy farmer is that the company over the years, has been handholding farmers for better managing their cattle. This is assisting on optimal feed and animal health and by facilitating animal insurance and dairy farm loans from Banks and Financial Institutions.

### Emerging Segments

Agriculture and Bakery segments of the company continued the growth momentum generating a revenue of Rs. 840 Million and Rs. 58 Million respectively.

Let me conclude by thanking all our stakeholders for their continued support.

Regards

**D. Seetharamaiah**  
Chairperson

# Key Performance Indicators (2014 -15)

**Revenue** (Rs. Million)  
**20730**

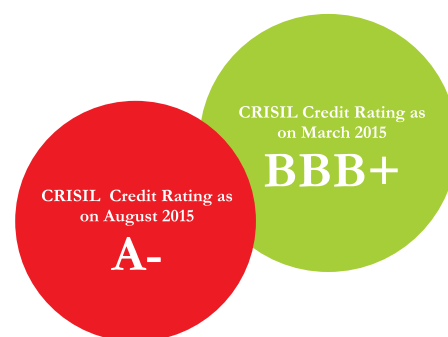
**EBIDTA** (Rs. Million)  
**881**

**PAT** (Rs. Million)  
**282**

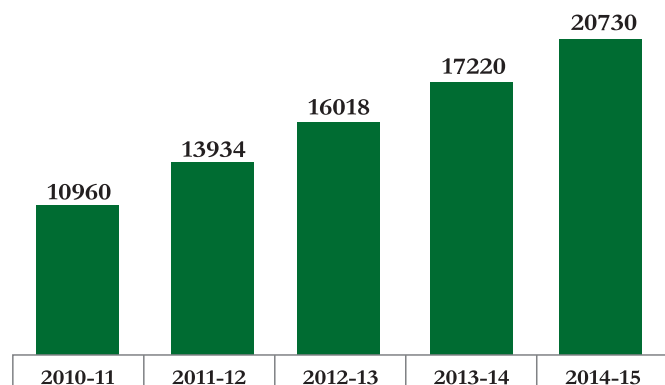
**Networth** (Rs. Million)  
**1930**

## Segment Wise - Revenue (Rs. Million)

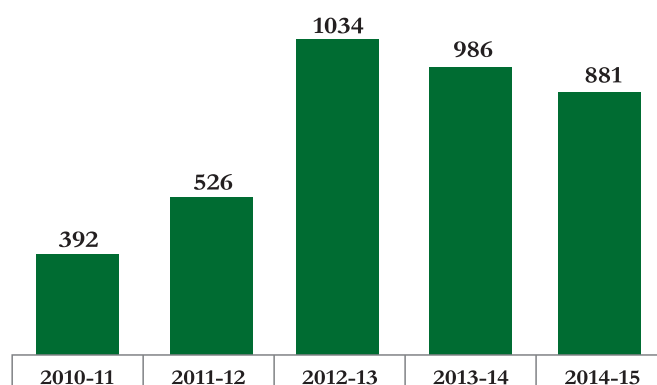
Year	Dairy	Retail	Agriculture	Bakery	Renewable Energy
2014-15	15559	4940	840	59	26
2013-14	13282	3779	678	37	8
2012-13	12686	3266	399	41	-



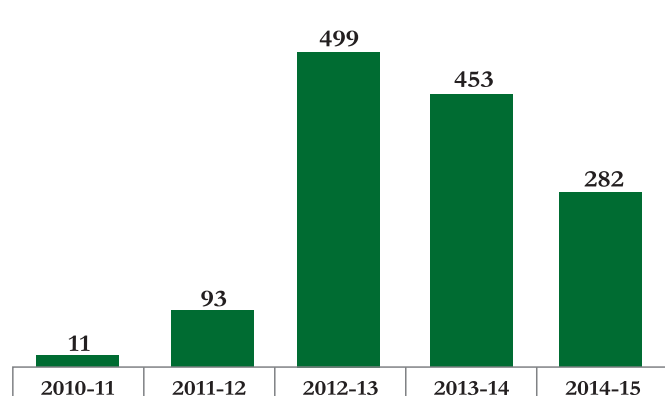
Revenue (Rs. Million)



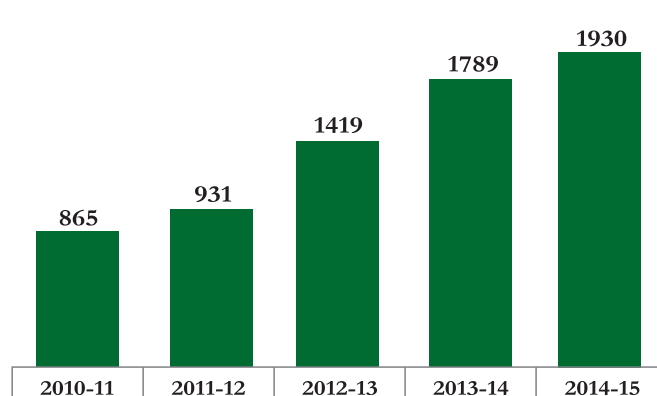
EBIDTA (Rs. Million)



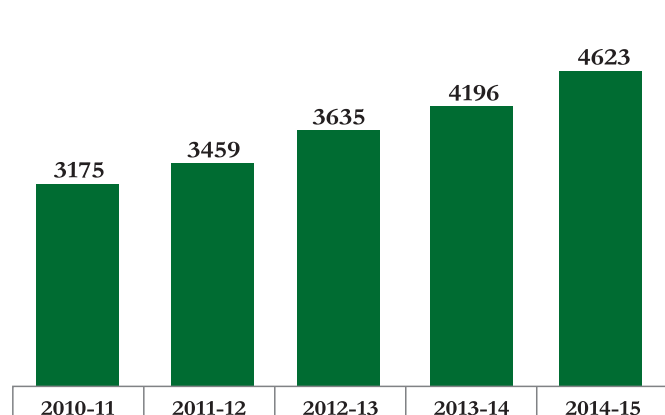
PAT (Rs. Million)



Networth (Rs. Million)



Gross Fixed Assets (Rs. Million)



Equity Dividend (%)



# 10 Year Financials

(Rs in crores)

	1	2	3	4	5	6	7	8	9	10
	2014-15	2013-14	2012-13	2011-12	2010-11	2009-10	2008-09	2007-08	2006-07	2005-06
Turnover	2072.97	1722.04	1601.81	1393.41	1096.08	900.38	796.02	588.03	346.33	292.07
Other Income	7.02	4.95	4.20	3.21	4.81	2.93	3.23	40.13	1.29	1.27
Total Income	2079.99	1726.99	1606.01	1396.62	1100.89	903.31	799.25	628.16	347.62	293.34
Earnings before Depreciation, Interest and Tax (EBIDTA)	88.08	98.65	103.42	52.58	38.85	47.03	3.43	23.66	12.17	25.23
Depreciation & Amortization	33.99	25.00	22.02	21.19	19.94	19.64	17.22	10.55	6.78	4.80
Interest	14.95	11.93	14.84	17.82	15.97	16.67	14.58	12.43	1.84	0.40
Tax Expenses	10.93	15.90	13.69	4.24	1.83	4.98	6.58	(0.26)	1.82	6.39
Profit after Tax	28.21	45.31	49.96	9.33	1.12	5.60	(35.61)	0.94	1.72	13.64
Cash Profit/(Loss)	62.20	70.31	71.98	30.52	21.06	25.24	(18.39)	11.49	8.51	18.44
Equity Dividend (%)	30.00	30.00	30.00	20.00	12.00	18.00	Nil	18.00	30.00	30.00
Dividend Payout (Including Tax on Dividend)	8.37	8.14	4.05	2.68	1.61	2.42	Nil	2.13	3.51	3.42
Equity Share Capital	23.20	23.20	11.60	11.53	11.53	11.53	11.53	11.53	9.99	9.99
Reserves and Surplus	169.81	155.79	130.29	81.60	75.01	75.35	69.24	104.17	59.31	62.50
Networth	193.01	178.99	141.89	93.13	86.53	86.87	80.77	115.70	69.30	72.49
Gross Fixed Assets	462.34	419.63	363.48	345.90	317.50	294.24	264.47	206.45	128.88	80.15
Net Fixed Assets	280.65	271.48	236.79	230.26	221.72	215.24	203.68	162.41	95.38	53.33

## Key Ratios

	1	2	3	4	5	6	7	8	9	10
	2014-15	2013-14	2012-13	2011-12	2010-11	2009-10	2008-09	2007-08	2006-07	2005-06
Earnings per share -Rs.	12.16	19.53	21.64*	8.1	0.97	4.85	(30.89)	0.92	1.73	13.65
Cash Earnings per Share -Rs.	26.81	30.31	31.03*	26.47	19.84	26.32	(9.67)	9.96	8.51	18.46
Book Value per share -Rs.	83.19	77.15	61.16*	80.77	75.05	75.35	70.05	100.35	69.37	72.57
Debt : Equity Ratio	0.32:1	0.25:1	0.42:1	0.99:1	1.15:1	1.34:1	1.50:1	0.96:1	0.79 : 1	0.00 : 1
EBIDTA/Turnover -%	4.25	5.73	6.27	3.77	3.52	5.22	0.43	4.02	3.51	8.63
Net Profit Margin -%	1.36	2.63	3.12	0.67	0.1	0.62	(4.47)	0.16	0.5	4.65
RONW -%	14.62	25.31	35.21	10.02	1.29	6.45	(44.09)	0.81	2.48	18.81

\*EPS and book value per share for FY-2012-13 has been adjusted on account of issue of bonus shares in FY-2013-14



# Strategic Review

Our key strategies continue to aim at enhancing the value proposition across our business segments. With capex infusion and product and market expansions we have been able to substantially improve our revenue over the years. Along with revenue growth, our long-term plans are to further improve margins by adding value across business segments, products and operations. As an indication of this, we saw retail store level EBIDTA improvement in FY15 and the Value-Added Dairy Product (VADP) sales growth by 33%. VADP which has twice the EBIDTA margins of liquid milk, increased its revenue share in the overall dairy business to 20%. We added 22 new retail stores to strengthen our retail store network. During the year under review, we also made our dairy footprint in NCR Delhi.

The overall dairy business in India is getting consolidated with the entry of MNCs and with large national dairy brands expanding the market. Against this emerging scenario, regional and small dairy firms with limited access to capital, inadequate operational leverage and market reach will find the going tough.

On the contrary, today Heritage is a pan-India dairy brand with milk procurement, processing and distribution network across many states. Our VADP range consists of 22 products processed from our plants and made available to consumers through 1,274 dairy parlours besides General Trade outlets.

In addition to this operational advantage, we are the only dairy company in India with own Modern Retail Format. This



**Smt N Brahmani**  
Executive Director

**Smt N Bhuvaneswari**  
Vice Chairperson & Managing Director

enables us to further increase the customer reach. Last but not least, the key stakeholders in our dairy business are over 300,000 cattle owners, who supply us milk. We handhold them on various animal feed, health and farm development initiatives.

## On expansion /capex plans :

Capital expenditure is key to our growth and going forward we would continue to invest for all expansion plans. This primarily includes dairy and retail segments.

## Expectations from FY16 and goals for FY16 & beyond:

We expect FY16 to be an encouraging year with continued growth and improvement in margins. Going forward we will increased the Heritage reach and simultaneously expand the range of value-added products.

We will work towards increasing the value-added products sales contribution in the dairy segment from 20% today to 40% in the next 5 years. On the retail front, the goal is to increase the carpet area from the current 3.38 lakhs sq ft to 5 lakhs in the next 3 years.

**“We expect FY16 to be an encouraging year with continued growth and improvement in margins. Going forward we will increased the Heritage reach and simultaneously expand the range of value-added products.”**



# Dairy Business

Heritage is among the largest dairy firms in India. The dairy products sale of Heritage extends across Andhra Pradesh, Telangana, Tamil Nadu, Karnataka, Kerala, Maharashtra, Odisha and Delhi. Known for its high-quality standards, Heritage Milk is consumed by over 11 lakh households in India. Heritage's value-added dairy range of products such as **Curd, Paneer, Ice Cream and Flavoured Milk** have a high brand equity in all its markets. Beyond adding value to its loyal and increasing customer base, Heritage's business model is also akin to adding value to dairy farmers from whom the company has been procuring milk. As an outcome of adding value to the entire dairy value chain, this segment has been growing at a CAGR of 15% between 2010-15.

## How we create environment and social value



Conserving energy is akin to our business model. Energy conservation methods and audits are carried out at various levels of our manufacturing process regularly. The Dairy Division of the Company has received the 1st prize, 'National Energy Conservation Award' 2014, in Dairy sector from the Ministry of Power, Govt. of India in December-2014. This is the 4th time that the Company has been recognised with this award (previously the Company won the award, 1st prize in the Year-2012, 2nd prize in the Year-2010 and 1st prize in the Year-2008).

Heritage Foods is committed to co-creating value for over 300,000 dairy farmers from whom we procure milk twice a day. We offer farmers a fair and market-related price and provide them with the most comprehensive farm support service for improving their income.

Milk Procurement : **> 16.33%**  
Y-o-Y Growth


**9.69**

(Lakhs Litres Milk Procure Per Day)

**134**

Bulk Cooling /Chilling Units

**14**

Processing & Packing Plants

**1274**

Dairy Parlours

**5200**

Agents & Distributors



Significant amount of transformation has taken place in the Indian demographic space, which led to heightened consumer interest in VADPs. Over the last couple of years, this shift in the dynamics of the sector proved beneficial for the company as we added more variants of VADPs in our dairy products mix.

VADP revenue share in the total dairy business has been increasing for Heritage Foods. From a 12 % share in FY13, revenue from over 20 product varieties of VADPs such as curd, ice cream, paneer, lassi, cooking butter etc. has increased to 20 % share in FY15. The company is confident of increasing the total value-added dairy products revenue share to 40 % of the Dairy business in 5 years.

**VADP revenue share in the total dairy business has been increasing for Heritage Foods. From a 12 % share in FY13, revenue from over 20 product varieties of VADPs such as curd, ice cream, paneer, lassi, cooking butter etc. has increased to 20 % share in FY15. The company is confident of increasing the total value-added dairy products, revenue share to 40 % of the Dairy business in 5 years.**



Increase in value-added product sales (FY15)

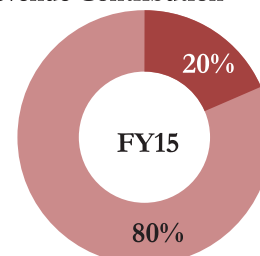
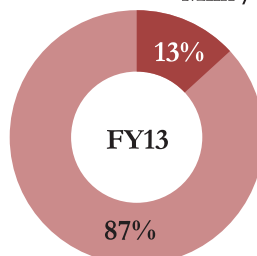
30%



Curd Pouch + 21.79%  
Curd Cup + 28.51%  
Ice Cream/FD + 11.63%  
Cooking Butter + 25.6 %  
Paneer + 25.6 %

As part of the company's geographical expansion plans, dairy products from the Heritage product basket have been added in key urban markets such as Mumbai, Delhi, Bangalore and Chennai in FY15. To further expand the market reach the company has also tied up with other leading pan Indian modern retail chains.

Milk /VADP Revenue Contribution



■ VADP ■ Liquid Milk

■ VADP ■ Liquid Milk



# Retail Business

Heritage Fresh chain is designed to meet the needs of the modern Indian consumer. The unique value of our retail outlets is that, it rediscovers the taste of nature every day by bringing in fresh farm and grocery items for consumers.

The unique value proposition of Heritage Retail is built around three key pillars.

A wide range of fresh fruits and vegetables which are directly sourced from the farmers through our integrated pack houses.

“Farmers Pride” under which we offer a full range of staples (rice, pulses, spices and dry fruits) of the highest quality sourced from the best growing areas in the country which also ensures that the customer gets them at the most competitive prices.

“Oven @ Fresh”, our own brand of bakery products includes an extensive range of cakes, pastries, savouries, cookies, sandwiches and salads.



## Heritage Retail formats:

**Heritage Fresh store** – Spread over an average of 3000 sq ft with a merchandise mix which fulfills all the essential home needs of an Indian Kitchen. This includes fresh fruits and vegetables, grocery, processed food, cleaning aids, general merchandise, bakery, dairy, beverages, and frozen food.



**92**  
Stores

**3.38**  
Lakhs sq ft Carpet  
area

**1.5 Mn**  
Footfall pm

**30.70 %**  
Y-o-Y growth in  
revenue

**61 %**  
Increase in store  
level EBIDTA

# Agri Business

1,00,000 Metric Tons of Fruits & Vegetables Sourced from Farmers Every Year

Heritage's Agri segment is a 'farm-to-fork' business model. Objective of this segment is to reduce the cost of Fruits & Vegetables (F&V) by optimizing cost of cultivation and disintermediation. While this model creates benefit to consumers by making available farm fresh F&V at a reasonable price, it adds value to farmers by creating more income through a viable market linkage.

The vertical integration of farm level production, procurement and down stream processing and trade, enables more efficient and effective control of the quality of F&Vs in the retail stores.

## Pack Houses :

The company maintains two state of the art integrated pack houses at Mattam in Chittoor district of AP and at Mulugu in Medak district of Telangana state.

The facility comes with Reverse Osmosis (RO) and De-Mineralized Plant (DM)



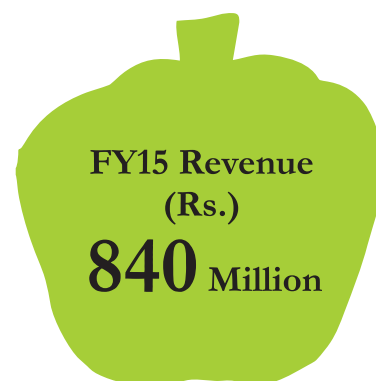
and Effluent Treatment Plant (ETP). Processing and dispatch areas are fully air conditioned with sorting and grading lines, pre-cooling, short, and long-term humidity controlled storage chambers & ripening chambers.

## Dairy Feed

The company supplies cattle feed to dairy farmers and to the other farmers through general trade across South India.

## Maize and Other Commodities

Leveraging on the Company's farmer network across south India, we source the best quality maize at competitive prices to supply to various feed mills. The company has infrastructure to store maize for off season requirements.





## Bakery Business

Heritage Bakery created its own production facility in Hyderabad for cookies and muffins in 2007. We further continued to expand our menu selections adding delicious brownies, croissants, quiches, sandwiches and signature cakes.

Our menu items are freshly prepared daily and with only the finest ingredients available. Just as you would do at home. We are a “hands on” bakery and café. It’s what sets us apart and keeps our loyal customers coming back.

We are respected today as a leading brand in the bakery and cafe segment of the industry.



FY15 Revenue  
(Rs.) **59**  
million

Y-o-Y Growth  
**61%**

## Awards and Recognitions



The Retail division of the Company has received "Most Admired Retailer of the Year 2014 in Food & Grocery Award from India Retail Forum Mumbai in September, 2014.

The Retail Division of the Company has received 'COCA COLA Golden Spoon Award' 2015 for being the IMAGES Most Admired Food & Grocery Retailer of the Year - Regional Chain' at India Food Forum, Mumbai in January, 2015

The Dairy Division of the Company has received the 1st prize in 'National Energy Conservation Award' 2014 in Dairy sector from the Ministry of Power, Govt. of India in December, 2014. This is the 4th time that the Company has been recognized with this award (previously the Company won the award, 1st prize in the Year-2012, 2nd prize in the Year-2010 and 1st prize in the Year-2008)

The company was listed among the top-500 Indian Companies list for the Year 2014 compiled by The Economic Times, on the basis of Industry Respect and Key Financial Parameters.



# Social Responsibility

## CSR Vision Statement

The core theme of the Company's CSR policy is giving back to the society from which it draws its resources by extending helping hand to the needy and the underprivileged.

Corporate Social Responsibility is the commitment of business to contribute for sustainable economic development by working with the employees, local community and society at large to improve their lives in ways that are good for business and development. It is the contribution of the corporate sector for philanthropic causes like education, health, water, environment and community welfare.

In alignment with the vision of the Company, through its CSR initiatives, we will continue to enhance value creation in the society, through own services, conduct and initiatives.



## Heritage Farmers Welfare Trust

While delighting every home with fresh and healthy products, Heritage Foods empowers the farmers through its farm services initiative - Heritage Farmers Welfare Trust (HFWT).

HFWT provides dairy farmers with knowledge on dairy management and helps them in enhancing milk productivity through optimal health, feed and breeding initiatives.



## HFWT Impact 2014-15

No of Cattles treated

**155000**

No of Milk collection  
Centers Covered

**2844**

No of cattle health  
Camps organized

**2136**

No of HFL  
Locations Covered

**124**

No of Artificial  
Inseminations

**1041**

No of Video  
Films shown

**1991**

### Heritage Mobile Veterinary Clinics (HMVC)

HFWT provide dairy farmers with knowledge on dairy farm management and helps them in enhancing milk productivity through optimal health, feed and breeding practices. Towards fulfilling this objective HFWT runs Heritage Mobile Veterinary Clinics (HMVC) in Andhra Pradesh, Telangana and Tamil Nadu. HMVCs are equipped with necessary tools and trained human resource on veterinary treatment and cattle management practices. HMVCs have been giving free VET services in the remotest places of Andhra Pradesh and Telangana on all 365 days. The mobile veterinary van reaches various locations to present educational video films on cattle management and to conduct animal health camps.



### Heritage Institute of Milk Sciences

To generate employment for rural youth Heritage runs a milk science institute in Hyderabad which offers an 18 month course on dairy management. For admissions, preference is given to youth from agricultural families. All selected candidates are given a stipend of Rs. 2,500/- per month. The training exposes candidates to various aspects of dairy value chain management including milk procurement, processing, quality, product development, milk handling technology. Sessions on IT and spoken English are included. Upon completion of training, employment opportunity is given in Heritage Foods.



# Corporate Information

## Board of Directors:

Sri D Seetharamaiah  
Sri N Sri Vishnu Raju  
Dr A Appa Rao  
Dr N R Siva Swamy  
Sri M Siva Rama Vara Prasad  
Sri N P Ramakrishna  
Dr V Nagaraja Naidu  
Sri N Lokesh  
Smt N Bhuvaneswari  
Smt N Brahmani  
Sri K Durga Prasada Rao

## Chief Financial Officer:

## Company Secretary:

## Senior Management:

Dr M Sambasiva Rao  
Sri K Durga Prasad Rao  
Sri J Sambamurthy  
Sri S Jagdish Krishnan  
Sri Dharmender K Matai  
Sri Anil Kumar Srivastava

Non Executive Independent Chairperson  
Non Executive Independent Director  
Non Executive Independent Director (up to 30<sup>th</sup> April, 2014)  
Non Executive Independent Director (up to 16<sup>th</sup> July, 2014)  
Non Executive Independent Director (w.e.f. 30<sup>th</sup> July, 2014)  
Non Executive Director  
Non Executive Director  
Non Executive Director  
Vice Chairperson & Managing Director  
Executive Director  
Whole-Time Director (w.e.f. 1<sup>st</sup> August, 2014)

CA A Prabhakara Naidu

CS Umakanta Barik

## President

Chief Operating Officer-Dairy Division (up to 31<sup>st</sup> July, 2014)

Head – Dairy Division (w.e.f. 1<sup>st</sup> August, 2014)

Chief Operating Officer-Retail & Bakery Divisions (up to 13<sup>th</sup> April, 2015)

Chief Operating Officer-Retail & Bakery Divisions (w.e.f. 20<sup>th</sup> July, 2015)

Chief Operating Officer-Agri Division

## Board Committees

### Audit Committee

Sri D Seetharamaiah, Chairperson  
Sri N Sri Vishnu Raju  
Sri M Siva Rama Vara Prasad  
Dr A Appa Rao (up to 30<sup>th</sup> April, 2014)  
Dr N R Siva Swamy (up to 16<sup>th</sup> July, 2014)  
Dr V Nagaraja Naidu  
Sri N Lokesh

### Nomination & Remuneration Committee

Sri N Sri Vishnu Raju, Chairperson  
Sri D Seetharamaiah  
Sri M Siva Rama Vara Prasad (w.e.f. 30<sup>th</sup> July, 2014)  
Dr A Appa Rao (up to 30<sup>th</sup> April, 2014)  
Dr N R Sivaswamy (up to 16<sup>th</sup> July, 2014)  
Sri N Lokesh

### Stakeholders Relationship Committee

Dr V Nagaraja Naidu, Chairperson  
Sri D Seetharamaiah  
Sri N Sri Vishnu Raju  
Dr A Appa Rao (up to 30<sup>th</sup> April, 2014)  
Smt N Bhuvaneswari

### Risk Management Committee

Sri M Siva Rama Vara Prasad, Chairperson  
Sri D Seetharamaiah  
Sri N Sri Vishnu Raju  
Smt N Bhuvaneswari  
Sri K Durga Prasad Rao

### Management Committee

Sri D Seetharamaiah, Chairperson  
Sri N Sri Vishnu Raju  
Smt N Bhuvaneswari  
Dr A Appa Rao (up to 30<sup>th</sup> April, 2014)  
Sri N Lokesh

### CSR Committee

Sri D Seetharamaiah, Chairperson  
Sri N Sri Vishnu Raju  
Smt N Bhuvaneswari

## Registered Office

: #6-3-541/C, Panjagutta, Hyderabad - 500 082, Telangana, Tel: 040-23391221/2, Fax: 040-30685458  
CIN: L15209TG1992PLC014332, E-mail: hfl@heritagefoods.in

## Statutory Auditors

: M/s. Raju & Prasad, Chartered Accountants  
401, "DIAMOND HOUSE", Adj. Amrutha Hills, Panjagutta, Hyderabad - 500 082.

## Bankers

: Bank of Baroda, Andhra Bank, ICICI Bank Limited.

## Listed with

: BSE Limited, Mumbai and National Stock Exchange of India Limited, Mumbai.

## Registrar and Transfer Agents

: M/s Karvy Computershare Private Limited  
Karvy Selenium Tower B, Plot 31-32, Gachibowli, Financial District, Nanakramguda  
Hyderabad – 500 032, Tel No: 91 040 6716 1566

## Website

: www.heritagefoods.in

## Notice to Shareholders

Members of Heritage Foods Limited (Formerly known as Heritage Foods (India) Limited) are hereby given notice for the 23<sup>rd</sup> Annual General Meeting of the Company, the schedule of which and the business to be transacted therein, are given below:

Day and Date :	<b>Thursday, 24<sup>th</sup> September, 2015</b>
Time :	<b>10.30 A.M.</b>
Venue :	Auditorium Hall, 2nd Floor, Training Block, National Institute for Micro, Small and Medium Enterprises (formerly NISIET), Yousufguda, Hyderabad - 500 045, Telangana.

### ORDINARY BUSINESS:

- To receive Consider and Adopt:
  - The Audited Financial Statements of the Company for the Financial Year ended 31st March, 2015, the Reports of the Board of Director's and Auditor's thereon; and
  - The Audited Consolidated Financial Statement of the Company for the Financial Year ended 31st March, 2015
- To declare a dividend of ₹ 3/- per equity share (30%) on Equity Shares of ₹ 10/- each for the year 31<sup>st</sup> March, 2015
- To appoint a Director in place of Sri N Lokesh (DIN: 02230945) who retires by rotation and being eligible, offers himself for re-appointment.
- To resolve not to fill the vacancy for the time being in the Board caused by the retirement of Sri N P Rama Krishna (DIN: 00003751) who retires by rotation and does not seek for re-appointment..
- To consider and if thought fit, to pass, with or without modification(s), the following resolution as an **Ordinary Resolution**:

**“RESOLVED THAT**, pursuant to Section 139, 142 and other applicable provisions if any of the Companies Act, 2013 and the Rules made there under and the Listing Agreement with the Stock Exchanges, pursuant to the recommendations of the audit committee of the Board of Directors and pursuant to the resolution passed by the members at the AGM held on 26<sup>th</sup> September, 2014, the appointment of M/s. Raju & Prasad, Chartered Accountants (FRN: 003475S) as the auditors of the Company to hold office till the conclusion of the AGM to be held in the calendar year 2017 be and is hereby ratified and that the Board of Directors be and is hereby authorized to fix the remuneration payable to them for the financial year ending March 31, 2016 as may be determined by the Audit Committee in consultation with the auditors, as may be agreed upon between the auditors and the Board of Directors.”

### SPECIAL BUSINESS:

#### 6. Modification of the Object Clause of the Memorandum of Association of the Company

To consider and if thought fit, to pass, with or without modification(s), the following resolution as a **SPECIAL RESOLUTION**:

**“RESOLVED THAT** pursuant to the provisions of Sections 4, 13 and other applicable provisions, if any, of the Companies Act, 2013 and rules made thereunder the consent of Company be and is hereby accorded for modification of object clause of the Company by substituting the heading of clause III (A) and III (B) as under:

- (A) the objects to be pursued by the Company on its Incorporation are:
- (B) Matters which are necessary for furtherance of the objects specified in Clause III (A) are:

**“RESOLVED FURTHER THAT** the Clause III (B) of the Memorandum of Association of the Company be and is hereby Modified by inserting following Clauses 28 – 36 after the existing Clause No: 27.

- To carry on all kinds of agency business and to take part in the management, supervision or control of the business or operations of any other Company, association, firm or Person (and to act as the agent, secretaries, or other of any such Company, association, firm or person) and in connection therewith to appoint and remunerate any directors, accountants and other experts or agents.
- To carry on the Retail business of FMCG Products, Food & Non-food items, Fruits & Vegetables and Dairy Products etc, by either establishing the Retail Stores by its own or in a Franchise or E-Commerce Mode and to carry on the business of import, export, distribution of all merchandise, and to act as agents, stockiest, distributors for firms and companies in India and abroad.
- To buy, sell, manufacture, refine, manipulate, import, export and deal wholesale and retail in commodities, substances, apparatus and things of all kinds, capable of being used or which can conveniently be dealt in by the Company in connection with any of its objects.
- To carry on the business of agriculturists, horticulturists, planters, cultivators of tea, coffee, teak, tobacco or any other kind of commercial plantations.
- To construct, enlarge, repair, equip, acquire, improve, work, develop, administer, manage or wholly or partially control in India or elsewhere public or other works roads, bridges, subways, express ways, tunnels,

railways, tramways, docks, locks, harbor, piers, wharves, jetties, ships, launching ways, canals, reservoirs, aqueducts, bridges, embankments, irrigations, reclamations, air and water pollution plant, solar energy devices, sanitary water gas and electrical and electronic works conveyor systems and aerodromes, hangers, cold storage plants, warehouses, shops, shopping complex's or centers, recreational facilities such as theatre, clubs, sports centers, gardens, hotels, restaurants, parks, resorts, medical centers like hospitals and dispensaries, educational centers like schools and colleges, libraries, infrastructural facilities for village, town/city developments, other construction such as parking spaces and to promote and participate in ecological developments, preservation and betterment of environment through plantation of trees, effluent treatment and disposal systems and to carry on the business of proprietors, managers and renters either separately or in collaboration with others and to render technical and managerial advice in building construction, maintaining, repairing and managing such places including terminals and all other works of public utility, and to carry on, contribute to, subsidies, or otherwise aid or take part in any such operations.

33. To purchase or acquire land and to undertake development of land and building activities.
34. To promote, establish, generate, operate, distribute accumulate, maintain, transmit, supply electricity and or power for Captive consumption or for sale by installing, maintaining, operating power plants whether based on thermal, hydel, gas, solar, wind energy, tidal energy or any other source, whether conventional or non-conventional and to lay down, establish power stations, cables, transmission lines, towers, substation terminals and other works for the aforesaid purposes as a division or as a generating company or separate undertaking and to acquire, take on lease, run or manage any company or undertaking engaged in similar activities within the policies, if any laid down by the government from time to time and for any or all of the aforesaid purposes, to do all the ancillary activities as may be considered necessary or beneficial or desirable.
35. To buy, sell, manufacture and deal in minerals, charcoal, coal woods, plants, machinery, implements, appliances, conveniences, and to take on lease or licence, concessions or otherwise in India or elsewhere, mines, mining rights any land and to explore, work, export, develop, turn to account the same and to crush, win, get, carry smelt, calcine, refine, dress, amalgamate, manipulate or prepare for market ore,

metal and mineral substances of all kinds and to carry on any other metallurgical operations which may seem conducive to any of the objects of the company.

36. To aid, assist, promote, develop and manufacture agricultural implements, agricultural machinery and other equipment's and technological development in equipment's used in agricultural field and to organise, conduct, or manage engineering or repair shop or workshops of all description and to manufacture, import, export, buy, sell, or otherwise deal in, agricultural machinery, of all kinds and to adopt such means of making known the uses thereof.

**“RESOLVED FURTHER THAT** other objects mentioned in the clause III (C) of the Memorandum of Association of the Company be and are hereby deleted.”

**“RESOLVED FURTHER THAT** for the purpose of giving effect to the aforesaid resolution, the Board of Directors of the Company be and is hereby authorized to take such steps and to do all such other acts and deeds as it may deem fit and appropriate and as may be necessary to settle any question, difficulty or doubt that may arise in regard to the said resolution.”

#### 7. **Modification in liability Clause of the Memorandum of Association of the Company**

To consider and if thought fit, to pass, with or without modification(s), the following resolution as a **SPECIAL RESOLUTION**:

**“RESOLVED THAT** pursuant to the provisions of Section 4, 13 and other applicable provisions, if any, of the Companies Act, 2013 consent of Company be and is hereby accorded to modify the liability clause of the Memorandum of Association of the Company by substituting the existing Clause IV with the following:

Clause IV. “The liability of the members is limited and this liability is limited to the amount unpaid, if any, on the shares held by them.”

**By Order of the Board of Directors**

**UMAKANTA BARIK**

Company Secretary

M. No : FCS-6317

#### **Registered Office:**

#6-3-541/C, Punjagutta,

Hyderabad – 500 082

CIN : L15209TG1992PLC014332

Ph : 04023391221/2

E-mail : hfl@heritagefoods.in

Date : 22<sup>nd</sup> July, 2015



## Notes:

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF/HERSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY.

A person can act as proxy on behalf of members not exceeding fifty (50) and holding in the aggregate not more than ten percent of the total share capital of the Company. A member holding more than ten percent of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person cannot act as a proxy for any other person or shareholder.

Proxies in order to be effective, should be deposited at the Registered Office of the Company, duly completed and signed, not less than 48 hours before the commencement of the Meeting. A Proxy Form is sent herewith. Proxies submitted on behalf of the companies, societies etc., must be supported by an appropriate resolution/authority, as applicable

2. Corporate Members intending to send their authorised representatives to attend the Meeting pursuant to Section 113 of the Companies Act, 2013 are requested to send to the Company a certified copy of the relevant Board Resolution together with their respective specimen signatures authorising their representative(s) to attend and vote on their behalf at the Meeting.
3. Relevant documents referred to in the accompanying Notice and in the Explanatory Statements are open for inspection by the Members at the Company's Registered Office during working hours on all working days (except Saturdays, Sundays and Public Holidays) upto the date of this Annual General Meeting.
4. M/s Karvy Computershare Private Limited is the Registrar and Share Transfer Agent of the Company.
5. Brief resume of Director proposed to be appointed / re-appointed, nature of their expertise in specific functional areas, names of companies in which they hold directorships and memberships / chairmanships of Board/Committees, share holding and relationships between directors *inter-se* as stipulated under Clause 49 of the Listing Agreement with the Stock Exchanges, are forming part of the Annual Report.
6. A statement pursuant to Section 102(1) of the Companies Act, 2013 relating to the Special Business to be transacted at the Meeting is annexed hereto.
7. a) The Company has notified closure of Register of Members and Share Transfer Books from Thursday 17-09-2015 to Thursday 24-09-2015 (both days inclusive) for determining the names of members eligible for dividend on Equity Shares, if declared at the Meeting.

- b) The dividend on Equity Shares, if approved at the Meeting, will be credited / dispatched on Tuesday 29<sup>th</sup> September, 2015.

8. The dividend as recommended by the Board of Directors for the year ended 31<sup>st</sup> March, 2015, when declared at the Annual General Meeting will be paid to the members whose names appear:

- (i) as Beneficial Owners as per list to be furnished by the Depositories in respect of the shares held in Demat form;

And

- (ii) As members on the Register of Members of the Company on record date after giving effect to all valid share transfers in physical form which would be received by the Company upto end of business hours on Record date.

Pursuant to provisions of Sub-Section (5) of Section 124 the Companies Act, 2013 (Section 205 of the Companies Act, 1956) The Company has transferred the unclaimed/unpaid dividends declared up to financial years 2006-07, to the Investor Education and Protection Fund (the IEPF) established by the Central Government. Pursuant to the provisions of Investor Education and Protection Fund (Uploading of information regarding unpaid and unclaimed amounts lying with companies) Rules, 2012, the Company has uploaded the details of unclaimed/unpaid amounts lying with the Company as on 26<sup>th</sup> September, 2014 (date of last Annual General Meeting) on the website of the Company ([www.heritagefoods.in](http://www.heritagefoods.in)) as also on the website of the Ministry of Corporate Affairs, the information in respect of such unclaimed dividend and the last date for claiming the same are given below:-

Financial year ended	Date of Declaration of Dividend	Last date for claiming unpaid Dividend
2007-08	26-09-2008	25-09-2015
2009-10	30-07-2010	29-07-2017
2010-11	29-09-2011	28-09-2018
2011-12	29-09-2012	28-09-2019
2012-13	17-07-2013	16-07-2020
2013-14	26-09-2014	25-09-2021

9. Voting through electronic means:

- I. Pursuant to the provisions of Section 108 and other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Management and Administration) Rules, 2014, as amended and Clause 35B of the Listing Agreement, the Company is pleased to provide to its members facility to exercise their

right to vote on resolutions proposed to be passed in the Meeting by electronic means. The members may cast their votes using an electronic voting system from a place other than the venue of the Meeting ("remote e-voting").

- II. The facility for voting through electronic voting system may be made available at the Meeting and the members attending the Meeting who have not cast their vote by remote e-voting shall be able to vote at the Meeting.
- III. The members who have cast their vote by remote e-voting may also attend the Meeting but shall not be entitled to cast their vote again.
- IV. The Company has engaged the services of Karvy Computershare Private Limited ("Karvy") as the Agency to provide e-voting facility.
- V. The Board of Directors of the Company has appointed Smt Savita Jyothi, a Practicing Company Secretaries, (C.P. No. 1796) Secunderabad as Scrutinizer to scrutinize the voting and remote e-voting process in a fair and transparent manner and she has communicated her willingness to be appointed and will be available for same purpose.
- VI. Voting rights shall be reckoned on the paid-up value of shares registered in the name of the member/beneficial owner (in case of electronic share holding) as on the cut-off date i.e. September 17, 2015.
- VII. A person, whose name is recorded in the register of members or in the register of beneficial owners maintained by the depositories as on the cut-off date, i.e. September 17, 2015 only shall be entitled to avail the facility of remote e-voting.
- VIII. Any person who becomes member of the Company after dispatch of the Notice of the meeting and holding shares as on the cut-off date i.e. Thursday, 17<sup>th</sup> September, 2015 may write to the Karvy on the email Id: varghese1@karvy.com or to Mr P A Varghese, Contact No. 040-33215424, at [Unit: Heritage Foods Limited] Karvy Computershare Private Limited, Karvy Selenium, Tower B, Plot No. 31-32, Gachibowli, Financial District, Nanankramguda, Hyderabad-500032, Telangana, requesting for the User ID and Password. After receipt of the above credentials, please launch internet browser by typing the URL: <https://evoting.karvy.com> and follow all the steps as directed by the system to cast the vote.
- IX. The remote e-voting facility will be available during the following period:  
  
Commencement of remote e-voting: From 9.00 a.m. (IST) on September 21, 2015  
  
End of remote e-voting: Up to 5.00 p.m. (IST) on September 23, 2015

The remote e-voting will not be allowed beyond the aforesaid date and time and the e-voting module shall be disabled by Karvy/ scrutinizer upon expiry of aforesaid period.

- X. The Scrutinizer, after conclusion of the e-voting period will unblock the votes in the presence of at least two (2) witnesses not in the employment of the Company and after scrutinizing the votes cast at the meeting and through remote e-voting, will, not later than three days of conclusion of the Meeting, make a consolidated scrutinizer's report and submit the same to the Chairperson. The results declared along with the consolidated scrutinizer's report shall be placed on the website of the Company [www.heritagefoods.in](http://www.heritagefoods.in) and on the website of Karvy <https://evoting.karvy.com> the results shall simultaneously be communicated to the Stock Exchange where shares of the Company are listed.
- XI. Subject to receipt of requisite number of votes, the Resolutions shall be deemed to be passed on the date of the Meeting, i.e. September 24, 2015.
- XII. Instructions and other information relating to remote e-voting:
  - A. **In case a member receives an e-mail from Karvy [for members whose e-mail addresses are registered with the Company / Depository Participant(s)]:**
    - a. Launch internet browser by typing the URL: <https://evoting.karvy.com>
    - b. Enter the login credentials (i.e. User ID and password) which will be sent separately.
    - c. After entering these details appropriately, click on "LOGIN".
    - d. You will now reach password change Menu wherein you are required to mandatorily change your password. The new password shall comprise minimum 8 characters with at least one upper case (A-Z), one lower case (az), one numeric (0-9) and a special character (@,#,\$,etc.). The system will prompt you to change your password and update your contact details like mobile number, email address, etc. on first login. You may also enter a secret question and answer of your choice to retrieve your password in case you forget it. It is strongly recommended that you do not share your password with any other person and that you take utmost care to keep your password confidential.
    - e. You need to login again with the new credentials.

- f. On successful login, the system will prompt you to select the E-Voting Event Number for Heritage Foods Limited.
  - g. On the voting page enter the number of shares (which represents the number of votes) as on the cut-off date under “FOR/ AGAINST” or alternatively, you may partially enter any number in “FOR” and partially in “AGAINST” but the total number in “FOR/AGAINST” taken together should not exceed your total shareholding as on the cutoff date. You may also choose the option “ABSTAIN” and the shares held will not be counted under either head.
  - h. Members holding shares under multiple folios / demat accounts shall choose the Voting process separately for each of the folios / demat accounts
  - i. Voting has to be done for each item of the Notice separately. In case you do not desire to cast your vote on any specific item it will be treated as abstained.
  - j. You may then cast your vote by selecting an appropriate option and click on Submit”.
  - k. A confirmation box will be displayed. Click “OK” to confirm else “CANCEL” to modify. Once you confirm, you will not be allowed to modify your vote. During the voting period, members can login any number of times till they have voted on the Resolution(s).
  - l. Corporate / Institutional Members (i.e. other than Individuals, HUF, NRI, etc.) are also required to send scanned certified true copy (PDF Format) of the Board Resolution / Power of Attorney / Authority Letter, etc., together with attested specimen signature(s) of the duly authorized representative(s), to the Scrutinizer at e-mail ID: hfl.scrutinizer@karvy.com. They may also upload the same in the e-voting module in their login. The scanned image of the above mentioned documents should be in the naming format “Corporate Name\_EVENT NO.”
- B. In case a member receives physical copy of the Notice by Post/Courier [for members whose e-mail addresses are not registered with the Company/ Depository Participant(s)]:**
- a. User ID and initial password - These will be sent separately.
  - b. Please follow all steps from Sr. No. (a) to (l) as mentioned in (A) above, to cast your vote.
  - c. Once the vote on a resolution is cast by a member, the member shall not be allowed to change it subsequently or cast the vote again.
  - d. In case of any query pertaining to e-voting, please visit Help & FAQ’s section available at Karvy’s website <https://evoting.karvy.com>
10. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit their PAN to the Depository Participants with whom they maintain their demat accounts. Members holding shares in physical form should submit their PAN to the Registrar/Company.
  11. Members holding shares in electronic form may note that bank particulars registered against their respective depository accounts will be used by the Company for payment of dividend. The Company or its Registrars and Transfer Agents, Karvy Computershare Private Limited (“Karvy”) cannot act on any request received directly from the members holding shares in electronic form for any change of bank particulars or bank mandates. Such changes are to be advised only to the Depository Participant by the members.
  12. Members holding shares in electronic form are requested to intimate immediately any change in their address or bank mandates to their Depository Participants with whom they are maintaining their Demat accounts. Members holding shares in physical form are requested to advise any change in their address or bank mandates immediately to the Company / Karvy.
  13. Members who have not registered their e-mail addresses so far are requested to register their e-mail address for receiving all communication including Annual Report, Notices, Circulars, etc. from the Company electronically.

**By Order of the Board of Directors**

**UMAKANTA BARIK**

Company Secretary

M. No : FCS-6317

**Registered Office:**

#6-3-541/C, Punjagutta,

Hyderabad – 500 082

CIN : L15209TG1992PLC014332

Ph : 04023391221/2

E-mail : [hfl@heritagefoods.in](mailto:hfl@heritagefoods.in)

Date : 22<sup>nd</sup> July, 2015



## EXPLANATORY STATEMENT PURSUANT TO SECTION 102(1) OF THE COMPANIES ACT, 2013

### Item No. 6:

In order to comply with the provisions of Section 4, 13 and other applicable provisions of the Companies Act, 2013, the Company needs to delete the other object clause from the Memorandum of Association.

In terms of Section 13 of the Companies Act, 2013 approval of members in general meeting by way of special resolution is required to modify Memorandum of Association of the Company.

The Members are therefore requested to approve, by passing a Special Resolution, modification in the Object Clause of the Memorandum of Association as proposed in accompanying resolution. The Board commends the Special Resolution set out at Item No. 6 of the Notice for approval by the Shareholders.

Copy of Memorandum of Association of the Company and other documents referred in the notice shall remain open for inspection by the members at the registered office of the Company during working hours on any working day except Saturday, Sunday & Public Holidays.

None of the Directors or Key Managerial Personnel of the Company and their respective relatives is, in any way, concerned or interested, financially or otherwise, in the proposed resolution.

### Item No. 7:

In order to comply with the provisions of Section 4 of the Companies Act, 2013, the Company needs to modify the Liability Clause of the Memorandum of Association. The modification in the Memorandum of Association is carried out to give effect to the provisions of the Companies Act, 2013.

The Members are therefore requested to approve, by passing a special resolution, modification in the Liability Clause of the Memorandum of Association as proposed in accompanying resolution. The Board commends the Special Resolution set out at Item No. 7 of the Notice for approval by the Shareholders.

Copy of Memorandum of Association of the Company and other documents referred in the notice shall remain open for inspection by the members at the registered office of the Company during working hours on any working day except Saturday, Sunday & Public Holidays.

None of the Directors or Key Managerial Personnel of the Company and their respective relatives is, in any way, concerned or interested, financially or otherwise, in the proposed resolution.

**By Order of the Board of Directors**

**UMAKANTA BARIK**

Company Secretary  
M. No : FCS-6317

### Registered Office:

#6-3-541/C, Punjagutta,  
Hyderabad – 500 082

CIN : L15209TG1992PLC014332

Ph : 04023391221/2

E-mail : hfl@heritagefoods.in

Date : 22<sup>nd</sup> July, 2015

## Pursuant to Clause 49 of the Listing Agreement with the Stock Exchanges and applicable Provisions of Companies Act 2013, following information is furnished about the Director proposed to be appointed / re – appointed

Brief resume of the Director, nature of their expertise in specific functional areas, names of Companies in which they hold directorships and chairmanships of Board / Committees and their shareholding in the Company are provided below:

Name of the Director	Sri N Lokesh
DIN	02230945
Date of Birth	23.01.1983
Date of First Appointment	30.06.2008
Profile of the Director	Post Graduate in Business Administration and Management from Stanford University, USA and was associated with world Bank in various World Bank projects.
Directorship held in other public companies (excluding foreign, private and Section 8 Companies)	<ol style="list-style-type: none"> <li>Heritage Foods Retail Limited</li> <li>Heritage International Limited</li> <li>Heritage Conpro Limited</li> </ol>
Chairmanship/Memberships of Committee across	Audit Committee - Member Nomination & Remuneration Committee – Member Management Committee – Member
Shareholding in the Company	2,366,400 Equity Shares

By Order of the Board of Directors

### Registered Office:

#6-3-541/C, Punjagutta,  
 Hyderabad – 500 082  
 CIN : L15209TG1992PLC014332  
 Ph : 04023391221/2  
 E-mail : hfl@heritagefoods.in  
 Date : 22<sup>nd</sup> July, 2015

**UMAKANTA BARIK**

Company Secretary  
 M. No : FCS-6317

## Directors' Report

To the Members,

Your Directors have great pleasure in presenting the 23<sup>rd</sup> Annual Report of the Company together with the Standalone & Consolidated Audited statement of accounts for the Financial Year ended 31<sup>st</sup> March, 2015.

### Financial Results

(₹ in Lakhs)

Particular	2014-15	2013-14
Revenue from Operations (Gross)	207402.61	172291.58
Less: Excise Duty	105.96	87.59
Total Revenue from operations	207296.65	172203.99
Add: Other Income	702.66	495.40
Total Revenue	207999.31	172699.39
Total Expenditure	199093.36	162705.84
Profit / (Loss) before Finance Cost, Depreciation & amortization and Tax	8905.95	9993.54
Finance cost	1593.01	1322.12
Depreciation & Amortization	3399.03	2500.23
Profit / (Loss) before Extraordinary Item and Tax	3913.91	6171.20
- Extraordinary Item Tax	-	50.00
Profit / (Loss) before Tax	3913.91	6121.20
Tax Expenses		
- Current & prior period tax	1168.91	1290.59
- Deferred Tax	(76.02)	299.38
Net Profit / (Loss) for the Year	2821.02	4531.23

The above are standalone figures, as the subsidiary companies are yet to commenced business. Hence consolidated figures are not given.

### Performance of the Company

Your Company, during the year under review earned revenue from operations (Gross) of ₹ 207402.61 Lakhs, achieved an increase of 20.38% over the previous year. The Gross profit was of ₹ 8905.95 (4.28% on total revenue) as against ₹ 9993.54 (5.79% on total revenue) in the previous year. The operating profit after depreciation was amounted to ₹ 5506.92 (2.64% to revenue) as against ₹ 7443.32 (4.31% of revenue) in the previous year.

### Dividend

Your Directors have recommended a dividend of ₹ 3/- (30%) per equity share of ₹ 10/- each for the financial year ended March 31, 2015, amounting to ₹ 837.65 lakhs (₹ 695.97 Lakhs dividend and ₹ 141.68 lakhs tax on dividend). The dividend payout is subject to approval of members at the ensuing Annual General Meeting. Dividend (including dividend tax) as a percentage of net profit after tax is 29.69 % as compared to 17.96% in the previous year.

The Register of Members and Share Transfer Books will remain closed from Thursday, 17<sup>th</sup> September, 2015 to Thursday 24<sup>th</sup> September, 2015 (both days inclusive) for the purpose of payment

of the final dividend for the financial year ended 31<sup>st</sup> March 2015, and the Annual General Meeting. The Annual General Meeting is scheduled to be held on 24<sup>th</sup> September, 2015.

The dividend payout for the year under review has been formulated in accordance with shareholders' aspirations and the Company's policy to pay sustainable dividend linked to long term growth objectives of the Company to be met by internal cash accruals.

### Transfer to Reserves

Your Company proposes to transfer ₹ 1000 Lakhs to General Reserve. An amount of ₹ 983.37 Lakhs is proposed to be retained in the Surplus.

### Share Capital

The paid up Equity Share Capital as at March 31, 2015 stood at ₹ 23,19,90,000 divided into 2,31,99,000 equity shares of ₹ 10/- each. During the year under review, the Company has not issued shares with differential voting rights nor has granted any stock options or issued sweat equity share to its employees or directors. As on 31<sup>st</sup> March 2015, none of the Directors or the Company holds instruments convertible into equity shares of the Company.

### Fixed Deposits

Your Company has not accepted any deposits from the public and as such, no amount of principal or interest was outstanding as of the Balance Sheet date.

### Particulars of Loans, Guarantees or Investments

Loans, guarantees and investments covered under Section 186 of the Companies Act, 2013 form part of the notes to the financial statements provided in this Annual Report.

### Particulars of Contract or Arrangements Made with Related Parties

All related party transactions that were entered into during the financial year were at arm's length basis and were in the ordinary course of the business and that the provisions of Section 188 of the Companies Act, 2013 are not attracted. Thus the disclosure in form AOC-2 is not required. Further there are no materially significant related party transactions during the year under review with Promoters, Directors, Key Managerial Personnel and their relatives, which may have potential conflict with interest of the company at large.

All related party transactions are placed before the audit committee as also to the Board for approval. A statement giving details of all related party transactions are placed before the Audit committee and Board for review and approval on a quarterly basis. The details of the related party transactions during the year are part of the notes on Accounts forming part of the Annual Report.

### Material changes and commitments affecting financial position between the end of the financial year and date of report

There are no material changes and commitments affecting financial position of the company between 31<sup>st</sup> March and the date of Board's Report.

### Variation in market capitalization

	As at March 31,		Increase / (decrease) in %
	2015	2014	
Market capitalization (₹ in Crore)	764.17	464.21	64.61
Price earnings ratio	27.08	10.25	

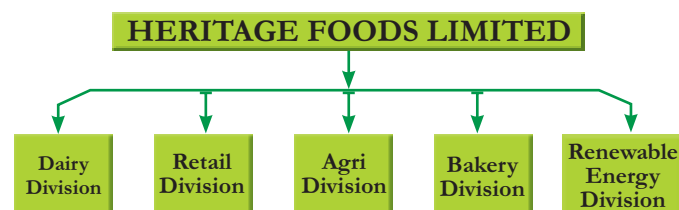
Note: Data bases on share prices quoted on BSE

### Management's Discussion and Analysis

In terms of the provisions of Clause 49 of the Listing Agreement, the Management's Discussion and Analysis is set out in this Annual Report.

#### Business Review

Your Company has five Divisions in operation in different States in India.



#### Dairy Business:

With the economic slowdown, most sectors have been struggling and have reported subdued growth in the last couple of years, except the dairy sector, which has witnessed double digit growth with demand for milk and milk products rising in the country.

The Dairy sector shot up 12.6 per cent from a year ago this financial year and is expected to grow at 15.6 per cent in 2015-16 driven by strong sector growth both in demand and prices, continued policy and monetary support from the Centre and an expected improvement in the economy.

Domestic prices of milk have remained firm in 2014-15 despite the collapse of global milk and dairy product prices in 2014. The demand for milk and milk-based products remained high due to changing dietary habits and rising buying power. As a result, dairy products witnessed a steep rise in prices in 2014.

The dairy sector will reap benefits from the federal government's increased focus on dairy development, enhanced availability of quality fodder and promotion of bovine breeding, among other aspects of raising milk productivity.

However, despite being the world's largest milk producer, India is not a significant player in the global dairy market. India's dairy exports have remained slow due to a drop in international prices, sluggish global demand, rising cost of domestic milk production and the abolition of skimmed milk powder export incentives by the government in July 2014.

Although FY16 is likely to open up new export markets for India in view of Russia approaching Indian dairy Companies.

Operation Flood' and other initiatives by, several States and central government to improve the livestock productivity and increase the

availability of quality fodder helped India to become the world's largest milk producer. The milk production is expected to increase to 151 million tonnes by FY16 from 138 million tonnes in FY14.

During the financial year 2014-15, Dairy Division has increased milk Chilling capacity by 35,000 LPD by commissioning of 22 units which includes Bulk mini chilling units, Mini Chilling units, chilling centres and Franchisee Bulk mini chilling units and Franchisee units to increase the milk procurement and to maintain the quality. The Turnover has grown by 17.14% from ₹ 132819.16 Lakhs to ₹ 155585.71 Lakhs.

#### Retail Division:

Indian Retail sector has been at the helm of India's growth story. The sector accounts for 22% of the gross domestic product (GDP) and contributes to 8% of the total employment. Indian Retail sector continues to grow despite irregular global economic trends. A report has estimated that the total retail sales in India to grow from \$411 billion in 2011 to \$804 billion by 2015. Robust economic growth, high disposable income with the end-consumer and rapid construction of organized retail infrastructure are key factors behind the forecast.

Over the last decade, the Indian Retail industry has grown phenomenally with a remarkable shift towards organized retailing formats. However, more than 90% of the Indian retail sector still falls in the unorganized sector category. While, the market of organized retail segment despite the downturn is growing exponentially as economic growth brings more people into the consuming classes and organized retail lures more shoppers, its share remains at nascent 7.50%. Meanwhile, online retail business, which is relatively a new phenomenon in India, a format, which has high potential for growth in the near future, has share of 0.50%.

As observed in past years, the organized retail space in the first decade of this century was viewed as offering enormous potential for growth in India. However, post FY08 the industry witnessed a sharp moderation in expectations with most retailers across formats facing significant head winds in terms of like-to-like growth and viability of stores. Following the pronounced slowdown, the industry witnessed a modest recovery in FY10. This recovery gathered further momentum in the first three quarters of FY11 and yielded strong double-digit like-to-like growth across most credible retail formats. Consumer sentiment thereafter was impacted in FY12 and continued to be muted till the second quarter of FY14 with high inflation expectations, pronounced interest rates and economic uncertainty being key contributing factors. In the recent quarters consumer sentiment improved, which was seen with retailers reporting an improving trend.

Growing Purchasing Power of Indian Middle Class: This is yet another driving force for the organized retail industry. Most research studies suggest rising incomes in the next decade. This is likely to continue propelling the rise of the middle class whose consumption will become the largest in the country. Therefore, targeting the mid-market seems to offer substantial revenue potential. The number of households with annual income brackets in the range of ₹ 2 lakhs to ₹ 10 lakhs is expected to increase significantly in the next decade.



During the Financial year 2014-15, Retail Division turnover has grown by 30.70% from ₹ 37793 Lakhs to ₹ 49397 Lakhs. The Institutional sales segment achieved sales of ₹ 3049 Lakhs and sales delivered by General Trade FMCG distribution business of ₹ 191 Lakhs. For comparable stores in both the years Retail business has grown by 32.32 %, and also the new stores which are opened this year have delivered more throughput than previous year.

### Agri Division:

India has no doubt provided opportunities for multinationals to participate in industrial development with new technologies and resources. However, we cannot neglect agriculture and expect economic progress sans rural development. The opportunities in agri-business are enormous and can be encashed with locally available technologies.

With plenty of labour, land and water resources along with tropical weather conditions, India can compete with other developed countries and capture the global market, with improved agricultural practices and water resources management. These crops can be fruits, vegetables, flowers and medicinal plants having good export market. The surplus land can also be utilised to cultivate crops like maize and sugarcane and the produce can be diverted to industrial production of alcohol, a substitute for imported petroleum. Such industrial products having good demand can provide assured market and remunerative price to the growers.

The farmers should be oriented to make a swift forecast of the demand for various commodities and exploit the opportunities. There is good scope for setting up market outlets to reach the customers without involving middlemen. Business houses can establish a direct link with farmers' organisations for procuring raw materials. Such agencies can support farmers with seeds of improved varieties, finance and other critical inputs for optimising their crop yield.

Your Company, during the year under review apart from the sourcing the fruits & vegetables and custom farming, started the Veterinary care business with an aim to provide the quality feed, fodder and vet medicines to the farmers to increase the productivity of the animals.

Agri Division of your Company had achieved the turnover of ₹ 8400 Lakhs and 52459 MT with respect to Value & Volume. There is an improvement in Volume of 22.49% over the financial year 2013-14.

### Bakery Division:

The Bakery division of your Company had achieved the turnover of ₹ 589 Lakhs in financial year 2014-15 against ₹ 366 lakhs in financial year 2013-14.

### Renewable Energy Division:

The Renewable Energy Division of your Company strongly committed to extending the 'Green' footprint. In line with this thinking, Company has embarked on a clean Energy initiative with a 2.34 MW Solar Power Project which provides captive power to Dairy Plant in Hyderabad.

Renewable Energy Division of your Company had achieved the turnover of ₹ 257 Lakhs during the year under review.

### Subsidiary / Associate Companies

Your Company is having two Subsidiaries Company's namely M/s. HeritageFoodsRetailLimited (CIN:U15400TG2008PLC062054) & M/s. Heritage Conpro Limited (CIN:U52100TG2011PLC072132) and one Associate Company M/s SKIL Raigam Power (India) Limited (CIN:U40102TG2009PLC063671).

During the year, the Board of Directors reviewed the activities of the subsidiaries, associates Companies and noted that these companies are yet to start the commercial productions. However in accordance with Section 129(3) of the Companies Act, 2013 and Listing Agreement with Stock Exchanges, the Company has prepared consolidated financial statements of all its Subsidiaries & Associates in accordance with relevant Accounting Standards Viz. AS-21, AS-23 & AS-27 issued by the Institute of Chartered Accountants of India and form part of the Annual Report. Further, a statement containing the salient features of the financial statement of the Subsidiaries & Associate Companies in the prescribed format AOC-1 is appended as Annexure-1 to the Board's report. The statement also provides the details of performance, financial positions of each of the subsidiaries & Associate.

In accordance with Section 136 of the Companies Act, 2013, the audited financial statements, including the consolidated financial statements and related information of the Company and audited accounts of each of its Subsidiaries & Associate, are available on our website [www.heritagefoods.in](http://www.heritagefoods.in). These documents will also be available for inspection during the business hours at our registered office in Hyderabad, India.

During the year, Company has not made any investment in the Subsidiaries & Associate Companies.

### Quality

Your Company continues the journey of delivering value to consumers/customers through significant investments in quality programs. While sustaining existing external benchmarks and certifications, your Company have added new certifications and further enhanced the programs and initiatives to renew the commitment to the culture of quality.

Your Company adheres to international quality standard certifications such as ISO 22000, (OHSAS) ISO 18001:2007, ISO 14001:2004, SO 2720 and (ENMS) ISO 50001. Your Company has also received an independent auditor's assurance report on compliance to ISO 14001 & 18001 (EMS & OHSAS) 2<sup>nd</sup> Cycle Re-registration and same was submitted to certification body (SGS, Hyderabad).

The Quality department of your Company handles large change management initiatives to drive quality and productivity improvements across the Company, using various techniques.

### Branding

The Heritage brand is a key intangible asset of your Company. The branding initiative is designed to reposition the Company as the next-generation company that would help enterprises renew themselves while creating new avenues to generate value. Marketing reach of your Company extends nationally through advertisements, public relations and digital marketing initiatives. Your Company also organizes several events in various localities to create awareness about the products of the Company.

## Mission & Vision Statement

The Board of Director of your Company adopted the Mission & Vision statement -2020 of the Company with object to accelerate the growth of the Company aiming to be a nationally recognized brand with healthy & fresh products with a revenue of ₹ 6000 Cr by 2020. The full text of the Mission & Vision and Value statement is the farming part the Annual Report.

## Awards & Recognitions

During the financial year 2014-15 the Company has received the following awards and recognition.

- The Retail division of your Company has bagged "Most Admired Retailer of the Year 2014 in Food & Grocery category from India Retail Forum Mumbai, during September, 2014.
- The Dairy Division of the Company has received the 1<sup>st</sup> prize in prestigious 'National Energy Conservation Award' 2014 in Dairy sector from Ministry of Power, Govt. of India during December, 2014. This is the 4<sup>th</sup> time that the Company has been recognised with this award (previously the Company won the award, 1<sup>st</sup> prize in the year-2012, 2<sup>nd</sup> prize in the year-2010 and 1<sup>st</sup> prize in the year-2008).
- The Retail Division of your Company was awarded most prestigious 'COCA COLA Golden Spoon Award' 2015 for being the IMAGES Most Admired Food & Grocery Retailer of the Year - Regional Chain' at India Food Forum, Mumbai, during the month of January, 2015
- Your Company was listed among Prestigious top-500 Indian Companies list for the year 2014 compiled by The Economic Times, on the basis of Industry Respect and Key Financial Parameters.

## Human Resources and Industrial Relations

Your Company takes pride in the commitment, competence and dedication shown by its employees in all areas of business. To ensure good human resources management, your Company focus on all aspects of the employee lifecycle. This provides a holistic experience for the employee as well. During their tenure at the Company, employees are motivated through various skill-development, engagement and volunteering programs. Your Company has a structured induction process at all locations and management development programs to upgrade skill of managers. Objective appraisal systems based on Key Result Areas are in place for senior management members.

Your Company is committed to nurturing, enhancing and retaining top talent through superior Learning & Organizational Development. This is a part of Corporate HR function and is a critical pillar to support the organization's growth and its sustainability in long run.

The total strength of your Company at the end of financial year 2014-15 was 4244, with an increase of 352 as compared with the end of the previous financial year.

## Particulars of Employees

The table containing the names and other particulars of employees in accordance with the provisions of Section 197(12) of the

Companies Act, 2013, read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, is provided in Annexure-2A to the Board's report.

A statement containing the names of every employee employed throughout the financial year and in receipt of remuneration of ₹ 60 lakh or more PA, or employed for part of the year and in receipt of ₹ 5 lakh or more in a month, under Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, is enclosed as Annexure-2B to the Board's report.

## Corporate Governance

Corporate governance is an ethically driven business process that is committed to values aimed at enhancing an organization's brand and reputation. This is ensured by taking ethical business decisions and conducting business with a firm commitment to values, while meeting stakeholders' expectations. It is imperative that your company affairs are managed in a fair and transparent manner. This is vital to gain and retain the trust of the stakeholders.

Your Company complies with the Securities and Exchange Board of India (SEBI)'s guidelines on corporate governance. Your Company has documented internal policies on corporate governance. During the year, Company continued to comply with the Companies Act, 2013. Company Corporate governance report for financial year 2014-15 forms part of this Annual Report. All Corporate policies are available in Company website i.e. [www.heritagefoods.in](http://www.heritagefoods.in)→Corporate→Policies

## Auditors' certificate on Corporate Governance

As required by Clause 49 of the Listing Agreement, the auditors' certificate on corporate governance is forming part of the Annual Report.

## Board Diversity

Your Company recognizes and embraces the importance of a diverse board in its success. Company believe that a truly diverse board will leverage differences in thought, perspective, knowledge, skill and industry experience, cultural and geographical background, age and gender, which will help the Company retain its competitive advantage. The Board has adopted the Board Diversity Policy which sets out the approach to diversity of the Board of Directors. The Policy is available in the Company website [www.heritagefoods.in](http://www.heritagefoods.in)→corporate→policies→BD

## Meetings of the Board

The Board met five times during the financial year, the details of which are given in the Corporate Governance Report that forms part of this Annual Report. The intervening gap between any two meetings was within the period prescribed by the Companies Act, 2013.

## Policy on Directors' Appointment and Remuneration

The current policy is to have an appropriate mix of Executive and Non-executive & Independent and Women Directors to maintain the independence of the Board, and separate its functions of governance and management. As on March 31, 2015, the Board consists of 9 members, three of whom are executive / whole-

time directors and six are Non-Executive directors. The Board periodically evaluates the need for change in its composition and size.

The policy of your Company on directors' appointment and remuneration, including criteria for determining qualifications, positive attributes, independence of a director and other matters provided under Sub-section (3) of Section 178 of the Companies Act, 2013, adopted by the Board. It is affirmed that the remuneration paid to the directors is as per the terms laid out in the nomination and remuneration policy of the Company.

### Declaration by Independent Directors

Your Company has received necessary declaration from each independent director under Section 149 of the Companies Act, 2013, that he/she meets the criteria of independence laid down in Section 149 of the Companies Act, 2013 and Clause 49 of the Listing Agreement.

### Board Evaluation

Clause 49 of the Listing Agreement mandates that the Board shall monitor and review the Board evaluation framework. The Companies Act, 2013 states that a formal annual evaluation needs to be made by the Board of its own performance and that of its committees and individual directors. Schedule IV of the Companies Act, 2013 states that the performance evaluation of independent directors shall be done by the entire Board of Directors, excluding the director being evaluated.

The evaluation of all the directors and the Board as a whole was conducted based on the criteria and framework as suggested by Nomination & Remuneration Committee adopted by the Board. The Board approved the evaluation results as collated by the nomination and remuneration committee.

None of the independent directors are due for re-appointment.

### Training of Independent Directors

Every new independent director of the Board attends an orientation program. To familiarize the new inductees with the strategy, operations and functions of your Company, the executive directors / senior managerial personnel make presentations to the inductees about the Company's strategy, operations, product and service offerings, markets, organization structure, quality and risk management etc.

### Key Managerial Personnel

During the year under review, the Company has appointed following persons as Key Managerial Personnel.

Name of the Official	DIN/M. No	Designation
Smt N Bhuvaneswari	00003741	Vice Chairperson & Managing Director
Smt N Brahmani	02338940	Executive Director
Sri A Prabhakara Naidu	FCA 200974	Chief Financial Officer
Sri Umakanta Barik	FCS 6317	Company Secretary

Further, at the time of appointment of an independent director, your Company issues a formal letter of appointment outlining his/her role, function, duties and responsibilities as a director.

### Appointment/Re-Appointment

Sri N Lokesh (DIN: 02230945) Non-Executive Directors of the Company retire by rotation and being eligible offer himself for re-appointment at the ensuing Annual General Meeting as per the provisions of Section 152 of the Companies Act 2013 and rules made thereof.

During the year Sri K Durga Prasada Rao (DIN:06888949) has been appointed as a Whole Time Director effective from 1st August, 2014 as per the provisions of 196 & 197 and rules made thereof and read with Schedule V of the Companies Act, 2013.

During the year Sri M Siva Rama Vara Prasad (DIN: 00170919) has been appointed as Non-Executive Independent Director w.e.f. 1<sup>st</sup> August 2014 in accordance with Section 149,152,161(1) read with Schedule IV and other applicable provisions of the Companies Act, 2013 rules made thereof.

### Retirements and Resignations

During the year A Appa Rao (DIN: 00003745), Non Executive Independent Director of the Company had passed away on 30th April, 2014. On sudden / untimely death of A Appa Rao, the Board of Directors had expressed their deep condolence to the departed soul. The Board placed on record the invaluable contribution made by him towards the progress of the company from the date of appointment (27th January 2000) until his death.

During the year Dr N R Siva Swamy (DIN:00003749) Non-Executive Independent Director of the Company had resigned from the Board w.e.f. 16<sup>th</sup> July, 2014 due to his personal reasons and other commitments. The Board placed on record the invaluable contribution made by him, towards the progress of the company from the date of appointment until his resignation.

Sri N P Ramakrishna (DIN: 00003751) Non-Executive Director of the Company retire by rotation and being eligible for re-appointment but he expressed his intention not to seek re-appointment. The vacancy in the Board caused by his retirement shall not be filled up for the time being. The members of the Board place on record their deep sense of appreciation for services rendered by Sri N P Ramakrishna during his tenure as member of the Board.



## Committees of the Board

Currently, the Board has Six committees: the Audit Committee, Nomination and Remuneration Committee, Corporate Social Responsibility Committee, Stakeholders Relationship Committee, Management Committee and Risk Management Committee.

A detailed note on the Board and its committees is provided under the Corporate Governance Report section in this Annual Report. The composition of the committees and compliances, as per the applicable provisions of the Act and Rules, are as follows:

Name of the Committee	Composition of the Committee	Highlights of duties, responsibilities and activities
Audit committee	<p>Sri D Seetharamaiah <i>Chairperson</i></p> <p>Sri N Sri Vishnu Raju Dr A Appa Rao* Dr N R Siva Swamy# Sri M Siva Rama Vara Prasad Dr V Nagaraja Naidu Sri N Lokesh</p>	<ul style="list-style-type: none"> <li>All recommendations made by the audit committee during the year were accepted by the Board.</li> <li>Reviewing, with the management, the quarterly financial statements before submission to the Board for approval.</li> <li>Approval or any subsequent modification of transactions of the Company with related parties.</li> <li>Reviewing, with the management, the performance of statutory auditors and internal auditors, adequacy of internal control systems, etc.</li> </ul>
Nomination and Remuneration Committee	<p>Sri N Sri Vishnu Raju <i>Chairperson</i></p> <p>Sri D Seetharamaiah Dr A Appa Rao* Dr N R Siva Swamy# Sri M Siva Rama Vara Prasad Sri N Lokesh</p>	<ul style="list-style-type: none"> <li>The committee oversees and administers executive compensation, operating under a written charter adopted by our Board of Directors.</li> <li>The nomination and remuneration committee has framed the nomination and remuneration policy.</li> </ul>
Corporate Social Responsibility Committee	<p>Sri D Seetharamaiah <i>Chairperson</i></p> <p>Sri N Sri Vishnu Raju Smt N Bhuvaneswari</p>	<ul style="list-style-type: none"> <li>To formulate and recommend to the Board, a Corporate Social Responsibility (CSR) Policy indicating activities to be undertaken by the Company in compliance with provisions of the Companies Act, 2013 and rules made there under.</li> <li>To monitor the implementation of the CSR Policy of the Company from time to time</li> </ul>
Stakeholders Relationship Committee	<p>Dr V Nagaraja Naidu <i>Chairperson</i></p> <p>Sri D Seetharamaiah Dr A Appa Rao* Sri N Sri Vishnu Raju Smt N Bhuvaneswari</p>	<ul style="list-style-type: none"> <li>The committee reviews and ensures redressal of investor grievances.</li> <li>The committee noted that all the grievances of the investors have been resolved during the year.</li> </ul>
Management Committee	<p>Sri D Seetharamaiah <i>Chairperson</i></p> <p>Dr A Appa Rao* Sri N Sri Vishnu Raju Sri N Lokesh Smt N Bhuvaneswari</p>	<ul style="list-style-type: none"> <li>Setting the strategic direction to guide and direct the activities of the organization;</li> <li>Ensuring the effective management of the organization and its activities; and</li> <li>Monitoring the activities of the organization to ensure they are in keeping with the founding principles, objects and values.</li> </ul>
Risk Management Committee	<p>Sri M Siva Rama Vara Prasad <i>Chairperson</i></p> <p>Sri D Seetharamaiah Sri N Sri Vishnu Raju Smt N Bhuvaneswari Sri K Durga Prasada Rao</p>	<ul style="list-style-type: none"> <li>The purpose of the committee is to assist the Board in fulfilling its corporate governance with regard to the identification, evaluation &amp; mitigation of operational, strategic and environmental risks efficiently and effectively.</li> <li>The Company has developed and implemented a risk management framework that includes identification of elements of risk, if any, which in the opinion of the Board may threaten the existence of the Company.</li> </ul>

\* Dr A Appa Rao, Passed away on 30<sup>th</sup> April, 2014 & Ceased to be Director from the Board & Committees w.e.f. 30<sup>th</sup> April, 2014.

# Dr. N R Siva Swamy Resigned from the Board w.e.f. 16<sup>th</sup> July, 2014.

## Auditors & Auditors Report

### Statutory Auditors:

At the Annual General Meeting held on 26<sup>th</sup> September, 2014, M/s. Raju & Prasad, Chartered Accountants (F No: 003475S), Hyderabad were appointed as statutory auditors of the Company to hold office till the conclusion of the 25<sup>th</sup> Annual General Meeting to be held in the calendar year 2017. In terms of the first provision to Section 139 of the Companies Act, 2013, the appointment of the auditors shall be placed for ratification at every Annual General Meeting. Accordingly, the appointment of M/s. Raju & Prasad, Chartered Accountants, as statutory auditors of the Company, is placed for ratification by the shareholders. In this regard, the Company has received a certificate from the auditors to the effect that if they are reappointed, it would be in accordance with the provisions of Section 141 of the Companies Act, 2013.

The notes on Standalone & Consolidated Financial statement referred to in the Standalone & Consolidated Auditor's Report are self-explanatory and do not call for any further comments.

### Secretarial Auditor:

M/s. Savita Jyothi, Practicing Company Secretary (CP No:1796), was appointed to conduct the Secretarial Audit of the Company for the financial year 2014-15, as required under Section 204 of the Companies Act, 2013 and Rules made thereunder. The secretarial audit report for financial year 2014-15 issued by M/s. Savita Jyothi, Practicing Company Secretary in form MR-3 is provided in the Annexure-3 to the Board's report.

The Secretarial Auditor's Report is self-explanatory and do not call for any further comments.

The Board has appointed M/s. Savita Jyothi, Practicing Company Secretaries, as Secretarial Auditor of the Company for the financial year 2015-16 as per the provisions of the Companies Act, 2013 and Rules made thereof and the applicable provisions of Listing Agreement.

### Cost Audit Report:

The Cost Audit Report for the previous financial year 2013-14 signed by M/s Sagar & Associates, Cost Accountant (F No: 00118), Hyderabad was filed in extensible Business Reporting Language (XBRL) made on 3<sup>rd</sup> September 2014, within due date.

### Significant of Material Orders Passed by the Regulators

There is no order passed by the regulators or Courts during the year under review.

### Extracts of Annual Return

In accordance with Section 134(3)(a) of the Companies Act, 2013 an extract of the annual return is prescribed in form MGT-9 is provided in Annexure-4 to this report.

### Internal Audit & Control Systems

Your Company has a well-defined and documented internal control system, which is adequately monitored. Checks & balances and control systems have been established to ensure that assets are safe guarded, utilized with proper authorization and

recorded in the books of account. The Internal control systems are improved and modified continuously to meet the changes in business conditions, statutory and accounting requirements.

These are supplemented by internal audit of all divisions of your Company carried out by reputed firms of Chartered Accountants across India. Your Company has an Audit Committee consisting of Five Directors in whom all are Non Executive and three are independent Directors. The Audit Committee of the Board of Directors, Statutory Auditors and the Business Heads are periodically apprised of the internal audit findings and corrective actions taken. The Audit Committee of the Board of Directors reviews the adequacy and effectiveness of internal control system and suggests improvements if any for strengthening them. Your Company has a robust Management Information System which is an integral part of the control mechanism.

The Board of Directors on the recommendation of the Audit Committee has appointed Internal Auditors for the financial year 2015-16 as per the provision of Section 138 of the Companies Act, 2013 and Rules made thereof and as per the provisions of the Listing Agreement with Stock Exchanges.

### Corporate Social Responsibility (CSR)

Your Company has been an early adopter of corporate social responsibility (CSR) initiatives. Along with sustained economic performance, environmental and social stewardship is a key factor for holistic business growth.

CSR activities, as per the provisions of the Companies Act, 2013 and rules made thereof, may be undertaken by the Company or through a registered trust or a registered society. The CSR Committee of the Board evaluated the various options to implement the CSR activities and decided to transfer the mandated CSR amount to the NTR Memorial Trust, Hyderabad, to carry out the activities such as promoting education, enhancing the vocational skill & supply of clean drinking water etc., as part of the CSR activities of the Company. As the NTR Memorial Trust is operating since 1997 towards the improvement of health, education of the needy people in the society and running the school for the poor people and lot more other initiative for the up-liftment of the backward and needy population in the society. The Company works with NTR Memorial Trust, Hyderabad towards promoting education, enhancing vocational skill and supply of clean water, apart from its own trust namely Heritage Farmers Welfare Trust

These projects are in accordance with Schedule VII of the Companies Act, 2013 and the Company's CSR Policy. The Report on CSR activities as required under Companies (Corporate Social Responsibility Policy) Rules, 2014 is set out as Annexure-5 forming part of the Board's Report.

Apart from the CSR activities under the Companies Act, 2013 your Company continues to voluntarily support the following social initiatives through Heritage Farmers Welfare Trust (HFWT).

- Veterinary care and cattle management practices through Heritage Mobile Veterinary Clinic, (equipped with necessary tools and trained human resources for providing door-step veterinary services to the Milch Animals and empowering cattle owners with advanced technology and knowledge

on best cattle management and feeding practices through entertainment cum education mode). The Mobile veterinary van reaches to needy places for educational video film in the evening and free health camp on the next day morning in a village.

- Extending Insurance coverage for natural death, Incentive for fodder development & reward for Meritorious Students.
- Extended relief activities and distributed cattle feed with subsidy in Srikakulam, Vijayanagaram and Visakhapatnam during the Cyclone HUDHUD.

Your Company's CSR committee comprises Sri D Seetharamaiah (Chairperson), Sri N Sri Vishnu Raju, and Smt N Bhuvaneswari. The committee is responsible for formulating the CSR policy and monitoring the CSR expenditure of the Company.

The policy is available in the Company website  
[www.heritagefoods.in→corporate→policies→CSR](http://www.heritagefoods.in→corporate→policies→CSR)

### Energy Conservation, Technology Absorption & Foreign Exchange Earnings & Outgo

The particulars as prescribed under Sub-section (3)(m) of Section 134 of the Companies Act 2013, read with the Companies (Accounts) Rules, 2014 are provided in the Annexure-6 to the Board Report.

### Transfer of Un-Claimed Dividends

Pursuant to Section 124(5) of the Companies Act, 2013 [Section 205C (2) of the Companies Act, 1956] read with the Investor Education and Protection Fund (awareness and protection of Investors) Rules, 2001 as amended from time to time the unclaimed/unpaid dividend amount of ₹ 7,00,965/- (Rupees Seven Lakh Nine Hundred Sixty Five Only) for the year 2006-07 was transferred to the Investor Education and Protection Fund during the financial year 2014-15 and the unclaimed/unpaid dividend for the year 2007-08 is due for transfer to the fund during the current financial year 2015-16.

### Risk Management

During the year, your Directors have constituted a Risk Management Committee pursuant to Section 134 (3) (n) of the Companies Act, 2013 & Clause 49 of the listing agreement, which has been entrusted with the responsibility to assist the Board in (a) Overseeing and approving the Company's enterprise wide risk management framework; and (b) Overseeing that all the risks that the organization faces such as strategic, financial, credit, market, liquidity, security, property, IT, legal, regulatory, reputational and other risks have been identified and assessed and there is an adequate risk management infrastructure in place capable of addressing those risks.

The Committee had formulated a Risk Management Policy for dealing with different kinds of risks which it faces in day to day operations of the Company. Risk Management Policy of the Company outlines different kinds of risks and risk mitigating measures to be adopted by the Board. The Risk Management Procedure will be reviewed by the Risk Management Committee and Board of Directors on a half-yearly basis at the time of review of Financial Results of the Company.

The policy is available in the Company website:

[www.heritagefoods.in→corporate→policies→RMPolicy](http://www.heritagefoods.in→corporate→policies→RMPolicy)

### Vigil Mechanism / Whistle Blower Policy

During the year, the Board of Directors of your Company have adopted Whistle Blower Policy as per the provisions of Section 177 (9) of Companies Act, 2013 and as per the Amendment to the Clause 49 of the Listing Agreement as amended from time to time. The Whistle Blower Policy aims for conducting the affairs in a fair and transparent manner by adopting highest standards of professionalism, honesty, integrity and ethical behaviour. All permanent employees of the Company are covered under the Whistle Blower Policy.

A mechanism has been established for employees to report concerns about unethical behaviour, actual or suspected fraud or violation of code of conduct or ethics of the Company. It also provides for adequate safeguards against victimization of employees who avail of the mechanism and also provide for direct access to the Chairperson of the Audit Committee. The guidelines are meant for all members of the Organization from the day they join and are designed to ensure that they may raise any specific concern on integrity, value adherence without fear of being punished for raising that concern.

The Whistle Blower Policy is available in the company's website:  
[www.heritagefoods.in→corporate→Policy→WBPolicy](http://www.heritagefoods.in→corporate→Policy→WBPolicy)

### Prevention of Insider Trading:

The Company has adopted a Code of Conduct to Regulate, Monitor & Report Trading by Insiders and Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information as per the SEBI (Prohibition of Insider Trading) Regulation 2015, with a view to regulate trading in securities by the Directors and designated employees of the Company. The Code requires pre-clearance for dealing in the Company's shares and prohibits the purchase or sale of Company shares by the Promoters, Directors and the designated employees while in possession of unpublished price sensitive information in relation to the Company and during the period when the Trading Window is closed and other certain situations. The Board is responsible for implementation of the Code.

All Board Directors and the designated employees have confirmed compliance with the Code.

The Code of Conduct to Regulate, Monitor & Report Trading by Insiders as per the SEBI (Prohibition of Insider Trading) Regulation 2015 is available in the Company website:  
[www.heritagefoods.in→corporate→Policies→Code of Conduct](http://www.heritagefoods.in→corporate→Policies→Code of Conduct)

The Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information as per the SEBI (Prohibition of Insider Trading) Regulation 2015 is available in the Company website: [www.heritagefoods.in→corporate→Policies→Code of fair disclosure](http://www.heritagefoods.in→corporate→Policies→Code of fair disclosure)

### Nomination and Remuneration Policy

The Board of Directors of your Company has framed a policy which lays down a framework in relation to remuneration of Directors, Key Managerial Personnel and Senior Management of

the Company. This policy also lays down criteria for selection and appointment of Board Members.

The Policy is available in the company's website:

www.heritagefoods.in→corporate→R&MPolicy

### Policy on Sexual Harassment

Your Company has in place an Anti Sexual Harassment Policy in line with the requirements of The Sexual Harassment of Women at the Workplace (Prevention, Prohibition & Redressal) Act, 2013. Internal Complaints Committee (ICC) has been set up to redress complaints received regarding sexual harassment. All employees (permanent, contractual, temporary, trainees) are covered under this policy.

The following is a summary of sexual harassment complaints received and disposed off during the year 2014-15

No of complaints received : Nil

No of complaints disposed off : Nil

### Director's Responsibility Statement as required under Section 134 (3)(c) of the Companies Act, 2013,

The financial statements are prepared in accordance with the Generally Accepted Accounting Principles (GAAP) under the historical cost convention on accrual basis except the sale proceeds received under REC Mechanism of the Renewable Energy. GAAP comprises mandatory accounting standards as prescribed under Section 133 of the Companies Act, 2013 ('the Act'), read with Rule 7 of the Companies (Accounts) Rules, 2014, the provisions of the Act (to the extent notified) and guidelines issued by the Securities and Exchange Board of India (SEBI). There are no material departures from prescribed accounting standards in the adoption of these standards.

The Directors confirm that:

- In the preparation of the annual accounts for the financial year 2014-15, applicable accounting standards have been followed along with proper explanation relating to material departures.
- They have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent, so as to give a true and fair view of the state of affairs of the Company at the end of the Financial year 2014-15 and of the profit and loss of the Company for that period.
- They have taken Proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for

safeguarding the assets of the company and for preventing and detecting fraud and other irregularities,

- They have prepared the annual accounts of the company on a going concern basis.
- They have laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and were operating effectively; and
- They have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

### Green Initiatives

The Company started a sustainability initiative with the aim of going green and minimizing our impact on the environment.

Electronic copies of the Annual Report 2014-15 and Notice of the 23<sup>rd</sup> Annual General Meeting were sent to all members whose email addresses are registered with the Company / Depository Participant(s). For members who have not registered their email addresses, physical copies of the Annual Report 2014-15 and the Notice of the 23<sup>rd</sup> Annual General Meeting are sent in the permitted mode. Members requiring physical copies can send a request to the Company.

### Acknowledgement

The Board takes this opportunity to thank all customers, farmers, vendors, investors, bankers and Statutory Authorities for their continued support during the year. The Board also wishes to place on record its sincere appreciation of the effort/ contribution made by its employees at all levels. The Company consistent growth was made possible by their hard work, solidarity, cooperation and support and look forward to their continued support in the future.

For and on behalf of  
**HERITAGE FOODS LIMITED**

**D SEETHARAMAIAH**

Chairperson  
DIN: 00005016

### Registered Office:

6-3-541/C, Punjagutta,  
Hyderabad – 500 082

CIN : L15209TG1992PLC014332

Ph : 04023391221/2

E-mail : hfl@heritagefoods.in

Date : 22<sup>nd</sup> July, 2015



**Annexure-1**
**Form AOC – 1**
**Statement containing salient features of the financial statement of subsidiaries/associate companies/joint ventures**
*[Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014]*
**Part “A” Subsidiaries**
*(Information in respect of each subsidiary to be presented with amounts in ₹ Lakhs)*

1.	Sl. No	1	2
2.	Name of the Subsidiary	Heritage Foods Retail Limited*	Heritage Conpro Limited*
3.	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	31 <sup>st</sup> March, 2015	31 <sup>st</sup> March, 2015
4.	Reporting currency and Exchange rate as on the last date of the relevant financial year in the case of foreign subsidiaries	INR	INR
5.	Paid-up Share Capital	16.56	10.04
6.	Reserves & Surplus	(13.85)	(3.45)
7.	Total Assets	3.23	7.00
8.	Total Liabilities	0.52	0.41
9.	Investments	--	--
10.	Turnover	--	--
11.	Profit before taxation	(0.76)	(0.63)
12.	Provision for taxation	--	--
13.	Profit after taxation	(0.76)	(0.63)
14.	Proposed Dividend	--	--
15.	% of Shareholding	99.64%	75.70%

- These two subsidiary companies yet to commence operations.

**Part “B” Associates**

Statement pursuant to Section 129(3) of the Companies Act, 2013 related to Associate Companies and Joint Ventures (₹ in Lakhs)

Name of Associate	SKIL Raigam Power (India) Private Limited
1. Latest Audited Balance Sheet Date	31 <sup>st</sup> March, 2015
2. Shares of Associate held by the Company on the year end 31.03.2015	
No.	6,50,000 Equity Shares
Amount of Investment in Associates	65.00
Extend of Holding %	44.83%
3. Description of how there is significant influence	Because of Shareholding
4. Reason why the associate is not consolidated	It is Consolidated
5. Networth attributable to Shareholding as per latest Audited Balance Sheet	56.44
6. Profit/Loss for the Year	
(i) Considered in Consolidation	(0.28)
(ii) Not Considered in Consolidation	(0.35)



**A. Information as per Rule 5(1) of Chapter XIII, Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014**  
**Remuneration paid to Whole-Time Directors**

Annexure-2A

Name of the Director	Title	Remuneration* in FY 2014-15 (₹ in Lakhs)	Remuneration* in FY 2013-14 (₹ in Lakhs)	No. of Stock options granted in FY 2014-15	% increase/ (Decrease) of remuneration in FY 2014-15 as compared to FY 2013-14	Excl. WTD Ratio of remuneration to MRE <sup>\$</sup>	Incl. WTD Ratio of remuneration to MRE <sup>\$</sup>
Smt N Bhuvaneswari	Vice Chairperson & Managing Director	219.45	280.02	-	(21.63)	228.59	228.59
Smt N Brahmani	Executive Director	175.56	206.23	-	(14.87)	182.87	182.87
Sri K Durga Prasada Rao <sup>#</sup>	Whole-Time Director	24.00	NA	-	-	37.50	37.50

<sup>\$</sup> MRE: Median Remuneration of Employees

<sup>\*</sup> Remuneration including salary, Perks & Commission

<sup>#</sup> Sri K Durga Prasada Rao has appointed as Whole-Time Director of the Company on 1<sup>st</sup> August 2014.

**Remuneration/Sitting Fee paid to Non-Executive Directors**

Name of the Director	Sitting Fee in FY 2014-15 (₹ in Lakhs)	Sitting Fee in FY 2013-14 (₹ in Lakhs)	Number of stock options granted in FY 2014-15	% increase/(decrease) of remuneration in FY 2014-15 as compared to FY 2013-14
Sri D Seetharamaiah	2.75	1.70	-	61.76
Sri N Sri Vishnu Raju <sup>§</sup>	2.55	0.40	-	537.50
Dr A Appa Rao <sup>@</sup>	0.00	1.05	-	-
Dr N R Siva Swamy <sup>*</sup>	0.15	1.25	-	(88.00)
Sri M Siva Rama Vara Prasad <sup>#</sup>	1.40	0.00	-	-
Dr V Nagaraja Naidu	1.40	1.25	-	12.00
Sri N P Rama Krishna	0.80	0.60	-	33.33
Sri N Lokesh	1.50	1.00	-	50.00

<sup>@</sup> Dr A Appa Rao, Passed away on 30<sup>th</sup> April, 2014 & Ceased to be Director from the Board & Committees w.e.f. 30<sup>th</sup> April, 2014.

<sup>\*</sup> Dr N R Siva Swamy has resigned from the Board w.e.f. 16<sup>th</sup> July 2014

<sup>#</sup> Sri M Siva Rama Vara Prasad appointed as Director on 30<sup>th</sup> July 2014.

<sup>§</sup> Sri N Sri Vishnu Raju has appointed as Director on 22<sup>nd</sup> October 2013

**Remuneration of other Key Managerial Personnel (KMP)**

Name of the KMP	Title	Remuneration in FY 2014-15 (₹ in Lakhs)	Remuneration in FY 2013-14 (₹ in Lakhs)	No. of stock options granted in FY 2014-15	% increase/ (decrease) of remuneration in FY2015 as compared to FY 2014-15	Excl. WTD Ratio of remuneration to MRE	Incl. WTD Ratio of remuneration to MRE and WTD
Sri A Prabhakar Naidu	Chief Financial Officer	35.00	31.82	-	10.00	36.45	36.45
Sri Umakanta Barik	Company Secretary	17.39	15.81	-	10.00	18.11	18.11



The Median Remuneration of Employees (MRE) excluding Whole-Time Directors (WTDs) was ₹ 96,000 and ₹ 95,292 in financial year 2014-15 and financial year 2013-14 respectively. The increase in MRE (excluding WTDs) in financial year 2014-15, as compared to financial year 2013-14 is 0.74%.

The Median Remuneration of Employees (MRE) including Whole-Time Directors (WTDs) was ₹ 96,000 and ₹ 95,310 in financial year 2014-15 and financial year 2013-14 respectively. The increase in MRE (including WTDs) in financial year 2014-15, as compared to financial year 2013-14 is 0.72%.

The number of permanent employees on the rolls of the Company as of March 31, 2015 was 4,244

The revenue growth of the Company during financial year 2014-15 over previous financial year was 20.38%.

The aggregate remuneration of employees excluding WTD increase in FY 2014-15 over the previous financial year was 9.26%

The aggregate remuneration of employees including WTD increase in FY 2014-15 over the previous financial year was 7.65%.

The aggregate remuneration of KMP decreased in FY 2014-15 over the previous financial year was 16.50%.

### Comparison of the remuneration of the each KMP against the performance of the Company

Name of the Official	Designation	% Increase/(Decrease) of remuneration in FY 2014-15 as compared to FY 2013-14
Smt N Bhuvaneswari	Vice Chairperson & Managing Director	(21.63)
Smt N Brahmani	Executive Director	(14.87)
Sri A Prabhakara Naidu	Chief Financial Officer	10.00
Sri Umakanta Barik	Company Secretary	10.00

This was based on the recommendation of the nomination and remuneration committee to revise the remuneration as per industry benchmarks.

Market capitalization increased by 63.73% to ₹ 777.16 Crores as of March 31, 2015 from ₹ 474.65 Crores as of March 31, 2014. The Price Earnings Ratio was 24.54 as of March 31, 2015 from 10.39 as of March 31, 2014. The closing price of the Company's equity shares on the NSE and BSE as of March 31, 2015 was ₹ 325 and ₹ 335 respectively.

During Financial Year 2014-15, no employee received remuneration in excess of the highest-paid director of the Company.

### Annexure-2B

### B. Information as per Rule 5(2) of Chapter XIII, the Companies (Appointment & Remuneration of Managerial Personnel) Rules, 2014

- i. Details of employee Employed throughout the financial year was in receipt of remuneration for that year which in the aggregate, was not less than sixty lakh rupees

Employee name	Designation	Educational qualification	Age	Experience (in years)	Date of joining	Gross Remuneration Paid (₹ in Lakhs)	Previous employment and designation
Dr M Samba Siva Rao	President	M.Sc., Ph.D.	58	30	23/01/2006	129.32*	Joint Secretary, Ministry of Commerce and Industry, Government of India (IAS Retired)
S Jagdish	COO – Retail	MBA, MS	44	16	03/10/2006	70.22	Cavin Kare Group

\* Remuneration includes Salary & Performance incentive

- ii. Details of employee Employed of the part of the financial year was in receipt of remuneration for any part of that year at a rate which, in the aggregate, was not less than five lakh rupees per month: **NIL**

**Annexure - 3****FORM No. MR-3  
SECRETARIAL AUDIT REPORT**FOR THE FINANCIAL YEAR ENDED 31<sup>ST</sup> MARCH, 2015

[Pursuant to section 204(1) of the Companies Act, 2013 and rule No. 9 of the Companies  
(Appointment and Remuneration Personnel) Rules, 2014]

To,  
The Members,  
**Heritage Foods Limited**  
[ Formerly known as Heritage Foods (India)Limited]  
CIN:L15209TG1992PLC014332  
# 6-3-541/C, Panjagutta, Hyderabad-500082

I/we have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by M/s. Heritage Foods Limited (herein after called the "Company"). Secretarial audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my/our verification of the Company's, books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I/we hereby report that in my opinion, the company has during the audit period covering the financial year ended on 31<sup>st</sup> March, 2015 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I/we have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31<sup>st</sup> March, 2015 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made there under;
- (ii) The Securities Contracts (Regulation) Act, 1956 ("SCRA") and the rules made there under;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ("SEBI Act"):-
  - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;
  - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
  - (d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999; -- N.A.
  - (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; -- N.A.
  - (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
  - (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; -- N.A.
  - (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998; -- N.A.

I/We have also examined compliance with the applicable clauses of the following:

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India, New Delhi.
- (ii) The Listing Agreements entered into by the Company with The BSE Limited and The National Stock Exchanges of India Limited, Mumbai during the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above.

**I/We further report that**

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors & Woman Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

Majority decision is carried through while the dissenting members' views are captured and recorded as part of the minutes.

**I/We further report that** there are adequate systems and processes in the company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

**For SAVITA JYOTI ASSOCIATES**

Hyderabad  
14<sup>th</sup> April, 2015

**Savita Jyoti**  
FCS. No. 3738  
CP. No. 1796



**Form No. MGT-9**
**EXTRACT OF ANNUAL RETURN**
**As on the financial year ended on 31<sup>st</sup> March, 2015**

[Pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1)  
Of the Companies (Management and Administration) Rules 2014]

**I. REGISTRATION AND OTHER DETAILS:**

- (i) CIN : L15209TG1992PLC014332
- (ii) Registration Date : 05.06.1992
- (iii) Name of the Company : HERITAGE FOODS LIMITED  
(Formerly known as Heritage Foods (India) Ltd)
- (iv) Category /sub-Category of the Company : Company Limited by Shares /Indian Non-Govt. Company
- (v) Address of the Registered office and  
Contact details : # 6-3-541/C, Panjagutta, Hyderabad - 82, Telangana, India
- (vi) Whether Listed Company : Yes
- (vii) Name, Address and contact details of  
Registrar and Transfer Agent, if any : Karvy Computershare Private Limited  
Karvy Selenium Tower B, Plot 31-32, Gachibowli  
Financial District, Nanakramguda, Tel: 040 6716 1566.

**II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY**

All the business activities contributing 10% or more of the total turnover of the company shall be stated:

Sl. No	Name and Description of Main Product/Services	NIC Code of the Product/ Service	% to total turnover of the Company
1	Milk	2014	51.93
2	Milk Products	2010	14.80
3	FMCG (Food & Non Food)		18.70

**III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES:**

S. No	Name and Address of the Company	CIN/GLN	Holding/Subsidiary/ Associate	% of Shares hold	Applicable Section
1.	Heritage Foods Retail Ltd	U15400TG2008PLC062054	Subsidiary	99.64%	2(87)(ii)
2.	Heritage Conpro Limited	U52100TG2011PLC072132	Subsidiary	75.70%	2(87)(ii)
3.	SKIL Raigam Power (India) Ltd	U40102TG2009PLC063671	Associate	44.83%	2(6)

**IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)**
**(i) Category-wise Shareholding**

Category of Shareholders	No. of Shares held at the beginning of the year 01.04.2014				No. of Shares held at the end of the year 31.03.2015				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>A. Promoters</b>									
<b>(1) Indian</b>									
(g) Individual / HUF	8062046	0	8062046	34.75	8062046	0	8062046	34.75	0.00
(h) Central Govt	0	0	0	0.00	0	0	0	0	0.00

Category of Shareholders	No. of Shares held at the beginning of the year 01.04.2014				No. of Shares held at the end of the year 31.03.2015				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
(i) State Govt(s)	0	0	0	0.00	0	0	0	0	0.00
(j) Bodies Corporate	1223800	0	1223800	5.28	1223800	0	1223800	5.28	0.00
(k) Banks/FI	0	0	0	0.00	0	0	0	0	0.00
(l) Any other	0	0	0	0.00	0	0	0	0	0.00
<b>Sub total</b>	<b>9285846</b>	<b>0</b>	<b>9285846</b>	<b>40.03</b>	<b>9285846</b>	<b>0</b>	<b>9285846</b>	<b>40.03</b>	<b>0.00</b>
<b>(A)(1):-</b>									
<b>(2) Foreign</b>	0	0	0	0.00	0	0	0	0	0.00
(a) NRIs Individuals	0	0	0	0.00	0	0	0	0	0.00
(b) Other Individuals	0	0	0	0.00	0	0	0	0	0.00
(c) Bodies Corporate	0	0	0	0.00	0	0	0	0	0.00
(d) Banks/FI	0	0	0	0.00	0	0	0	0	0.00
<b>Sub-total (A) (2)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.00</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.00</b>
<b>Total shareholding of Promoter (A) = (A)(1)+(A)(2)</b>	<b>9285846</b>	<b>0</b>	<b>9285846</b>	<b>40.03</b>	<b>9285846</b>	<b>0</b>	<b>9285846</b>	<b>40.03</b>	<b>0.00</b>
<b>B. Public Shareholding</b>									
<b>1. Institutions</b>									
(a) Mutual Funds	138218	18100	156318	0.67	868683	18100	886783	3.82	-3.15
(b) Banks/FI	5451	0	5451	0.02	9419	0	9419	0.04	-0.02
(c) Central Govt	0	0	0	0.00	0	0	0	0	0.00
(d) State Govt(s)	0	0	0	0.00	0	0	0	0	0.00
(e) Venture Capital Funds	0	0	0	0.00	0	0	0	0	0.00
(f) Insurance Companies	0	0	0	0.00	0	0	0	0	0.00
(g) FII	616458	0	616458	2.66	566922	0	566922	2.44	0.21
(h) Foreign Venture Capital Funds	0	0	0	0.00	0	0	0	0	0.00
(i) Others specify)	0	0	0	0.00	0	0	0	0	0.00
<b>Sub-total (B)(1)</b>	<b>760127</b>	<b>18100</b>	<b>778227</b>	<b>3.35</b>	<b>1445024</b>	<b>18100</b>	<b>1463124</b>	<b>6.31</b>	<b>-2.95</b>
(a) Bodies Corporate	4783779	13600	4797379	20.68	4553711	13400	4567111	19.69	3.53
(i) Indian									
(b) Individuals									

Category of Shareholders	No. of Shares held at the beginning of the year 01.04.2014				No. of Shares held at the end of the year 31.03.2015				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
(i) Individual shareholders holding nominal share capital upto ₹ 1 Lakh	2243328	854844	3098172	13.35	2598923	814638	3413561	14.71	1.36
(ii) Individual shareholders holding nominal share capital in excess of ₹ 1 Lakh	4630871	130400	4761271	20.52	3832051	110400	3942451	16.99	-3.53
(c) Others (Specify)	394305	83800	478105	2.06	443307	83600	526907	2.27	0.21
<b>Sub-total (B)(2)</b>	<b>12052283</b>	<b>1082644</b>	<b>13134927</b>	<b>56.62</b>	<b>11427992</b>	<b>1022038</b>	<b>12450030</b>	<b>53.67</b>	<b>-2.95</b>
Total Public Shareholding (B)=(B)(1)+(B2)	12812410	1100744	13913154	59.97	12873016	1040138	13913154	59.97	0.00
C. Shares held by Custodian for GDRs & ADRs									
<b>Grand Total (A+B+C)</b>	<b>22098256</b>	<b>1100744</b>	<b>23199000</b>	<b>100.00</b>	<b>22158862</b>	<b>1040138</b>	<b>23199000</b>	<b>100.00</b>	

## (ii) Shareholding of Promoters / Promoters Group & PAC

S. No	Shareholder's Name	Shareholding at the beginning of the Year 01.04.2014			Shareholding at the end of the year 31.03.2015			% Change in shareholding during the year
		No. of Shares	% of Total Shares of the Company	% of Shares Pledged/encumbered to total shares	No. of Shares	% of Total Shares of the Company	% of Shares Pledged/encumbered to total shares	
1.	Nara Bhuvaneswari	5330826	22.98	0	5330826	22.98	0	-
2.	Nara Lokesh	2366400	10.20	0	2366400	10.20	0	-
3.	Megabid Finance & Investments Pvt Ltd	1223800	5.28	0	1223800	5.28	0	-
4.	N Brahmani	101000	0.44	0	101000	0.44	0	-
5.	Ramakrishna N P	100000	0.43	0	100000	0.43	0	-
6.	V Nagaraju Naidu	58000	0.25	0	58000	0.25	0	-
7.	Kathya N P	30000	0.13	0	30000	0.13	0	-
8.	Suneel Vadlamuni	21000	0.09	0	21000	0.09	0	-
9.	Durga Ramakrishna N P	20000	0.09	0	20000	0.09	0	-
10.	Neelima N P	20000	0.09	0	20000	0.09	0	-
11.	Nandamuri Balakrishna	6820	0.03	0	6820	0.03	0	-

S. No	Shareholder's Name	Shareholding at the beginning of the Year 01.04.2014			Shareholding at the end of the year 31.03.2015			% Change in shareholding during the year
		No. of Shares	% of Total Shares of the Company	% of Shares Pledged/encumbered to total shares	No. of Shares	% of Total Shares of the Company	% of Shares Pledged/encumbered to total shares	
12.	Nandamuri Vasundara	6400	0.00	0	6400	0.00	0	-
13.	A Siva Sankara Prasad	800	0.00	0	800	0.00	0	-
14.	N Bala Krishna	600	0.00	0	600	0.00	0	-
15.	Ramakrishna Nandamuri	200	0.00	0	200	0.00	0	-
		<b>9285846</b>	<b>40.03</b>	<b>0.00</b>	<b>9285846</b>	<b>40.03</b>	<b>0.00</b>	<b>-</b>

(iii) **Change in Promoter's Shareholding (Please specify, if there is no change)**

Sl. No		Shareholding at the beginning of the year 01.04.2014		Cumulative Shareholding during the year 31.03.2015	
		No. of Shares	% of total Shares of the Company	No. of Shares	% of total Shares of the Company
	At the beginning of the year 01.04.2014	9285846	40.03	9285846	40.03
	Date wise Increase/Decrease in promoters Shareholding during the year specifying the reasons for increase/decrease (e.g.allotment/transfer/bonus/sweat equity etc)	--	--	--	--
	At the end of the Year 31.03.2015	9285846	40.03	9285846	40.03

iv) **Shareholding pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs)**

Sl. No		Shareholding at the beginning of the year 01.04.2014		Cumulative Shareholding during the year 31.03.2015	
		No. of Shares	% of total Shares of the Company	No. of Shares	% of total Shares of the Company
1.	<b>Nirvana Holdings Private Limited</b>				
	At the beginning of the year 01.04.2014	2572842	11.09	2572842	11.09
	Date wise Increase/Decrease in Shareholding during the year specifying the reasons for increase/decrease (e.g.allotment/transfer/bonus/sweat equity etc)	-	-	-	-
	At the end of the Year 31.03.2015	-	-	2572842	11.09



Sl. No	Shareholding at the beginning of the year 01.04.2014		Cumulative Shareholding during the year 31.03.2015	
	No. of Shares	% of total Shares of the Company	No. of Shares	% of total Shares of the Company
2. V Sudha Sarada				
At the beginning of the year 01.04.2014	1321000	5.69	1321000	5.69
Date wise Increase/Decrease in Shareholding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/sweat equity etc)	21.11.2014 25,000 Shares Sold	0.11	1296000	5.59
	28.11.2014 25,000 Shares Sold	0.11	1271000	5.48
At the end of the Year 31.03.2015	-	-	1271000	5.48

Sl. No	Shareholding at the beginning of the year 01.04.2014		Cumulative Shareholding during the year 31.03.2015	
	No. of Shares	% of total Shares of the Company	No. of Shares	% of total Shares of the Company
3. M/s. Vidya Investment and Trading Co Pvt Ltd				
At the beginning of the year 01.04.2014	400000	1.72	400000	1.72
Date wise Increase/Decrease in Shareholding during the year specifying the reasons for increase/decrease (e.g.allotment/ransfer/bonus/sweat equity etc)	-	-	-	-
At the end of the Year 31.03.2015	-	-	400000	1.72

Sl. No	Shareholding at the beginning of the year 01.04.2014		Cumulative Shareholding during the year 31.03.2015	
	No. of Shares	% of total Shares of the Company	No. of Shares	% of total Shares of the Company
4. M/s Regal Investment and Trading Co Pvt Ltd				
At the beginning of the year 01.04.2014	389753	1.68	389753	1.68
Date wise Increase/Decrease in Shareholding during the year specifying the reasons for increase/decrease (e.g.allotment/transfer/bonus/sweat equity etc)	-	-	-	-
At the end of the Year 31.03.2015	-	-	389753	1.68

Sl. No	Shareholding at the beginning of the year 01.04.2014		Cumulative Shareholding during the year 31.03.2015	
	No. of Shares	% of total Shares of the Company	No. of Shares	% of total Shares of the Company
<b>5. Kamal Shyam Sunder Kabra</b>				
At the beginning of the year 01.04.2014	362200	1.56	362200	1.56
Date wise Increase/Decrease in Shareholding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/sweat equity etc)	28.11.2014 29,000 Shares Sold	0.13	333200	1.44
	05.12.2014 30,200 Shares Sold	0.13	303000	1.31
	12.12.2014 26,000 Shares Sold	0.11	277000	1.19
	19.12.2014 6,000 Shares Sold	0.03	271000	1.17
	31.12.2014 10,000 Shares Sold	0.04	261000	1.13
	23.01.2015 1,500 Shares Sold	0.01	259500	1.12
	13.02.2015 1,14,600 Shares Sold	0.49	144900	0.62
	20.02.2015 20,900 Shares Sold	0.09	124000	0.53
	06.03.2015 46,800 Shares Sold	0.20	77200	0.33
	13.03.2015 77,200 Shares Sold	0.33	0.00	0.00
At the end of the Year 31.03.2015	-	-	0.00	0.00

Sl. No	Shareholding at the beginning of the year 01.04.2014		Cumulative Shareholding during the year 31.03.2015	
	No. of Shares	% of total Shares of the Company	No. of Shares	% of total Shares of the Company
<b>6. M/s. Napean Trading and Investment co Pvt ltd</b>				
At the beginning of the year 01.04.2014	2,97,376	1.28	2,97,376	1.28
Date wise Increase/Decrease in Shareholding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/sweat equity etc)	-	-	-	-
At the end of the Year 31.03.2015	-	-	2,97,376	1.28

Sl. No	Shareholding at the beginning of the year 01.04.2014		Cumulative Shareholding during the year 31.03.2015	
	No. of Shares	% of total Shares of the Company	No. of Shares	% of total Shares of the Company
7. Dolly Khanna				
At the beginning of the year 01.04.2014	2,52,820	1.09	252820	1.09
Date wise Increase/Decrease in Shareholding during the year specifying the reasons for increase/decrease (e.g.allotment/transfer/bonus/sweat equity etc)	09.05.2014 1,000 Shares Sold	0.00	251820	1.09
	16.05.2014 1,000 Shares Sold	0.00	250820	1.08
	23.05.2014 500 Shares Sold	0.00	250320	1.08
	30.05.2014 4600 Shares Sold	0.02	245720	1.06
	06.06.2014 500 Shares Sold	0.00	245220	1.06
	30.06.2014 3750 Shares Sold	0.02	241470	1.04
	04.07.2014 1000 Shares Sold	0.00	240470	1.04
	11.07.2014 2750 Shares Sold	0.01	237720	1.02
	18.07.2014 1500 Shares Sold	0.01	236220	1.02
	01.08.2014 1000 Shares Sold	0.00	235220	1.01
	22.08.2014 1500 Shares Sold	0.01	233720	1.01
	29.08.2014 750 Shares Sold	0.00	232970	1.00
	12.09.2014 700 Shares Sold	0.00	232270	1.00
	30.09.2014 500 Shares Sold	0.00	231770	1.00

Sl. No	Shareholding at the beginning of the year 01.04.2014		Cumulative Shareholding during the year 31.03.2015	
	No. of Shares	% of total Shares of the Company	No. of Shares	% of total Shares of the Company
<b>7. Dolly Khanna</b>				
Date wise Increase/Decrease in Shareholding during the year specifying the reasons for increase/decrease (e.g.allotment/transfer/bonus/sweat equity etc)	07.11.2014 1500 Shares Sold	0.01	230270	0.99
	14.11.2014 3500 Shares Sold	0.02	226770	0.98
	21.11.2014 500 Shares Sold	0.00	226270	0.98
	28.11.2014 750 Shares Sold	0.00	225520	0.97
	05.12.2014 1006 Shares Sold	0.00	224514	0.97
	09.01.2015 1500 Shares Sold	0.01	223014	0.96
	16.01.2015 1000 Shares Sold	0.00	222014	0.96
	06.03.2015 2700 Shares Sold	0.01	219314	0.95
	13.3.2015 4250 Shares Sold	0.02	215064	0.93
	At the end of the Year 31.03.2015	-	215064	0.93

Sl. No	Shareholding at the beginning of the year 01.04.2014		Cumulative Shareholding during the year 31.03.2015	
	No. of Shares	% of total Shares of the Company	No. of Shares	% of total Shares of the Company
<b>8. Kamal Kabra</b>				
At the beginning of the year 01.04.2014	246900	1.06	246900	1.06
Date wise Increase/Decrease in Shareholding during the year specifying the reasons for increase/decrease (e.g.allotment/transfer/bonus/sweat equity etc)	-	-	-	-
At the end of the Year 31.03.2015	-	-	246900	1.06



Sl. No	Shareholding at the beginning of the year 01.04.2014		Cumulative Shareholding during the year 31.03.2015	
	No. of Shares	% of total Shares of the Company	No. of Shares	% of total Shares of the Company
9. Usha Kamal Kabra				
At the beginning of the year 01.04.2014	246200	1.06	246200	1.06
Date wise Increase/Decrease in Shareholding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/sweat equity etc)	-	-	-	-
At the end of the Year 31.03.2015	-	-	246200	1.06

Sl. No	Shareholding at the beginning of the year 01.04.2014		Cumulative Shareholding during the year 31.03.2015	
	No. of Shares	% of total Shares of the Company	No. of Shares	% of total Shares of the Company
10. Citigroup Global Markets Mauritius Private Limited				
At the beginning of the year 01.04.2014	181407	0.78	181407	0.78
Date wise Increase/Decrease in Shareholding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/sweat equity etc)	-	-	-	-
At the end of the Year 31.03.2015	-	-	181407	0.78

#### (V) Shareholding of Directors and Key managerial Personnel:

Sl. No	Shareholding at the beginning of the year 01.04.2014		Cumulative Shareholding during the year 31.03.2015	
	No. of Shares	% of total Shares of the Company	No. of Shares	% of total Shares of the Company
1. Sri D Seetharamaiah DIN No: 00005016				
At the beginning of the year 01.04.2014	NIL			
Date wise Increase/Decrease in Shareholding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/sweat equity etc)				
At the end of the Year 31.03.2015				

Sl. No	Shareholding at the beginning of the year 01.04.2014		Cumulative Shareholding during the year 31.03.2015	
	No. of Shares	% of total Shares of the Company	No. of Shares	% of total Shares of the Company
2. Dr A Appa Rao DIN No: 00003745				
At the beginning of the year 01.04.2014	NIL			
Date wise Increase/Decrease in Shareholding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/sweat equity etc)				
At the end of the Year 31.03.2015				

Sl. No	Shareholding at the beginning of the year 01.04.2014	Cumulative Shareholding during the year 31.03.2015	
3. Dr N R Siva Swamy DIN No: 00003749	No. of Shares      % of total Shares of the Company	No. of Shares	% of total Shares of the Company
At the beginning of the year 01.04.2014	NIL		
Date wise Increase/Decrease in Shareholding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/sweat equity etc)			
At the end of the Year 31.03.2015			

Sl. No	Shareholding at the beginning of the year 01.04.2014	Cumulative Shareholding during the year 31.03.2015	
4. Sri M Siva Rama Vara Prasad DIN No: 00170919	No. of Shares      % of total Shares of the Company	No. of Shares	% of total Shares of the Company
At the beginning of the year 01.04.2014	NIL		
Date wise Increase/Decrease in Shareholding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/sweat equity etc)			
At the end of the Year 31.03.2015			

Sl. No	Shareholding at the beginning of the year 01.04.2014	Cumulative Shareholding during the year 31.03.2015	
5. Sri N Sri Vishnu Raju DIN No: 00025063	No. of Shares      % of total Shares of the Company	No. of Shares	% of total Shares of the Company
At the beginning of the year 01.04.2014	NIL		
Date wise Increase/Decrease in Shareholding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/sweat equity etc)			
At the end of the Year 31.03.2015			

Sl. No		Shareholding at the beginning of the year 01.04.2014		Cumulative Shareholding during the year 31.03.2015	
6.	Sri N P Rama Krishna DIN No: 00003751	No. of Shares	% of total Shares of the Company	No. of Shares	% of total Shares of the Company
	At the beginning of the year 01.04.2014	100000	0.43	100000	0.43
	Date wise Increase/Decrease in Shareholding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/sweat equity etc)	-	-	-	-
	At the end of the Year 31.03.2015	-	-	100000	0.43

Sl. No		Shareholding at the beginning of the year 01.04.2014		Cumulative Shareholding during the year 31.03.2015	
		No. of Shares	% of total Shares of the Company	No. of Shares	% of total Shares of the Company
7.	<b>Dr V Nagaraja Naidu</b> DIN No: 00003730				
	At the beginning of the year 01.04.2014	58,000	0.25	58,000	0.25
	Date wise Increase/Decrease in Shareholding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/sweat equity etc)	-	-	-	-
	At the end of the Year 31.03.2015	-	-	58,000	0.25

Sl. No		Shareholding at the beginning of the year 01.04.2014		Cumulative Shareholding during the year 31.03.2015	
		No. of Shares	% of total Shares of the Company	No. of Shares	% of total Shares of the Company
8.	<b>Sri N Lokesh</b> DIN No: 02230945				
	At the beginning of the year 01.04.2014	2366400	10.20	2366400	10.20
	Date wise Increase/Decrease in Shareholding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/sweat equity etc)	-	-	-	-
	At the end of the Year 31.03.2015	-	-	2366400	10.20

Sl. No		Shareholding at the beginning of the year 01.04.2014		Cumulative Shareholding during the year 31.03.2015	
		No. of Shares	% of total Shares of the Company	No. of Shares	% of total Shares of the Company
9.	<b>Smt N Bhuvaneswari</b> DIN No: 00003741				
	At the beginning of the year 01.04.2014	5330826	22.98	5330826	22.98
	Date wise Increase/Decrease in Shareholding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/sweat equity etc)	-	-	-	-
	At the end of the Year 31.03.2015	-	-	5,330,826	22.98

Sl. No		Shareholding at the beginning of the year 01.04.2014		Cumulative Shareholding during the year 31.03.2015	
		No. of Shares	% of total Shares of the Company	No. of Shares	% of total Shares of the Company
10.	<b>Smt N Brahmani</b> DIN No: 02338940				
	At the beginning of the year 01.04.2014	101,000	0.44	101,000	0.44
	Date wise Increase/Decrease in Shareholding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/sweat equity etc)	-	-	-	-
	At the end of the Year 31.03.2015	-	-	101,000	0.44

Sl. No		Shareholding at the beginning of the year 01.04.2014		Cumulative Shareholding during the year 31.03.2015	
11.	Sri K Durga Prasada Rao DIN No: 06888949	No. of Shares	% of total Shares of the Company	No. of Shares	% of total Shares of the Company
	At the beginning of the year 01.04.2014	7406	0.03	7406	0.03
	Date wise Increase/Decrease in Shareholding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/sweat equity etc)	-	-	-	-
	At the end of the Year 31.03.2015	-	-	7406	0.03

Sl. No		Shareholding at the beginning of the year 01.04.2014		Cumulative Shareholding during the year 31.03.2015	
12.	Sri A Prabhakara Naidu Chief Financial Officer M No: FCA 200974	No. of Shares	% of total Shares of the Company	No. of Shares	% of total Shares of the Company
	At the beginning of the year 01.04.2014	NIL			
	Date wise Increase/Decrease in Shareholding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/sweat equity etc)				
	At the end of the Year 31.03.2015				

Sl. No	Shareholding at the beginning of the year 01.04.2014	Cumulative Shareholding during the year 31.03.2015		
13. Sri Umakanta Barik Company Secretary M No: FCS 6317	No. of Shares	% of total Shares of the Company	No. of Shares	% of total Shares of the Company
At the beginning of the year 01.04.2014	230	0.00	230	0.00
Date wise Increase/Decrease in Shareholding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/sweat equity etc)	21.11.2014 200 Shares Sold	0.00	30	0.00
	31.12.2014 60 Shares Purchased	0.00	90	0.00
	02.01.2015 1000 Shares Purchased	0.00	1090	0.00
	01.05.2015 150 Shares Sold	0.00	940	0.00
	At the end of the Year 31.03.2015	-	-	940



## (V) INDEBTEDNESS

Indebtedness of the Company including interest outstanding/accrued but not due for payment

(₹ In Lakhs)

	Secured Loans Excluding Deposits	Unsecured Loans	Deposits	Total Indebted- ness
Indebtedness at the beginning of the financial year				
(i) Principal Amount	13216.48	0.00	0.00	13216.48
(ii) Interest due but not paid	0.00	0.00	0.00	0.00
(iii) Interest accrued but not due	17.30	0.00	0.00	17.30
<b>Total (i+ii+iii)</b>	<b>13233.78</b>	<b>0.00</b>	<b>0.00</b>	<b>13233.78</b>
Change in Indebtedness during the financial year				
• Addition	6386.33	1000.00	0.00	7386.33
• Reduction	5775.50	0.00	0.00	5775.50
<b>Net Change</b>	<b>610.83</b>	<b>1000.00</b>		<b>1610.83</b>
Indebtedness at the end of the financial year				
(i) Principal Amount	13827.31	1000.00	0.00	14827.31
(ii) Interest due but not paid	0.00	0.00	0.00	0.00
(iii) Interest accrued but not due	38.77	0.00	0.00	38.77
<b>Total (i+ii+iii)</b>	<b>13866.08</b>	<b>1000.00</b>	<b>0.00</b>	<b>14866.08</b>

**(VI) REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL****A. Remuneration of Managing Director, Whole-time Director and/or Manager:**

(₹ In Lakhs)

Sl. No	Particulars of Remuneration	Name of MD/WTD/Manager			Total Amount
		N Bhuvaneswari	N Brahmani	K Durga Prasada Rao	
1.	Gross Salary				
	(a) Salary as per provisions contained in section 17(1) of the Income Tax Act, 1961.	120.00	60.00	24.00	204.00
	(b) Value of perquisites u/s 17(2) of the Income Tax Act, 1961	10.68	6.95	0.00	17.63
	(c) Profits in lieu of salary under section 17(3) Income Tax Act, 1961	0.00	0.00	0.00	0.00
2.	Stock Option	0.00	0.00	0.00	0.00
3.	Sweat Equity	0.00	0.00	0.00	0.00
4.	Commission				
	- As % of profit	88.77	108.61	0.00	197.38
	- Others, specify				
5.	Others, please specify	0.00	0.00	0.00	0.00
	<b>Total (A)</b>	<b>219.45</b>	<b>175.56</b>	<b>24.00</b>	<b>419.01</b>
	Ceiling as per the Act	₹ 438.90 Lakhs (being 10% of the net profits of the Company calculated as per Section 198 of the Companies Act, 2013)			

**B. Remuneration to other Directors:**

(₹ In Lakhs)

Particulars of Remuneration	Name of Directors								Total Amount
	Sri D Seetharamaiah	Dr A Appa Rao <sup>@</sup>	Dr N R Siva Swamy <sup>#</sup>	Sri N Sri Vishnu Raju	Sri M Siva Rama Vara Prasad	Sri N P Rama Krishna	Sri N Lokesh	Dr V Nagaraja Naidu	
Independent Directors									
Fee for attending Board/Committee Meetings	2.75	0.00	0.15	2.55	1.40	0.00	0.00	0.00	6.85
Commission	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Others, please specify	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Total (1)	2.75	0.00	0.15	2.55	1.40	0.00	0.00	0.00	6.85
Other Non-Executive Directors									
Fee for attending Board/Committee Meetings	0.00	0.00	0.00	0.00	0.00	0.80	1.50	1.40	3.70
Commission	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Others, please specify	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Total (2)	0	0.00	0.00	0	0	0.80	1.50	1.40	3.70
Total (B)= (1+2)	2.75	0.00	0.15	2.55	1.40	0.80	1.50	1.40	10.55
Overall Ceiling as per the Act	₹ 43.89 Lakhs (being 1% of the net profits of the Company calculated as per Section 198 of the Companies Act, 2013)								
Total Managerial Remuneration *	429.56								

\* Total remuneration to Managing Director, Whole-Time Directors and other Directors (being the total of A and B).

<sup>@</sup> Dr A Appa Rao, Passed away on 30<sup>th</sup> April, 2014 & Ceased to be Director from the Board & Committees w.e.f. 30<sup>th</sup> April, 2014.<sup>#</sup> Dr. N R Siva Swamy Resigned from the Board w.e.f. 16<sup>th</sup> July, 2014.

**C. Remuneration to Key Managerial Personnel other than MD/WTD/Manager**

(₹ in Lakhs)

Sl. No	Particulars of Remuneration	Key Managerial Personnel		
		Company Secretary	CFO	Total (₹)
		Sri Umakanta Barik	Sri A Prabhakara Naidu	
1.	<b>Gross Salary</b>			
	(a) Salary as per provisions contained in section 17(1) of the Income Tax Act, 1961.	17.39	35.00	52.39
	(b) Value of perquisites u/s 17(2) of the Income Tax Act, 1961	0.00	0.00	0.00
	(c) Profits in lieu of salary under section 17(3) Income Tax Act, 1961	0.00	0.00	0.00
2.	Stock Option	0.00	0.00	0.00
3.	Sweat Equity	0.00	0.00	0.00
4.	Commission			
	- As % of profit	0.00	0.00	0.00
	- Others, specify			
5.	Others, please specify	0.00	0.00	0.00
	<b>Total</b>	<b>17.39</b>	<b>35.00</b>	<b>52.39</b>

**VII. PENALTIES/PUNISHMENTS/COMPOUNDING OF OFFENCES:**

Type	Section of the Companies Act	Brief Description	Details of Penalty/ Punishment Compounding fees imposed	Authority [RD/NCLT/ COURT]	Appeal made, if any (give details)
<b>A. COMPANY</b>					
Penalty					
Punishment					
Compounding					
<b>B. DIRECTORS</b>					
Penalty					
Punishment					
Compounding					
<b>C. OTHER OFFICERS IN DEFAULT</b>					
Penalty					
Punishment					
Compounding					

NIL

**Annexure-5**

## The Annual Report on CSR Initiatives

Particulars	Remarks												
1. Brief outline of Company’s CSR Policy including overview of projects or programs proposed to be undertaken and a reference to the web-link to the CSR Policy and projects or programs.	Promoting education, enhancing the vocational skill & Supply of Clean Drinking Water etc. Web link: www.heritagefoods.in→Corportate→Policies→CSR												
2. The composition of the CSR Committee.	<table><tr><td>Sri D Seetharamaiah</td><td>Chairperson</td></tr><tr><td>Sri N Sri Vishnu Raju</td><td>Member</td></tr><tr><td>Smt N Bhuvaneswari</td><td>Member</td></tr></table>	Sri D Seetharamaiah	Chairperson	Sri N Sri Vishnu Raju	Member	Smt N Bhuvaneswari	Member						
Sri D Seetharamaiah	Chairperson												
Sri N Sri Vishnu Raju	Member												
Smt N Bhuvaneswari	Member												
3. Average Net Profit of the company for last three financial years	<table><tr><td colspan="3">₹ In Lakhs</td></tr><tr><td>FY 2013-14</td><td>FY 2012-13</td><td>FY 2011-12</td></tr><tr><td>6743.79</td><td>3701.10</td><td>(3137.09)</td></tr><tr><td colspan="3">Average Net Profit : 3481.63</td></tr></table>	₹ In Lakhs			FY 2013-14	FY 2012-13	FY 2011-12	6743.79	3701.10	(3137.09)	Average Net Profit : 3481.63		
₹ In Lakhs													
FY 2013-14	FY 2012-13	FY 2011-12											
6743.79	3701.10	(3137.09)											
Average Net Profit : 3481.63													
4. Prescribed CSR Expenditure (two percent of the amount as in item No. 3 above)	₹ 69.63 Lakhs												
5. Details of CSR spent during the financial year:													
a. total amount to be spent for the financial year:	₹ 69.63 Lakhs												
b. amount unspent:	Nil												
c. manner in which the amount spent during the financial year is detailed below:													

CSR Project or activity identified	Sector in which the project is covered.	Sector or programs (1) Local area or other (2) Specify the State and district where projects or programs were undertaken.	Amount outlay (budget) project or programs wise	Amount spent on the projects or programs Sub-heads: (1) Direct expenditure on projects or programs (2) Overheads:	Cumulative expenditure upto the reporting period.	Amount Spent: Director or through implementing agency
Building the Classrooms & Hostels for Students and Scholarships for Pursuing their Educations	Promoting Education	Hyderabad Telangana	297.89* Lakhs	69.63 Lakhs	--	Through Implementing Agency - NTR Memorial Trust
<b>TOTAL</b>			<b>297.89 Lakhs</b>	<b>69.63 Lakhs</b>	<b>--</b>	

\* Total estimate cost for construction of dining hall, girl's hostel building towards promotion of girl and needy children's education at NTR Model School and Jr. College, Moinabad, Hyderabad

### Our CSR responsibilities:

We hereby affirm that the CSR policy, as approved by the Board, has been implemented and the CSR committee monitors the implementation of the CSR projects and activities in compliance with our CSR objectives.

Hyderabad  
22<sup>nd</sup> July, 2015

**D Seetharamaiah**  
Chairperson  
DIN: 00005016

**N Bhuvaneswari**  
Vice Chairperson & Managing Director  
DIN: 00003741



**Annexure-6****Particulars of Energy Conservation, Technology Absorption and Foreign Exchange Earnings and Outgo required under the Companies (Accounts) Rules, 2014****A. Conservation of Energy**

“Your Company is committed to looking for innovative ways to optimize the energy mix towards cleaner, more efficient forms of energy increasing share of renewable energy sources, while continuing to reduce consumption. Your Company continue to investigate the feasibility of technologies with the potential to reduce emissions and contribute to your energy efficiency and that of your farmers”.

- i. Energy conservation dictates how efficiently a company can conduct its operations. Your Company has recognized the importance of energy conservation in decreasing the deleterious effects of global warming and climate change. Your Company has undertaken various energy efficient practices that have reduced the growth in carbon di-oxide (CO<sub>2</sub>) emissions and strengthened the Company's commitment towards becoming an environment friendly organization. A dedicated 'Energy Cell' is focusing on energy management and closely monitor energy consumption pattern across all manufacturing sites. Periodic energy audits are conducted to improve energy performance. Your Company has received the 1<sup>st</sup> prize in prestigious 'National Energy Conservation Award' 2014 in Dairy sector from Ministry of Power, Govt. of India during December, 2014. This is the 4<sup>th</sup> time that the Company has been recognised with this award (previously the Company won the award in, 1<sup>st</sup> prize in the year-2012, 2<sup>nd</sup> prize in the year-2010 and 1<sup>st</sup> prize in the year-2008).
- ii. Your Company has installed a Solar Power Plant 2.34 MW near Hyderabad for captive consumption purpose.
- iii. During the year your Company has not made any capital investment on energy conservation equipments.

**B. Technology Absorption**

- i. The efforts made by your Company towards technology absorption during the year under review are:
  - Installed (VAM) Vapour Absorption Machine refrigeration system.
  - Installed Evaporative Condensers
  - Insulated Building Roof System with Sky Lights
  - Saturated Steam Turbine
  - Automatic CIP System
  - Implemented Rapid Milk Chiller (RMC) to enhance the Quality of milk.
  - Ucrete flooring for hygiene
  - Using of Enviro friendly Building material AAC Blocks.
  - Conversion of DC to AC drive on stenter machine and TNT machine
  - Replacement of 36W T8 light by 17W LED Tube light and installation of light pipe
  - Upgradation of Vibro Compact Machine, stenter and super finish machine
  - Installation of Electro Coagulation System in ETP
  - Installation of wind turbo ventilators
  - Developed computer based colour weighing system for accurate weighing of dyes.
- ii. The benefits derived like product Improvement, cost reduction, product development or import substitution.
- iii. In case of imported technology (imported during the last three years reckoned from the beginning of the financial year) : Not Applicable
- iv. The Expenditure incurred an Research and Development : NIL

**C. Foreign Exchange Earnings and Outgo**

During the year under review foreign exchange earnings were ₹ 312.20 Lakhs (previous Year ₹ 770.84 Lakhs) and foreign exchange outgo was ₹ 2.32 Lakhs (Previous year ₹ 965.97 Lakhs).

## Management Discussion and Analysis

### OVERVIEW OF THE ECONOMY

Indian Economy did well in Financial Year 2014-15, with the four quarters' economic growth numbers at 6.5%, 8.2% and 7.5%, 7.5% respectively. The Government surpassed its own financial target and contained the fiscal deficit at 3.99 percent of Gross Domestic Product (GDP).

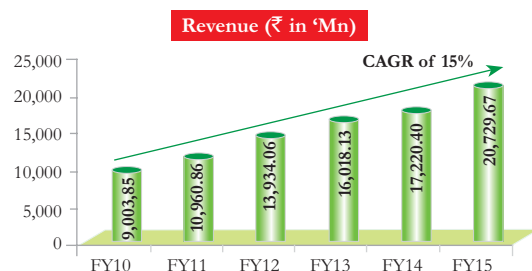
According to national accounts data released by Central Statistics Office (CSO), the GDP at current prices is estimated at ₹ 125.41 lakh crore in the financial year ended March 31, 2015. Despite unpredictable headwinds, the global economic recovery is gaining momentum. These winds of positive change have masked the growth divergence among major economies.

Specifically, the recovery in United States was stronger than expected, while performance in Japan and Eurozone has fallen short of expectations. This has resulted in the dollar appreciating vis-à-vis other G7 currencies. The currencies of commodity exporting countries weakened due to fiscal and trade imbalances.

India's economy is poised to return to its high-growth path, thanks to lower fiscal and current account deficits, falling inflation, benign commodity prices, and structural reforms to boost investments. Monetary policy is also likely to be supportive with the Reserve Bank of India (RBI) having moved to flexible inflation targeting. The manufacturing sector is likely to benefit from lower interest rates. The share of investments in Gross Domestic Product (GDP) is at 29% (compared to 33% in 2007) and is expected to pick up. However, productivity and capital efficiency improvement are likely to drive near-term growth.

#### Review of operation:

Your Company anticipated that the moderation in the growth rates will show steady recovery in the short term and the growth momentum will revive soon. In this new reality and a volatile and uncertain environment, your Company believes in long term profitable and sustainable growth. Your Company maintained a forward looking approach to ensure that it is well prepared to seize new opportunities and handle new challenges with speed. Since the success of your Company depends on the ability of the business to keep understanding the changing environment and to keep adapting its responses in a seamless manner it continued to focus on realigning its initiatives internally and externally. Your Company remained focussed on the principles of continuous excellence to drive efficiencies. Therefore your Company has grown constantly at CAGR of 15%.



**Revenue Mix:** The Value Added Dairy Products (VADP), whose profit margins are almost double that of the Liquid Milk, have

contributed nearly 20% of Dairy income. VADP is growing at a CAGR of 30% over the last 5 years.

**Newer Markets:** Successfully set up entire backend Dairy operations in Mumbai and Delhi markets right from procurement of milk from farmers to chilling plant and there from to processing plants and sell in the market. These markets are huge and are witnessing incremental growth.

**Technology Excellence:** It's the first company to implement ERP Applications of SAP for Dairy division for its business processes across all locations.

**Economies of Scale:** Retail vertical losses are coming down, thanks to "economies of scale" of operations. With a 32% increase in total trading area to 3.38 lakh sq. ft as against 2.56 lakh sq. ft, EBITDA profits were reported in 4<sup>th</sup> Quarter of the Financial Year 2014-15. Efforts are on to achieve EBITDA profits for full year during 2015-16

**Quality:** Has a dedicated quality assurance and product development team. Its infrastructure is backed by ISO 9001, ISO 22000, ISO 18001, ISO 14000 and ISO 14001.

**Relationship Marketing:** Currently enjoys relationships with as many as nearly 3,00,000 farmers across seven states in India. Facilitating loans for cattle, arranging for cattle insurance, arranging for insurance to farmers, and other few welfare measures undertaken such as: Veterinary treatment and cattle management practices through Heritage Mobile Veterinary Clinic (HMVC).

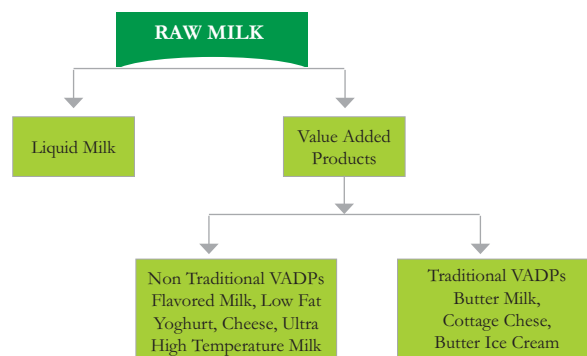
### INDUSTRY STRUCTURE AND DEVELOPMENTS

#### Dairy Industry:

Rising consumption coupled with better margins in the value added dairy products (VADPs) are driving the dairy players to get into the growth and higher profitable trajectory. Change in demographics and rapid urbanization have resulted into manifold surge in the demand for VADPs.

Milk products such as curds which were largely home made products are currently available under various brands. Due to convenience, health benefits and increased consumerism, milk derivatives like buttermilk, low fat yogurt and flavored milk are nowadays a part of regular consumption.

#### Categorization of the Dairy Products:



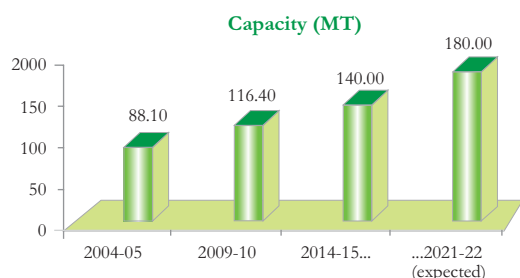
For decades, dairy players in India have been engaged in the liquid milk processing activity only. Backed by operation Flood in 1970s, the milk industry in India witnessed the first wave of

development in the milk production which gave India its status of the largest milk producer in the world. This was spearheaded by the 'Co-operative model' which was supported by the Govt. of India. Ownership being with the farmers instilled trust among the member milk producers in the cooperative model, which also ensured transparent returns. In addition, cooperatives also provided various services like cattle vaccination, cattle insurance, artificial insemination, installation of milk coolers at village level etc to improve productivity.

Further, there was minimal involvement of private players in the industry as approximately 80% of the retail price of the liquid milk went back to the farmers leading to low operating margins (4-5%). This was despite the consistent upsurge in the retail prices of the liquid milk. Consequently, the dairy companies were left with insufficient internal funds to plough back into the operations for adoption of modern technologies or development of milk variants.

The above reasons coupled with factors such as evolving tastes and preferences, higher affordability, etc; lead the entities venturing into the VADP segment for better profitability.

Milk production in India is growing substantially year after year as shown in following table.



The growth in Dairy Industry in the West has come to a virtual halt. India is where the action is. The West is currently witnessing a stagnation in growth in dairy space, hence some players are looking at India where there is growth coming in liquid milk in general and in value-add products in particular. The value-add products which include: cheese, curd, ice-cream, and others, have impressive profit margins, unlike the liquid milk, thanks to the factors like, rapid urbanization, change in life styles, and rise in disposable income.

### Highlights:

- The milk production in 2000 was at 78mn MT as compared to 140 MT in 2014 and is expected to cross 200 MT mark by 2020.
- According to FAO estimates, the milk production in India accounts for more than 15% of the total world output and 60% of total Asia's production.
- However, 'milk yield per cow' in US and New Zealand is around 11 times and 5 times higher than that of India.
- India is lowest cost producer of per liter of milk in the world, at 45 cents, compared with the U.S' 93 cents, and Japan's \$3.2 dollars.

Presently there are around 80,000 village dairy cooperatives across the country. The co-operative societies are federated into

200 district milk producers unions spread over various State cooperative dairy federations. Milk production gives employment to over 100 Mn dairy farmers.

In terms of total production, India is the leading producer of milk in the world followed by USA. According to FAO estimates, the milk production in India accounts for more than 15% of the total world output and 60% of total Asia's production. The top five milk producing nations in the world are India, USA, Russia, Germany and France.

### Current Scenario:

Milk prices are rising due to a shortage in produce, and this is being reflected generally even in the prices of chocolates, milkshakes, ice creams and other milk-based products.

During 2014-15 the procurement prices of milk from farmers have gone up. The Milk production is directly linked to the monsoon and the absence of rains has caused the rise in prices of dairy products. There is a clear shortage of milk, of about 15%. The situation could be like this till we get summer showers over the next few days, milk yield will increase and shortage would reduce.

This apart, the prices of Skimmed Milk Power (SMP) have gone up from ₹ 170/kg last year to ₹ 230/kg. When there is shortage of liquid milk the dairy companies add SMP, hence the dairy companies in India are currently storing SMP.

### Retail Industry:

Over the last decade, the Indian retail industry has grown phenomenally with a remarkable shift towards organized retailing formats. However, more than 90% of the Indian retail sector still falls in the unorganized sector category. While, the market of organized retail segment despite the downturn is growing as economic growth brings more people into the consuming classes and organized retail lures more shoppers, its share remains to be at nascent 7.50%. Meanwhile, online retail business, which is relatively a new phenomenon in India, a format, which has high potential for growth in the near future, has share of 0.50%.

At about 60%, food and grocery segment is the highest contributor to the Indian retail market followed by the clothing and fashion segment, which contributes 8%. While unorganized retailing accounts for most of the food and grocery segment, penetration of the organized sector is highest in the clothing and fashion segment at 33%. The Indian retail industry has experienced high growth over the last decade with a noticeable shift towards organized retailing formats. Nevertheless, the entire industry is gradually shifting towards a modern concept of retailing, which is a seamless blend of online and offline formats. This concept is called 'Omni-Channel' retailing, which focuses on employing all kinds of shopping channels like internet, brick and mortar, mobile phone, television, direct mail and radio among many others. Merging the two formats of online and offline retailing is to blend technology with smart merchandising and imbibe community building, customer engagement and targeted marketing in their operations.

The government allows 100% FDI in the business-to-business (B2B) e-commerce segment, which has provided several small and medium manufacturers a platform to sell their products through

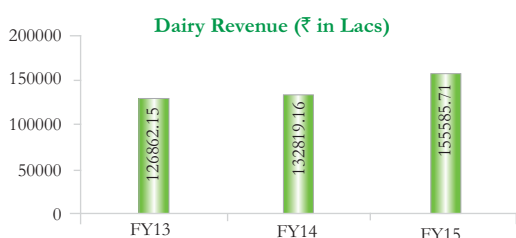
market place model. In a market place model, online retailers do not actually stock the products but act as a facilitator for vendors who sell their products through their platform. In turn, the e-retailers get commission for the platform use.

#### Dairy Business Vertical:

<b>₹ 155,585 Lakh Revenue</b>	<b>75 % Revenue Contribution</b>	<b>₹ 8,787 Lakh EBITDA</b>
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<b>₹ 30,420 Lakh Revenue from Value Added Products</b>	<b>₹ 18,687 Lakh Capital Employed</b>
--	---------------------------------------

The Dairy division accounting for 75% of revenue (₹ 155,585 lakh) is the flagship business vertical for your Company. The Last 3 financial year's revenue of the Company is given below:



The Dairy business vertical has gained strength to strength and notched ₹ 1555 crore for Financial Year 2014-15, up by 17% from Financial Year 2013-14's ₹ 1328 crore. The division's contribution to overall Company's business remains high at 75% of out of the Company's topline of ₹ 2073 crore, the rest is contributed by Retail and other business divisions, namely, Agri, Bakery and Renewable Energy verticals. The current capital employed in Dairy vertical is at ₹ 187 crore.

During the year as much as 9.69 lakh liters per day were procured as against 8.33 lakh liters per day during the year before. The VADP continued its strong growth at a Compounded Annual Growth (CAGR) of 32%. The VADP, whose EBITDA margins are almost double that of the Pesteaurised Liquid Milk, increased its share in entire Dairy to 19.5% at ₹ 304 crore.

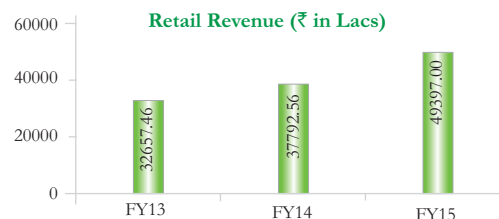
However, the growth story of VADP could not be reflected in Company's bottomline as one of the raw materials - Skimmed Milk Power (SMP) - prices shot up by 52% over the last 2 years from ₹ 153 a Kg to ₹ 232 per Kg. There was a shortage in domestic market for SMP as Government too had announced an export incentive of 5%. The export incentive was recently withdrawn. SMP is now not only available in the markets but is also witnessing decline in prices.

#### Retail Business Vertical:

<b>₹ 49,397 Lakh Revenue</b>	<b>24% Revenue Contribution</b>	<b>92 Stores</b>
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<b>3,38,118 Sq.ft Operating Space</b>	<b>₹ 8,877 Lakh Capital Employed</b>
---------------------------------------	--------------------------------------

The last 3 financial year's revenue of the Retail Division is given below:



On the Retail side, the 4<sup>th</sup> Quarter of Financial Year 2014-15 is indeed a watershed period as the Company has made EBITDA profit for the first time at ₹ 3.20 crore on a revenue of ₹ 134.72 crore. The Company is hopeful of sustaining the growth in retail here after based on the principle of "economies of scale". The losses in Retail inversely fell with a surge in increase in trading area. Over the last couple of years the Retail has witnessed a consolidation as some of the smaller stores (with below 3000 sqft) have been wound up.

The EBITDA losses in Retail for Financial Year 2014-15 were at ₹ 2.3 crore as against ₹ 13.8 crore in Financial Year 2013-14 and ₹ 16.76 crore in Financial Year 2012-13. The Retail division witnessed a 32% increase in total trading area at 3,38,000 sqft in Financial Year 2014-15 as against 2,25,000 sqft in Financial Year 2013-14. The total number of Retail stores at the end of Financial Year 2014-15 stood at 92 as against 74 in Financial Year 2013-14. The current capital employed for Retail business vertical at the Financial Year 2014-15 stood at ₹ 88.77 crore.

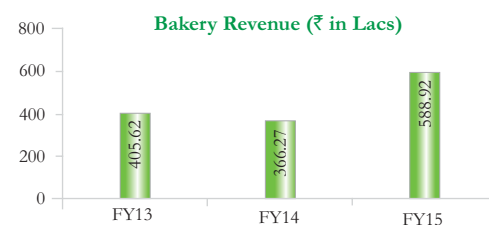
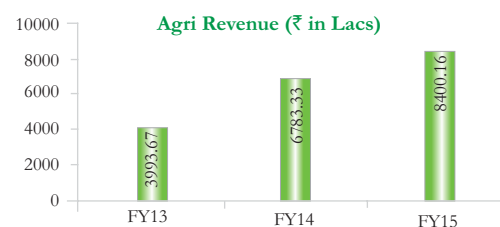
#### Agri & Bakery Business Vertical:

<b>₹ 8,400 Lakh Revenue from Agri</b>	<b>₹ 3,135 Lakh Capital Employed in Agri</b>	<b>₹ 589 Lakh Revenue from Bakery</b>
---------------------------------------	--	---------------------------------------

<b>₹ 1,075 Lakh Capital Employed in Bakery</b>	<b>Agri &amp; Bakery to support Retail Operations</b>
--	---

The other business divisions, namely: Agri, Bakery and Renewable Energy verticles whose current turnover is ₹ 84 crore in Agri (on a capital employed of ₹ 31.36 crore), Bakery ₹ 5.89 crore (on a capital employed of ₹ 10.75 crore) and Renewable energy ₹ 2.57 crore (on a capital employed of ₹ 15.88 crore)

The last 3 financial year's revenue of the Agri & Bakery Division are given below:





## Renewable Energy Business Vertical:

₹ 257 Lakh Revenue

₹ 1,588 Lakh Capital Employed

### Way Forward:

Strong rains in the beginning of the current year, have eased concerns of a lower output in the region. Hence progress of monsoon in India has improved compared to the predictions, bettering prospects for agriculture and putting the economy on a stronger footing. Needless to say this will improve the availability of fodder and supply of milk from dairy farmers.

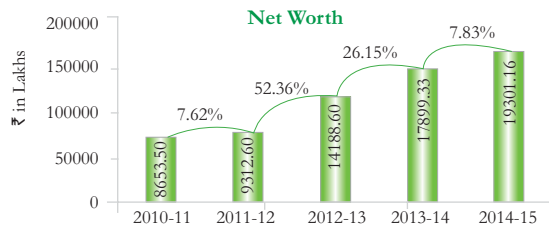
In the Dairy space, Heritage Foods is looking for incremental growth in newer markets like Mumbai and Delhi. The required backend operations from collecting milk from dairy farmers, moving it to chilling plant, and from there to processing plants, have already been set up. On the Retail side, EBITDA profits were made in 4<sup>th</sup> Quarter of Financial Year 2014-15. Efforts will be on to improve the trend by adding more space to arrive at profits at PAT level.

### Discussion on Financial and Operational performances

Your Company has created significant wealth for its shareholders as it continues to maintain its growth momentum to become a nationally recognized brand for healthy and fresh products. Given below is the Company's performance for the last five years in various parameters.

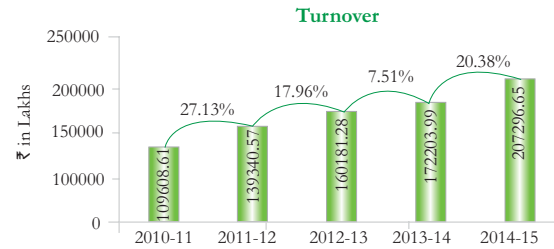
#### Net worth Trend:

The Net worth has shown a steady and constant ascent from ₹ 8653.50 lakhs to ₹ 19301.16 lakhs in the last five years



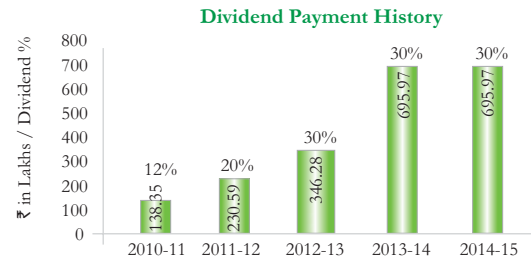
#### Revenue Trend

The focused approach helped the Company to deliver an industry leading performance with a revenue growth of 20.38% in FY2014-15.



#### Dividend Payment History

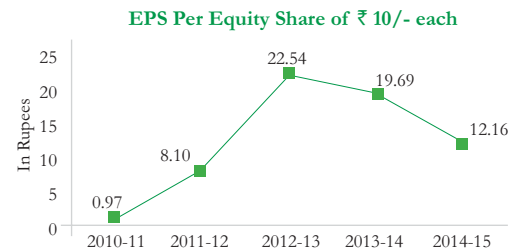
The Dividend (including dividend tax) and the payout ratio computed on consolidated profits have remained high. The dividend appropriated has increased steadily from 12% in FY11 to 30% in FY15 with post issue of bonus shares.



- The Board of Director issues/allotted 1:1 bonus shares on 30<sup>th</sup> July 2013

#### Earnings per Share

Earnings per share (EPS) (Equity Shares of the face value of ₹ 10/- each)



- The Board of Director issues/allotted 1:1 bonus shares on 30<sup>th</sup> July 2013.

## STANDALONE FINANCIAL PERFORMANCE REVIEW

### A. FINANCIAL PERFORMANCE

The following information is a Standalone information of your company and it should be read in conjunction with the financial statements and related notes for the Financial Year ended March 31, 2015.

#### Overview of Standalone Financial Results

Particulars	2014 - 15		2013 - 14		FY 14-15 Vs 13-14
	₹ In Lakhs	% of Revenue	₹ In Lakhs	% of Revenue	% of Growth
Net Sales	203348.13	98.10	169506.35	98.43	19.96
Other operating income	3948.52	1.90	2697.64	1.57	46.37
<b>Total Revenue</b>	<b>207296.65</b>	<b>100.00</b>	<b>172203.99</b>	<b>100.00</b>	<b>20.38</b>
Less: Total Expenditure	199093.36	96.04	162705.85	94.48	22.36
Add: Other Income	702.66	0.34	495.40	0.29	41.84
Profit before Interest, Depreciation and Tax	8905.95	4.30	9993.54	5.80	(10.88)
Less: Finance costs	1593.01	0.77	1322.12	0.77	20.49
Depreciation & Amortisation	3399.03	1.64	2500.23	1.45	35.95
Profit / (Loss) before tax	3913.91	1.89	6171.20	3.58	(36.58)
Less: Extraordinary items	-	-	50.00	0.03	-
	3913.91	1.89	6121.20	3.55	(36.06)
Less: Provision for current taxation (Incl. tax.earlier yrs)	1168.91	0.56	1290.59	0.75	(9.43)
Less: Provision for deferred taxation	(76.02)	(0.04)	299.38	0.17	(125.39)
Profit / (Loss) after tax	2821.02	1.36	4531.23	2.63	(37.74)

#### Standalone Segment results:

Particulars	2014 - 15		2013 - 14		FY 14-15 Vs 13-14
	₹ In Lakhs	% of Revenue	₹ In Lakhs	% of Revenue	% of Growth
<b>1. Total Revenue</b>					
a. Dairy	155585.71		132819.16		17.14
b. Retail	49397.00		37792.55		30.71
c. Agri	8400.16		6783.33		23.84
d. Bakery	588.92		366.27		60.79
e. Renewable Energy	257.04		77.35		232.30
<b>Total Revenue</b>	<b>214228.83</b>		<b>177838.66</b>		<b>20.46</b>
<b>2. Inter-segment Revenue</b>					
a. Dairy	2231.27		1681.15		32.72
b. Retail	168.26		230.19		(26.90)
c. Agri	4068.17		3542.38		14.84
d. Bakery	217.56		103.60		110.00
e. Renewable Energy	246.92		77.35		219.22
<b>Total Inter-segment Revenue</b>	<b>6932.18</b>		<b>5634.67</b>		<b>23.03</b>

Particulars	2014 - 15		2013 - 14		FY 14-15 Vs 13-14
	₹ In Lakhs	% of Revenue	₹ In Lakhs	% of Revenue	% of Growth
<b>3. External Revenue</b>					
(Incl other operating income)					
a. Dairy	153354.44		131138.01		16.94
b. Retail	49228.74		37562.36		31.06
c. Agri	4331.99		3240.95		33.66
d. Bakery	371.37		262.67		41.38
e. Renewable Energy	10.12		-		-
<b>Net Sales / Income from Operations</b>	<b>207296.65</b>	<b>-</b>	<b>172203.99</b>	<b>-</b>	<b>20.38</b>
<b>4. Segment Results</b>					
(Profit (+) / (Loss) (-) before tax and finance costs)					
a. Dairy	6717.47	4.38	9869.19	7.53	(31.93)
b. Retail	(1107.36)	(2.25)	(1992.16)	(5.30)	(44.41)
c. Agri	(125.47)	(2.90)	(298.70)	(9.22)	(57.99)
d. Bakery	(84.46)	(22.74)	(102.13)	(38.88)	(17.30)
e. Renewable Energy	70.53	696.92	(11.54)	-	(711.00)
<b>Total Segment Results</b>	<b>5470.71</b>	<b>2.64</b>	<b>7464.65</b>	<b>4.33</b>	<b>(26.71)</b>
<b>Less: I. Finance Cost</b>	<b>1593.01</b>	<b>0.77</b>	<b>1322.12</b>	<b>0.77</b>	<b>20.49</b>
ii. Interest income	37.41	0.02	43.70	0.03	(14.40)
<b>Add: iii. Other un-allocable Income / (expenditure)</b>	<b>(1.20)</b>	<b>-</b>	<b>(15.03)</b>	<b>(0.01)</b>	<b>(91.99)</b>
<b>Total Profit before Tax and extra-ordinary items</b>	<b>3913.91</b>	<b>1.89</b>	<b>6171.20</b>	<b>3.58</b>	<b>(36.58)</b>
Less: Extra-ordinary items	-	-	50.00	0.03	(100.00)
<b>Total Profit before Tax after extra-ordinary items</b>	<b>3913.91</b>	<b>1.89</b>	<b>6121.20</b>	<b>3.55</b>	<b>(36.06)</b>

## CASH FLOW ANALYSIS

### Cash inflows

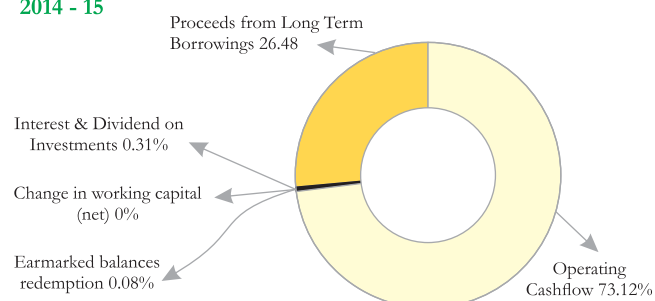
Particulars	2014-15		2013-14	
	₹ In Lakhs	%	₹ In Lakhs	%
Operating Cashflow	8696.44	73.12	9817.05	73.81
Change in working capital (net)	-	-	2080.49	15.64
Interest & Dividend on Investments	37.45	0.31	43.84	0.33
Earmarked balances redemption	9.94	0.08	65.19	0.49
Proceeds from Long Term Borrowings	3150.00	26.48	1294.75	9.73
<b>Total</b>	<b>11893.83</b>	<b>100.00</b>	<b>13301.32</b>	<b>100.00</b>

## Cash Outflows

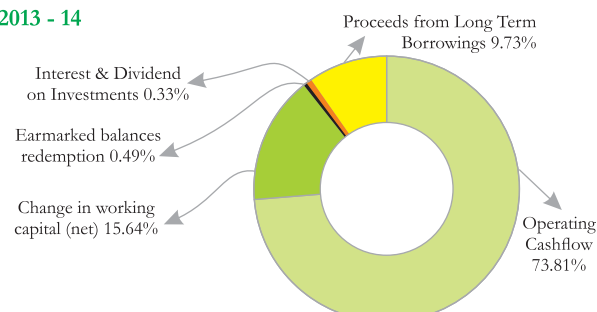
Particulars	2014-15		2013-14	
	₹ In Lakhs	%	₹ In Lakhs	%
Repayment of Long Term Borrowings	1411.63	11.51	2837.83	23.46
Change in Working capital (net)	2708.40	22.08	-	-
Taxes paid	979.06	7.98	1308.64	10.82
Capital Expenditure	4794.90	39.08	6275.02	51.89
Net Investments	0.25	-	1.31	0.01
Unclaimed Dividend	10.72	0.09	5.12	0.04
Extra-ordinary items	-	-	50.00	0.41
Interest Paid	1549.73	12.63	1210.84	10.01
Dividend Paid	814.25	6.64	405.13	3.35
<b>Total</b>	<b>12268.93</b>	<b>100.00</b>	<b>12093.89</b>	<b>100.00</b>
Net increase /(decrease) in cash and cash equivalents	(375.10)		1207.43	
Add: Cash and Cash equivalents at the beginning of the year	4368.80		3161.37	
Cash and Cash equivalents at the end of the year	3993.70		4368.80	

## Cash Inflow

### 2014 - 15

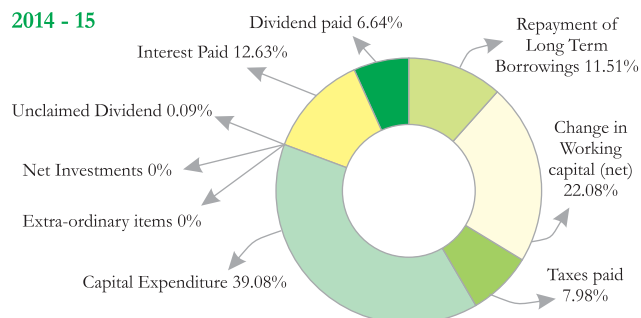


### 2013 - 14

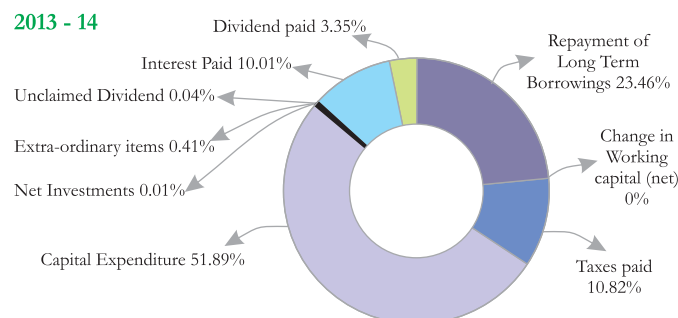


## Cash Outflow

### 2014 - 15



### 2013 - 14



## FORWARD LOOKING STATEMENTS

Statements in this report describing the Company's objectives, projections, estimates and expectations may constitute "forward looking statements" within the meaning of applicable laws and regulations that involve risks and uncertainties. Such statements represent the intention of the Management and the efforts being put into place by them to achieve certain goals. Actual results might differ materially from those either expressed or implied in the statement depending on the circumstances. Therefore, the investors are requested to make their own independent assessments and judgments by considering all relevant factors before making any investment decision.



## Report on Corporate Governance

### A. COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE

Corporate Governance is an integral part of values, ethics and the best business practices followed by your Company. Your Company's corporate governance framework has helped to be aligned with the new guidelines of the Companies Act, 2013 and Clause 49 of the Listing Agreement as amended from time to time. Your Company believe that an active, well-informed and independent board is necessary to ensure the highest standards of corporate governance. At the Company, the Board of Directors ('the Board') is at the core of your corporate governance practice. The Board thus oversees the Management's ('the Management') functions and protects the long-term interests of the stakeholders.

Your Company's Corporate Governance Framework ensures that making timely disclosures and share accurate information regarding the financials and performance, as well as the leadership and governance of the Company.

Your Company's Corporate Governance Philosophy is based on the following principles:

- Corporate Governance Standards should satisfy both the spirit of the law and the letter of the law
- Ensure transparency and maintain a high level of disclosure
- Clearly distinguish between personal conveniences and corporate resources
- Communicate externally and truthfully, about how the Company is run internally
- Have a simple and transparent corporate structure driven solely by business needs
- The Management is the trustee of the shareholders' capital and not the owner.

Transparency and accountability are the two basic requirements of Corporate Governance. Responsible Corporate conduct is integral to the way the Company do the business. The actions are governed by the values and principles which are reinforced at all levels in your Company. The code of business is reflected in the continued commitments to ethical business practices across the dealings.

Your Company firmly believe that Board independence is essential to bring objectivity and transparency in the management and in the dealings of your Company. As on March 31, 2015, the Board consists of 9 members out of which three members are independent directors.

### ETHICS/GOVERNANCE POLICIES

Your Company strive to conduct the business and strengthen the relationship in a manner that is dignified, distinctive and responsible. Your Company adhere to ethical standards to ensure integrity, transparency, independence and accountability in dealing with stakeholders. Therefore, your Company have adopted various codes and policies to

carry out the duties in an ethical manner. Some of these codes and policies are:

- Code of Conduct & Ethics for Board & Senior Management
- Code of Conduct for Fair Disclosure of Unpublished Price Sensitive Information
- Code of Conduct to Regulate, Monitor & Report Trading by Insiders
- Whistle Blower Policy
- Policy on Materiality of Related Party Transactions
- Corporate Social Responsibility Report
- Remuneration policy for Directors, Key Managerial Personnel and other employees
- Board Evaluation Framework
- Policy for determining Material Subsidiaries
- Anti Sexual Harassment Policy
- Risk Management Policy

### Appropriate Governance Structure with defined roles and responsibilities:

Your Company has put in place an internal governance structure with defined roles and responsibilities of every constituent of the system. The Company's shareholders appoint the Board of Directors, which in turn governs the Company. The Board has constituted six Committees to discharge its responsibilities in an effective manner. The Company Secretary acts as the Secretary to all the Committees of the Board constituted under the Companies Act, 1956 / Companies Act, 2013. The Chairperson and Vice Chairperson & Managing Director (VC&MD) provide overall direction and guidance to the Board. Concurrently, the VC&MD is responsible for overall implementation. In the operations and functioning of the Company, the VC&MD is assisted by Executive Director & Whole Time Director and a core group of senior level executives.

### Board Leadership:

Your Company believes that an enlightened Board consciously creates a culture of leadership to provide a long-term vision and policy approach to improve the quality of governance. The Board's actions and decisions are aligned with the Company's best interests. It is committed to the goal of sustainably elevating the Company's value creation. Your Company has defined guidelines and an established framework for the meetings of the Board and Board Committees. These guidelines seek to systematise the decision-making process at the meeting of the Board and Board Committees in an informed and efficient manner.

The Board critically evaluates your Company's strategic direction, management policies and their effectiveness. The agenda for the Board reviews include strategic review from each of the Board committees, a detailed analysis and review of annual strategic and operating plans and capital allocation and budgets. Additionally, the Board reviews

related party transactions, possible risks and risk mitigation measures, financial reports from the Chief Financial Officer (CFO) and business reports from each of the division heads. Frequent and detailed interaction sets the agenda and provides the strategic roadmap for the Company's future growth.

## B. BOARD OF DIRECTORS

### Size and composition of the Board

The current policy is to have an appropriate mix of executive, non-executive, independent and women directors to maintain the independence of the Board, and separate its functions of governance and management. As on March 31, 2015, the Board consists of 9 members, three (3) of whom are Non-Executive Independent Directors, three (3) are Non-Executive Directors and three (3) are Executive/Whole-time Directors. The Board periodically evaluates the need for change in its composition and size.

None of the Directors on the Board is a member of more than 10 Committees and Chairman of more than 5 Committees as specified in Clause 49 of the Listing Agreement, across all the Companies in which he/she is a Director. The Directors have made the necessary disclosures regarding Committee positions during the period under review.

### Composition of the Board and Directorship held as on 31<sup>st</sup> March, 2015

Name	No. of other Directorships <sup>#</sup> (Including Heritage Foods)	Committee memberships <sup>\$</sup> (Including Heritage Foods)	
		Member	Chair-man
Non-Executive Independent Director			
Sri D Seetharamaiah	5	2	1
Sri N Sri Vishnu Raju	4	3	-
Dr A Appa Rao*	2	2	-
Dr N R Siva Swamy@	2	2	-
Sri M Siva Rama Vara Prasad*	5	1	-
Non-Executive Director			
Dr V Nagaraja Naidu	2	1	1
Sri N P Ramakrishna	1	-	-
Sri N Lokesh	4	1	-
Whole-Time Director			
Smt N Bhuvaneswari	5	1	-
Smt N Brahmani	3	-	-
Sri K Durga Prasada Rao^	1	-	-

\* Dr A Appa Rao, Passed away on 30<sup>th</sup> April, 2014 & Ceased to be Director from the Board & Committees w.e.f. 30<sup>th</sup> April, 2014.

<sup>@</sup> Dr N R Siva Swamy Resigned from the Board w.e.f. 16<sup>th</sup> July, 2014.

<sup>&</sup> Sri M Siva Rama Vara Prasad appointed as an Director on 30<sup>th</sup> July 2014.

<sup>^</sup> Sri K Durga Prasada Rao has been appointed as an Additional Director and reappointed as whole-time Director of the Company on 1<sup>st</sup> August 2014.

<sup>#</sup> The directorships held by directors as mentioned above, do not include directorships in Private Companies & Section 8 Companies

<sup>\$</sup> In accordance with Clause 49 of the Listing Agreement, Memberships / Chairmanships of only Audit Committee, Stakeholders Relationship Committee of all Public Limited Companies have been considered.

## Selection of Independent Directors

Considering the requirement of skill sets on the Board, eminent people having an independent standing in their respective field/profession and who can effectively contribute to the Company's business and policy decisions are considered by the Nomination and Remuneration Committee for appointment as Independent Directors on the Board. The Committee inter alia, considers qualification, positive attributes, area of expertise and number of Directorships and Memberships held in various committees of other Companies by such persons in accordance with the Company's Policy for Selection of Directors and determining Directors' independence. The Board considers the Committee's recommendation and takes appropriate decision.

## Familiarisation programmes for Board Members

The Board members are provided with necessary documents/brochures, reports and internal policies to enable them to familiarise with the Company's procedures and practices. Periodic presentations are made at the Board and Board Committee Meetings on business and performance updates of the Company and business strategy. Detailed presentations on the Company's business segments were made at the meetings of the Directors held during the year. Site visits to various plant locations are organized for the Directors to enable them to understand the operations of the Company.

## Meetings of Independent Directors

Pursuant to Schedule IV of the Companies Act, 2013 and the Rules made there under, the independent directors of your Company shall hold at least one meeting in a year, without the attendance of non-independent directors and members of the Management. All the independent directors of the Company shall strive to be present at such meetings. The meeting shall review the performance of non-independent directors and the Board as a whole; review the performance of the Chairperson of the Board, taking into account the views of the executive directors and non-executive directors; assess the quality, quantity and timeliness of flow of information between the Management and the Board that is necessary for it to effectively and reasonably perform its duties.

Your Company's Independent Directors meet at least once in every financial year without the presence of Executive Directors or management personnel. Such meetings are conducted to enable Independent Directors to discuss matters pertaining to the Company's affairs and put forth their views to the Board of Director.

One meeting of Independent Directors was held during the year.

## Mechanism for evaluating Board Members

One of the key functions of the Board is to monitor and review the board evaluation framework. The Board works

with the nomination and remuneration committee to lay down the evaluation criteria for the performance of executive / non-executive / independent directors. The questionnaire is a key part of the process of reviewing the functioning and effectiveness of the Board and for identifying possible paths for improvement. Each Board member is requested to evaluate the effectiveness of the Board dynamics and relationships, information flow, decision-making of the directors, relationship to stakeholders, company performance, company strategy, and the effectiveness of the whole Board and its various committees on a scale of one to five. Feedback on each director is encouraged to be provided as part of the questionnaire.

### Succession planning

The Nomination and Remuneration Committee works with the Board on the leadership succession plan, and also prepares contingency plans for succession in case of any exigencies.

### Board compensation policy

The Nomination and Remuneration Committee determines and recommends to the Board the compensation payable to director(s). All Board-level compensation is approved by the shareholders and disclosed separately in the financial statements. Remuneration for the Vice-Chairperson & Managing Director and Executive Director consists of a fixed component and a variable component. The Compensation of the executive directors is approved by the Nomination and Remuneration Committee, and placed before the shareholders at the shareholders' meeting.

The compensation payable to the independent directors is limited to sitting fees for attending the Board & Committee meeting(s), only as approved by the Board & shareholders, as per the provisions of the Companies Act, 2013. The performance of the independent directors is reviewed by the Board on an annual basis.

## BOARD MEETINGS

### Scheduling and selection of agenda items for Board meetings

The tentative dates for Board meetings in the ensuing year are decided in advance and published as part of the Annual Report. The Non-executive Chairman of the Board and the Company Secretary, draft the agenda for each meeting, along with explanatory notes, in consultation with the VC&MD, and distribute these in advance to the Directors. Every Board member can suggest the inclusion of additional items in the agenda. The Board meets at least once a quarter to review the quarterly results and other items on the agenda. Additional meetings are held when necessary. Independent directors are expected to attend at least four Board meetings in a year. Five Board meetings were held during the year ended March 31, 2015. These were held on 23<sup>rd</sup> May 2014, 30<sup>th</sup> July 2014, 20<sup>th</sup> October 2014, 30<sup>th</sup> January 2015 and 25<sup>th</sup> March 2015.

### Attendance of Directors during FY 2014-15 & Last Annual General Meeting is as under:

Name	No of Meetings		Attend- ance at last AGM
	Held	Attended	
Non-Executive Independent Director			
Sri D Seetharamaiah	5	5	Yes
Sri N Sri Vishnu Raju	5	5	Yes
Dr A Appa Rao@	5	0	No
Dr N R Siva Swamy*	5	1	No
Sri M Siva Rama Vara Prasad <sup>#</sup>	5	3	Yes
Non-Executive Director			
Dr V Nagaraja Naidu	5	4	Yes
Sri N P Ramakrishna	5	5	Yes
Sri N Lokesh	5	4	Yes
Whole-Time Director			
Smt N Bhuvaneswari	5	5	Yes
Smt N Brahmani	5	4	Yes
Sri K Durga Prasada Rao	5	3	Yes

@ Dr A Appa Rao, Passed away on 30<sup>th</sup> April, 2014 & Ceased to be Director from the Board & Committees w.e.f. 30<sup>th</sup> April, 2014.

\* Dr N R Siva Swamy has resigned from the Board w.e.f. 16<sup>th</sup> July 2014

# Sri M Siva Rama Vara Prasad has been appointed as Director on 30<sup>th</sup> July 2014.

### Availability of Information to Board Members

The Board has unrestricted access to all Company-related information. Regular updates provided to the Board include:

- Annual operating plans and budgets, capital budgets and updates
- Quarterly results of the operating divisions or business segments
- Quarterly/Annually report on Management Information System division wise
- Monthly summary report of Internal Audit Reports division wise
- Minutes of meetings of Audit, Nomination and Remuneration, Risk and Strategy, Stakeholders Relationship and Corporate Social Responsibility Committees, and abstracts of Circular Resolutions passed
- The Board minutes of the Subsidiaries/Associate Companies
- The Board of Trustee Minutes of Heritage Farmer Welfare Trust
- General notices of interest received from Directors
- Dividend data
- Information on recruitment and remuneration of senior officers below the Board level, including appointment or removal of the Chief Financial Officer and Company Secretary, if any
- Materially important litigations, show cause, demand, prosecution and penalty notices
- Fatal or serious accidents, dangerous occurrences, and issues related to material effluents or pollution



- Any materially relevant defaults in financial obligations to and by us
- Any issue that involves possible public or product liability claims of a substantial nature
- Details of joint ventures, acquisitions of companies, or collaboration agreements
- Transactions that involve substantial payments toward goodwill, brand equity or Intellectual Property (IP)
- Any significant development involving human resource management
- Sale of a material nature, or of investments, subsidiaries and assets, which are not part of the normal course of business
- Details of foreign exchange exposure and the steps taken by the Management to limit risks of adverse exchange rate movement
- Non-compliance with any regulatory, statutory or listing requirements, as well as shareholder services, such as non-payment of dividend and delays in share transfer

### C. BOARD COMMITTEES

As on 31<sup>st</sup> March, 2015, the Board has 6 (Six) Committees i.e. Audit Committee, Nomination & Remuneration Committee, Stakeholders Relationship Committee, CSR Committee, Risk Management Committee and Management Committee.

The quorum for meetings is either two members or one-third of the members of the committee, whichever is higher.

#### i. Audit Committee

The Committee's composition meets with requirements of Section 177 of the Companies Act, 2013 and Clause 49 of the Listing Agreement. Members of the Audit Committee possess financial accounting expertise/exposure.

#### Composition of the Committee as on 31<sup>st</sup> March, 2015:

Name	Designation
Sri D Seetharamaiah	Chairperson
Dr V Nagaraja Naidu	Member
Sri N Sri Vishnu Raju	Member
Dr A Appa Rao <sup>@</sup>	Member
Dr N R Siva Swamy*	Member
Sri Siva Rama Vara Prasad <sup>#</sup>	Member
Sri N Lokesh	Member

<sup>@</sup> Dr A Appa Rao, Passed away on 30<sup>th</sup> April, 2014 & Ceased to be Director from the Board & Committees w.e.f. 30<sup>th</sup> April, 2014.

\* Dr N R Siva Swamy has resigned from the Board w.e.f. 16<sup>th</sup> July, 2014

<sup>#</sup> Sri M Siva Rama Vara Prasad appointed as Director on 30<sup>th</sup> July 2014.

The primary objective of the Audit Committee is to monitor and provide an effective supervision of the Management's financial reporting process, to ensure accurate and timely disclosures, with the highest levels of transparency, integrity and quality of financial reporting. The Audit Committee oversees the work carried out in the financial reporting process by the Management, the internal auditors and the statutory auditors, and notes the processes and safeguards employed by each of them. The committee has the ultimate

authority and responsibility to select, evaluate and where appropriate replace the statutory auditors in accordance with the law. All possible measures must be taken by the committee to ensure the objectivity and independence of the statutory auditors.

#### Audit Committee Attendance

Five meeting of Audit Committee were held during the financial year 2014-15, i.e. 23<sup>rd</sup> May, 2014, 30<sup>th</sup> July 2014, 20<sup>th</sup> October 2014, 30<sup>th</sup> January 2015 and 25<sup>th</sup> March 2015. The attendance details of the Committee Meeting are as follows:-

Name	No. of Meetings	
	Held	Attended
Sri D Seetharamaiah	5	5
Dr V Nagaraja Naidu	5	4
Sri N Sri Vishnu Raju	5	5
Dr A Appa Rao <sup>@</sup>	5	0
Dr N R Siva Swamy*	5	1
Sri M Siva Rama Vara Prasad*	5	3
Sri N Lokesh	5	4

<sup>@</sup> Dr A Appa Rao, Passed away on 30<sup>th</sup> April, 2014 & Ceased to be Director from the Board & Committees w.e.f. 30<sup>th</sup> April, 2014.

\* Dr N R Siva Swamy has resigned from the Board w.e.f. 16<sup>th</sup> July, 2014

<sup>#</sup> Sri M Siva Rama Vara Prasad appointed as Director on 30<sup>th</sup> July 2014.

The terms of reference, Powers, Roles & responsibilities of the Audit Committee are as stated in Clause 49 of the Listing Agreement and Section 177 of the Companies Act, 2013 and the rules made thereof as amended from time to time.

Dr M Sambasiva Rao, President, Sri A Prabhakar Naidu Chief Financial Officer, Statutory Auditor and Lead Internal Auditor of the Company are permanent invitees to the Committee Meeting, Sri Umakanta Barik Company Secretary is the Secretary to the Committee.

#### ii. Nomination & Remuneration Committee

The Committee's constitution and terms of reference are in compliance with provisions of the Section 178 of the Companies Act, 2013 & Rules made thereof and Clause 49 of the Listing Agreement as amended from time to time.

#### Composition of the Committee as on 31<sup>st</sup> March, 2015:

Name	Designation
Sri N Sri Vishnu Raju	Chairperson
Sri D Seetharamaiah	Member
Sri N Lokesh	Member
Dr A Appa Rao <sup>@</sup>	Member
Dr N R Siva Swamy*	Member
Sri Siva Rama Vara Prasad <sup>#</sup>	Member

<sup>@</sup> Dr A Appa Rao, Passed away on 30<sup>th</sup> April, 2014 & Ceased to be Director from the Board & Committees w.e.f. 30<sup>th</sup> April, 2014.

\* Dr N R Siva Swamy has resigned from the Board w.e.f. 16<sup>th</sup> July, 2014

<sup>#</sup> Sri M Siva Rama Vara Prasad appointed as Director on 30<sup>th</sup> July, 2014.

The committee is to oversee the nomination process for the top-level management and the remuneration structure. The committee identifies screens and reviews individuals qualified to serve as Executive Directors, Non-Executive Directors and Independent Directors consistent with criteria approved by the Board and recommends for approval by the Board nominees for election at the AGM.

The committee will review and discuss all matters pertaining to candidates and will evaluate the candidates in accordance with a process that it sees fit, passing on the recommendations to the Board. The committee coordinates and oversees the annual self-evaluation of the Board and of individual directors. It also reviews the performance of all the executive directors on a yearly basis or at such intervals as may be necessary on the basis of the detailed performance parameters set for each executive director at the beginning of the year. The Committee also review the performance and approve the revision of annual salary & variable pay and promotions of all the Employees one level below the Board including the Functional Heads of the Company. The committee also regularly evaluate the usefulness of such performance parameters, and make necessary amendments.

### Nomination & Remuneration Committee Attendance

The Nomination & Remuneration Committee held one meeting during the financial year 2014-15 on 30<sup>th</sup> July 2014. The attendance details of the Committee Meeting are as follows:

Name	No. of Meetings	
	Held	Attended
Sri N Sri Vishnu Raju	1	1
Sri D Seetharamaiah	1	1
Sri N Lokesh	1	1
Dr A Appa Rao <sup>@</sup>	1	-
Dr N R Siva Swamy <sup>*</sup>	1	-
Sri M Siva Rama Vara Prasad <sup>#</sup>	1	-

<sup>@</sup> Dr A Appa Rao, Passed away on 30<sup>th</sup> April, 2014 & Ceased to be Director from the Board & Committees w.e.f. 30<sup>th</sup> April, 2014.

<sup>\*</sup> Dr N R Siva Swamy has resigned from the Board w.e.f. 16<sup>th</sup> July, 2014

<sup>#</sup> Sri M Siva Rama Vara Prasad appointed as Director w.e.f. 30<sup>th</sup> July, 2014.

Smt N Brahmani, Executive Director, Dr M Sambasiva Rao, President of the Company are permanent invitees to the Committee Meeting, Sri Umakanta Barik Company Secretary is the Secretary to the Committee.

### Details of remunerations paid/payable to directors for the year ended 31<sup>st</sup> March, 2015 is as follows:

(In Rupees)

Name	Sitting Fees	Remuneration	Perquisites/Perks	Commission	Total
<b>Non-Executive Independent Directors</b>					
Sri D Seetharamaiah	2,75,000	0.00	0.00	0.00	2,75,000
Sri N Sri Vishnu Raju	2,55,000	0.00	0.00	0.00	2,55,000
Dr A Appa Rao <sup>@</sup>	0.00	0.00	0.00	0.00	0.00
Sri M Siva Rama Vara Prasad <sup>*</sup>	1,40,000	0.00	0.00	0.00	1,40,000
Dr N R Siva Swamy <sup>#</sup>	15,000	0.00	0.00	0.00	15,000
<b>Non-Executive Directors</b>					
Dr V Nagaraja Naidu	1,40,000	0.00	0.00	0.00	1,40,000
Sri N P Ramakrishna	80,000	0.00	0.00	0.00	80,000
Sri N Lokesh	1,50,000	0.00	0.00	0.00	1,50,000
<b>Whole-Time Directors</b>					
Smt N Bhuvaneswari	0.00	1,20,00,000	10,68,000	88,77,000	2,19,45,000
Smt N Brahmani	0.00	60,00,000	6,95,000	1,08,61,000	1,75,56,000
Sri K Durga Prasada Rao <sup>§</sup>	0.00	24,00,000	0.00	0.00	24,00,000

<sup>@</sup> Dr A Appa Rao, Passed away on 30<sup>th</sup> April, 2014 & Ceased to be Director from the Board & Committees w.e.f. 30<sup>th</sup> April, 2014.

<sup>\*</sup> Sri M Siva Rama Vara Prasad appointed as Director w.e.f. 30<sup>th</sup> July, 2014.

<sup>#</sup> Dr N R Siva Swamy has resigned from the Board on 16<sup>th</sup> July, 2014

<sup>§</sup> Sri K Durga Prasada Rao has appointed as an Additional Director and reappointed as whole-time Director of the Company on 1<sup>st</sup> August 2014.

The Company has not granted any stock option to any of its directors. Sri N Lokesh, Dr V Nagaraja Naidu and Sri N P Ramakrishna, Non Executive Directors of the Company are holding 23,66,400, 58,000 and 1,00,000 equity shares of the Company as on 31<sup>st</sup> March, 2015 respectively.

Besides dividend on equity shares, if any, held by the Directors and payments as mentioned above no other

payments have been made nor have the Directors of the company entered into any transactions of pecuniary nature.

### iii. Stakeholders Relationship Committee

The Stakeholders Relationship Committee's composition and the terms of reference meet with the requirements of Clause 49 of the Listing Agreement and as specified in Section 178 of the Companies Act, 2013 & rules made thereof as amended from time to time.



### Composition of the Committee as on 31<sup>st</sup> March, 2015:

Name	Designation
Dr V Nagaraja Naidu	Chairperson
Sri D Seetharamaiah	Member
Smt N Bhuvaneswari	Member
Dr A Appa Rao <sup>@</sup>	Member
Sri N Sri Vishnu Raju	Member

<sup>@</sup> Dr A Appa Rao, Passed away on 30<sup>th</sup> April, 2014 & Ceased to be Director from the Board & Committees w.e.f. 30<sup>th</sup> April, 2014.

The terms of reference of the Stakeholders Relationship Committee includes to approve, transfer and transmission of shares and to approve Sub-division, Consolidation and issue of new/duplicate share certificates, whenever requested for by the share holders of the company. The Committee authorised Vice Chairperson & Managing Director and Executive Director of the Company to sign the Memorandum of Share Transfer/Transmissions submitted by Registrar of Transfer Agent and counter signed by Company Secretary of the company and same to be rectified by the Committee in subsequent meeting.

Four Stakeholders Relationship Committee meetings were held during the financial year 2014-15. These were held on 21<sup>st</sup> April 2014, 30<sup>th</sup> July 2014, 20<sup>th</sup> October 2014 and 30<sup>th</sup> January, 2015. The attendance details of the Committee Meeting are as follows:-

#### Stakeholders Relationship Committee Attendance:

Name	No. of Meetings	
	Held	Attended
Dr V Nagaraja Naidu	4	4
Sri D Seetharamaiah	4	4
Smt N Bhuvaneswari	4	4
Dr A Appa Rao <sup>@</sup>	4	3
Sri N Sri Vishnu Raju	4	3

<sup>@</sup> Dr A Appa Rao, Passed away on 30<sup>th</sup> April, 2014 & Ceased to be Director from the Board & Committees w.e.f. 30<sup>th</sup> April, 2014.

Sri Umakanta Barik, Company Secretary acts as the Secretary for the Committee who is designated as Compliance Officer pursuant to Clause 47(a) of the Listing Agreement with the Stock Exchanges.

#### The details of Complaints resolved during the financial year ended 31<sup>st</sup> March 2015 are as follows:

Number of Complaint/ request Received- 12

Number of Complaint/ request Resolved- 12

Number of Complaint/ request Pending – NIL

All valid requests for share transfer received during the year have been acted upon and no such transfer is pending.

#### iv. Corporate Social Responsibility (CSR) Committee

The Committee's prime responsibility is to assist the Board in discharging its social responsibilities by way of formulating and monitoring implementation of the framework of

'Corporate Social Responsibility policy' observe practices of Corporate Governance at all levels, and to suggest remedial measures wherever necessary. The Board has also empowered the Committee to look into matters related to sustainability and overall governance.

The Committee's constitution and terms of reference meet with the requirements of the Companies Act, 2013 and rules made thereof and Clause 49 of the Listing Agreement with Stock Exchange as amended from time to time.

### Composition of the Committee as on 31<sup>st</sup> March, 2015:

Name	Designation
Sri D Seetharamaiah	Chairperson
Smt N Bhuvaneswari	Member
Sri N Sri Vishnu Raju	Member

The committee will be overseeing the activities / functioning of M/s. NTR Memorial Trust, Hyderabad, being an external agency for implementation of the CSR activities of the Company and identifying the areas of CSR activities, programs and execution of initiatives as per pre-defined guidelines/policy.

Two CSR Committee meetings were held during the financial year 2014-15. These were held on 21<sup>st</sup> April 2014 and 05<sup>th</sup> January 2015. The attendance details of the Committee Meeting are as follows:-

#### CSR Committee Attendance:

Name	No. of Meetings	
	Held	Attended
Sri D Seetharamaiah	2	2
Smt N Bhuvaneswari	2	2
Sri N Sri Vishnu Raju	2	1

Smt N Brahmani, Executive Director, Dr M Sambasiva Rao, President and Sri A Prabhakar Naidu Chief Financial Officer of the Company are permanent invitees to the Committee Meeting, Sri Umakanta Barik Company Secretary is the Secretary to the Committee.

#### v. Risk Management Committee

The Risk Management Committee (RM Committee) was constituted by the Board at their meeting held on 20<sup>th</sup> October, 2014 adhering to the requirements of the Companies Act, 2013 and rules made thereof and Clause 49 of the Listing Agreement as amended from time to time. The Committee's prime responsibility is to implement and monitor the risk management plan and policy of the Company. Framing of Risk Management Plan and Policy, Overseeing implementation of Risk Management Plan and Policy, Monitoring the process of risk management, Validating the process of risk management, Validating the procedure for Risk Minimisation, Periodically reviewing and evaluating the Risk Management Policy and practices with respect to risk assessment and Risk Management process, Performing such other functions as may be necessary or appropriate for the performance of its oversight function.

**Composition of the Committee as on 31<sup>st</sup> March, 2015:**

Name	Designation
Sri M Siva Rama Vara Prasad	Chairperson
Sri D Seetharamaiah	Member
Smt N Bhuvaneswari	Member
Sri N Sri Vishnu Raju	Member
Sri K Durga Prasada Rao	Member

One Risk Management committee meeting was held during the financial year 2014-15 on 05<sup>th</sup> January, 2015. The attendance details of the committee meetings are as follows:

**Risk Management Committee Attendance:**

Name	No. of Meetings	
	Held	Attended
Sri M Siva Rama Vara Prasad	1	0
Sri D Seetharamaiah	1	1
Smt N Bhuvaneswari	1	1
Sri N Sri Vishnu Raju	1	1
Sri K Durga Prasada Rao	1	1

Smt N Brahmani, Executive Director, Dr M Sambasiva Rao, President and Sri A Prabhakar Naidu Chief Financial Officer of the Company are permanent invitees to the Committee Meeting, Sri Umakanta Barik Company Secretary is the Secretary to the Committee.

**vi. Management Committee**

The terms of reference of the Management Committee is to consider and dispose of any day to day matters, with a view to ensuring smooth operation and timely action/compliances. The Committee meets at frequent intervals and disposes matters which are of routine but urgent in nature without having to wait for the next Board Meeting.

**D. GENERAL BODY MEETINGS**

During the preceding three years, the Company's Annual General Meetings were held at Auditorium Hall, 2nd Floor, National Institute for Micro, Small and Medium Enterprises (formerly NISIET), Yousufguda, Hyderabad-45. Details of date & time are as follows:

Financial year ended	Date and time	Venue	Special resolution passed
31 <sup>st</sup> March, 2014	26 <sup>th</sup> September 2014, at 10.30 a.m.	Auditorium Hall, 2nd Floor, National Institute for Micro, Small and Medium Enterprises (formerly NISIET), Yousufguda, Hyderabad-45	<ul style="list-style-type: none"> <li>Appointment of Sri K Durga Prasada Rao as Director and re-appointment as Whole-time Director of the Company w.e.f. 1<sup>st</sup> August 2014.</li> <li>Increase the Sitting fee of Non Executive Director for attending the Board/Committee.</li> <li>Alteration of the Articles of Association of the Company.</li> <li>Approval of the related party Transactions.</li> </ul>
31 <sup>st</sup> March, 2013	17 <sup>th</sup> July 2013, at 10.30 a.m.	Auditorium Hall, 2nd Floor, National Institute for Micro, Small and Medium Enterprises (formerly NISIET), Yousufguda, Hyderabad-45	<ul style="list-style-type: none"> <li>To change the Articles of Associations with regards to increase Authorized Share Capital of the Company</li> <li>To add new-Sub clauses in the Articles of Association of the Company.</li> <li>Change of name of the Company to "Heritage Foods Limited"</li> </ul>

**Composition of the Committee as on 31<sup>st</sup> March, 2015:**

Name	Designation
Sri D Seetharamaiah	Chairperson
Dr A Appa Rao <sup>@</sup>	Member
Smt N Bhuvaneswari	Member
Sri N Lokesh	Member
Sri N Sri Vishnu Raju	Member

<sup>@</sup> Dr A Appa Rao, Passed away on 30<sup>th</sup> April, 2014 & Ceased to be Director from the Board & Committees w.e.f. 30<sup>th</sup> April, 2014.

Seven Management Committee meetings were held during the financial year 2014-15. These were held on 21<sup>st</sup> April 2014, 16<sup>th</sup> June 2014, 18<sup>th</sup> August 2014, 22<sup>nd</sup> September 2014, 21<sup>st</sup> November 2014, 15<sup>th</sup> December 2014 and 16<sup>th</sup> February 2015. The attendance details of the Committee Meeting are as follows:-

**Management Committee Attendance:**

Name	No. of Meetings	
	Held	Attended
Sri D Seetharamaiah	7	6
Dr A Appa Rao <sup>@</sup>	7	0
Smt N Bhuvaneswari	7	7
Sri N Lokesh	7	5
Sri N Sri Vishnu Raju	7	5

<sup>@</sup> Dr A Appa Rao, Passed away on 30<sup>th</sup> April, 2014 & Ceased to be Director from the Board & Committees w.e.f. 30<sup>th</sup> April, 2014.

Smt N Brahmani, Executive Director, Dr M Sambasiva Rao, President and Sri A Prabhakar Naidu Chief Financial Officer of the Company are permanent invitees to the Committee Meeting, Sri Umakanta Barik Company Secretary is the Secretary to the Committee.

Financial year ended	Date and time	Venue	Special resolution passed
31 <sup>st</sup> March, 2012	29 <sup>th</sup> September 2012, at 11 a.m.	Auditorium Hall, 2nd Floor, National Institute for Micro, Small and Medium Enterprises (formerly NISIET), Yousufguda, Hyderabad-45	- NIL -

### Postal ballot

During the financial year 2014-15, the Company passed the following special resolutions by postal ballot:

Special Resolutions	Votes cast in favour		Votes cast against		Date of declaration of results
	No. of votes	%	No. of votes	%	
limits of borrowing under Section 180(1) (c) of the Companies Act, 2013	1,34,00,029	99.99	1,662	0.01	10 <sup>th</sup> September 2014
Mortgage/Creation of Charges/ Hypothecation etc., of the Properties of the Company under Section 180(1) (c) of the Companies Act, 2013	1,34,06,476	99.99	1,901	0.01	10 <sup>th</sup> September 2014

The Company successfully completed the process of obtaining approval of its shareholders for special resolutions on the items detailed above, vide postal ballot.

Mrs Savita Jyothi, Practicing Company Secretary was appointed as the scrutinizer for carrying out the postal ballot process in a fair and transparent manner.

### Procedure for postal ballot

In compliance with Clause 35B of the Listing Agreement and Sections 108, 110 and other applicable provisions of the Companies Act, 2013, read with the related Rules, the Company provides electronic voting facility to all its members, to enable them to cast their votes electronically. The Company engages the services of Karvy Computers Share Pvt. Ltd., Hyderabad for the purpose of providing e-voting facility to all its members. The members have the option to vote either by physical ballot or e-voting.

The Company dispatches the postal ballot notices and forms along with postage prepaid business reply envelopes to its members whose names appear on the register of members / list of beneficiaries as on a cut-off date. The postal ballot notice is sent to members in electronic form to the email addresses registered with their depository participants (in case of electronic shareholding) / the Company's registrar and share transfer agents (in case of physical shareholding). The Company also publishes a notice in the newspaper declaring the details of completion of dispatch and other requirements as mandated under the Act and applicable Rules.

Voting rights are reckoned on the paid-up value of the shares registered in the names of the members as on the cut-off date. Members desiring to exercise their votes by physical postal ballot forms are requested to return the forms duly

completed and signed, to the scrutinizer on or before the close of voting period. Members desiring to exercise their votes by electronic mode are requested to vote before close of business hours on the last date of e-voting.

The scrutinizer submits her report to the Chairperson of the Company, after the completion of scrutiny, and the consolidated results of the voting by postal ballot are then announced by the Chairperson. The results are published in the newspapers and also displayed on the website of the Company, i.e., [www.heritagefoods.in](http://www.heritagefoods.in), besides being communicated to the stock exchanges, registrar and share transfer agent. The date of declaration of the results by the Company is deemed to be the date of passing of the resolutions.

## E. DISCLOSURES

### Disclosures regarding the appointment or re-appointment of directors:

The Companies Act, 2013 provides for the appointment of independent directors. Sub-section (10) of Section 149 of the Companies Act, 2013 (effective April 1, 2014) provides that independent directors shall hold office for a term of up to five consecutive years on the board of a company; and shall be eligible for re-appointment on the passing of a special resolution by the shareholders of the Company. Accordingly, all independent directors were appointed by the shareholders either at the general meeting as required under Section 149(10).

Further, Section 149(11) states that no independent director shall be eligible to serve on the Board for more than two consecutive terms of five years. Section 149(13) states that the provisions of retirement by rotation as defined in Sub-sections (6) and (7) of Section 152 of the Act shall not apply

to such independent directors. None of the independent directors will retire at the ensuing AGM.

#### Disclosures on Materially Significant Related Party Transaction:

During the period under review, there have been no materially significant related party transactions, monetary transactions or relationships between the Company and directors, the Management, Key Managerial Person, Subsidiaries or relatives, except for those disclosed in the Notes on Accounts, forming part of the Annual Report.

#### Details of Non-Compliance:

No penalty has been imposed by any stock exchange or Securities and Exchange Board of India (SEBI), nor has there been any instance of non-compliance with any legal requirements, or on matters relating to the capital market over the last three years.

The Company has complied with all the mandatory requirements of Clause 49 of the Listing Agreement as amended from time to time entered into with the Stock Exchanges.

#### Management's Discussion and Analysis:

A detailed report on Management discussion & analysis forming part of this Annual Report.

#### Adoption of Mandatory and Non-mandatory Requirements of Clause 49

The Company has complied with all mandatory requirements of Clause 49 of the Listing Agreement. The Company has adopted following non-mandatory requirements of Clause 49 of the Listing Agreement:

**Communication to Shareholders:** Quarterly/ Half-yearly/Annual Financial statements are published in the News papers and uploaded in the Company's web site and intimated to the Stock Exchanges. Shareholders presentations on Quarterly/ Half-yearly/Annual financial statements are uploaded in the Company's web site and intimated to Stock Exchanges and where shares of the Company are listed.

**Audit Qualification:** The Company is in the regime of unqualified financial statements.

**Reporting of Internal Auditor:** The Internal Auditor directly reports to the Audit Committee

#### F. Means of Communication

**Quarterly Results:** The Quarterly/Half yearly/Annual Financial Results are published in the English and Regional Language. The shareholders are provided with the necessary information with notices sent for the Annual General Meeting / Extraordinary General Meeting. Any other information sought by shareholders is being provided on request.

**News Releases, Presentations etc:** The Quarterly results, Shareholding Patterns, Official News releases, analysis and information to investors, etc., are displayed on the company's website: [www.heritagefoods.in](http://www.heritagefoods.in)

**Presentations to institutional investors/analysts:** Detailed presentations are made to institutional investors and financial analysts on the Company's unaudited quarterly as well as audited annual financial results. These presentations are also uploaded on the Company's website [www.heritagefoods.in](http://www.heritagefoods.in) and intimated to the Stock Exchanges and where shares of the Company are listed.

**Website:** The Company's website i.e., [www.heritagefoods.in](http://www.heritagefoods.in) contains a separate dedicated section 'Investor Relations' where shareholders information is available. Full text of Annual Report is also available on the website in a user friendly and downloadable format as per the requirement of Clause 47 of the Listing Agreement.

**Annual Report:** The Annual Report containing inter-alia Audited Annual Accounts (Standalone & Consolidated), Financial Statements (Standalone & Consolidated), Directors' Report, Auditors Report, Management Discussion and Analysis, Report on Corporate Governance, Secretarial Audit Report and other important information is circulated to Members and others entitled thereto.

**Chairman's Communique:** The printed copy of the Chairman's speech is distributed to shareholders at Annual General Meetings.

**Reminder to Investors:** Reminders for unclaimed/unpaid dividend are sent to shareholders as per records every year.

**NSE Electronic Application Processing System (NEAPS):** The NEAPS is a web-based application designed by NSE for Corporate. All periodical compliance filings like shareholding pattern, corporate governance report, media releases, among others are filed electronically on NEAPS.

**BSE Corporate Compliance & Listing Centre (the 'Listing Centre'):** BSE's Listing Centre is a web-based application designed for Corporate. All periodical compliance filings like shareholding pattern, corporate governance report, media releases, among others are also filed electronically on the Listing Centre.

**SEBI Complaints Redress System (SCORES):** The investor complaints are processed in a centralised web-based complaints redress system. The salient features of this system are: Centralised database of all complaints, online upload of Action Taken Reports (ATRs) by concerned companies and online viewing by investors of actions taken on the complaint and its current status.



## General Shareholder Information

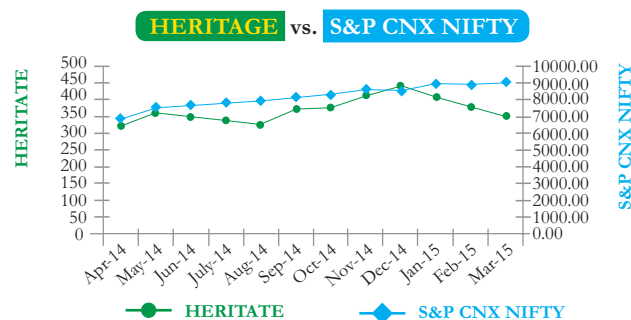
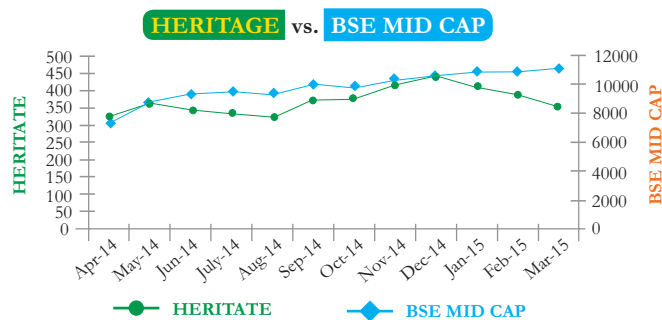
Company Identification No. (CIN)	L15209TG1992PLC014332
Annual General Meeting - Date and Time	Thursday, 24 <sup>th</sup> September, 2015 at 10.30 am
Venue	Auditorium Hall, 2 <sup>nd</sup> Floor, Training building, National Institute For Micro, Small And Medium Enterprises (Formerly NISEIT), Yousufguda, Hyderabad-45, Telangana
Financial Year	1 <sup>st</sup> April to 31 <sup>st</sup> March
Financial Calendar (tentative) Results for the quarter ending	June 30, 2015 – Last week of July, 2015 September 30, 2015 – Last week of October, 2015 December 31, 2015 - Last week of January, 2016 March 31, 2016 - Last week of May, 2016 Annual General Meeting - September, 2016
Date of Book Closure	Thursday 17-09-2015 to Thursday 24-09-2015 (both days inclusive)
Dividend payment date	20 <sup>th</sup> September, 2015 subject to shareholder's approval.
Listing on Stock Exchanges	<b>BSE Limited (BSE)</b> Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai 400 001  <b>National Stock Exchange of India Limited (NSE)</b> "Exchange Plaza", Bandra-Kurla Complex, Bandra (E), Mumbai 400 051
Payment of Listing Fee	Annual listing fee for the year 2015-16 has been paid by the Company to BSE and NSE.
Stock /Scrip Code	BSE – 519552 NSE - HERITGFOOD
ISIN Number	NSDL & CDSL - INE978A01019
Payment of Depository Fees	Annual Custody/Issuer fee for the year 2015-16 will be paid by the Company to NSDL and CDSL on receipt of the invoices.

## Market Price Data:

Closing High/Low Share Price during each month of the financial year 2014-15

Month	NSE (in ₹ per share)		BSE (in ₹ per share)	
	HIGH	LOW	HIGH	LOW
April, 2014	329.00	202.10	324.00	202.10
May, 2014	364.05	278.20	364.00	279.00
June, 2014	348.75	295.65	347.55	294.70
July, 2014	337.95	283.00	337.85	285.00
August, 2014	324.90	261.30	324.00	261.55
September, 2014	376.00	312.00	375.00	314.00
October, 2014	379.00	306.00	377.70	306.05
November, 2014	414.20	314.00	414.55	313.60
December, 2014	442.40	357.95	442.20	358.10
January, 2015	409.90	372.00	410.75	369.30
February, 2015	380.00	336.00	386.00	330.10
March, 2015	353.90	295.10	353.40	297.10

## Performance in comparison to broad based indices –BSE MID CAP & NSE NIFTY

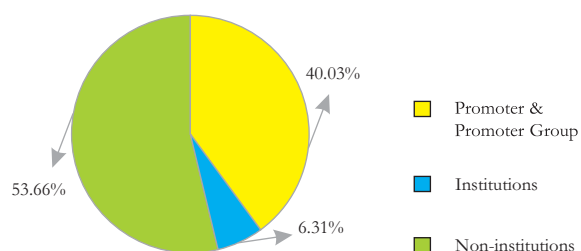




### Distribution of Shareholding as on 31<sup>st</sup> March, 2015

Cat-egory Code	Category of Shareholder	Number of Share-holders	Total number of Shares	As a per-centage of (A+ B+C)
(A)	Shareholding of Promoter and Promoter Group	0	0	0
1	Indian	15	9285846	40.03
2	Foreign	0	0	0
	Total Shareholding of Promoter and Promoter Group	15	9285846	40.03
(B)	Public Shareholding			
1	Institutions	27	1463124	6.31
2	Non-institutions	13314	12450030	53.66
	Total Public Shareholding	13341	13913154	59.97
(C)	Shares held by Custodians and against which Depository Receipts have been issued			
1	Promoter and Promoter Group	0	0	0
2	Public	0	0	0
	<b>TOTAL (A)+(B)+(C)</b>	<b>13356</b>	<b>23199000</b>	<b>100.00</b>

### Category Wise Shareholding



### Shareholding Pattern by Size as on 31<sup>st</sup> March, 2015

Category (No. of Shares)	No. of Shareholders	No. of Shares	% of Total Shares
Up to 500	11914	1470862	6.34
501 - 1000	718	564827	2.43
1001 - 2000	310	490682	2.12
2001 - 3000	87	226625	0.98
3001 - 4000	66	243608	1.05
4001 - 5000	68	324061	1.40
5001 - 10000	90	704145	3.04
10001 - Above	103	19174190	82.65
<b>TOTAL</b>	<b>13356</b>	<b>23199000</b>	<b>100.00</b>

### Total Shares in Demat and Physical form as on 31<sup>st</sup> March, 2015

Sl. No	Category	No. of Holders	Total Shares	% To Equity
1	Physical	2247	1040138	4.48
2	NSDL	7703	19561319	84.32
3	CDSL	3406	2597543	11.20
	<b>Total</b>	<b>13356</b>	<b>23199000</b>	<b>100.00</b>

### Registrars and Transfer Agents

Karvy Computershare Private Limited  
Karvy Selenium Tower B, 6th Floor  
Plot 31-32, Gachibowli, Financial District.  
Nanakramguda, Hyderabad – 500 032  
Tel: +91-40-67161566  
Toll Free No.: 1-800-4258-998; Fax: +91-40-23114087  
Website: www.karvy.com  
*(Address changed w.e.f. April 14, 2015)*

### Share Transfer Systems

Transfers in physical form are registered by the Registrar and share Transfer Agents immediately on receipt of completed documents and certificates are issued within 7 days of date of lodgement of transfer. The Board has delegated the authority for approving transfer, transmission, etc. of the Company's securities to the Vice Chairperson & Managing Director / Executive Director. A summary of transfer/transmission of securities of the Company so approved by the Vice Chairperson & Managing Director/ Executive Director is placed at every Stakeholders' Relationship Committee. The Company obtains from a Company Secretary in Practice half-yearly certificate of compliance with the share transfer formalities as required under Clause 47(c) of the Listing Agreement and files a copy of the said certificate with Stock Exchanges.

### Dematerialisation

95.52 % of the Company's paid-up Equity share capital has been dematerialised as on 31<sup>st</sup> March, 2015. The total holdings of shares of promoters/PAC are in Demat form. The trading of the Equity shares of the company is permitted only in dematerialised form as per the notification issued by SEBI.

**Outstanding ADRs/GDRs/Warrants or any convertible instruments, conversion date and likely impact on equity:**  
NIL

### Plant Locations:

Plant Locations are attached to the report.

### Transfer of unpaid/unclaimed amounts to Investor Education and Protection Fund

During the year under review, the Company has credited ₹ 7,00,965/- (Rupees Seven Lakh Nine Hundred Sixty Five Only) to the Investor Education and Protection Fund (IEPF) pursuant to Section 124(5) of the Companies Act, 2013 [Section 205C (2) of the Companies Act, 1956] read with the Investor Education and Protection Fund (awareness and protection of Investors) Rules, 2001 as amended from time to time.

## CEO and CFO Certification

The Vice Chairperson & Managing Director and the Chief Financial Officer of the Company has given annual certification on financial reporting and internal controls to the Board in terms of Clause 49 of the Listing Agreement. Vice Chairperson & Managing Director and the Chief Financial Officer also give quarterly certification on financial results while placing the financial results before the Board in terms of Clause 41 of the Listing Agreement. The annual certificate given by the Chairman and Managing Director and the Chief Financial Officer is form part of the Annual Report.

## Secretarial Audit

A qualified practicing Company Secretary has carried out Secretarial Audit every quarter to reconcile the total admitted capital with National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) and physical share with the total issued and listed capital. The audit confirms that the total issued / paid up capital is in agreement with the aggregate total number of shares in physical form and the total number of dematerialised shares held with NSDL and CDSL.

As a measure of good corporate governance practice and Section 204 of the Companies Act, 2013 and the Rules made thereof, the Board of Directors of the Company appointed Ms. Savita Jyothi, Practicing Company Secretary (C.P. No. 1796), to conduct Secretarial Audit. The Secretarial Audit Report for the financial year ended March 31, 2015, is form part of the Annual Report.

## Compliance Certificate from the Auditors

Certificate from Statutory Auditors of the Company. M/s Raju & Prasad, Chartered Accountants (FRN: 003475S), Hyderabad confirming Compliance with the conditions of Corporate Governance as stipulated under Clause 49 of the Listing Agreement is forming part of the Annual Report.

This Certificate has been forwarded to the Stock Exchanges where the Company Shares are listed.

## Address for Correspondence

### Investor Correspondence

Karvy Selenium Tower B, 6th Floor  
Plot 31-32, Gachibowli, Financial District.  
Nanakramguda, Hyderabad – 500 032  
Tel: +91-40-67161566  
Toll Free No.: 1-800-4258-998; Fax: +91-40-23114087  
Website: [www.karvy.com](http://www.karvy.com)  
(Address changed w.e.f. April 14, 2015)

### Any query on the Annual Report

Sri Umakanta Barik  
Company Secretary  
Heritage Foods Limited, #6-3-541/C, Panjagutta,  
Hyderabad-500 082 Telanagana, India  
e-mail: [umakanta@heritagefoods.in](mailto:umakanta@heritagefoods.in)

## Code of Conduct

In compliance with Clause 49 of the Listing Agreement as amended from time to time and the Companies Act, 2013, the Company has framed and adopted a Code of Conduct and Ethics ('the Code'). The Code is applicable to the members of the Board, the executive officers and all employees of the Company and its subsidiaries. The Code is available in the Company website [www.heritagefoods.in](http://www.heritagefoods.in)

## Certificate on Compliance with Code of Conduct

I hereby confirm that the Company has obtained from all the members of the Board and Management Personnel, affirmation that they have complied with the Code of Conduct for the financial year 2014-15.

Hyderabad  
22<sup>nd</sup> July, 2015

**N Bhuvaneswari**  
Vice Chairperson and Managing Director  
DIN: 00003741

## Plant Locations

### (A) Dairy Division

#### ANDHRA PRADESH

##### Packing Stations

1. **B. Kotha Kota**  
Bering (V), Sankarapuram (Post),  
Kotha kota (M), Chittoor Dist
2. **Bayyavaram**  
Bayyavaram (V), Kasimakota (M),  
Visakhapatnam Dist.
3. **Bhattiprolu**  
Vellaturu Raod, Bhattiprolu (V) & (M),  
Guntur. Dist
4. **Bobbili**  
Mettavalasa (V), Growth Center,  
Bobbili, Vizianagaram Dist
5. **Chittoor**  
Sundrajapuram, (V), ER palli post,  
G.D Nellore (M), Chittoor Dist
6. **Gokul**  
Kasipentala (V), Charndragiri (M),  
Chittoor Dist
7. **Pamaru**  
Yendagandi (V), K. Gangavaram (M),  
East Godavari Dist

##### Chilling Centers

1. **Atmakur**  
Jalaiah Nagar (V) Atmakur (M),  
S.P.R Nellore Dist
2. **Darsi**  
Pulipadu (V), Mundlamuru (M),  
Prakasam Dist
3. **Gantyada**  
Gantyada (V) & (M) Vizianagaram Dist
4. **Hindupur**  
Cholasamudram (V), Hindupu,  
Ananthapur Dist
5. **Kandukuru**  
Kakuturu (V), Valletivaripalem (M),  
Prakasam Dist
6. **Kavali**  
Gowravaram (V), Kavali (M),  
S.P.R Nellore Dist
7. **Kondapi**  
Kondapi (V) & (M), Prakasam Dist
8. **Kotananduru**  
Indugapalli (V), Kotananduru, (M),  
East Godavari Dist
9. **L. Kota**  
C/o Sri Sravani Milk Chilling Center,  
Vizianagaram Dist
10. **Madanapalli**  
Basinkonda (V), Madanapalli,  
Chittoor Dist
11. **Muppavaram**  
Bytamanjuluru (V), J. Pangaluru (M),  
Prakasam Dist,
12. **Piler**  
Yerraguntal (V), Piler, Chittoor Dist
13. **Santhipuram**  
Santhipuram, Chittoor Dist

14. **Somavaram**  
Somavaram, Kirlampudi (M),  
East Godavari Dist

##### Mini Chilling Center

1. **Bestavaripeta**  
Bestavaripeta (V) & (M) Prakasam Dist
2. **Chagalamarri**  
Allgadda (M), Kurnool Dist
3. **Chalagundla**  
Nakrikal (M), Guntur Dist
4. **Kalakada**  
Kalakada (M), Chittoor Dist
5. **Kaligiri**  
Basireddypalem (V), Kaligiri (M),  
S.P.R Nellore Dist
6. **Kanigiri**  
Kohtakuchipudi Palli (V), Kanigiri (M),  
Prakasam Dist
7. **Kothacheruvu**  
Penukonda Road, Kothacheruvu,  
Ananthapur Dist
8. **Nandigama**  
Krishna Dist
9. **Podalakuru**  
Thoderu (V), Podalkuru (M),  
S.P.R Nellore Dist
10. **Poosapatirega**  
Poosapatirega, Vijayanagaram Dist
11. **Rapthadu**  
Near Pangal Road, Rapthadu (V) & (M),  
Ananthapur Dist
12. **Ravikamatam**  
Ravikamatam, Visakhapatnam
13. **Satyawada**  
Undrajavaram (M), West Godavari Dist
14. **Veeravalli**  
Bapulapadu (M), Krishna Dist
15. **Velvadam**  
Mylavaram (M), Krishna Dist
16. **Vinukonda**  
Vinukonda (V), Guntur Dist

##### Bulk Coolers

1. **Aryavatam**  
Aryavatam (V),  
Kajulluru (M), East Godavari Dist
2. **Atchutapuram**  
Chodapalli (V), Atchutapuram (M),  
Visakhapatnam dist
3. **Avanigadda**  
Avanigadda, Krishna Dist
4. **Banaganapalli**  
Yagantipalli vilage, Banaganapalli (M),  
Kurnool District
5. **Bikkavolu**  
Bikkavolu, East Godavari Dist
6. **Bondapally**  
Bondapalli, (V) & (M), Vijayanagaram Dist
7. **Chinnagumaluru**  
Kotauratla (M), Visakhapatnam Dist

8. **Dhammapeta**  
Dhammapeta (V), Khammam Dist
9. **Dimili**  
Rambilli (M), Vizag Dist
10. **Dubacherala/Nachugunta**  
Nachugunta (V) Ungutur, (M)  
West Godavari District
11. **Duttaluru**  
Duttaluru, Nellore Dist
12. **Dwarapudi**  
Dwarapudi (V), Mandapet (M)  
East Godavari Dist
13. **Gara**  
Gara, Srikakulam Dist
14. **Garividi**  
Garividi, Vijayanagaram, Dist
15. **Giddaluru**  
Modempalli (V), Giddaluru (M),  
Prakasam Dist
16. **Gokivada**  
Rambilli (M), Visakhapatnam Dist
17. **Jaladanki**  
Jaladanki (V) & (M), SPSR Nellore dist
18. **Kaluvoya**  
Kaluvoya (V) & (M), SPSR Nellore Dist
19. **Kanaganapalli**  
Survey No.286/3A, Kanaganapalli (V)  
& (M), Ananthapur Dist
20. **Kasibugga**  
Anthapuram (V), Palasa (M),  
Srikakulam Dist
21. **Kodapuram**  
Gudavaluru Pancayati, SPSR Nellore Dist
22. **Korukonda**  
Korukonda (V), East Godavari Dist
23. **Krishnapuram**  
Krishnapuram(V), Chillakuru (M),  
SPSR Nellore Dist
24. **Laveru**  
Laveru (M)am, Srikakulam Dist
25. **Modavalasa**  
Denkada (M), Vijayanagaram Dist.
26. **Nimmada**  
Kotabomali, Srikakulam Dist,
27. **P. Gannavaram**  
East Godavari Dist
28. **Palakonda**  
Tumarada, Rtamadatapalli,  
Srikakulam Dist
29. **Pathapatnam**  
Pathapatnam (V), Srikakulam Dist
30. **Ponduru**  
Ponuru, Srikakulam Dist
31. **Porumamilla**  
Kammavaripalli (V),  
Porumamilla (M) Kadapa Dist
32. **Ragolu**  
Srikakulam Dist
33. **Samarlakota**  
E-1 Industrial Estate,  
East Godavari Dist

#### 34. **Santhamaguluru**

Puttavripalem (V),  
Santhamagulru (M) Prakasam Dist

#### 35. **Sattenapalli**

C/o. Sapthagiri Dall Mill, Industrial park,  
Guntur - Dist

#### 36. **Seethanagaram**

East Godavari Dist

#### 37. **Sompeta**

Mogalakuttur Street,  
Sompeta (V) & (M), Srikakulam Dist

#### 38. **Srikalahasthi**

Peddakannali (V) Chittoor District

#### 39. **T. Narasapuram**

West Godavari District

#### 40. **Tekkali**

Thamaram Road, Srikakulam Dist

#### 41. **Venkannapalem**

Chodavaram (M), Visakhapatnam Dist

#### 42. **Venkatagiri**

Anjayepuram (V), Enagaluru post,  
Srikalahasti (M), Chittoor Dist

#### **Ice Plant**

##### 1. **Amalapuram**

Batinavalli, Amalapuram,  
East Godavari Dist

#### **Sales Offices**

##### 1. **Vishakhapatnam**

D. No. 50-48-15/2, 3rd Floor P&T colony,  
Near Gurudwara Junction, Visakhapatnam

##### 2. **Rajahmundry**

Yendagandi (V), K. Gangavaram (M),  
East Godavari Dist

##### 3. **Bobbili**

Plot No.248&249, Growth Centre,  
Bobbili, Vizianagaram Dist.,

##### 4. **Vijayawada**

Plot No 188, C-6, New Auto Nagar,  
Enikapadu, Vijayawada, Krishna Dist

##### 5. **Tirupathi**

D. No. 19-12-154, Rayalacheruvu road,  
Baragaipatteda Turapati, Chittoor Dist

##### 6. **Chittoor**

Sundararaja Puram, E.R Palli Post,  
Chittoor - Puttoor Road, Chittoor

##### 7. **Tanuku**

Door No. 4-252, Ground Floor,  
Subhodaya Apartment,  
Chivitm Tanuku, West Godavari Dist

#### **Regional Offices of Procurement Dept.**

##### 1. **Ongole**

D.No: 5-400/1, Raavianjaneyulu road,  
Venkateswara Nagar, 2nd Lane,  
Ongole, Prakasam Dist

##### 2. **Vizag**

D No: 50-48-15/2, 3rd Floor,  
P&T Colony Near Gurudwara junction,  
Seethammadhara, Vizag Dist

##### 3. **Vijayawada**

D No: 54-20-6, Kanaka Durga  
Gazetted Officers Colony, Street No:1,  
Ring Road, Vijayawada, Krishna Dist

#### 4. **Tirupati**

D.No 19-12-154, Arch Road,  
Byragipatteda, Tirupati, Chittoor Dist

#### **DELHI (NCR)**

##### **Sales office**

##### 1. **Delhi**

Door No:- M-3, R.G. House,  
Commercial Complex,  
Opp. Milan Cinema, Karam Pura,  
Mothi Nagar, New Delhi

#### **HARYANA**

##### **Packing Station**

##### 1. **Rai**

D No.497, Food Park, Phase 1,  
sector-38, Industrial Estate – HSIIDC,  
Rai, Sonipat dist, Haryana

#### **KARNATAKA**

##### **Packing Station**

##### 1. **Bengaluru**

Yadavanahalli (V) Bengaluru South

#### **Sales Offices**

##### 1. **Bengaluru SO-1**

N0.42 Survey No. 5&6 Bikasipura,  
Banashankari 5th Stage,  
Near Sai Baba Temple, Bengaluru

##### 2. **Bengaluru SO-2**

No. 400, 1st stage, 3rd block,  
5th main 5th cross,  
HBR Layout, Bengaluru

##### 3. **Bengaluru SO-3**

Yadavanahalli (V) Anekal Taluk,  
Gudhatti Road Bengaluru

#### **MAHARASTRA**

##### **Packing Station**

##### 1. **Sangvi**

Milakt No. 892. AT/Post - Sangavi,  
Phaltan taluka, Satara District

#### **Chilling Centers**

##### 1. **Karmala**

Khadkewadi, Tal, Karmala, Solapur Dist

##### 2. **Temburni**

Gat No. 178/1A, At Post- Venegaon  
(Temburni) Tal- Madha, Solapur Dist

#### **Bulk Coolers**

##### 1. **Jamb**

Jamb, Kuravali Post,  
Indapur Taluka, Pune Dist

##### 2. **Nirgudi**

Phaltan (T), Satara Dist

##### 3. **Rajale**

Milk at No 808, A/P - Rajale,  
(T) Phaltan, Dist, Satara Dist

##### 4. **Sakharwadi**

Sakharwadi, Phaltan (T), Satara Dist

##### 5. **Taradgon**

Taradgon (kujur) Phaltan taluka,  
Satara Dist

#### **Sales Offices**

##### 1. **Mumbai**

Shop No. 1&2, Mangalamurthi Apt,  
Plot No.17, Sector 30,  
Opp Sanpada Railway Station,  
Sanpada, Vashi, Navi Mumbai

#### **RAJASTHAN**

##### **Chilling Centers**

##### 1. **Sikhar**

Major Colony, NH No. 11,  
Sablapura Link Road, Sikhar Dist

#### **Ice Plant**

##### 1. **Bansur**

Kotaputali Road, Bansur, Alwar Dist

#### **TAMIL NADU**

##### **Packing Station**

##### 1. **Vadamadurai**

MorePatti (V), Vadamadurai,  
Dindigul Dist

#### **Chilling Centers**

##### 1. **Namakkal**

Navani Vellai Patti (V), Namakkal Dist

##### 2. **Tiruvannamalai**

Somasipadi Pudhur,  
Tiruvannamalai Dist

##### 3. **Uthangarai**

Koorsampatti (V), Uthangarai,  
Dharmapuri Dist.

#### **Mini Chilling Centers**

##### 1. **Berigai**

Berigai (V) Post, Krishnagiri Dist

##### 2. **Devarajapalyam**

Devarajapalyam (V), Molayanur Post  
Papireddipatti Tq. Dharmapuri Dist

##### 3. **Reddihalli**

Reddihalli (V) Adhiymankotai, Hosur raod  
Sogathur Post Dharmapuri (T) & Dist

#### **Bulk Coolers**

##### 1. **Kakkadasam**

Kakkadasam, Krishnagiri Dist

##### 2. **Nagamangalam**

Nagamangalam, Krishnagiri Dist

##### 3. **Oddanchatram**

Ellapatti (V), Puduchatram Post, Dindigul

##### 4. **Polur**

Venmani (V), Polur Post,  
Polur Chatpattu Road,  
Polur (T), T.V Malai Dist

##### 5. **P. Veluru**

KK Thottam, Pramthi Velur Post  
Namakkal Dist

##### 6. **Sempatty**

Sevugmpatti (V) & (Post)  
Chellapatty privu, Sempatty to Batlagundu  
National Highway, Dindigul Dist

##### 7. **Vepanapalli**

Thalipalli (V), Krishnagiri Dist



### Sales Offices

1. **Vadamadurai**  
Moorpatti (V), Vadamadurai Post  
Dindigul Dist
2. **Chennai SO-1**  
Survey No. 16/6 Parivakkam Main Road,  
Seneerkuppam (V),  
Poonamalle, Chennai
3. **Chennai SO-2**  
Plot no. 6 Ganesh Nagar,  
4th street, Adambakam, Chennai
4. **Chennai SO-3**  
No.43 Mari Ammal nager,  
Kanagarai(East) Puzhal, Chennai
5. **Chennai SO-5**  
No.28 , Agasthiyasteet, East Tambaram,  
opp to Gandhi Park Chennai

### Regional Office of Procurement Dept.

1. **Krishnagiri**  
No. 1/1263-2, IInd Phase,  
New Housing Board, Krishnagiri

### TELANGANA

#### Packing Station

1. **Kalluru**  
Koralagudam (V) Kalluru (M)  
Khammam Dist
2. **Narketpalli**  
Cheruguttu (V), Narketpalli (M),  
Nalgonda Dist
3. **Uppal**  
C- 10 Raoad No 7,  
IDA Uppal, Hyderabad

### Mini Chilling Centers

1. **Bodhan**  
Auto Nagar,  
Shekhar Nagar Bodhan,  
Achanapally (V), Bodhan (M),  
Nizamabad Dist
2. **Kodada**  
Kodada (V), Nalgonda Dist
3. **Mulugu**  
Mulugu, Medak Dist

### Bulk Coolers

1. **Alagadapa**  
Miryalaguda (M), Nalgonda Dist
2. **Hanwada**  
Hanwada (V) & (M),  
Mahabubangar to tandur main road,  
Mahabubnagar Dist
3. **Janampet**  
Janampet (V), Addakal, (M),  
Mahabubnagar Dist
4. **Kalwakurthy**  
Kalwakurthy (V) & (M), Subashnagar,  
Mahabubnagar Dist
5. **Kosigi**  
Kosigi (V) & (M),  
Near Balaji Function Hall,  
Tandur to Mahabubnagar Rd  
Mahabubnagar Dist

6. **Narsingi**  
Chegunta (M), Medak Dist
7. **Nawabpet**  
Nawabpet (V) & (M),  
Kondapur road opp saibaba temple,  
Survey no 654, Mahabubnagar Dist
8. **Nidamanuru**  
Nidamanoor (V) & (M),  
Nalgonda Dist
9. **Pitlam**  
Marwadi Raod Pitlam,  
Pitlam (V) & (M), Nizamabad Dist
10. **Siddipet**  
Siddipet (V) & (M) Medak Road  
Opp rural Police Station, Medak Dist
11. **Takrajguda**  
Takrajguda (V), Challampally Panchayat,  
Talakondapally (M), Mahabubnagar Dist
12. **Wyra**  
Wyra (V), Khammam Dist

### Bulk Coolers – Franchisee

1. **Aleru**  
kolapaka raod, Alair (V)  
& (M), Nalgonda Dist
2. **Anajapur**  
Angipur (V), Bohnagir (M),  
Nalgonda Dist
3. **Aourapally**  
Madhgull (M), Mahabubnagar Dist
4. **Banswada**  
Tadkole Banswada Nizambad,  
Banswada, Nizamabad Dist
5. **Doulatabad**  
Doulthabad (V), Hathnoora (M)  
Mahabubnagar Dist
6. **Ghatkesar**  
Yedulabad Raod, Ghatkesar  
(V) & (M) RR Dist
7. **Gummadidala**  
Gummadidala (V), Jinnaram  
(M), Medak Dist
8. **Jagdevpur**  
Jagadevpur (V) & (M), Medak Dist
9. **Juluru**  
Juluru (V), Pochampally (M),  
Nalgonda Dist
10. **Kamareddy**  
Opp. Renuka functional hall,  
Kamareddy, Nizamabad Dist
11. **Kandukur**  
Padmanagar colony,  
Kandukru (V) & (M), RR Dist
12. **Kothapet**  
Kothapeta (V), Keshmpet (M),  
Mahabubnagar Dist
13. **Kukunoorpally**  
Kukunoor (V), Kondapak (M) Medak Dist
14. **Manasanapalli**  
Manasanapalli x road,  
Maheswara (M), RR Dist
15. **Mankhal**  
Mankhal (V), Maheswara (M), RR Dist

16. **Masaipeta**  
Opp Canara Bank, Masaipet (V),  
yeldurthy (M), Medak Dist,
17. **Medak**  
Chegunta road, Opp Balaji function Hall,  
Medak Dist
18. **Medchal**  
Opp Satya petrol pump,  
Medchal (V) & (M) RR Dist
19. **Meerkhanpet**  
Meerkhanpet, Kandukur (M), RR Dist
20. **Mogaligidda**  
Mogaligidda (V), Farooqnagar (M),  
Mahabubnagar Dist
21. **Nandhigama**  
Nandhigama(V), Kothur (M),  
Mahabubnagar Dist
22. **Narsapur**  
Narsapur (V) & (M), Medak Dist
23. **Pregnapur**  
Opp: Petrol bunk, Hyderabad,  
Pregnapur (V), Gajwel (M),  
Medak Dist
24. **Pudur**  
Pudur (V), Medchal (M), RR Dist
25. **Shadnagar**  
Chatanapally (V), Farqoonager (M),  
Mahabubnagar Dist, Shad Nagar
26. **Thogutta**  
Opp FCI Godown,  
Toguta (V&M), Medak Dist

### Sales Offices

1. **Hyderabad SO-1,3 & 6**  
C-10, Road No.7,  
IDA Uppal, Hyderabad
2. **Hyderabad SO- 2**  
8-3-166/5/2,  
Behind Bata Show room  
Erragadda - Hyderabad
3. **Hyderabad SO-4**  
Plot No. 23&24 H.No. 3-8-113,  
Road No. 5 Chandrapuri Colony,  
LB Nagar Hyderabad East zone
4. **Hyderabad SO-5**  
Heritage Foods Limited,  
Shop No - 1-92 cellar,  
Mamatha Estate Alwyn Colony,  
Miyapur Hyderabad West Zone
5. **Hyderabad SO-7**  
1-4-162/4, Old Alwal,  
Mangloni Chilka,  
Secunderabad,  
Hyderabad North zone
6. **Kalluru**  
Koralagudam (V) Kalluru (M),  
Khammam Dist

### Regional Office of Procurement Dept.

1. **Hyderabad**  
Sikara Gandhi House,  
C-10, Road No: 7,  
IDA Uppal, Hyderabad



## (B) Retail Division

### RETAIL STORES AT HYDERABAD, TELANGANA STATE

1. **Abids**  
Municipal No.5-9-194/A/1,  
Chirag Ali Lane, Hyderabad
2. **Allwyn Colony**  
Ground Floor,  
House no:2-22-99/A, Survey No.124,  
Adjacent to Enadu Society,  
Kukatpally Village And GHMC Circle,  
Balanagar Mandal, R R Dist
3. **Alwal**  
Premises no.1-5-909, 909/1,  
& 909/2, Father Balaiah Nagar Colony,  
Old Alwal, Alwal Village,  
Malkajgiri Mandal, R.R.District
4. **AS Rao Nagar**  
Yasmai Arcade P.no A-6/1,  
A-6/3, SY no 500, Kapra,  
As Rao Nagar, Hyderabad
5. **Bachupally**  
Ground Floor, Plot no.1  
(Northern & Southern Portion)  
H No.3-1 & 3-1/P, Survey no.20 & 28/1,  
Miyapur Residential Complex,  
HUDA Colony, Hyderabad'
6. **Balapur**  
Ground Floor,  
Municipal No.6-317/3, Plot no.334  
Triveni Nagar, Meerpet Village,  
SaroorNagar Mandal, Ranga Reddy Dist
7. **Banjara Hills**  
8-2-686/k3/1, P.no3, Kimtee  
Banjara Heights, Road12  
Banara Hills Hyderabad
8. **Banjara Hills Road no.14**  
Ground Floor,  
Premises No.8-2-309/3/B/1 & 2  
Road No.14, Banjara Hills, Hyderabad
9. **Bowenpally**  
Ground Floor,  
Plot No.1-10-316, Sy.No.130,  
Bapuji Nagar X Roads, Bowenpally,  
Thokatta Village, Secunderabad
10. **D.D Colony**  
Ashoka Satyam Enclave, P.No 2-2-7/1  
Durgabai Deshmukh Colony  
Hyderabad
11. **Dammaiguda**  
Ground Floor, Plot No.2,3, 10 & 11  
Dammaiguda Main Road,  
Keesara Mandal, Rangar Reddy Dist
12. **Film Nagar**  
Opp To More SuperMarket  
Previously UTI Bank  
Film Nagar, Hyderabad
13. **Gacchi Bowli**  
Plot No.2, Survey No.91,  
Ground Floor,  
Telecom Employees Co-Operative  
Housing Society Ltd,  
Gacchi Bowli, Hyderabad
14. **Gaddiannaram**  
Ground Floor,  
Plot No.10 to 13 & 18 to 20,  
Sy No.317/2,  
Premises No.16-11-740/9, 16-11-740/9/7,  
Gaddiannaram, Hyderabad.
15. **Gandhi Nagar**  
"Siddamsetty's Hima Sai Heights"  
Ground Floor, No.1-1-365/A,  
Jawaharnagar, Bakaram (Gandhi Nagar)  
Hyderabad
16. **Hayath Nagar**  
Plot no.2, Survey No.268, Ward No.4,  
Block No.7, Bagh Hayath Nagar Village,  
Hayath Nagar, Revenue Mandal,  
Ranga Reddy District.
17. **HMT Nagar**  
Plot No A 128, A 129  
Bapuji Nagar Nacharam Road  
Beside Trinetra Super Market, Habsi Guda
18. **JP Nagar**  
Plot No.2, Sy.No.118,Jayaprakash Nagar  
Miyapur Village,Serilingampally Mandal,  
Ranga Reddy District
19. **Jubilee Hills Road No. 36**  
Ground Floor, Plot no.1244,  
Jubilee Hills Colony, Road no.36,  
Banjara Hills Locality, Hyderabad
20. **Karmanghat**  
GHMC No's. 10-1-74/10/1,  
10-1-74/12,13 & 14 Main Road,  
Lingojiguda, Karmanghat, Sagar Road,  
Saroor Nagar, Ranga Reddy District
21. **Kompally**  
Sree Vensai Towers varuna Block  
Shop no.GF2, Sy.No. 128 (P),  
Grampanchayath of Kompally,  
Quthbullapur mandal, R.R.District
22. **Kondapur**  
"Park View" Plot no.5, Sy.No.6,  
Kondapur Village,  
Serilingampally Municipality, R.R.District
23. **Kondapur Camelot**  
Ground Floor, Dr. Raju Center,  
Botanical Garden Road,  
Camelot Lay out, Hyderabad
24. **Madinaguda**  
Rajamma Commercial Complex  
Sy.No.95, 96, Plot no.5,6,7,8  
Madinaguda, Sherilingampally (M)  
Hyderabad
25. **Mahesh Nagar**  
H.No.1-7-43/93, Mahesh Nagar Colony,  
Under Kapra Municipality,  
Keesara Mandal, RR Dist.
26. **Malkajgiri**  
22-1-1/1, Radha Krishna Nagar  
Beside Bank of Maharastra, Malkajigiri
27. **Manikonda**  
Ground Floor, Plot No.202& 209,  
Sri Ram Nagar Colony, (Secretariat  
Colony), Puppalaguda Village, Rajendra  
Nagar Mandal, RR Dist, Hyderabad
28. **Manikonda-2**  
Ground Floor, Old Survey No.332 & 333,  
Town Sry No.5 & 6, Block 'B',  
Ward No.13, Shaikpet Village, Hyderabad
29. **Miyapur**  
Ground Floor, Sry No.44/1,50 & 51,  
Shop No.2/A, 2/B, 2/C & 2/D, Miyapur,  
Serilingampally Mandal, R.R District
30. **Moti Nagar**  
Ground Floor, Plot no.32,  
Sy.No.19 & 20, Babbuguda Village,  
Moosapet Gram Panchayat,  
Kukatpally Municipality, RR Dist
31. **Nagole**  
1 To 6 Survey No 128  
Part and 129/2, Nagole (Village)  
LB Nagar Municipality, Hyderabad
32. **Nallakunta**  
Ground Floor,  
Sy.No.12 (Old Sy.No.74 & 75)  
Bagh Lingampally, Nallakunta,  
Himayat Nagar Mandal, Hyderabad
33. **Nanakramguda**  
Ground Floor, Sy.No. 142,  
Nanakramguda (v),  
Serilingampally (Mandal),  
R.R. District, Hyderabad
34. **Nizampet Village**  
Ground Floor,  
Shop No.G1/A, G1/B,  
G2, G3/A & G3/B  
Plot No.34,35,36 & 37, Balaji Nagar,  
Nizampet Village, Hyderabad
35. **Padmarao Nagar (New)**  
Ground Floor, Plot No.6-1-289/7,  
Padmarao Nagar, Secunderabad
36. **Pragati Nagar**  
Plot No.159,160,161,178,179 & 180  
Pragati Nagar, Opp: JNTU, Kukatpally,  
Quthbullapur, Hyderabad
37. **Rajeev Nagar**  
Madhura Heights, Ground Floor  
H.No.8-3-167/M/20/6/3/A & B/G-1,  
Rajeev Nagar, Yousufguda,  
Survey No.128/3, Ward No.8,  
Block no.3, Hyderabad
38. **Red Hills**  
11-6-872/1 to 6, 872/A&B, 872/A/1,  
Lakdikapool, Hyderabad
39. **Sainikpuri**  
Ground Floor, Plot No.833,  
Sy.No.218/1, Defence Colony,  
Malkajgiri Circle, R.R.District
40. **Santhosh Nagar**  
Gilbert Plaza, 12-1-210/4, Near 1S-7  
Hyderabad 41.
41. **Shanti Nagar**  
Ground Floor, Premises No.10-2-289/115,  
Flat no.101,102 & 103, Shanthi Nagar,  
Masab Tank, Hyderabad
42. **Sindhi Colony**  
H-no 1-8-142&143, Prendergasth Road  
Secunderabad

43. **Srinagar Colony**  
Door No.8-3-986 & 986/1  
Plot No.124, Srinagar Colony, Hyderabad
44. **Tarnaka**  
Plot No.17, Sy.No.179 (New)  
Stree No.19, Tarnaka (Lalaguda Village)  
Secunderabad
45. **Tirumalagiri**  
Survey No.104, Situated at Pedda Kamala,  
Near Hasmathpet,  
Tirumalagiri, Hyderabad
46. **Tolichowki**  
Ground Floor,  
MCH No.8-1-366/B/12, &  
8-1-366/B/13,  
Situated at Tolichowki, Hyderabad
47. **Uppal Depot**  
Ground Floor, Municipal No.9-68  
Plot no.28 & 29, Sy.No.147  
East Hanuman Nagar, Boduppal,  
Gatkesar Mandal, RR District.
48. **Vanasthalipuram**  
Plot No 1 & 2, Sy.No 53 & 54  
Saheb Nagar Khund  
Vanasthalipuram, R R Dist
49. **Vengalrao Nagar**  
Plot No 63/A, Mucipal No 8-3-191/67  
Vengalrao Nagar Colony, Hyderabad
50. **Vivekananada Nagar Colony**  
Plot no.2, Sy.No.116/A/P,  
MCK Block No.22,  
Leading Road to Allwyn cly,  
Kukatpally Village  
Balanagar Mandal, R.R.District
51. **West Marredpally (New)**  
Sree Rama Bgavanamu  
Premises No: 10-2-238/ G/ 4 to G/13,  
Plot No.176, (Mega City No.182),  
Road No.5, West Marredpally,  
Secunderabad
52. **Yousafguda**  
Ground Floor, H.No.8-3-224/4  
& 8-3-224/4/1, Plot No.4,  
Yellaredyguda, Hyderabad

#### Distribution Centers

Survey No.171, Opp: M/S Coca Cola,  
Ameenpur, Sanga Reddy, Taluq,

#### Regional Office

Municipal No: 6-3-542, S.B.H.Lane,  
Farhath Manzil, Panjagutta, Hyderabad

#### RETAIL STORES AT CHENNAI, TAMIL NADU STATES

1. **Adambakkam**  
New No.17, Old No.16A,  
Secretariat Colony Main Road,  
Adambakkam, Chennai
2. **Adayar**  
Ground floor, Old no.6/1,  
New No.17/1, Indira Nagar,  
1st Avenue, Adyar, Chennai
3. **Alwarpet**  
No.26, TT Krishnamachari Road,  
Alwarpet, Chennai
4. **Aynavaram**  
No.9/5, VP Colony South Street,  
Aynavaram, Chennai
5. **Choolaimedu**  
Greata peral Apartments,  
No.174, Choolaimedu High Road,  
Chennai
6. **Gopalapuram**  
No.17 & 19, Conran Smit Road,  
Gopalapuram, Chennai
7. **Iyappantangal**  
Flat No.A & A1, Plot No.36,37,38 & 51,  
New Patta No. 529,  
New Survey no's 108/2B & 114/1A2,  
Subbaiah Nagar, 1st Main Road,  
Iyyappanthangal, Sriperumbudur Taluq,  
Kancheerapuram Dist, Chennai
8. **KB Dasan Road**  
New Door No.32, (Old -43),  
Kavingnar Bharathi Dasan Road,  
Teynampet, Chennai
9. **Kotturpuram**  
No.1, 3rd Main Road, Kottur Gardens,  
Kotturpuram, Chennai
10. **Madipakkam**  
"Baggyam Ceilo" Plot no.1 & 2,  
Bazar Road, Baliah Garden,  
Madipakkam Village, Chennai
11. **Maduravoyil**  
Ground Floor, Door No.38,  
Mount Poonamallee Road,  
Old Survey No.51/1,  
New Survey No.51/1A2,  
Porur Village, Ambattur Taluq,  
Thiruvallur Dist, Chennai
12. **Mogappair West**  
PC-1, 80 feet Road,  
Mogappair west, Chennai
13. **Mylapore**  
"Rabiya Building", New No.238,  
Old No.187, Royapettah High Road,  
Mylapore, Chennai
14. **New Madipakkam**  
No.9, Madipakkam Main Road,  
Balaiah Garden, Madipakkam, Chennai
15. **New Nanganallur**  
Old No.37, New NO.23, First Main Road,  
Nanganallur, Chennai
16. **Padur**  
Survey No.520/2B, Grnd Floor,  
Door No.1/362, OMR, 43, Padur Village,  
Kanchipuram District, Chennai
17. **Pallikaranai**  
Natwest Venkatramana Apartments,  
Plot No.36, Kamakoti Nagar Main Rd,  
Pallikaranai, Chennai
18. **Pammal**  
Door No.1, Brindavan Colony,  
Pammal Main Road, Krishna Nagar,  
Pammal, Chennai

19. **Perumbakkam**  
Ground Floor, Plot No.1 & 2,  
Survey No.429/2C (Part), No.139,  
Perumbakkam Village, Tambaram Taluk,  
Kancheepuram Dist, Chennai
20. **Perungudi**  
Plot No.60, 2nd Main Road,  
Thirumalai Nagar, Annexe,  
Perungudi, Chennai
21. **Porur**  
Ground Floor, Door No.38,  
Mount Poonamallee Road,  
Old Survey No.51/1,  
New Survey No.51/1A2,  
Porur Village, Ambattur Taluq,  
Thiruvallur District,
22. **Shenoy Nagar**  
Door no.1/2, 7th Cross Street,  
Pulla Reddy Avenue, Shenoy Nagar West,  
Chennai
23. **T.Nagar**  
19/3, Bazullah Road,  
T.Nagar, Chennai
24. **Tambaram East**  
D.No.457/152, Velachery Main Road,  
East Tambaram, Chennai
25. **Tambaram west**  
New No.2, Venkatesan Street,  
West Tambaram, Chennai
26. **Valasaravakkam**  
"Green's Riviera", Door No.75,  
Dr. Radhakrishnan Road,  
Valasaravakkam, Chennai
27. **Venkatnarayana Road**  
16/5, Venkatnarayana Road,  
T.Nagar, Chennai

#### Distribution Centers

Survey No.16/4, Parivakkam Road,  
Sennurkupam Village, Poonamalli Taluq,  
Chennai

#### Regional Office

No.26., 1st Floor, TTK Road,  
Opp:Raj Park Hotel, Alwerpet, Chennai

#### RETAIL STORES AT BENGALURU, KARNATAKA STATE

1. **Amruthahalli**  
Dheeraj Lake Front, No.7/59/1,  
Dasara Halli Amruthahalli Road,  
K.R.Puram, Hobli, Bengaluru East Taluk,  
Bengaluru
2. **Basaveshwara Nagar**  
Chamundi Towers, Coporation No.104,  
LIC Colony, WOC Road,  
Sri Siddiah Puranik Marg,  
Bhimajyothi Co-operative  
Housing Society  
Basaveshwara Nagar, Bengaluru
3. **Banashankari**  
Corporation No.1036, 14th C Main,  
BSK Iind Stage, Bengaluru

#### 4. BTM Layout

37/-1, 16th main Road, Opposite to lake,  
Nayanappasetty pallya,  
BTM lay out, Bengaluru

#### 5. Bommanahalli,

Ground Floor, Plot No.50,  
Vijayashree Layout,  
Kodichikkanahalli Main Road,  
Bommanahalli, Bengaluru

#### 6. Coffee Board Layout

Ground floor, Site No.3,  
Village Khata No.650, Sy.No 10/1,12/1,  
Kempapura Village, Yelahanka Hobli,  
Coffee Board Layout, Bengaluru

#### 7. Indira Nagar

Sai Shakti , Municipal No.2207,  
HAL III Stage, Ward No.74,  
80 Feet Road, Kodihalli, Bengaluru

#### 8. Jayanagar 5th Block

Ground Floor, BBMP Khatha No.68  
(Old No.301/B, Previously No.35),  
Ward No.58, 10th Main Road, 36th Cross,  
5th Block, Jayanagar, Bengaluru

#### 9. Koramangala

Ground Floor on 383,  
T.V.R Pride, 16th Main Road,  
3rd Block, Koramangala Extension,  
Bengaluru

#### 10. Malleshwaram

Corporation No.92, 3rd Main Road,  
Margosa Road, Bengaluru

#### 11. Rammurthy Nagar

No.7, Khata No.81/89/1,  
Kowdenahalli,  
Rammurthynagar Hobli,  
Bengaluru south Taluk, Bengaluru

#### 12. Boopsandra

Ground Floor, Plot No.25,  
Boopasandra Main Road, Bengaluru

#### 13. Vijaya Bank Colony

Site No.441,  
Vijaya Bank Employees Housing  
Co-Operative Society Limited Layout  
Situating at Bilekahali, Begur Hobli,  
Bengaluru South Taluk,  
Bengaluru

#### 14. Yellahanka

Corporation No.325, HIG 1st Stage,  
Sector A, Yelahanka, Bengaluru

#### Distribution Centers

Survey no: 178/2, Hullahally,  
C K Palya, Sakalavasa Post,  
B.G. Road, Bengaluru

#### Regional Office

3rd Floor, BTM Layout 37/1,  
16th Main Rd, opposite to lake,  
Narayanappasetty Pallaya,  
BTM Layout Bengaluru

#### (C) Agri Division

##### Integrated Pack Houses:

##### 1. Mulugu

Masjid Adavi Village, Mulugu Mandal,  
Medak Dist., Telangana

##### 2. Mattam

Mattam Village, Shanthipuram,  
Chittoor Dist, AP.

#### (D) Bakery Division

##### Uppal (Bakery)

C-10, IDA, Uppal,  
Hyderabad, Telangana

#### (E) Renewable Energy Division

##### Mulugu

Masjid Adavi Village,  
Mulugu Mandal,  
Medak Dist., Telangana

## CEO & CFO Certification

To  
The Board of Directors,  
**Heritage Foods Limited,**  
Hyderabad.

We, N Bhuvaneswari, Vice-Chairperson and Managing Director and A. Prabhakara Naidu, Chief Financial Officers of Heritage Foods Limited ("the Company") to the best of our knowledge and belief certify that

- a. We have reviewed the Financial Statements and the Cash Flow Statements for the financial year ended 31<sup>st</sup> March, 2015 and based on our knowledge and belief, we state that:
  - i. These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading.
  - ii. These statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- b. We further state that to the best of our knowledge and belief, there are no transactions entered into by the Company during the year, which are fraudulent, illegal or violative of Company's code of conduct.
- c. We hereby declare that all the members of the Board of Directors and Management Committee have confirmed compliance with the Code of Conduct as adopted by the Company.

- d. We are responsible for establishing and maintaining internal controls and for evaluating the effectiveness of the same over the financial reporting of the Company and have disclosed to the Auditors and the Audit Committee, deficiencies in the design or operation of internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
- e. We have indicated, based on our most recent evaluation, wherever applicable, to the auditors and the Audit Committee
  - i. Significant changes, if any, in the internal controls over financial reporting during the year;
  - ii. Significant changes, if any, in the accounting policies made during the year and that the same has been disclosed in the notes to the financial statements; and
  - iii. Instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having significant role in the Company's internal control system over financial reporting.

**For Heritage Foods Limited**

**N Bhuvaneswari**  
Vice Chairperson & Managing Director  
DIN: 00003741

**A Prabhakara Naidu**  
Chief Financial Officer  
M. No: FCA 200974

Hyderabad  
26<sup>th</sup> May, 2015

## Auditor's Certificate on Corporate Governance

To  
The Members of  
**HERITAGE FOODS LIMITED**  
(Formerly known as Heritage Foods (India) Limited)  
HYDERABAD.

We have examined the compliance of conditions of Corporate Governance by **HERITAGE FOODS LIMITED** for the year ended on 31<sup>st</sup> March, 2015 as stipulated in clause 49 of the listing agreement of the said Company with Stock Exchanges in India.

The Compliance of the conditions of Corporate Governance is the responsibility of the management. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the Compliance of the conditions of corporate Governance. It is neither an audit nor an expression of opinion on the financial statement of the Company.

In our opinion and to the best of information and explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing agreement.

We state that in respect of investor grievances received during the year ended 31<sup>st</sup> March, 2015, no investor grievances are pending against the Company for a period exceeding one month as per records maintained by the Company which are presented to the Shareholders/investors grievance committee.

We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

**For RAJU & PRASAD**  
Chartered Accountants  
FRN: 003475S

**Y Bala Krishna Reddy**  
Partner  
M. No. 223701

Hyderabad  
26<sup>th</sup> May, 2015



## Independent Auditor's Report

To

The Members of

**HERITAGE FOODS LIMITED**

(Formerly Known as Heritage Foods (India) Limited)

### Report on the Financial Statements:

We have audited the accompanying standalone financial statements of **Heritage Foods Limited**, which comprise the Balance Sheet as at 31st March, 2015, the Statement of Profit and Loss, the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

### Management's Responsibility for the Standalone Financial Statements:

The Company's Board of Directors are responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding 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 financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

### Auditor's Responsibility:

Our responsibility is to express an opinion on these standalone financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial

statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.

### Opinion:

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India,

- i) in the case of the standalone Balance Sheet, state of affairs of the company as at 31 March 2015;
- ii) in the case of the standalone Statement of Profit and Loss, profit of the company for the year ended on that date; and
- iii) in the case of the standalone Cash Flow Statement, cash flows of the company for the year ended on that date.

### Report on Other Legal and Regulatory Requirements:

As required by 'the Companies (Auditor's Report) Order, 2015', issued by the Central Government of India in terms of sub-section (II) of section 143 of the Act (hereinafter referred to as the "Order"), and on the basis of such checks of the books and records of the Company as we considered appropriate and according to the information and explanations given to us, we give in the Annexure a statement on the matters specified in paragraphs 3 and 4 of the Order.

As required by Section 143 (3) of the Act, we report that:

- (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
- (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
- (c) The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.



- (d) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- (e) On the basis of the written representations received from the directors as on 31st March, 2015 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2015 from being appointed as a director in terms of Section 164 (2) of the Act.
- (f) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
- i. The Company does not have any pending litigations which would impact its financial position, except as listed in the notes to accounts (note: 29).
  - ii. The Company did not have any material foreseeable losses on long-term contracts including derivative contracts.
  - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.
- For Raju and Prasad**  
Chartered Accountants  
FRN: 003475S
- Y Bala Krishna Reddy**  
Partner  
M. No. 223701
- Hyderabad  
26<sup>th</sup> May, 2015

## Annexure to the Auditor's Report

The Annexure referred to in our Report of even date to the members of Heritage Foods Limited on the accounts of the company for the year ended 31st March, 2015.

- i. (a) The Company is maintaining proper records showing full particulars, including quantitative details and situation, of fixed assets.
- (b) These fixed assets have been physically verified by the management during the year and discrepancies noticed on such verification have been properly dealt with in the books of account. In our opinion, the frequency of verification is reasonable having regard to the size of the company and the nature of the assets.
- c) No substantial part of fixed assets has been disposed off during the year.
- ii. (a) The inventory has been physically verified during the year by the management. In our opinion, the frequency of verification is reasonable.
- (b) In our opinion, the procedures of physical verification of inventory followed by the Management are reasonable and adequate in relation to the size of the Company and the nature of its business.
- (c) The company is maintaining proper records of inventory. The discrepancies noticed on verification between the physical stocks and the book records were not material.
- iii. The company has not granted any loans, secured or unsecured, to companies, firms or other parties covered in the register maintained under Section 189 of the Act.

- iv. In our opinion and according to the information and explanations given to us, considering the size of the company and nature of business of various divisions of the company with regard to purchase of inventory and fixed assets and with regard to sale of goods and services, the internal control system commensurate with the size of the company and nature of its business. During the course of our audit, we have not observed any continuing failure to correct major weaknesses in internal control system.
- v. The Company has not accepted any deposits from the public within the meaning of Sections 73 and 74 of the Act and the rules framed there under to the extent notified.
- vi. We have broadly reviewed the books of account maintained by the Company in respect of products where, pursuant to the rules made by the Central Government of India, the maintenance of cost records has been specified under sub-section (1) of Section 148 of the Act, and are of the opinion that, prima facie, the prescribed accounts and records have been made and maintained. We have not, however, made a detailed examination of the records with a view to determine whether they are accurate or complete.
- vii. (a) The company is regular in depositing undisputed statutory dues including Provident Fund, Employees' State Insurance, Income Tax, Sales Tax, Wealth Tax, Service Tax, Duty of Customs, Duty of Excise, Value Added Tax, Cess and any other statutory dues with the appropriate authorities. There are no undisputed statutory dues outstanding for more than six months as on 31.3.2015.
- b) According to the information and explanations given to us, following are the disputed dues relating to income tax, wealth tax, cess and sales tax, which have not been deposited as at 31st march, 2015

Nature of Statute	Nature of Dispute	Amount (₹ In Lakhs)	Period to which the amounts relate (A.Y)	Forum where the dispute is pending
A.P.G.S.T ACT 1957	Levy of purchase tax on purchase of milk	83.75	2001-02	High Court
C.S.T ACT	Levy of purchase tax on purchase of milk	37.34	2002-03	A.P.S.T.A.T (Tribunal)
C.S.T ACT	Levy of purchase tax on purchase of milk	1.42	1998-99	High court
AP VAT	Input tax credit disallowance and others	40.25	2009-10	Appellate deputy commissioner
AP VAT	Input tax credit disallowance and others	1.79	2008-09	High Court
TN VAT Act	Input tax credit disallowed	24.38	2013-14	CTO

- (c) The amount required to be transferred to Investor Education and Protection Fund has been transferred within the stipulated time in accordance with the provisions of the Companies Act, 2013 (Companies Act, 1956) and the rules made there under.
- viii. The company does not have any accumulated losses as at the end of the financial year under reference and the company has not incurred cash loss in the financial year under reference and in the financial year immediately preceding such financial year.
- ix. The Company has not defaulted in repayment of dues to any financial institution or bank or debenture holders as at the balance sheet date.
- x. The company has not given any guarantee for loans taken by others from banks or financial institutions.
- xi. In our opinion, the term loans taken by the Company were applied for the purpose for which they were obtained.

- xii. Based on the audit procedures performed and the information and explanations given to us, we have neither come across any instance of material fraud on or by the Company, noticed or reported during the year, nor have we been informed of such case by the management.

**For Raju and Prasad**  
Chartered Accountants  
FRN: 003475S

**Y Bala Krishna Reddy**  
Partner  
M. No. 223701

Hyderabad  
26<sup>th</sup> May, 2015

## Balance Sheet as at March 31, 2015

(₹ in lakhs)

Particulars	Note No	As at March 31, 2015	As at March 31, 2014
<b>A. EQUITY AND LIABILITIES</b>			
<b>1. SHAREHOLDERS' FUNDS</b>			
a. Share Capital	2	2319.90	2319.90
b. Reserves and Surplus	3	16981.26	15579.43
<b>Sub-Total Shareholders' funds</b>		<b>19301.16</b>	<b>17899.33</b>
<b>2. NON-CURRENT LIABILITIES</b>			
a. Long-term borrowings	4	5574.10	3916.81
b. Deferred tax liabilities (Net)	5	1881.06	2252.30
c. Other Long term liabilities	6	999.78	934.38
d. Long term provisions	7	156.51	93.39
<b>Sub-Total Non-Current Liabilities</b>		<b>8611.45</b>	<b>7196.88</b>
<b>3. CURRENT LIABILITIES</b>			
a. Short-term borrowings	8	8673.49	8825.19
b. Trade payables	9a	7752.70	6897.65
c. Other current liabilities	9b	6776.82	7097.45
d. Short-term provisions	10	1466.27	1287.75
<b>Sub-Total Current Liabilities</b>		<b>24669.28</b>	<b>24108.04</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>52581.89</b>	<b>49204.25</b>
<b>B. ASSETS</b>			
<b>1. NON-CURRENT ASSETS</b>			
a. Fixed assets			
i) Tangible assets	11	27817.91	26823.57
ii) Intangible assets	11	247.52	324.55
iii) Capital work-in-progress	11	899.68	1111.81
Total - a		28965.11	28259.93
b. Non-current investments	12	96.49	97.94
c. Long term loans and advances	13	2085.17	2044.16
d. Other non-current assets	14	73.29	76.67
<b>Sub-Total Non-Current Assets</b>		<b>31220.06</b>	<b>30478.70</b>
<b>2. CURRENT ASSETS</b>			
a. Current Investments	12	1.10	0.64
b. Inventories	16	13936.88	10855.39
c. Trade receivables	17	2423.58	1661.05
d. Cash and Bank balances	18	4067.86	4442.18
e. Short-term loans and advances	13	775.79	1626.10
f. Other current assets	15	156.62	140.19
<b>Sub-Total Current Assets</b>		<b>21361.83</b>	<b>18725.55</b>
<b>TOTAL ASSETS</b>		<b>52581.89</b>	<b>49204.25</b>
Significant Accounting Policies	1		
Notes on Accounts	(2 to 48)		

As per our report attached  
For **Raju & Prasad**  
Chartered Accountants  
Firm No. 003475S

For and on behalf of the Board

**Y Balakrishna Reddy**  
Partner  
M. No.223701

**N Bhuvaneswari**  
Vice Chairperson & Managing Director  
DIN : 00003741

**N Brahmani**  
Executive Director  
DIN : 02338940

26<sup>th</sup> May, 2015  
Hyderabad

**A Prabhakara Naidu**  
Chief Financial Officer  
M.No.FCA 200974

**Umakanta Barik**  
Company Secretary  
M.No.FCS 6317

## Statement of Profit and Loss for the year ended March 31, 2015

(₹ in lakhs)

Particulars	Note No	Year Ended March 31, 2015	Year Ended March 31, 2014
<b>1. Revenue from operations (Gross)</b>	19	<b>207402.61</b>	172291.58
Less : Excise Duty		<b>105.96</b>	87.59
Revenue from operations (Net)		<b>207296.65</b>	172203.99
<b>2. Other Income</b>	20	<b>702.66</b>	495.40
<b>3. TOTAL REVENUE (1 +2)</b>		<b>207999.31</b>	172699.39
<b>4. EXPENSES:</b>			
a. Cost of materials consumed	21	<b>131393.51</b>	103058.17
b. Purchase of Stock-in-Trade	22	<b>42184.17</b>	32210.89
c. Changes in inventories of finished goods, work-in- progress and Stock-in-Trade	23	<b>(5079.25)</b>	(888.39)
d. Power and fuel		<b>2766.16</b>	2986.20
e. Employee benefit expense	24	<b>11072.42</b>	10009.46
f. Finance costs	25	<b>1593.01</b>	1322.12
g. Depreciation and amortization expense	26	<b>3399.03</b>	2500.23
h. Other expenses	27	<b>16756.35</b>	15329.51
<b>TOTAL EXPENSES</b>		<b>204085.40</b>	166528.19
5. Profit before exceptional and extraordinary items and tax (3-4)		<b>3913.91</b>	6171.20
6. Exceptional Items		-	-
7. Profit before extraordinary items and tax (5 -6)		<b>3913.91</b>	6171.20
8. Extraordinary Items	28	-	50.00
<b>9. Profit before tax (7 - 8)</b>		<b>3913.91</b>	6121.20
10 Tax expense:			
a. Current tax		<b>1169.36</b>	1291.05
b. Prior period tax		<b>(0.45)</b>	(0.46)
c. Deferred tax		<b>(76.02)</b>	299.38
<b>11. Profit for the year (9-10)</b>		<b>2821.02</b>	4531.23
12. Earning per equity share of ₹ 10/-each:	35		
a. Before Extraordinary items			
i. Basic		<b>12.16</b>	19.69
ii. Diluted		<b>12.16</b>	19.69
b. After Extraordinary items			
i. Basic		<b>12.16</b>	19.53
ii. Diluted		<b>12.16</b>	19.53
Significant Accounting Policies	1		
Notes on Accounts	(2 to 48)		

As per our report attached  
For **Raju & Prasad**  
Chartered Accountants  
Firm No. 003475S

For and on behalf of the Board

**Y Balakrishna Reddy**  
Partner  
M. No.223701

**N Bhuvaneswari**  
Vice Chairperson & Managing Director  
DIN : 00003741

**N Brahmani**  
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26<sup>th</sup> May, 2015  
Hyderabad

**A Prabhakara Naidu**  
Chief Financial Officer  
M.No.FCA 200974

**Umakanta Barik**  
Company Secretary  
M.No.FCS 6317

## Cash Flow Statement for the year ended March 31, 2015

(₹ in lakhs)

Particulars	Year Ended March 31, 2015		Year Ended March 31, 2014	
	₹	₹	₹	₹
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>				
Net Profit / (Loss) before tax and extra-ordinary items	3913.91		6171.20	
Non-cash adjustment to reconcile profit before tax to net cash flows				
Depreciation / amortization	3399.03		2500.23	
Loss on Impairment of Assets	15.58		32.49	
Diminution in value of Investments	1.24		15.17	
Interest expense	1495.05		1193.34	
Subsidy transferred to P&L	(8.23)		(6.25)	
Interest income	(37.41)		(43.70)	
Provision for Wealth Tax	0.91		1.09	
Provision for Interest on income tax	15.50		2.73	
Provisions no longer required and Credit balances written off	(359.55)		(199.41)	
Provision for Unavailed Leave	159.26		52.91	
Bad Debts / Advances written off	22.58		7.50	
Provision for doubtful debts/ advances	78.61		89.90	
Dividend received	(0.04)		(0.14)	
Operating cash flow before Working Capital Changes	8696.44		9817.05	
Movements in working capital :				
Increase / (decrease) in trade payables	1214.60		1415.29	
Increase / (decrease) in other current liabilities	(417.21)		733.65	
Increase / (decrease) in other long term liabilities	65.39		179.61	
Decrease/ (increase) in trade receivables	(833.85)		(221.41)	
Decrease/ (increase) in inventories	(3081.49)		(2646.19)	
Decrease / (increase) in long term loans and advances	(179.76)		(290.47)	
Decrease / (increase) in short term loans and advances	688.67		(95.86)	
Decrease / (increase) in other current assets	(16.43)		(25.38)	
Decrease / (increase) in other non-current assets	3.38		(32.22)	
Cash Generated from / (used in) operations	6139.74		8834.07	
Direct taxes paid (net of refunds)	(979.06)		(1308.64)	
<b>Net Cash flow from/ (used) in Operating activities before extra-ordinary items</b>	<b>5160.68</b>		<b>7525.43</b>	
Less: Extra-ordinary items	-		50.00	
<b>Net Cash flow from / (used) in Operating activities (A)</b>		<b>5160.68</b>		<b>7475.43</b>



## Cash Flow Statement for the year ended March 31, 2015

(₹ in lakhs)

Particulars	Year Ended March 31, 2015		Year Ended March 31, 2014	
	₹	₹	₹	₹
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>				
Purchase of Fixed Assets, including intangible assets, cwip and capital advances	(5116.39)		(6422.86)	
Proceeds from sale of Fixed Assets	321.50		147.85	
Purchase of Current / non-current investments	(0.25)		(1.31)	
(Investment) in / redemption of bank deposits having original maturity more than three months	9.94		65.19	
Interest received	37.41		43.70	
Dividend received	0.04		0.14	
<b>Net Cash used in Investing Activities (B)</b>		(4747.75)		(6167.30)
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>				
Proceeds from long-term borrowings	3150.00		1294.75	
Repayment of long-term borrowings	(1411.63)		(2837.83)	
Short-term borrowings (net)	(151.70)		3063.47	
Interest paid	(1549.73)		(1210.84)	
Change in Unclaimed dividend	(10.72)		(5.12)	
Dividend paid (including dividend tax)	(814.25)		(405.13)	
<b>Net Cash flow from /(Used) in Financing Activities ( C )</b>		(788.03)		(100.70)
Net increase /(decrease) in cash and cash equivalents (A+B+C)		(375.10)		1207.43
Cash and Cash equivalents at the beginning of the year		4368.80		3161.37
Cash and Cash equivalents at the end of the year		3993.70		4368.80
<b>Components of cash and cash equivalents :</b>				
Cash on hand		275.05		1023.73
Cheques / drafts on hand		31.95		34.04
Balances with banks in current accounts		3686.70		3311.03
Total cash and cash equivalents		3993.70		4368.80
<b>Significant accounting policies (1)</b>				
<b>Notes on accounts (2 to 48)</b>				

As per our report attached  
For **Raju & Prasad**  
Chartered Accountants  
Firm No. 003475S

**Y Balakrishna Reddy**  
Partner  
M. No.223701

26<sup>th</sup> May, 2015  
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For and on behalf of the Board

**N Bhuvaneswari**  
Vice Chairperson & Managing Director  
DIN : 00003741

**A Prabhakara Naidu**  
Chief Financial Officer  
M.No.FCA 200974

**N Brahmani**  
Executive Director  
DIN : 02338940

**Umakanta Barik**  
Company Secretary  
M.No.FCS 6317

## Significant Accounting Policies and Notes on Accounts

### 1. Significant Accounting Policies

#### 1.1. Basis of Preparation of financial statements

The financial statements of the Company have been prepared under the historical cost convention and on accrual basis in accordance with Indian Generally Accepted Accounting Principles, applicable provisions of Companies Act, 2013, and as per the Accounting standards specified under section 133 of the Companies Act, 2013 read with rule 7 of Companies (Accounts) Rules 2014. The Financial statements have been prepared as per the schedule III of Companies Act, 2013.

#### 1.2 Changes in Accounting Policies

Accounting policies have been consistently applied except where a newly issued Accounting Standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use or for the purpose of better presentation of financial statements. Management evaluates all recently issued or revised Accounting Standards on an ongoing basis and accordingly changes the Accounting policies as applicable.

#### 1.3 Use of estimates

The preparation of financial statements is in conformity with Indian GAAP which requires management to make judgments, estimates and assumptions that affect the reported balances of assets, liabilities, income and expenses the disclosures of contingent liabilities at the end of reporting period.

Accounting estimates could change from period to period. Actual results could differ from those estimates. Appropriate changes in estimates are made as the Management becomes aware of changes in circumstances surrounding the estimates. Changes in estimates are reflected in financial statements in the period in which changes are made and, if material, their effects are disclosed in the notes to the financial statements.

#### 1.4 Revenue Recognition

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured.

Revenue from operations includes revenue from sale of products, services and other operating revenue.

**Revenue from sales of products:** Revenue from sale of products is recognized when all the significant risks and rewards of ownership of products have been passed to the buyer, usually on delivery of the products. The revenue from sale of products is inclusive of Excise duty and net of discounts, value added taxes and sales tax.

With respect to Renewable Energy business, Revenue from Power supply and transmission charges are accounted for on

the basis of billing to other divisions under inter-segment and includes unbilled revenues accrued up to the end of the accounting period. The inter-segment revenue is based on arms length price under comparable uncontrolled price (CUP) method as per the Specified Domestic Transfer Pricing regulations. Revenue from sale of Renewable Energy Certificates is recognized at the time of sale.

**Interest Income:** Interest is recognized on a time proportion basis taking into account the amount outstanding and the applicable interest rate.

**Dividend Income:** Dividend income is recognized when the Company's right to receive dividend is established by the reporting date.

#### 1.5 Fixed Assets

**Tangible Assets:** Tangible Assets are stated at cost net of accumulated depreciation and accumulated impairment losses, if any. The cost comprises purchase price (net of discounts and rebates), borrowing costs if capitalization criteria are met and any attributable cost of bringing the asset to its working condition and location for the intended use.

Subsequent expenditure related to an item of fixed assets is added to its book value only if it increases the future economic benefits from the existing assets beyond its previously assessed standard of performance.

**Intangible Assets:** Intangible assets that are acquired are recognized at cost initially and carried at cost less accumulated amortization and accumulated impairment loss, if any.

**Capital Work-in-Progress :** Capital work-in-progress is recognized at cost. It comprises of fixed assets that are not yet ready for their intended use at the reporting date and capital stores issued

Gain or loss arising from de-recognition of fixed assets (tangible and intangible) are measured as the difference between the net disposal proceeds and the carrying amount of the asset and is recognized in the Statement of Profit and Loss when the asset is de-recognized.

#### 1.6 Depreciation and Amortization

**Depreciation on Tangible Assets:** Depreciation on tangible assets is provided on the basis of straight line method at the rates and in the manner prescribed in Schedule II of the Companies Act, 2013 except in respect of the following assets where useful life is different from than those described in Schedule II

**Plant and Machinery :** Depreciation on Plant and Machinery is provided on the basis of straight line method based on the useful life ranging from 1 to 20 years. Useful life of each asset is determined based on internal and external technical evaluation.

**Improvements to leasehold property :** Depreciation on Improvements to leasehold property is provided over a period of lease.

Depreciation on assets which are commissioned during the year is charged on pro-rata basis from the date of commissioning.

Depreciation in respect of its Renewable Energy business is provided on straight line method and at rates / methodology prescribed under the relevant Central Electricity Regulatory Commission (CERC) regulations.

**Amortization on Intangible Assets :** Intangible assets are amortized over their respective individual estimated useful lives not exceeding five years on a straight-line basis in the manner as prescribed in the Schedule II of the Companies Act, 2013.

### 1.7 Borrowing Cost

Borrowing cost directly attributable to the acquisition, construction or production of qualifying assets, till the time such assets are ready for intended use, are capitalized as part of the cost of such assets as defined in Accounting Standard (AS-16) on "Borrowing Costs". Other Borrowing costs are recognized as expenses in the year in which they are incurred.

Borrowing cost includes interest, amortization of ancillary cost incurred in connection with arrangement of borrowings and exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost.

### 1.8 Impairment of Fixed assets

An asset is treated as impaired when the carrying cost of the asset exceeds its recoverable value and the resultant impairment loss is charged to profit and loss account in the year in which impairment is identified. Impairment loss of earlier years is reversed in the event of the estimated recoverable amount is higher.

### 1.9 Investments

Investments, which are readily realizable and intended to be held for not more than one year from the date of such investments are classified as current investments. Current investments are carried at the lower of cost and fair value of each investment individually. All other investments are classified as long-term investments which are carried at cost less provisions for decline (if any), other than temporary, in the carrying value of each investment.

### 1.10 Government Grants

The investment subsidies (Non-refundable) received from Government in lieu of promoters contribution are treated as capital reserve. Subsidies received towards acquisition of assets are treated as deferred Government grants and the amount in proportion to the depreciation is transferred to statement of profit and loss.

### 1.11 Employee Retirement Benefits

**Provident Fund :** Retirement benefit in the form of provident fund is a defined contribution scheme. The contributions to the provident fund administered by the Central Government under the Provident Fund Act, 1952, are charged to the statement of profit and loss for the year in which the contributions are due. The company has no obligation, other than the contribution payable to the provident fund.

**Gratuity :** Accrued liability is determined on actuarial valuation basis using Projected Unit Credit (PUC) Method at the end of the year and provided in accounts as per AS-15

**Leave Encashment :** Accrued liability for leave encashment including sick leave is determined on actuarial valuation basis using Projected Unit Credit (PUC) Method at the end of the year and provided in accounts as per AS-15.

### 1.12 Foreign Exchange transactions :

Transactions made during the year in foreign currency are recorded at the exchange rate prevailing at the time of transaction. Foreign currency monetary items remaining unsettled at the year end are translated at the contract rates, when covered by firm commitment forward cover contracts and at the year end rates in other cases. Gains and losses on foreign currency transactions are recognized in the profit and loss account as per AS-11.

### 1.13 Leases

**Operating leases (Lessee):** The Company has taken properties on operating lease, Civil works and other improvements of enduring nature are capitalized. Operating lease payments for properties and other assets are recognized as an expense in the statement of profit and loss on a straight line basis over the term of the lease.

### 1.14 Inventories

Inventories are valued as under

Sl. No.	Particulars	Valuation	Method
1	Raw Materials	Cost or net realizable value whichever is lower	Cost has been ascertained on FIFO basis
2	Finished Goods	Cost or net realizable value whichever is lower	Cost has been ascertained on FIFO basis
3	Stores, Spares and Consumables	at cost	Cost has been ascertained on FIFO basis
4	Work- in-progress	Cost or net realizable value whichever is lower	Cost has been ascertained on FIFO basis

Sl. No.	Particulars	Valuation	Method
5	Tradable Goods	Cost or net realizable value whichever is lower	Cost has been ascertained on moving weighted average basis
6	Packing Material	at cost	Cost has been ascertained on FIFO basis

### 1.15 Taxes on Income

Income Taxes are accounted for in accordance with Accounting Standard (AS-22) on “Accounting for Taxes on Income”. Income tax expenses comprises current tax (i.e., amount of tax for the period determined in accordance with the Income Tax law) and deferred tax charge or credit (reflecting the tax effects of timing differences between accounting income and taxable income for the period). The deferred tax charge or credit and the corresponding deferred tax liabilities or assets are recognized using the tax rates that have been enacted or substantively enacted by the balance sheet date. Deferred tax liability/ assets are reviewed as at each balance sheet date and written down or written up to reflect the amount that is reasonably / virtually certain (as the case may be) to be realized. Taxes on distributed profits payable in accordance with the Guidance note on “Accounting for Corporate Dividend Tax” regarded as a tax on distribution of profits and is not considered in determination of profits for the year. MAT credit is recognized as an asset only when and to the extent there is convincing evidence that the Company will pay normal tax during the specific period.

### 1.16 Cash flow statement

The cash flow statement is prepared as per the “Indirect Method” set out in Accounting Standard (AS-3) “Cash Flow Statements” and presents the cash flows by operating, financing and investing activities of the Company. Operating cash flows are arrived by adjusting profit or loss before tax for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments, and items of income or expense associated with investing or financing cash flows.

### 1.17 Cash and Cash Equivalents

Cash and cash equivalents comprises cash on hand, cash at bank, cash on deposits with banks.

### 1.18 Earnings Per Share

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders (after deducting preference dividends and attributable taxes) by the weighted average number of equity shares outstanding during the period.

For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the year are adjusted for the effects of all dilutive potential equity shares.

### 1.19 Segment Reporting

The Company is engaged in Dairy, Retail, Agri, Bakery and Renewable Energy businesses which are identified as reportable segments as per the Accounting Standard (AS-17) –“Segment Reporting”.The Company prepares its segment information in conformity with the accounting policies adopted for preparing and presenting the financial statements of the Company as a whole.

The Company accounts for inter-segment sales and transfers at cost plus appropriate margins. Allocation of common allocable costs allocated to each segment according to the relative contribution of each segment to the total common costs.

### 1.20 Provisions

Provision is recognized when the company has a present obligation as a result of past event and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Provisions are not discounted to their present value and are determined based on the best estimate required to settle the obligation at the year end. These estimates are reviewed at each year end and adjusted to reflect the current best estimates.

### 1.21 Contingent Liabilities

Contingent liabilities are identified and disclosed as per the requirements of “Accounting Standard AS-29”

## Standalone Notes to Accounts

### Note 2 : Share Capital

(₹ in lakhs)

Particulars	As at March 31, 2015	As at March 31, 2014		
<b>a) Authorised Share Capital</b>				
<b>i) Equity Share Capital</b> 4,80,00,000 Equity Shares of ₹ 10/- each (Previous year : 4,80,00,000 Equity Shares of ₹ 10/- each)	<b>4800.00</b>	4800.00		
<b>ii) Convertible cumulative Preference Share Capital</b> 20,00,000 Preference Shares of ₹ 10/- each (Previous Year 20,00,000 Convertible cumulative Preference Shares of ₹ 10/- each)	<b>200.00</b>	200.00		
<b>Total</b>	<b>5000.00</b>	5000.00		
<b>b) Issued,Subscribed and Paidup Share Capital :</b>				
Equity Share Capital 2,31,99,000 Equity Shares of ₹ 10/- each (Previous year: 2,31,99,000 Equity Shares of ₹ 10/- each)	<b>2319.90</b>	2319.90		
<b>c) Reconciliation of number of equity shares outstanding and the amount of share capital</b>				
Particulars	March 31, 2015		March 31, 2014	
	Number of Shares	Amount (₹ in lakhs)	Number of Shares	Amount (₹ in lakhs)
Shares Outstanding at the beginning of the year	23199000	2319.90	11599500	1159.95
Shares issued during the year	-	-	11599500	1159.95
Shares bought back during the year	-	-	-	-
Shares outstanding at the end of the year	23199000	2319.90	23199000	2319.90
<b>d) Rights, preferences and restrictions attached to equity shares</b>				
The Company has only one class of Issued, subscribed and paid up equity shares having a par value of ₹ 10/- each per share. Each holder of equity shares is entitled to one vote per share. The Company declares and pays dividend in Indian rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the Annual General Meeting.				
70,000 Equity Shares have been allotted as fully paid up Sweat Equity Shares for consideration other than cash to an employee of the Company during the financial year ended March 31, 2013 with a lock in period of 3 years from the date of allotment and 70,000 Equity Shares have been issued as bonus Shares during the year ended March 31,2014 .				
In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the share holders.				



**e) Details of Shareholders holding more than 5% shares in the Company**

Name of Shareholder	March 31, 2015		March 31, 2014	
	No. of Shares held	% of holding	No. of Shares held	% of holding
Equity Shares of ₹ 10/- each fully paid				
1. Nara Bhuvaneswari	5330826	22.98	5330826	22.98
2. Nirvana Holdings Private Limited	2572842	11.09	2572842	11.09
3. Nara Lokesh	2366400	10.20	2366400	10.20
4. V Sudha Sarada	1271000	5.48	1321000	5.69
5. Megabid Finance & Investment Pvt Ltd	1223800	5.28	1223800	5.28

**f) Aggregate number of shares allotted for consideration other than cash during the period of five years immediately preceeding the reporting date :**

Particulars	March 31, 2015 No. of Shares	March 31, 2014 No. of Shares	March 31, 2013 No. of Shares	March 31, 2012 No. of Shares	March 31, 2011 No. of Shares
Equity Shares allotted as fully paid up as Sweat Equity shares for consideration other than cash	70000	70000	70000	-	-
Equity Shares allotted as fully paid-up as Bonus shares for consideration other than cash	11599500	11599500	-	-	-

**Note 3: Reserves and Surplus**

(₹ in lakhs)

Particulars	As at March 31, 2015	As at March 31, 2014
<b>a) Capital Reserve (Deferred Government Grants)</b>		
Opening Balance	67.74	73.99
Add: Subsidy Received during the year	-	-
Less: Transfer to Profit and Loss statement	8.23	6.25
Closing Balance	59.51	67.74
<b>b) Capital Redemption Reserve</b>		
Opening Balance	81.00	81.00
Add: Current year transfer	-	-
Less: Written back in current year	-	-
Closing Balance	81.00	81.00
<b>c) Securities Premium Reserve</b>		
Opening Balance	3784.14	4944.09
Add: Securities premium credited	-	-
Less: Security Premium utilized	-	1159.95
Closing Balance	3784.14	3784.14
<b>d) Warrants Money Appropriated</b>		
Opening Balance	318.69	318.69
Add: Current year transfer	-	-
Less: Written back in current year	-	-
Closing Balance	318.69	318.69

### Note 3: Reserves and Surplus

(₹ in lakhs)

Particulars	As at March 31, 2015	As at March 31, 2014
<b>e) General Reserve</b>		
Opening Balance	6000.71	5000.71
Add: Transferred from Surplus	1000.00	1000.00
	7000.71	6000.71
Less: Depreciation and amortisation for the period prior to April 1, 2014 *	573.32	-
Closing Balance	6427.39	6000.71
* The Company has revised its estimated useful life of Tangible and Intangible assets, wherever appropriate, with effect from April 1, 2014 based on the internal and external technical evaluation as per Schedule II of the Companies Act, 2013. The straight line method is being used to depreciate the assets. The carrying amount as on April 1, 2014 is depreciated over the remaining useful life. As a result of these changes, the effect for those assets whose useful life had completed prior to April 1, 2014 is ₹ 573.32 lakhs (net of deferred tax of ₹ 295.22 lakhs) is adjusted in the General Reserve		
<b>f) Surplus / (Deficit)</b>		
Opening Balance	5327.16	2610.18
Add: Net Profit / (Net Loss) after tax transferred from Statement of Profit and Loss	2821.02	4531.23
Amount available for appropriations	8148.18	7141.41
Appropriations :		
Transferred to General Reserve	1000.00	1000.00
Proposed Dividend amount per share ₹ 3.00 (Previous Year : ₹ 3.00 per share)	695.97	695.97
Tax on Proposed Dividend	141.68	118.28
Closing Balance	6310.53	5327.16
<b>Total</b>	<b>16981.26</b>	<b>15579.43</b>

### NON-CURRENT LIABILITIES :

#### Note 4: Long-Term Borrowings

(₹ in lakhs)

Particulars	Non-Current		Current Maturities	
	As at March 31, 2015	As at March 31, 2014	As at March 31, 2015	As at March 31, 2014
<b>a) Term Loans</b>				
i) From banks (secured)				
- Indian rupee loans	4686.25	2967.50	1431.25	1351.42
- Foreign currency loans	-	-	-	-
ii) From other parties (secured)	-	36.23	36.32	36.14
<b>b) Deferred Payment liabilities</b>				
Sales tax deferment (secured)	887.85	913.08	25.23	24.16
<b>c) Loans and Advances from related parties</b>				
Loan (unsecured)	-	-	-	-
<b>Total</b>	<b>5574.10</b>	<b>3916.81</b>	<b>1492.80</b>	<b>1411.72</b>
Installments falling due in respect of the above loans upto March 31, 2016 is ₹ 1492.80 lakhs (Previous Year: March 31, 2015: ₹ 1411.72 lakhs) have been grouped under “ Current maturities of long term borrowings “ (Ref Note 9)				

## Term Loan from Banks (Secured) includes :

(₹ In lakhs)

Type of Loan	Name of the Bank	Loan Outstanding As on		Loan Drawn	Rate of Interest	Security / Guarantee	Repayment Terms
		31.03.2015	31.03.2014				
a. Indian Rupee Loans from Banks							
1. Rupee Term Loan	Bank of Baroda	-	129.76	1435.00	'@base rate plus 2.75% (Previous Year: '@base rate plus 2.75%)	First pari passu charge on all present and future fixed assets of the Company, second pari passu charge on current assets of the Company	Repayable in 20 quarterly installments commencing from No, 2009
2. Rupee Term Loan	ICICI Bank	-	160.00	3000.00	1.75% per annum below the sum of I-BAR and term premia prevailing on the date plus applicable interest tax or other statutory levy (Previous year :1.75% per annum below the sum of I-BAR and term premia prevailing on the date plus applicable interest tax or other statutory levy)	First pari passu charge on fixed assets of the Company and Second charge on current as-sets of the Company	Repayable in 21 quarterly installments commencing from April 2009
3. Rupee Term Loan	ICICI Bank	25.00	125.00	300.00	Sum of I Base and “spread” per annum plus applicable interest tax or other statutory levy, if any (Previous year :Sum of I Base and “spread” per annum plus applicable interest tax or other statutory levy, if any)	First charge on fixed assets both immovable and movable excluding entire stocks of raw materials, work-in-progress, semi-finished and finished goods, consumable stores and spares and such other movables including book debts, bills whether documentary or clean both present and future of the Company	Repayable in 12 quarterly installments commencing from August 2012
4. Rupee Term Loan	ICICI Bank	487.50	704.16	1300.00	9.5% per annum (Previous year :9.5% per annum)	First pari passu charge on both on both movable and immovable fixed assets of the Company, second charge on current assets, present and future of the Company, along with other term lenders	Repayable in 24 quarterly installments commencing from August, 2011
5. Rupee Term Loan	ICICI Bank	1375.00	2000.00	2500.00	a) IBASE and spread per annum plus applicable interest tax or other statutory levy if any b) For sub-limit of FCNR(B) the rate of interest 8.80% plus six months USD LIBOR (Previous year:IBASE and spread per annum plus applicable interest tax or other statutory levy if any b) For sub-limit of FCNR(B) the rate of interest 8.80% plus six months USD LIBOR )	First pari passu charge on both movable and immovable fixed assets of the Company, second charge on current assets, present and future of the Company, along with other term lenders	Repayable in 16 quarterly installments commencing from December, 2012
6. Rupee Term Loan	ICICI Bank	1080.00	1200.00	1200.00	IBASE and spread per annum subjected to minimum rate of IBASE + 3.75% per annum + applicable interest tax or other statutory levy if any (Previous year: IBASE and spread per annum subjected to minimum rate of IBASE + 3.75% per annum + applicable interest tax or other statutory levy if any)	First pari passu charge on both movable and immovable fixed assets of the Company, second pari passu charge on entire current assets of the company both present and future, along with other term lenders	Repayable in 16 quarterly installments commencing from October, 2014

**Term Loan from Banks (Secured) includes :**

(₹ In lakhs)

Type of Loan	Name of the Bank	Loan Outstanding As on		Loan Drawn	Rate of Interest	Security / Guarantee	Repayment Terms
		31.03.2015	31.03.2014				
7. Rupee Term Loan	Bank of Baroda	350.00	-	350.00	@base rate plus 1.75% (Previous year :Nil)	First pari passu charge on all present and future fixed assets of the Company, second pari passu charge on current assets of the Company	Repayable in 24 quarterly installments commencing from Jan, 2016
8. Rupee Term Loan	Andhra Bank	1500.00	-	1500.00	@base rate plus spread 2% plus term premium 0.25% (Previous year :Nil)	First pari passu charge on net fixed assets of the Company(Present and future) alongwith other consortium members, second pari passu charge on current assets of the Company	Repayable in 16 quarterly installments commencing from Sep, 2015
9. Rupee Term Loan	Yes Bank	1000.00	-	1000.00	@base rate plus plus 1.25% (Previous year :Nil)	First pari passu charge over all fixed assets of the Company, second pari passu charge on all current assets of the Company	Repayable in 20 quarterly installments commencing from Nov, 2015
10. Rupee Term Loan	Yes Bank	300.00	-	300.00	@base rate plus plus 0.75% (Previous year :Nil)	First pari passu charge over all fixed assets of the Company, second pari passu charge on all current assets of the Company	Repayable in 20 quarterly installments commencing from Sep, 2015
<b>Total Indian rupee loans from banks</b>		<b>6117.50</b>	4318.92				
<b>b) Term loans from others(secured) includes :</b>							
Retail Finance (Auto-Loan)	BMW Financial Services	36.32	72.37	94.75	Interest at the rate of 9.89% per annum	Hypothecation of Vehicle BMW 7 series 730LD	Repayable in 30 monthly installments commencing from August, 2013
<b>Total Rupee Term Loans (a+b)</b>		<b>6153.82</b>	4391.29				

**Deferred Payment Liabilities**

Deferred Payment Liabilities represent sales tax collected under deferrment scheme of State Government of United Andhra Pradesh and is being repaid as per the sales tax deferrment scheme. The Company availed sales tax deferrment scheme for Gokul, Narketpalle and Bayyavaram Dairy plants. Sales Tax deferred in a year should be repaid at the end of 14th year for Gokul and Bayyavaram plants and 10th year for Narketpalle plant without interest and is secured by fixed assets of the respective dairy plants.

**Note 5: Deferred Tax Liability (Net)**

(₹ in lakhs)

Particulars	As at March 31, 2015	As at March 31, 2014
<b>a) Deferred Tax Liability :</b>		
Opening Deferred Tax Liability	2444.99	2127.62
Add: Deferred Tax Liability during the year on account of :		
Depreciation	(312.38)	317.37
(Net of deferred tax asset of ₹ 295.22 lakhs on account of depreciation - Ref Note 3)		
Closing Deferred Tax Liability	2132.61	2444.99
<b>b) Deferred Tax Asset :</b>		
Opening Deferred Tax Asset	192.69	174.71
Add: Deferred Tax Asset during the year on account of :		
Provision for unavailed leave	58.86	17.98
Closing Deferred Tax Asset	251.55	192.69
<b>Net Deferred Tax Liability there on</b>	<b>1881.06</b>	<b>2252.30</b>
<b>Major components of deferred tax arising on account of timing differences are:</b>		
<b>a) Deferred Tax liabilities:</b>		
Depreciation	2132.61	2444.99
<b>b) Deferred Tax Asset:</b>		
Provision for unavailed leave	251.55	192.69

**Note 6: Other Long-Term Liabilities**

(₹ in lakhs)

Particulars	As at March 31, 2015	As at March 31, 2014
Others :		
Security Deposits	999.78	934.38
<b>Total</b>	<b>999.78</b>	<b>934.38</b>

**Note 7: Long-Term Provisions**

(₹ in lakhs)

Particulars	Long - Term		Short Term	
	As at March 31, 2015	As at March 31, 2014	As at March 31, 2015	As at March 31, 2014
<b>Provision for employee benefits</b>				
Unavailed Leave	156.51	93.39	569.64	473.50
<b>Other Provisions</b>				
Proposed Dividend	-	-	695.97	695.97
Provision for tax on dividend	-	-	141.68	118.28
Provision for Income Tax (Net of Advance Tax)	-	-	58.98	-
<b>Total</b>	<b>156.51</b>	<b>93.39</b>	<b>1466.27</b>	<b>1287.75</b>

**CURRENT LIABILITIES :**
**Note 8: Short-Term Borrowings**

(₹ in lakhs)

Particulars	As at March 31, 2015	As at March 31, 2014
<b>Loan Repayable on demand:</b>		
a) Working Capital Loan from banks (secured)	6185.62	6599.04
b) Short -Term Loans from banks (secured)	2487.87	2226.15
<b>Total</b>	<b>8673.49</b>	<b>8825.19</b>



## a) Working Capital Loans from Banks:

(₹ In lakhs)

Name of the Bank	Type of Loan Facility	Loan Outstanding As on		Working Capital Loan Limit	Rate of Interest	Security / Guarantee
		31.03.2015	31.03.2014			
i) Bank of Baroda	Cash Credit	2713.03	2911.13	4000 (Previous year : ₹ 3000)	Base rate plus 2.25% (Previous year : Base rate plus 2.50%)	First pari passu charge on current assets of the Company by way of hypothecation of raw material, work-in-progress, finished goods such as Milk, Milk Powder, Ghee, Skimmed Milk, Butter, Curd etc., and packing materials, spares, stores. Extension of first pari passu charge on the fixed assets of the Company
ii) Andhra Bank	Open Cash Credit	1455.17	1396.30	2500 (Previous year : ₹ 1500)	Base rate plus 2.25% (Previous year : Base rate plus 2.75%)	Hypothecation of inventory, receivables and advances to suppliers by way of first pari passu charge under consortium arrangement with Bank of Baroda and ICICI Bank Ltd.,
iii) ICICI Bank	Cash Credit	2017.42	2291.61	3500 (with sublimit of WCDL- Rupee (Previous Year: 3000 (with sublimit of WCDL- FCNR(B), WCDL- Rupee)	IBASE plus "spread" per annum subject to minimum rate of I Base plus 2.50% per annum plus applicable interest tax or other statutory levy, if any. (Previous year: IBASE plus "spread" per annum subject to minimum rate of I Base plus 3.25% per annum plus applicable interest tax or other statutory levy, if any.)	First pari passu charge on Companies entire stocks of raw materials, semi finished and finished goods, consumable stores and spares and such other movables including book debts, bills whether documentary or clean, outstanding moneys, receivables, both present and future, in a form and manner satisfactory to the bank, ranking pari passu with other participating banks. First pari passu charge on all the Borrower's fixed assets both immovable and movable.
Total		6185.62	6599.04	10000.00		

## b) Short Terms Loans from Banks:

(₹ In lakhs)

Name of the Bank	Type of Loan Facility	Loan Outstanding As on		Short Term Loan Limit	Rate of Interest	Security / Guarantee	Repayment Terms
		31.03.2015	31.03.2014				
i) Kotak Mahindra Bank	Short Term Loan	1422.12	999.58	1500 (Previous Year : 1000)	@11.50 % (Previous year : @base rate plus 1.5%)	Secured by second charge by way of extension of equitable mortgage on the property belonging to Executive Director of the Company and personal guarantees of Executive Director	Repayable in three instalments on 25th day of 4th, 5th and 3rd instalment on 180th day from the date of disbursement
ii) Andhra Bank	Short Term Loan	-	1185.79	Nil (Previous Year : 3000)	Nil (Previous year : @base rate plus 2.75%)	Secured by first pari passu charge on the current assets of the Company and extension of first pari passu charge on net fixed assets of the Company as a collateral security along with consortium banks	Repayable in three equal monthly instalments commencing from the end of fourth month from the date of disbursement
iii) HDFC Bank	Short Term Loan	1000.00	-	1000 (Previous Year : Nil)	@base rate plus 0.75% (Previous year : Nil)	Unsecured	Repayable in six months from the date of disbursement
iv) Kotak Mahindra Bank	Over Draft	65.75	40.77	100 (Previous Year : 100)	@12.50% (Previous year : 12.50%)	Secured by exclusive mortgage of property belonging to Executive Director of the Company and personal guarantees of Executive Director	Repayable within one year
Total		2487.87	2226.15				

Aggregate amount of loan repayable on demand guaranteed by :		
	March 31, 2015	March 31, 2014
<b>i Executive Director of the Company :</b>		
Loans outstanding amount	1487.87	1040.36
Loans guaranteed	1600.00	1100.00
<b>ii. Vice Chairperson and Managing Director of the Company :</b>		
Loans outstanding amount	-	1040.36
Loans guaranteed	-	1100.00
<b>iii. Non-Executive Director of the Company :</b>		
Loans outstanding amount	-	1040.36
Loans guaranteed	-	1100.00

#### Note 9a Trade Payables

(₹ in lakhs)

Particulars	As at March 31, 2015	As at March 31, 2014
Trade Payables (Including payable to Micro, Small and Medium Scale Enterprises of ₹ 8.78 lakhs (Previous year: ₹ 8.79 lakhs) (Ref Note 36)	7752.70	6897.65

#### Note 9b Other Current Liabilities

(₹ in lakhs)

Particulars	As at March 31, 2015	As at March 31, 2014
Current maturities of long-term borrowings (Ref Note 4):		
Term Loans	1467.57	1387.56
Deferred payment liabilities	25.23	24.16
Interest Accrued but not due on borrowings	38.77	17.30
Interest accrued and due on borrowings	-	-
Unpaid Dividends (Ref Note. 30)	52.80	42.07
<b>Other Payables :</b>		
Employee Related payables	1158.51	1136.82
Advance from Customers	607.22	698.09
Capital Creditors	404.14	920.59
Statutory Payables	515.32	322.46
Security Deposits	336.48	349.52
Freight Payables	574.35	495.88
Other payables	1596.43	1703.01
<b>Total</b>	<b>6776.82</b>	<b>7097.45</b>

#### Note 10: Short Term Provisions

(₹ in lakhs)

Particulars	As at March 31, 2015	As at March 31, 2014
Provision for employee benefits		
Unavailed Leave	569.64	473.50
<b>Other Provisions :</b>		
Proposed Dividend	695.97	695.97
Provision for tax on proposed dividend	141.68	118.28
Provision for Income Tax (Net of Advance Tax)	58.98	-
<b>Total</b>	<b>1466.27</b>	<b>1287.75</b>

## NON-CURRENT ASSETS

### Note.11 Fixed Assets

(₹ in lakhs)

Particulars	Gross Block				Accumulated Depreciation / Amortization					Net Block		
	Balance as at 01.04.2014	*Additions / other adjustments during the year	Deductions / Retirement during the year	Balance as at 31.03.2015	Balance as at 01.04.2014	Depreciation charge for the year	Deductions / adjustments during the year	# Impairment loss for the year	** General Reserve	Balance as at 31.03.2015	Balance as at 31.03.2015	Balance as at 01.04.2014
<b>Owned assets:</b>												
<b>a. Tangible Assets</b>												
Land	1544.19	361.71	10.91	1894.99	-	-	-	-	-	-	1894.99	1544.19
Buildings	9701.92	853.28	245.74	10309.46	2281.98	355.22	60.34	-	436.88	3013.73	7295.72	7419.94
Improvements to leasehold property	1581.24	197.94	86.82	1692.36	804.30	176.85	60.67	-	-	920.49	771.87	776.94
Plant and Machinery	22853.46	3569.07	873.31	25549.22	8284.76	2249.51	779.26	15.55	280.93	10051.48	15497.74	14568.70
Furniture and Fixtures	2011.95	153.84	6.57	2159.22	666.88	151.68	5.22	0.02	20.38	833.73	1325.49	1345.07
Office Equipment	2449.52	307.53	23.27	2733.78	1553.83	277.46	20.80	0.01	124.78	1935.28	798.50	895.70
Vehicles	374.57	35.77	4.61	405.73	101.53	68.47	3.44	-	5.57	172.13	233.60	273.04
<b>Total - a</b>	40516.85	5479.14	1251.23	44744.76	13693.28	3279.19	929.73	15.58	868.54	16926.84	27817.91	26823.57
<b>b. Intangible Assets</b>												
Computer Software	1446.40	42.81		1489.21	1121.85	119.84	-	-	-	1241.69	247.52	324.55
<b>Total -b</b>	1446.40	42.81	-	1489.21	1121.85	119.84	-	-	-	1241.69	247.52	324.55
<b>Total (a+b)</b>	41963.25	5521.95	1251.23	46233.96	14815.13	3399.03	929.73	15.58	868.54	18168.54	28065.43	27148.12
Previous year	36347.62	6149.35	533.72	41963.25	12668.28	2500.23	385.88	32.49	-	14815.13	27148.12	
<b>c. Capital Work-in-progress</b>	1111.81	5309.82	5521.95	899.68							899.68	1111.81
Previous year	827.49	6433.67	6149.35	1111.81								
* During the year, as per Accounting Standard AS-16, borrowing cost of ₹ 55.31 lakhs (Previous year : ₹ 16.59 lakhs) has been capitalized to Plant & Machinery, ₹ 32.03 lakhs (Previous year: ₹ 0.80 lakhs) to Buildings and to Office Equipment in Current Year : Nil (Previous Year: ₹ 0.11 lakhs) it is included in other adjustments.												
** General Reserve :As per Schedule II of the Companies Act, 2013 the carrying value of those assets whose useful life had completed prior to April 1, 2014 is ₹ 573.32 lakhs (net of deferred tax of ₹ 295.22 lakhs) is adjusted in the General Reserve												

### Details of impairment losses :

#### Dairy

(₹ in lakhs)

Particulars	2014-2015 ₹	2013-2014 ₹	2012-2013 ₹	2011-2012 ₹	2010-2011 ₹
Balance as at the beginning of the year	36.90	5.87	5.53	0.42	-
# Impairment loss during the year	15.58	32.49	0.34	5.11	0.42
Reversal of accumulated impairment loss	-	1.46	-	-	-
Balance as at the end of the year	52.48	36.90	5.87	5.53	0.42

**Note 12 :Non-current Investments**

(₹ in lakhs)

Particulars	Non-Current		Current	
	As at March 31, 2015	As at March 31, 2014	As at March 31, 2015	As at March 31, 2014
<b>Trade Investments:</b>				
Other non-current investments	1.13	1.13		
<b>Other Investments (Non-Traded):</b>				
<b>I. Investment in Equity Instruments</b>				
a) Subsidiaries	24.10	24.10	-	-
Less: Provision for diminution in the value of investments	16.41	15.17	-	-
	7.69	8.93		
b) Associates	65.00	65.00	-	-
<b>II. Investment in Government securities</b>	2.67	2.88	1.10	0.64
<b>III. Other non-current investments</b>	20.00	20.00	-	-
<b>Total</b>	<b>96.49</b>	<b>97.94</b>	<b>1.10</b>	<b>0.64</b>

(₹ in lakhs)

Particulars	Book Value		Market value	
	March 31, 2015	March 31, 2014	March 31, 2015	March 31, 2014
Aggregate of quoted investments	1.13	1.13	3.13	2.74
Aggregate of un-quoted investments	96.46	97.45		
<b>Total</b>	<b>97.59</b>	<b>98.57</b>		

(₹ in lakhs)

Name of the Body Corporate	Quoted / Unquoted	As at March 31, 2015	As at March 31, 2014
<b>I. Details of Trade Investments :</b>			
<b>Andhra Bank</b>	Quoted	0.33	0.33
363 Equity Shares of ₹ 10/- each fully paid up (Previous year:363 Equity shares of ₹ 10/- each fully paid up)			
<b>Bank of Baroda</b>	Quoted	0.80	0.80
1740 Equity shares of ₹ 2/- each fully paid up (Previous year:348 Equity shares of ₹ 10/- each fully paid up)			
<b>Total</b>		<b>1.13</b>	<b>1.13</b>
<b>Details of Other Investments (Non-Traded)</b>			
<b>Ia). Investment in Subsidiaries:</b>			
a) <b>Heritage Foods Retail Limited</b>	Unquoted	16.50	16.50
165000 Equity Shares of ₹ 10/-each fully paid up (Previous year: 165000 Equity Shares of ₹ 10/- each fully paid up)			
<b>Less: Provision for diminution in value of investments</b>		<b>13.80</b>	<b>13.04</b>
<b>Net Investment value</b>		<b>2.70</b>	<b>3.46</b>

(₹ in lakhs)

Name of the Body Corporate	Quoted / Unquoted	As at March 31, 2015	As at March 31, 2014
<b>b) Heritage Conpro Limited</b>	Unquoted	7.60	7.60
76000 Equity Shares of ₹ 10/- each fully paid up (Previous year: 76000 Equity Shares of ₹ 10/- each fully paid up)			
<b>Less: Provision for diminution in value of investments</b>		2.61	2.13
<b>Net Investment value</b>		4.99	5.47
<b>Total investments in Subsidiaries (a+b)</b>		7.69	8.93
<b>Ib) Investment in Associates :</b>			
Skil Raigam Power (India) Limited	Unquoted	65.00	65.00
650000 Equity Shares of ₹ 10/-each fully paid up (Previous year: 650000 Equity Shares of ₹ 10/- each fully paid up)			
<b>Total - 1 b)</b>		65.00	65.00
<b>II. Investment in Government securities</b>			
National Savings Certificates	Unquoted	3.77	3.52
<b>Total</b>		3.77	3.52
<b>III. Other investments in :</b>			
<b>Heritage Finlease Limited</b>	Unquoted	20.00	20.00
200000 Equity shares of ₹ 10/- each fully paid up (Previous year: 200000 Equity Shares of ₹ 10/- each fully paid up)			
<b>Total</b>		20.00	20.00
<b>Total Other investments (Non-traded)</b>		96.46	97.45

**Note: 13 Loans and Advances**

(₹ in lakhs)

Particulars	Non - Current		Current	
	As at March 31, 2015	As at March 31, 2014	As at March 31, 2015	As at March 31, 2014
<b>a) Capital Advances</b>				
Unsecured , considered good	79.57	218.32	-	-
<b>b) Security Deposits</b>				
Unsecured , considered good	1856.22	1674.87	373.47	271.69
Doubtful	-	-	43.54	41.14
	1856.22	1674.87	417.00	312.83
Less: Provision for doubtful security deposit	-	-	43.54	41.14
<b>Total</b>	1856.22	1674.87	373.47	271.69
<b>c) Advances recoverable in cash or kind</b>				
Unsecured , considered good	-	-	338.09	1116.18
Doubtful	-	-	31.41	27.94
	-	-	369.50	1144.13
Less: Provision for doubtful advances	-	-	31.41	27.94
<b>Total</b>	-	-	338.09	1116.18
<b>d) Loans and Advances to related parties</b>	-	-	-	-
<b>e) Other loans and advances</b>				



**Note: 13 Loans and Advances**

(₹ in lakhs)

Particulars	Non - Current		Current	
	As at March 31, 2015	As at March 31, 2014	As at March 31, 2015	As at March 31, 2014
Unsecured , considered good :				
Advance income tax and TDS receivable (Net of provision for taxation)	-	-	-	131.78
Loans and advances to employees	22.32	23.90	61.57	102.25
Balances with Statutory / Government Authorities	127.06	127.07	2.66	4.20
Addvances to subsidiaries	-	-	-	-
<b>Total</b>	<b>149.38</b>	<b>150.97</b>	<b>64.23</b>	<b>238.23</b>
<b>Total (a+b+c+d)</b>	<b>2085.17</b>	<b>2044.16</b>	<b>775.79</b>	<b>1626.10</b>
<b>Loans and advances due by directors or other officers etc.</b>				
Loans and advances due by directors	-	-	-	-
Loans and advances to employees include dues from Other officers of the Company	16.47	17.46	20.92	60.52

**Note: 14 Other non-current assets**

(₹ in lakhs)

Particulars	Non - Current	
	As at March 31, 2015	As at March 31, 2014
<b>Others :</b>		
Unsecured, considered good unless stated otherwise		
Non-current bank balances (Ref Note 18)	55.11	60.02
Interest accrued on margin money and other deposits	11.47	8.56
Prepaid expenses	6.71	8.09
<b>Total</b>	<b>73.29</b>	<b>76.67</b>

**Note: 15 Other current assets**

(₹ in lakhs)

Particulars	As at March 31, 2015	As at March 31, 2014
Unsecured, considered good unless stated otherwise		
Prepaid expenses	151.71	140.19
Interest accrued on margin money and other deposits	4.91	-
<b>Total</b>	<b>156.62</b>	<b>140.19</b>

**Note 16 : Inventories**

(₹ in lakhs)

Particulars	As at March 31, 2015	As at March 31, 2014
<b>(Valued at lower of cost or net realisable value except Packing Material &amp; stores and spares)</b>		
Raw Materials (Includes in-transit of ₹ 155.54 lakhs) (Previous year : ₹ 493.64 lakhs))	2339.16	4287.74
Work-in-Progress	24.51	65.59
Finished Goods	6330.19	2600.76
Stock-in-Trade	4327.93	2937.02
Packing Material (valued at cost)	731.47	790.69
Stores and spares (valued at cost)	183.62	173.59
<b>Total</b>	<b>13936.88</b>	<b>10855.39</b>
<b>Details of Inventory</b>		
<b>A. Inventory : Raw Materials</b>		
<b>a) Dairy</b>		
Skimmed milk powder	2220.98	4197.20
Other materials	103.49	81.27
<b>Total</b>	<b>2324.47</b>	<b>4278.47</b>
<b>b) Bakery</b>		
Bakery raw materials	14.69	9.27
<b>Total</b>	<b>14.69</b>	<b>9.27</b>
<b>Total (a + b)</b>	<b>2339.16</b>	<b>4287.74</b>
<b>B. Inventory: Work-in-Progress</b>		
a) Dairy-in-process material	24.37	64.45
b) Bakery-in-process material	0.14	1.14
<b>Total</b>	<b>24.51</b>	<b>65.59</b>
<b>C. Inventory: Finished Goods</b>		
<b>a) Dairy</b>		
Milk	1024.09	921.31
Value Added Products	479.55	411.87
Fat Products	2575.92	968.80
Skimmed milk powder	2166.36	194.37
<b>Total</b>	<b>6245.92</b>	<b>2496.36</b>
<b>b) Agri</b>		
Fruits and vegetables	81.17	102.57
<b>Total</b>	<b>81.17</b>	<b>102.57</b>
<b>c) Bakery</b>		
Bakery products	3.10	1.83
<b>Total</b>	<b>3.10</b>	<b>1.83</b>
<b>Total (a + b + c)</b>	<b>6330.19</b>	<b>2600.76</b>

**Note 16 : Inventories**

(₹ in lakhs)

Particulars	As at March 31, 2015	As at March 31, 2014
<b>D. Inventory: Stock-in-Trade</b>		
<b>a) Dairy</b>		
Tradable goods	74.51	36.87
<b>Total</b>	74.51	36.87
<b>b) Retail</b>		
FMCG - Food	1995.78	1408.82
FMCG - Non-food	2214.23	1439.00
Fruits and vegetables	38.04	45.55
<b>Total</b>	4248.05	2893.37
<b>c) Agri</b>		
Fruits	-	-
Others	5.37	6.78
<b>Total</b>	5.37	6.78
<b>Total (a + b + c)</b>	4327.93	2937.02

**Note: 17 Trade Receivables**

(₹ in lakhs)

Particulars	Current	
	As at March 31, 2015	As at March 31, 2014
<b>A. Trade receivables outstanding for a period exceeding six months from the date they are due for payment</b>		
a) Unsecured, considered good	50.40	9.78
b) Unsecured, considered doubtful	70.96	79.51
<b>Total (a+b)</b>	121.36	89.29
Less : Provision for bad and doubtful receivables	70.96	79.51
<b>Total - A</b>	50.40	9.78
<b>B. Other trade receivables</b>		
a) Unsecured, considered good	2373.18	1651.27
b) Unsecured, considered doubtful	0.39	15.32
<b>Total (a+b)</b>	2373.57	1666.59
Less : Provision for bad and doubtful receivables	0.39	15.32
<b>Total - B</b>	2373.18	1651.27
<b>Grand total (A+B)</b>	2423.58	1661.05
Debts due by directors	-	-

**Note: 18 Cash and Bank Balances**

(₹ in lakhs)

Particulars	Non - Current		Current	
	As at March 31, 2015	As at March 31, 2014	As at March 31, 2015	As at March 31, 2014
<b>i) Cash and Cash Equivalents :</b>				
a) Balances with banks:				
In current accounts			3686.70	3311.03
Deposits with original maturity of less than three months			-	-
b) Cheques, drafts on hand			31.95	34.04
c) Cash on hand			275.05	1023.73
<b>Total Cash and Cash Equivalents</b>			3993.70	4368.80
<b>ii) Other Bank Balances :</b>				
a) Earmarked balance with bank:				
- Unpaid dividend	-	-	52.80	42.07
- Other deposits	12.60	14.10	-	0.09
b) Margin money deposit	53.98	54.48	21.36	31.22
c) Deposits with original maturity for more than 12 months	-	-	-	-
<b>Total Other Bank Balances</b>	66.58	68.58	74.16	73.38
<b>Total Cash and Bank Balances</b>	66.58	68.58	4067.86	4442.18
Non-current portion of other bank balances are included in other non-current assets (Ref.Note 14)				

**Note : 19 Revenue from operations**

(Rs.in lakhs)

Particulars	Year Ended March 31, 2015	Year Ended March 31, 2014
<b>Revenue from operations :</b>		
<b>A) Sale of Products</b>		
<b>i) Finished goods</b>		
Domestic Sales	151786.34	129130.97
Export Sales	356.57	383.04
<b>Total</b>	152142.91	129514.01
<b>ii) Traded goods</b>		
Domestic Sales	50589.64	39069.67
Export Sales	88.23	493.10
<b>Total</b>	50677.87	39562.77
Domestic Sales	202375.98	168200.64
Export Sales	444.80	876.14
<b>Total - A (i+ii)</b>	202820.78	169076.78
<b>B) Sale of services</b>		
Job work	633.31	517.16
<b>C) Other operating revenues</b>		
Scrap Sales	97.03	86.94
Others :		
i) Display & Visibility Income	314.57	253.44
ii) Promotional Income	3322.87	2199.00
iii) Concessionary income	203.93	158.26
iv) REC Credits	10.12	-
<b>Total - C</b>	3948.52	2697.64
<b>Revenue from operations (gross) (A+B+C)</b>	207402.61	172291.58
Less: Excise duty	105.96	87.59
<b>Revenue from operations (net)</b>	207296.65	172203.99

**Note : 19 Revenue from operations**
**(Rs.in lakhs)**

Particulars	Year Ended March 31, 2015	Year Ended March 31, 2014
<b>A. Details of products sold</b>		
<b>i) Finished goods sold</b>		
<b>a) Dairy</b>		
Milk	107661.20	93573.79
Value Added Products	30681.36	23694.14
Fat Products	11602.63	10027.48
Skimmed milk powder	76.41	80.84
<b>Total</b>	<b>150021.60</b>	<b>127376.26</b>
<b>b) Agri</b>		
Fruits and Vegetables	1797.81	1867.46
<b>c) Bakery</b>		
Bakery products	323.50	270.30
<b>Total (a+b+c)</b>	<b>152142.91</b>	<b>129514.01</b>
<b>ii) Traded goods sold</b>		
<b>a) Dairy</b>		
Tradable goods	2757.93	3320.62
<b>Total</b>	<b>2757.93</b>	<b>3320.62</b>
<b>b) Retail</b>		
FMCG - Food	27558.37	21168.48
FMCG - Non-Food	11209.53	8029.87
Fruits and Vegetables	6584.88	5729.02
<b>Total</b>	<b>45352.78</b>	<b>34927.36</b>
<b>c) Agri</b>		
Fruits and Vegetables	-	-
Other Tradable goods	2507.43	1314.79
<b>Total</b>	<b>2507.43</b>	<b>1314.79</b>
<b>d) Bakery</b>		
Tradable goods	59.74	-
<b>Total</b>	<b>59.74</b>	<b>-</b>
<b>Total (a+b+c+d)</b>	<b>50677.87</b>	<b>39562.77</b>
<b>B) Details of sale of services</b>		
a) Dairy	607.38	459.07
b) Agri	25.93	58.09
<b>Total (a+b)</b>	<b>633.31</b>	<b>517.16</b>
<b>C) Details of other operating revenues</b>		
a) Dairy	60.58	60.81
b) Retail	3875.96	2635.00
c) Agri	0.82	0.62
d) Bakery	1.04	1.21
e) Renewable Energy	10.12	-
<b>Total (a+b+c+d+e)</b>	<b>3948.52</b>	<b>2697.64</b>



**Note: 20 Other Income**

(₹ in lakhs)

Particulars	Year Ended March 31, 2015	Year Ended March 31, 2014
a) Interest Income on :		
Bank and other deposits	29.12	30.88
Others	8.29	12.82
b) Dividend Income on :		
Long-term investments	0.04	0.14
c) Subsidy transferred from Deferred Govt.grants	8.23	6.25
d) Lease rental income	154.11	111.65
e) Provisions no longer required and Credit Balances written back	359.55	199.41
f) Foreign Exchange differences (net)	-	18.35
g) Export Incentives	-	29.45
h) Profit on Sale of Assets (Net)	57.67	7.73
i) Other non-operating income	85.65	78.72
	<b>702.66</b>	<b>495.40</b>

**Note : 21 Cost of materials consumed**

(₹ in lakhs)

Particulars	Year Ended March 31, 2015	Year Ended March 31, 2014
a) <b>Raw material :</b>		
Inventory at the beginning of the year	4287.74	2746.20
Add: Purchases	123823.30	99747.80
	<b>128111.04</b>	<b>102494.00</b>
Less: Inventory at the end of the year	2339.16	4287.74
Raw Material consumed (a)	<b>125771.88</b>	<b>98206.26</b>
b) <b>Packing material :</b>		
Inventory at the beginning of the year	790.69	565.45
Add: Purchases	5562.42	5077.15
	<b>6353.10</b>	<b>5642.60</b>
Less: Inventory at the end of the year	731.47	790.69
Packing Material Consumed (b)	<b>5621.63</b>	<b>4851.91</b>
<b>Cost of materials consumed (a+b)</b>	<b>131393.51</b>	<b>103058.17</b>
<b>Details of Raw materials consumed</b>		
a) <b>Dairy</b>		
Raw Milk	111783.37	82125.65
Skimmed Milk Powder	8906.87	11199.96
Other Raw materials	1696.47	1475.18
<b>Total</b>	<b>122386.71</b>	<b>94800.79</b>
b) <b>Agri</b>		
Fruits and Vegetables	3201.70	3260.58
<b>Total</b>	<b>3201.70</b>	<b>3260.58</b>
c) <b>Bakery</b>		
Bakery raw materials	183.47	144.89
<b>Total</b>	<b>183.47</b>	<b>144.89</b>
<b>Total (a + b + c)</b>	<b>125771.88</b>	<b>98206.26</b>

**Note : 22 Purchase of Stock-in-Trade**

(₹ in lakhs)

Particulars	Year Ended March 31, 2015	Year Ended March 31, 2014
FMCG - Food	21902.47	16173.81
FMCG - Non-Food	10231.32	7034.77
Fruits and Vegetables	4975.30	4436.52
Others	5075.08	4565.79
<b>Total</b>	<b>42184.17</b>	<b>32210.89</b>
<b>Details of purchase of Stock-in-Trade</b>		
<b>a) Dairy</b>		
Tradable Goods	617.93	1562.11
<b>b) Retail</b>		
FMCG - Food	21902.47	16173.81
FMCG - Non-Food	10231.32	7034.77
Fruits and Vegetables	4975.30	4436.52
Other Tradable goods	-	-
<b>Total</b>	<b>37109.09</b>	<b>27645.10</b>
<b>c) Agri</b>		
Fruits and Vegetables	-	-
Other Tradable goods	4381.03	3003.68
<b>Total</b>	<b>4381.03</b>	<b>3003.68</b>
<b>d) Bakery</b>		
Tradable goods	76.12	-
<b>Total</b>	<b>76.12</b>	<b>-</b>
<b>Total (a + b + c+d)</b>	<b>42184.17</b>	<b>32210.89</b>

**Note : 23 Changes in inventories of finished goods, work-in-progress and Stock-in-Trade**

(₹ in lakhs)

Particulars	Year Ended March 31, 2015	Year Ended March 31, 2014
<b>A) Inventory at the end of the year :</b>		
Work-in-progress	24.51	65.59
Finished goods	6330.18	2600.76
Stock-in-Trade	4327.93	2937.02
<b>Total - A</b>	<b>10682.62</b>	<b>5603.37</b>
<b>B) Inventory at the beginning of the year :</b>		
Work-in-progress	65.59	36.76
Finished goods	2600.76	2185.32
Stock-in-Trade	2937.02	2492.90
<b>Total - B</b>	<b>5603.37</b>	<b>4714.98</b>
Changes in inventories of finished goods, work-in-progress and stock-in-trade (B-A)	<b>(5079.25)</b>	<b>(888.39)</b>

**Note : 24 Employee benefit expense**

(₹ in lakhs)

Particulars	Year Ended March 31, 2015	Year Ended March 31, 2014
Salaries, wages, bonus and allowances (Refer Note 31)	10081.81	9242.72
Contribution to Provident and other funds	542.80	487.36
Contribution to gratuity fund (Refer Note 31)	134.17	34.77
Staff Welfare Expenses	313.64	244.61
<b>Total</b>	<b>11072.42</b>	<b>10009.46</b>

**Note: 25 Finance costs**

(₹ in lakhs)

Particulars	Year Ended March 31, 2015	Year Ended March 31, 2014
Interest Expense	1495.05	1193.34
Other borrowing cost	82.46	125.98
Applicable loss on foreign currency transactions and translation	-	0.07
Interest on income tax	15.50	2.73
<b>Total</b>	<b>1593.01</b>	<b>1322.12</b>

**Note: 26 Depreciation and amortization expense**

(₹ in lakhs)

Particulars	Year Ended March 31, 2015	Year Ended March 31, 2014
Depreciation on tangible assets	3279.19	2378.02
Amortization of Intangible assets	119.84	122.21
<b>Total</b>	<b>3399.03</b>	<b>2500.23</b>

**Note: 27 Other expenses**

(₹ in lakhs)

Particulars	Year Ended March 31, 2015	Year Ended March 31, 2014
Consumption of Stores ,spares and consumables	1124.15	1266.85
Rent (Refer Note 34)	2764.27	2171.46
Bank Charges	165.23	209.25
Insurance	92.30	92.84
Travelling and conveyance	383.51	385.22
Communication cost	234.73	225.52
Safety and Security	539.38	469.20
Printing and Stationery	117.67	105.78
Office Maintenance	59.13	53.07
House Keeping Expenses	152.78	132.11
Books and periodicals	0.92	0.76
Electricity Charges	871.39	778.16
Rates and taxes	205.29	215.05
Repairs and maintenance		
Buildings	63.12	94.07
Machinery	174.81	236.07
Others	508.77	494.27
Wheeling Charges	66.89	22.30
Operation & Maintenance Charges	21.20	6.95
Legal and Professional Charges	501.86	402.36

**Note: 27 Other expenses**

(₹ in lakhs)

Particulars	Year Ended March 31, 2015	Year Ended March 31, 2014
Payment to Auditors :		
As Auditor:		
Audit Fee	15.73	13.48
Tax Audit fee	7.87	4.49
Limited Review	3.37	3.37
Corporate Governance	1.12	1.12
In other capacity :		
Taxation matters	3.89	3.88
Certification fee	4.28	1.28
Reimbursement of expenses	2.95	2.58
Advertisement expenses	264.55	231.15
Selling and Distribution expenses	1248.68	1099.93
Warehouse and logistics	280.84	248.19
Freight outwards	6522.58	6041.56
Directors' sitting fees	11.87	8.30
Provision for bad and doubtful advances	17.09	25.22
Bad Debts written off	9.81	2.92
Bad and doubtful advances written off	12.77	4.57
Provision for doubtful debts	61.52	64.69
Impairment loss on fixed assets	15.58	32.49
Recruitment and Training expenses	27.52	34.59
Contribution to Heritage Farmers Welfare Trust	103.04	99.32
Exchange differences (net) (other than considered as finance cost)	1.17	-
Prior Period items (net) *	1.33	6.31
Corporate Social Responsibility expenditure (Ref Note 44)	69.63	-
Miscellaneous expenses	20.52	23.61
Diminution in value of investments	1.24	15.17
<b>Total</b>	<b>16756.35</b>	<b>15329.51</b>
*Prior period items (net):		
Debits relating to earlier years	1.33	23.02
Credits relating to earlier years	-	16.71
<b>Total</b>	<b>1.33</b>	<b>6.31</b>

**Note : 28 Extra-ordinary item :**

(₹ in lakhs)

	As at March 31, 2015	As at March 31, 2014
(Previous year : Extra-ordinary items relates to ex-gratia amount paid to the families of the deceased in the accidents occurred in Dairy plants at Bayyavaram and Pamaruru )	-	50.00

**Note: 29 Contingent liabilities and commitments (to the extent not provided for)**

(₹ in lakhs)

	As at March 31, 2015	As at March 31, 2014
<b>A. Contingent Liabilities</b>		
i. Claims against the company not acknowledged as debt :		
a) Tax matters in appeal :		
Income Tax	475.68	475.68
Sales Tax	166.38	141.29
The Andhra Pradesh VAT Act	201.89	201.89
b) Others	16.20	17.45
ii. Guarantees	373.99	372.86
iii. Other money for which the company is contingently liable		
'C' forms under collection	379.30	82.50
(Against all the above ₹ 171.21 lakhs (Previous year : 151.21 lakhs )was paid under protest) It is not practicable for the Company to estimate the timing of cash outflows, if any, in respect of A(i) pending resolution of the respective proceedings.		
<b>B. Commitments</b>		
i. Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances)	780.82	664.02
ii. Other commitments :		
- Export obligation upto the year 2022-23 against import of capital goods under EPCG scheme	4280.49	3247.83

**Note: 30 Investor Education and Protection Fund**

(₹ in lakhs)

Particulars	As at March 31, 2015	As at March 31, 2014
<b>Unclaimed Dividend</b>		
Opening Balance	42.07	36.95
Add: Unclaimed dividend amount of earlier years	-	2.14
Less Claims during the year	0.64	0.35
Less: Transfer to IEPF	7.01	6.51
Add: Current year's unclaimed dividend	18.37	9.84
<b>Closing Balance (Refer Note 9b)</b>	<b>52.80</b>	42.07
There is no amount outstanding to be credited to the Investor Education and Protection Fund		

**Note: 31 As per the Accounting Standards AS-15 -"Employee Benefits" the disclosures of the Employee benefits as defined in the Accounting Standard are given below**
**Defined Contribution Plan :**

(₹ in lakhs)

Particulars	Year Ended March 31, 2015	Year Ended March 31, 2014
Employers Contribution to Provident Fund	438.56	395.98



**Defined Benefit Plan :**
**Gratuity (Funded) :** As per Actuarial Report dated April 27, 2015

(₹ in lakhs)

Particulars	As at 31-Mar-2015	As at 31-Mar-2014
<b>1. Assumption</b>		
Discount Rate	7.80%	9.00%
Salary Escalation	5.00%	5.00%
Rate of Return on Plan Assets	9.00%	9.25%
Expected Average remaining working lives of employees (years)	29 yrs	29 yrs
<b>2. Table showing change in present value of obligations</b>		
Present value of obligations as at beginning of year	405.76	369.92
Acquisition adjustments	-	-
Interest cost	36.52	30.33
Current Service Cost	95.56	75.22
Curtailment Cost / (Credit)	-	-
Settlement Cost / (Credit)	-	-
Benefits paid	(40.86)	(29.49)
Actuarial (gain)/ loss on obligations	43.35	(40.22)
Present value of obligations as at end of year	540.33	405.76
<b>3. Table showing changes in the fair value of plan assets</b>		
Fair value of plan assets at beginning of year	486.84	382.06
Opening balance adjustment	(12.63)	-
Acquisition adjustments	-	-
Expected return on plan assets	41.26	30.56
Contributions	76.18	103.71
Benefits paid	(40.86)	(29.49)
Actuarial gain / (loss) on plan assets	-	-
Fair value of plan assets at end of year	550.80	486.84
<b>4. Table showing fair value of plan assets</b>		
Fair value of plan assets at beginning of year	486.84	382.06
Acquisition adjustments	-	-
Actual return on plan assets	41.26	30.56
Contributions	76.18	103.71
Benefits paid	(40.86)	(29.49)
Fair value of plan assets at the end of year	550.80	486.84
Funded Status	10.47	81.08
Excess of Actual over estimated return on plan assets	-	-
<b>5. Actuarial Gain / Loss recognised</b>		
Actuarial (gain)/ loss on obligations	(43.35)	40.22
Actuarial (gain)/ loss for the year -plan assets	-	-
Total (gain) / loss for the year	43.35	(40.22)
Actuarial (gain)/ loss recognised in the year	43.35	(40.22)

**Defined Benefit Plan :**
**Gratuity (Funded) :** As per Actuarial Report dated April 27, 2015

(₹ in lakhs)

Particulars	As at 31-Mar-2015	As at 31-Mar-2014
6. The amounts to be recognised in the balance sheet and statement of profit and loss		
Present value of obligations as at the end of year	540.33	405.76
Fair value of plan assets as at the end of the year	550.80	486.84
Funded Status	10.47	81.08
Net asset/ (liability) recognised in balance sheet	10.47	81.08
7. Expenses Recognised in the statement of profit and loss		
Current Service Cost	95.56	75.22
Past Service Cost	-	-
Interest cost	36.52	30.33
Expected return on plan assets	(41.26)	(30.56)
Curtailment Cost / (Credit)	-	-
Settlement Cost / (Credit)	-	-
Net Actuarial (gain) / loss recognised in the year	43.35	(40.22)
Expenses recognised in statement of profit and loss (Refer Note 24)	134.17	34.77

**Amounts for the current and previous four financial years (for Gratuity)**

Particulars	As at 31-Mar-2015	As at 31-Mar-2014	As at 31-Mar-2013	As at 31-Mar-2012	As at 31-Mar-2011
Present value of defined benefit obligations	540.33	405.76	369.92	271.00	199.14
Fair value of plan assets	550.80	486.84	382.06	280.21	191.37
Deficit / (Surplus) in the plan assets	(10.47)	(81.08)	(12.14)	(9.21)	7.77

**Note:** Details of experience adjustments arising on plan liabilities and plan assets have not been disclosed in the absence of relevant information

**Defined Benefit Plan :**

Leave Encashment &amp; Sick Leave (Unfunded):

As per Actuarial Report dated 21.04.2015

(₹ in lakhs)

1 Assumptions	Leave Encashment		Sick Leave	
Particulars	As at 31-Mar-2015	As at 31-Mar-2014	As at 31-Mar-2015	As at 31-Mar-2014
Discount Rate	7.80%	9.00%	7.80%	9.00%
Rate of increase in Compensation levels	5% p.a.	5% p.a.	5% p.a.	5% p.a.
Rate of Return on Plan Assets	-	-	-	-
Expected Average remaining working lives of employees (years)	29 yrs	29 yrs	25 Yrs	25 Yrs

Particulars	As at 31-Mar-2015	As at 31-Mar-2014	As at 31-Mar-2015	As at 31-Mar-2014
<b>2. Reconciliation of Defined benefit obligation</b>				
Particulars				
Present Value of Obligation as at the beginning of the year	472.47	429.55	94.42	84.43
Acquisition adjustment	-	-	-	-
Interest Cost	42.52	35.22	8.50	6.92
Past Service Cost	-	-	-	-
Current Service Cost	142.42	42.93	16.84	9.98
Curtailment Cost / (Credit)	-	-	-	-
Settlement Cost / (Credit)	-	-	-	-
Benefits paid	(124.67)	(99.46)	(19.49)	(15.52)
Actuarial (gain)/ loss on obligations	82.14	64.24	10.99	8.60
Present Value of Obligation as at the end of the year	614.89	472.47	111.26	94.42
<b>3. Actuarial Gain / Loss Recognised</b>				
Particulars				
Actuarial (gain)/loss for the year – Obligation	(82.14)	(64.24)	(10.99)	(8.60)
Actuarial gain/(loss) for the year - Plan Assets	-	-	-	-
Total (gain) / loss for the year	82.14	64.24	10.99	8.60
Actuarial (gain) / loss recognized in the year	82.14	64.24	10.99	8.60
Unrecognized actuarial (gains) / losses at the end of year	-	-	-	-
<b>4. The amounts to be recognised in Balance Sheet and Statement of Profit and Loss</b>				
Particulars				
Present Value of Obligation as at the end of the year	614.89	472.47	111.26	94.42
Value of Plan Provisions as at the end of the year	-	-	-	-
Funded Status	(614.89)	(472.47)	(111.26)	(94.42)
Unrecognized Actuarial (gains) / losses	-	-	-	-
Net Asset / (Liability) Recognized in Balance Sheet	(614.89)	(472.47)	(111.26)	(94.42)
<b>5. Expenses Recognized in the statement of Profit &amp; Loss</b>				
Particulars				
Current Service Cost	142.42	42.93	16.84	9.98
Past Service Cost	-	-	-	-
Interest Cost	42.52	35.22	8.50	6.92
Expected Return on Plan Assets	-	-	-	-
Curtailment Cost / (Credit)	-	-	-	-
Settlement Cost / (Credit)	-	-	-	-
Net actuarial (gain)/ loss recognized in the year	82.14	64.24	10.99	8.60
Expenses Recognized in the statement of Profit & Loss (Refer Note 24 - included in Salaries, wages ,bonus and allowances)	267.08	142.38	36.33	25.51

**Amounts for the current and previous four financial years (for Leave Encashment)**

Particulars	As at 31-Mar-2015	As at 31-Mar-2014	As at 31-Mar-2013	As at 31-Mar-2012	As at 31-Mar-2011
Present value of defined benefit obligations	614.89	472.47	429.55	381.06	332.33
Deficit in the plan assets	(614.89)	(472.47)	(429.55)	(381.06)	(332.33)

**Amounts for the current and previous four financial years (for Sick Leave)**

Particulars	As at 31-Mar-2015	As at 31-Mar-2014	As at 31-Mar-2013	As at 31-Mar-2012	As at 31-Mar-2011
Present value of defined benefit obligations	111.26	94.42	84.43	62.44	50.46
Deficit in the plan assets	(111.26)	(94.42)	(84.43)	(62.44)	(50.46)

**Note:** Details of experience adjustments arising on plan liabilities have not been disclosed in the absence of relevant information

**Note: 32 Segment reporting for the year ended March 31, 2015**

(₹ in lakhs)

Particulars	As at March 31, 2015			As at March 31, 2014		
	External Revenue	Inter-segment Revenue	Total	External Revenue	Inter-segment Revenue	Total
<b>1. Segment Revenue:</b>						
a. Dairy	153354.44	2231.27	155585.71	131138.01	1681.15	132819.16
b. Retail	49228.74	168.26	49397.00	37562.36	230.19	37792.55
c. Agri	4331.99	4068.17	8400.16	3240.95	3542.38	6783.33
d. Bakery	371.37	217.56	588.92	262.67	103.60	366.27
e. Renewable Energy	10.12	246.92	257.04	-	77.35	77.35
<b>Total</b>	<b>207296.65</b>	<b>6932.18</b>	<b>214228.83</b>	<b>172203.99</b>	<b>5634.67</b>	<b>177838.66</b>
Inter-segment-eliminations	-	6932.18	6932.18	-	5634.67	5634.67
<b>Net Sales / Income from Operations</b>	<b>207296.65</b>	<b>-</b>	<b>207296.65</b>	<b>172203.99</b>	<b>-</b>	<b>172203.99</b>

Particulars	As at March 31, 2015	As at March 31, 2014
<b>2. Segment Results</b>		
Profit / (Loss) before finance costs and tax		
a. Dairy	6717.47	9869.19
b. Retail	(1107.36)	(1992.16)
c. Agri	(125.47)	(298.70)
d. Bakery	(84.46)	(102.13)
e. Renewable Energy	70.53	(11.54)
<b>Total Segment Results</b>	<b>5470.71</b>	<b>7464.65</b>
Less: Finance costs	1593.01	1322.12
Add: Interest income	37.41	43.70
Add: Net Unallocable Income / (Expenditure)	(1.20)	(15.03)
<b>Profit / (Loss) before Extra-ordinary items and Tax</b>	<b>3913.91</b>	<b>6171.20</b>
Less: Extra-ordinary items	-	50.00
<b>Profit / (Loss) before Tax</b>	<b>3913.91</b>	<b>6121.20</b>
Less:		
a. Current tax	1169.36	1291.05
b. Prior period tax	(0.45)	(0.46)
c. Deferred tax	(76.02)	299.38
<b>Net Profit / (Loss)</b>	<b>2821.02</b>	<b>4531.23</b>

Particulars	As at March 31, 2015	As at March 31, 2014
<b>3. Total Capital Employed</b>		
(Segment Assets - Segment Liabilities)		
a. Dairy	18687.40	17611.21
b. Retail	8877.41	6460.95
c. Agri	3135.91	3368.09
d. Bakery	1075.13	1119.33
e. Renewable Energy	1588.95	1675.05
Total Segment Capital Employed	33364.81	30234.63
Add: Unallocated Assets	1272.23	1249.55
Less: Unallocated Liabilities	1049.83	1105.70
<b>Total Capital Employed</b>	<b>33587.21</b>	<b>30378.48</b>
<b>4. Capital Expenditure incurred during the year</b>		
a. Dairy	3865.69	2999.53
b. Retail	1588.94	1167.03
c. Agri	36.35	74.96
d. Bakery	8.29	64.14
e. Renewable Energy	-	1,714.02
Total Segment Capital Expenditure	5499.27	6019.68
Add: Unallocated Capital Expenditure	22.69	129.68
<b>Total Capital Expenditure</b>	<b>5521.96</b>	<b>6149.36</b>
<b>5. Depreciation and Amortisation for the year</b>		
Segment Depreciation		
a. Dairy	1987.76	1422.15
b. Retail	888.50	636.01
c. Agri	228.19	223.54
d. Bakery	82.08	53.26
e. Renewable Energy	81.05	40.83
Total Segment Depreciation and Amortisation	3267.59	2375.79
Add: Unallocated Depreciation	131.44	124.44
Total Depreciation and Amortisation	3399.03	2500.23
<b>6. Significant Non Cash Expenditure (excluding depreciation and amortisation)</b>	<b>398.82</b>	<b>305.45</b>



**Note: 33 Related party disclosures as per AS-18**

A. Relationships :													
i) <b>Subsidiary Companies</b> a) <b>Heritage Foods Retail Limited</b> b) <b>Heritage Conpro Limited</b>				iii) <b>Key Management Personnel</b> a) <b>N Bhuvaneswari</b> Vice Chairperson & Managing Director b) <b>N Brahmani</b> Executive Director c) <b>K Durga Prasada Rao</b> Whole-time Director d) <b>A Prabhakara Naidu</b> Chief Financial Officer e) <b>Umakanta Barik</b> Company Secretary				iv) <b>Other Related Parties :</b> a) Heritage Farmers Welfare Trust b) Heritage Finlease Limited		v) <b>Relatives of Key Management Personnel and their enterprises</b> <b>A) where transactions have taken place</b> a) N Lokesh Non-Executive Director b) NTR Memorial Trust c) Sunkara Vasavi <b>B) where no transactions have taken place</b> a) Nirvana Holdings Private Limited			
Name of the related party ==>	N Bhuvaneswari	N Lokesh	N Brahmani	K Durga Prasada Rao	Vasavi Sunkara	Heritage Finlease Limited	Heritage Foods Retail Limited	Heritage Conpro Limited	SKIL Raigam Power (India)Ltd	A Prabhakara Naidu	Umakanta Barik	NTR Memorial Trust	Heritage Farmers Welfare Trust
<b>Particulars</b>													
Description of the Relationship between the parties	Key Management Personnel (Vice Chairperson & Managing Director)	Relative of Key Management Personnel (Non-Executive Director since June 30, 2013)	Key Management Personnel (Executive Director)	Key Management Personnel (Whole-time Director w.e.f August 1st, 2014)	Relative of Key Management Personnel of Heritage Foods Ltd	Key Management Personnel of Heritage Foods Ltd are Directors of Heritage Finlease Ltd	Subsidiary	Subsidiary	Associate	Key Management Personnel (CFO)	Key Management Personnel (CS)	Key Management Personnel of Heritage Foods Ltd are Trustees of NTR Memorial Trust	Key Management Personnel of Heritage Foods Ltd are Trustees of Heritage Farmers Welfare Trust
Description of the nature of transactions	a) Managerial Services  b) Rental agreement	Managerial Services	Managerial Services	Managerial Services	Lease Rentals	a) Investment  b) Cattle loans given by Heritage Finlease Limited to the milk producers are recovered by the Company and remitted subsequently to Heritage Finlease Ltd	Investment	Investment	Investment	Service	Service	CSR Activity	Contributions made by the Company
Volume of the transactions either as an amount or as appropriate proportion	a) Managerial Remuneration of ₹ 120.00 lakhs (Previous year: ₹ 112.50 lakhs)	a) Managerial Remuneration : Nil (Previous year: ₹ 21.00 lakhs)	a) Managerial Remuneration of ₹ 60.00 lakhs (Previous year: ₹ 45.50 lakhs)	a) Managerial Remuneration of ₹ 24.00 lakhs (Previous year: ₹ Nil)	Rent: ₹ 2.88 lakhs	a) Share Capital ₹ 20 lakhs (Previous year: ₹ 20 lakhs)	a) Share Capital ₹ 16.50 lakhs (Previous year: ₹ 16.50 lakhs)	a) Share Capital ₹ 7.60 lakhs (Previous year: ₹ 7.60 lakhs)	a) Share Capital ₹ 65 lakhs (Previous year: ₹ 65 lakhs)	a) Salary : ₹ 34.85 lakhs (Previous Year : ₹ 31.67 lakhs)	a) Salary : ₹ 17.24 lakhs (Previous year : ₹ 15.66 lakhs)	Contributions by the Company during the year: ₹ 69.63 lakhs (Previous year: Nil)	Contributions by the Company during the year: ₹ 103.04 lakhs (Previous year: 99.32 lakhs)

Name of the related party ==>	N Bhuvaneswari	N Lokesh	N Brahmani	K Durga Prasada Rao	Vasavi Sunkara	Heritage Finlease Limited	Heritage Foods Retail Limited	Heritage Conpro Limited	SKIL Raigam Power (India)Ltd	A Prabha-kara Naidu	Umakanta Barik	NTR Memorial Trust	Heritage Farmers Welfare Trust
	b) PF contribution of ₹ 8.64lakhs (Previous year: ₹ 8.10 lakhs)	b) PF contribution : Nil (Previous year: ₹ 1.26 lakhs)	b) PF contribution of ₹ 4.32 lakhs (Previous year: 3.28 lakhs)	b) PF contribution of ₹ 1.73 lakhs (Previous year: Nil)		b) Dividend Received ₹ Nil (Previous year: ₹ Nil)				b) Perks: ₹ 0.15 lakhs (Previous year : ₹ 0.15 lakhs)	b) Perks: ₹ 0.15 lakhs (Previous year : ₹ 0.15 lakhs)		
	c) Perks ₹ 10.68 lakhs (Previous year: ₹ 8.09 lakhs)	c) Perks : Nil (Previous year: ₹ 7.56 lakhs)	c) Perks : ₹ 6.95 lakhs (Previous Year: Nil)			c) Cattle loans of ₹ 5769.47 lakhs (Previous year: ₹ 5195.66 lakhs) given by Heritage Finlease Limited to the milk producers are recovered by the Company and remitted subsequently to Heritage Finlease Ltd				c) PF Contribution of ₹ 1.89 lakhs (Previous Year: ₹ 1.72 lakhs)	c) PF Contribution of ₹ 0.94 lakhs (Previous Year: ₹ 0.85 lakhs)		
	d) Leave Encashment of ₹ Nil (Previous year: ₹ .Nil)	d) Commission: Nil (Previous year: ₹ 55.20 lakhs)	d) Commission: ₹ 108.61 lakhs (Previous year: 160.73 lakhs)										
	e) Commission: ₹ 88.77 lakhs (Previous year : ₹ 159.43 lakhs)												
	f) Office rent of ₹ 49.40 lakhs paid by Company (Previous year : ₹ 43.92 lakhs)												



Name of the related party ==>	N Bhuvaneswari	N Lokesh	N Brahmani	K Durga Prasada Rao	Vasavi Sunkara	Heritage Finlease Limited	Heritage Foods Retail Limited	Heritage Conpro Limited	SKIL Raigam Power (India)Ltd	A Prabha-kara Naidu	Umakanta Barik	NTR Memorial Trust	Heritage Farmers Welfare Trust
Particulars													
Any other elements of the related party transactions in the financial statements	Managerial Remuneration was approved by Shareholders	Managerial Remuneration was approved by Shareholders	Remuneration was approved by Shareholders	Remuneration was approved by Shareholders	NIL	NIL	NIL	NIL	NIL	Nil	Nil	NIL	NIL
Guarantees and collaterals	1.Current Year : Nil (Previous year : Given personal guarantee for the overdraft facility of ₹ 100 lakhs availed by the Company from Kotak Mahindra Bank.)	1.Current Year : Nil (Previous year : Given personal guarantee for the overdraft facility of ₹ 100 lakhs availed by the Company from Kotak Mahindra Bank.)	1.Given personal guarantee for the overdraft facility of ₹ 100 lakhs availed by the Company from Kotak Mahindra Bank and the loan is also secured by exclusive mortgage of property belonging to Executive Director										
	2.Current Year : Nil ( Previous year : Given personal guarantee for the short term loan of ₹ 1000 lakhs availed by the Company from Kotak Bank and the loan is also secured by second charge by way of equitable mortgage on the industrial property of Vice Chairperson & Managing Director of the Company .)	Current year Nil ( Previous year : Given personal guarantee for the short term loan of ₹ 1000 lakhs availed by the Company from Kotak Mahindra Bank)	2.Given personal guarantee for the short term loan facility of ₹ 1500 lakhs availed by the Company from Kotak Mahindra Bank and the loan is also secured by extension of mortgage of property belonging to Executive Director (Previous year : ₹ 1000 lakhs)										

Name of the related party ==>	N Bhuvaneswari	N Lokesh	N Brahmani	K Durga Prasada Rao	Vasavi Sunkara	Heritage Finlease Limited	Heritage Foods Retail Limited	Heritage Conpro Limited	SKIL Raigam Power (India)Ltd	A Prabha-kara Naidu	Umakanta Barik	NTR Memorial Trust	Heritage Farmers Welfare Trust
The amounts or appropriate proportions of outstanding items pertaining to related parties at the Balance Sheet date	₹ 76.62 lakhs (Previous year: ₹ 168.72 lakhs)	₹ Nil (Previous year: ₹ 55.20 lakhs)	₹ 111.83 lakhs (Previous year : ₹ 164.04 lakhs)	₹ 1.88 lakhs (Previous year : ₹ Nil)	₹ 0.30 lakhs	₹ 199.93 lakhs is outstanding to Heritage Finlease Ltd., towards cattle loans amount recovered from the milk producers and the same has been remitted subsequently (Previous year: ₹ 169.68 lakhs)	NIL	NIL	NIL	2.07 Lakhs (Previous Year: Salary advance receivable- ₹ 1.76 lakhs)	1.21 Lakhs (Previous year: ₹ 0.01 lakhs)	Nil	Contribution amount outstanding: ₹ 15.94 lakhs the same has been remitted subsequently (Previous year : ₹ 12.32 lakhs)
Provisions for doubtful debts due from such parties at that date and amounts written off or written back in the period in respect of debts due from or to related parties	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
Provision for diminution in value of Investments	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL



**Note: 34 Lease**

(₹ in lakhs)

Particulars	As at March 31, 2015	As at March 31, 2014
Data Processing Equipments under non-cancellable Operating Leases:		
The aggregate future minimum lease rentals payable:		
- for a period not later than one year	44.65	---
- for a period later than one year and not later than five years	23.23	---
- for a period later than five years	---	---
Total operating lease expenses debited to statement of profit and loss is ₹ 2764.27 lakhs (Previous year : ₹ 2171.46 lakhs)		
Total sub-lease payments received /(receivable) credited to statement of profit and loss is ₹ Nil (Previous year : ₹ 3.85 lakhs)		

**Note: 35 Earning per share (EPS)**

(₹ In lakhs)

Particulars	Year Ended March 31, 2015	Year Ended March 31, 2014
a) Calculation of weighted average number of equity shares of ₹ 10/-each :		
Number of Equity Shares outstanding at the beginning of the year	23199000	11599500
Add: Issue of shares during the year	-	11599500
Number of Equity shares outstanding at the end of the year	23199000	23199000
Weighted average number of equity shares outstanding during the year	23199000	23199000
The nominal value per share (₹)	10	10
b) Net Profit / (Loss) before tax	3913.91	6121.20
c) Net Profit / (Loss) after tax before extraordinary items	2821.02	4581.23
d) Net Profit / (Loss) after tax and extraordinary items	2821.02	4531.23
e) Basic and diluted Earnings per share (Before Extraordinary items) of ₹ 10 each (₹)	12.16	19.69
f) Basic and diluted Earnings per share (After Extraordinary items) of ₹ 10 each (₹)	12.16	19.53
Earnings Per Share(EPS) has been calculated after considering the bonus issue during the Financial Year ended March 31, 2014 and adjusted for all the periods presented as per AS-20 "Earnings Per Share (EPS)".		

**Note: 36 Disclosure under Micro, Small and Medium Enterprises Development Act, 2006**

The particulars of outstanding (for more than 45 days) to Micro, Small and Medium Scale business enterprises are given below

(₹ in lakhs)

As at	Principal amount outstanding	Interest amount outstanding	Interest paid by the company in terms of section 16 of the Act, 2006 and the amount of the payment made beyond the appointed day during the year;	Interest due and payable on delayed payments made during the year	The amount of interest accrued and remaining unpaid	Interest remaining due until such date when the interest dues are actually paid to the small enterprise (even if paid in succeeding years)
March 31, 2015	8.78	1.55	Nil	1.55	1.55	1.55
March 31, 2014	8.79	4.21	Nil	4.21	4.21	4.21



**Note: 37 Value of Imports calculated on CIF basis in respect of :**

(₹ in lakhs)

Particulars	Year Ended March 31, 2015	Year Ended March 31, 2014
Capital Goods	-	143.62
<b>Total</b>	-	143.62

**Note: 38 Expenditure in Foreign Currency on account of :**

Particulars	Year Ended March 31, 2015	Year Ended March 31, 2014
a) Interest	-	37.03
b) Foreign travel	2.32	-
<b>Total</b>	2.32	37.03

**Note: 39 Earnings in Foreign Currency :**

(₹ in lakhs)

Particulars	Year Ended March 31, 2015	Year Ended March 31, 2014
Export of goods calculated on FOB basis *	312.20	770.84
<b>Total</b>	312.20	770.84

\* Exports to Nepal in INR during the year 2014-15 132.60 lakhs is not included in Earnings in Foreign Currency

**Note: 40 Consumption of Materials:**

(₹ in lakhs)

a) Raw Materials (Refere Note 21)	%	2014 - 15	%	2013 - 14
i) Indigenous	100.00	131393.51	100.00	103058.17
ii) Imported	-	-	-	-
b) Stores, spares and consumables (Refer Note 27)				
i) Indigenous	100.00	1124.15	100.00	1266.85
ii) Imported	-	-	-	-

**Note: 41 Remittance in Foreign Currency on account of dividends :**

(₹ in lakhs)

a) Year to which the dividend relate	2014 - 15	2013 - 14
b) Amount remitted in Foreign Currency	Nil	Nil
c) Number of non-resident shareholders to whom remittances were made	NA	NA
d) Number of shares on which remittances were made	NA	NA

**Note: 42 Disclosures in respect of derivative instruments :**

a) Derivative instruments outstanding at the balance sheet date

(₹ in lakhs)

Particulars	March 31, 2015		March 31, 2014	
	USD	INR	USD	INR
i) Forward :				
FCNR(B) - Principal	-	-	-	-
FCNR(B) - Interest	-	-	-	-
ii) Option :				
FCTL - Principal	-	-	-	-
FCTL - Interest	-	-	-	-
iii) Swap :				
FCTL - Interest	-	-	-	-
b) The derivative instruments have been acquired for hedging purposes				

## c) Foreign currency exposures that are not hedged by derivatives :

Particulars	March 31, 2015		March 31, 2014	
	Forreign Currency	INR (in lakhs)	Forreign Currency	INR (in lakhs)
Trade receivables	\$ 2.14 lakhs	133.87	-	-

**Note: 43** Confirmation of balances for Trade Receivables / Payables, Loans and advances and others have been received from many parties. Wherever conformation of balances have not been received, they are subject to adjustment and reconciliation, if any.

**Note:44** In the opinion of Board of Directors the assets other than fixed assets and non-current investments have value on realisation in the ordinary course of business atleast equal to the amount at which they are stated.

**Note: 45** Details of Corporate Social Responsibility (CSR) expenditure :

a) Gross amount required to be spent by the company during the year : ₹ 69.63 lakhs (Previous year : Nil)

b) Amount spent during the year :	(₹ In lakhs)		
	paid	Yet to be paid	Total
i. Construction /acquisition of any asset	Nil	Nil	Nil
ii. On purposes other than (i) above contribution made to a Registered Trust *	69.63	Nil	69.63

\* Contribution made to a Registered Trust named NTR Memorial Trust of ₹ 69.63 lakhs during the Financial Year 2014-15.

**Note: 46** The financial statements for the year ended March 31, 2015 are prepared as per Schedule III of the Companies Act, 2013 and in or form as near as thereto.

**Note: 47** Previous year figures are regrouped / reclassified, wherever necessary.

**Note: 48** The amounts in the financial statements are presented in Indian Rupees in lakhs

As per our report attached  
For **Raju & Prasad**  
Chartered Accountants  
**Firm No. 003475S**

**Y Balakrishna Reddy**  
Partner  
M. No.223701

26<sup>th</sup> May, 2015  
Hyderabad

**For and on behalf of the Board**

**N Bhuvaneswari**  
Vice Chairperson & Managing Director  
DIN : 00003741

**A Prabhakara Naidu**  
Chief Financial Officer  
M.No.FCA 200974

**N Brahmani**  
Executive Director  
DIN : 02338940

**Umakanta Barik**  
Company Secretary  
M.No.FCS 6317

## Independent Auditor's Report

To  
The Members of  
**HERITAGE FOODS LIMITED**  
(Formerly known as Heritage Foods (India) Limited)

### Report on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of HERITAGE FOODS LIMITED (hereinafter referred to as "the Holding Company") and its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group") and its associate, comprising of the Consolidated Balance Sheet as at 31st March, 2015, the Consolidated Statement of Profit and Loss and the Consolidated Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

### Management's Responsibility for the Consolidated Financial Statements

The Holding Company's Board of Directors are responsible for the preparation of these consolidated financial statements in terms of the requirements of the Companies Act, 2013 (hereinafter referred to as "the Act") that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group and its Associate in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. The respective Board of Directors of the companies included in the Group and its associate are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act, for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the 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 statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

### Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. While conducting the audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those

Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Holding Company's preparation of the consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on whether the Holding Company has an adequate internal financial controls system over financial reporting in place and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Holding Company's Board of Directors, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

### Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India,

- i) in the case of the consolidated Balance Sheet, state of affairs of the Group and its associate as at 31 March 2015;
- ii) in the case of the consolidated Statement of Profit and Loss, profit of the Group and its associate for the year ended on that date; and
- iii) in the case of the consolidated Cash Flow Statement, cash flows of the Group and its associate for the year ended on that date.

### Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2015 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act, based on the comments in the auditors' reports of the Holding company, subsidiary companies and associate company incorporated in India, we give in the Annexure a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. As required by Section 143(3) of the Act, we report, to the extent applicable, that:

- (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.
- (b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books.
- (c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss, and the Consolidated Cash Flow Statement dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.
- (d) In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- (e) On the basis of the written representations received from the directors of the Holding Company as on 31st March, 2015 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its subsidiary companies, associate companies and jointly controlled companies incorporated in India, none of the directors of the Group companies and its associate companies incorporated in India is disqualified as on 31st March, 2015 from being appointed as a director in terms of Section 164 (2) of the Act.
- (f) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
- i. There were no pending litigations which would impact the consolidated financial position of the Group and its associate, except as listed in note no.29 of holding company's financial statements.
  - ii. The Group and its associate did not have any material foreseeable losses on long-term contracts including derivative contracts.
  - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding Company, and its subsidiary companies and associate company

For **Raju and Prasad**  
Chartered Accountants  
FRN: 003475S

Hyderabad  
26<sup>th</sup> May, 2015

**Y Bala Krishna Reddy**  
Partner  
M. No. 223701

## Annexure to the Auditor's Report

The Annexure referred to in our Report of even date to the members of Heritage Foods Limited on the accounts of the Group for the year ended 31st March, 2015.

- i. (a) The Group and associate are maintaining proper records showing full particulars, including quantitative details and situation, of fixed assets.
- (b) These fixed assets have been physically verified by the management during the year and discrepancies noticed on such verification have been properly dealt with in the books of account. In our opinion, the frequency of verification is reasonable having regard to the size of the group and associate and the nature of the assets.
- c) No substantial part of fixed assets has been disposed off during the year.
- ii. (a) The inventory has been physically verified during the year by the management. In our opinion, the frequency of verification is reasonable.
- (b) In our opinion, the procedures of physical verification of inventory followed by the Management are reasonable and adequate in relation to the size of the Group and associate and the nature of its business.
- (c) The Group and associate are maintaining proper records of inventory. The discrepancies noticed on verification between the physical stocks and the book records were not material.
- iii. The Group and associate has not granted any loans, secured or unsecured, to companies, firms or other parties covered in the register maintained under Section 189 of the Act.
- iv. In our opinion and according to the information and explanations given to us, considering the size of the group and associate and nature of business of various divisions

of the Group and associate with regard to purchase of inventory and fixed assets and with regard to sale of goods and services, the internal control system is commensurate with the size of the Group and associate and nature of its business. During the course of our audit, we have not observed any continuing failure to correct major weaknesses in internal control system.

- v. The group and associate have not accepted any deposits from the public within the meaning of Sections 73 and 74 of the Act and the rules framed there under to the extent notified.
- vi. We have broadly reviewed the books of account maintained by the holding company in respect of products where, pursuant to the rules made by the Central Government of India, the maintenance of cost records has been specified under sub-section (1) of Section 148 of the Act, and are of the opinion that, prima facie, the prescribed accounts and records have been made and maintained. We have not, however, made a detailed examination of the records with a view to determine whether they are accurate or complete. In case subsidiaries and associate maintenance of cost records as referred above is not applicable.
- vii. (a) The Group and associate is regular in depositing undisputed statutory dues including Provident Fund, Employees' State Insurance, Income Tax, Sales Tax, Wealth Tax, Service Tax, Duty of Customs, Duty of Excise, Value Added Tax, Cess and any other statutory dues with the appropriate authorities. There are no undisputed statutory dues outstanding for more than six months as on 31.3.2015.
- b) According to the information and explanations given to us, following are the disputed dues relating to income tax, wealth tax, cess and sales tax, which have not been deposited as at 31st march, 2015

Nature of Statute	Nature of Dispute	Amount (₹ In Lakhs)	Period to which the amounts relate (A.Y)	Forum where the dispute is pending
A.P.G.S.T ACT 1957	Levy of purchase tax on purchase of milk	83.75	2001-02	High Court
C.S.T ACT	Levy of purchase tax on purchase of milk	37.34	2002-03	A.P.S.T.A.T (Tribunal)
C.S.T ACT	Levy of purchase tax on purchase of milk	1.42	1998-99	High court
AP VAT	Input tax credit disallowance and others	40.25	2009-10	Appellate deputy commissioner
AP VAT	Input tax credit disallowance and others	1.79	2008-09	High Court
TN VAT Act	Input tax credit disallowed	24.38	2013-14	CTO

- (c) The amount required to be transferred to Investor Education and Protection Fund has been transferred within the stipulated time in accordance with the provisions of the Companies Act, 2013 (Companies Act, 1956) and the rules made there under.
- viii. The holding company does not have any accumulated losses as at the end of the financial year under reference and the holding company has not incurred cash loss in the financial year under reference and in the financial year immediately preceding such financial year. The subsidiary companies and Associate company has accumulated losses of ₹ 36.4 Lakhs as at the end of the financial year under reference and the subsidiary companies and Associate company has incurred cash loss of ₹ 1.25 Lakhs in the financial year under reference.
- ix. The Group and associate have not defaulted in repayment of dues to any financial institution or bank or debenture holders as at the balance sheet date.

- x. The Group and associate have not given any guarantee for loans taken by others from banks or financial institutions.
- xi. In our opinion, the term loans taken by the Group and associate were applied for the purpose for which they were obtained.
- xii. Based on the audit procedures performed and the information and explanations given to us, we have neither come across any instance of material fraud on or by the Group and associate, noticed or reported during the year, nor have we been informed of such case by the management.

For **Raju and Prasad**  
Chartered Accountants  
FRN: 003475S

**Y Bala Krishna Reddy**  
Partner  
M. No. 223701

Hyderabad  
26<sup>th</sup> May, 2015



# Consolidated Balance Sheet as at March 31, 2015

(₹ in lakhs)

Particulars	Note No	As at March 31, 2015	As at March 31, 2014
<b>A. EQUITY AND LIABILITIES</b>			
<b>1. SHAREHOLDERS' FUNDS</b>			
a. Share Capital	2	2319.90	2319.90
b. Reserves and Surplus	3	16972.70	15555.98
<b>Sub-Total Shareholders' funds</b>		<b>19292.60</b>	<b>17875.88</b>
<b>2. MINORITY INTEREST</b>		<b>1.61</b>	<b>1.77</b>
<b>3. NON-CURRENT LIABILITIES</b>			
a. Long-term borrowings	4	5574.10	3916.81
b. Deferred tax liabilities (Net)	5	1881.06	2252.30
c. Other Long term liabilities	6	999.78	934.38
d. Long term provisions	7	156.51	93.39
<b>Sub-Total Non-Current Liabilities</b>		<b>8611.45</b>	<b>7196.88</b>
<b>4. CURRENT LIABILITIES</b>			
a. Short-term borrowings	8	8673.49	8825.19
b. Trade payables	9a	7752.70	6897.65
c. Other current liabilities	9b	6777.75	7098.24
d. Short-term provisions	10	1466.27	1287.75
<b>Sub-Total Current Liabilities</b>		<b>24670.21</b>	<b>24108.83</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>52575.87</b>	<b>49183.36</b>
<b>B. ASSETS</b>			
<b>1. NON-CURRENT ASSETS</b>			
a. Fixed assets			
i) Tangible assets	11	27817.91	26823.57
ii) Intangible assets	11	247.52	324.55
iii) Capital work-in-progress	11	899.68	1111.81
<b>Total -a</b>		<b>28965.11</b>	<b>28259.93</b>
b. Non-current investments	12	80.24	65.57
c. Long term loans and advances	13	2085.17	2044.16
d. Other non-current assets	14	73.29	76.67
<b>Sub-Total Non-Current Assets</b>		<b>31203.81</b>	<b>30446.33</b>
<b>2. CURRENT ASSETS</b>			
a. Current Investments	12	1.10	0.64
b. Inventories	16	13936.88	10855.39
c. Trade receivables	17	2423.58	1661.05
d. Cash and Bank balances	18	4078.09	4453.66
e. Short-term loans and advances	13	775.79	1626.10
f. Other current assets	15	156.62	140.19
<b>Sub-Total Current Assets</b>		<b>21372.06</b>	<b>18737.03</b>
<b>TOTAL ASSETS</b>		<b>52575.87</b>	<b>49183.36</b>
Significant Accounting Policies	1		
Notes on Accounts	(2 to 48)		

As per our report attached  
For **Raju & Prasad**  
Chartered Accountants  
Firm No. 003475S

For and on behalf of the Board

**Y Balakrishna Reddy**  
Partner  
M. No.223701

**N Bhuvaneswari**  
Vice Chairperson & Managing Director  
DIN : 00003741

**N Brahmani**  
Executive Director  
DIN : 02338940

26<sup>th</sup> May, 2015  
Hyderabad

**A Prabhakara Naidu**  
Chief Financial Officer  
M.No.FCA 200974

**Umakanta Barik**  
Company Secretary  
M.No.FCS 6317

## Consolidated Statement of Profit and Loss for the year ended March 31, 2015

(₹ in lakhs)

Particulars	Note No	Year Ended March 31, 2015	Year Ended March 31, 2014
<b>1. Revenue from operations (Gross)</b>	19	<b>207402.61</b>	172291.58
Less : Excise Duty		<b>105.96</b>	87.59
Revenue from operations (Net)		<b>207296.65</b>	172203.99
<b>2. Other Income</b>	20	<b>717.83</b>	495.40
<b>3. TOTAL REVENUE (1 +2)</b>		<b>208014.48</b>	172699.39
<b>4. EXPENSES:</b>			
a. Cost of materials consumed	21	<b>131393.51</b>	103058.17
b. Purchase of Stock-in-Trade	22	<b>42184.17</b>	32210.89
c. Changes in inventories of finished goods, work-in-progress and Stock-in-Trade	23	<b>(5079.25)</b>	(888.39)
d. Power and fuel		<b>2766.16</b>	2986.20
e. Employee benefits expense	24	<b>11072.42</b>	10009.46
f. Finance costs	25	<b>1593.01</b>	1322.12
g. Depreciation and amortization expense	26	<b>3399.03</b>	2500.23
h. Other expenses	27	<b>16756.51</b>	15330.01
<b>TOTAL EXPENSES</b>		<b>204085.56</b>	166528.69
<b>5. Profit before exceptional and extraordinary items and tax (3-4)</b>		<b>3928.92</b>	6170.70
<b>6. Exceptional Items</b>			
<b>7. Profit before extraordinary items and tax (5 -6)</b>		<b>3928.92</b>	6170.70
<b>8. Extraordinary Items</b>	28	<b>-</b>	50.00
<b>9. Profit before tax (7 - 8)</b>		<b>3928.92</b>	6120.70
<b>10. Tax expense:</b>			
a. Current tax		<b>1169.36</b>	1291.05
b. Prior period tax		<b>(0.45)</b>	(0.46)
c. Deferred tax		<b>(76.02)</b>	299.38
<b>11. Profit for the year (9-10) before minority interest and share of profit/(loss) of associates</b>		<b>2836.03</b>	4530.73
Less: Minority interest		<b>(0.16)</b>	(0.05)
Add: Share of profit / (loss) of associates		<b>(0.28)</b>	(0.79)
<b>Profit for the year after minority interest and share of profit/(loss) of associates</b>		<b>2835.92</b>	4529.99
<b>12. Earning per equity share of ₹ 10/-each:</b>	35		
a. Before Extraordinary items			
i. Basic		<b>12.22</b>	19.69
ii. Diluted		<b>12.22</b>	19.69
b. After Extraordinary items			
i. Basic		<b>12.22</b>	19.53
ii. Diluted		<b>12.22</b>	19.53
Significant Accounting Policies	1		
Notes on Accounts	(2 to 48)		

As per our report attached  
For **Raju & Prasad**  
Chartered Accountants  
Firm No. 003475S

For and on behalf of the Board

**Y Balakrishna Reddy**  
Partner  
M. No.223701

**N Bhuvaneswari**  
Vice Chairperson & Managing Director  
DIN : 00003741

**N Brahmani**  
Executive Director  
DIN : 02338940

26<sup>th</sup> May, 2015  
Hyderabad

**A Prabhakara Naidu**  
Chief Financial Officer  
M.No.FCA 200974

**Umakanta Barik**  
Company Secretary  
M.No.FCS 6317

## Consolidated Cash Flow Statement for the year ended March 31, 2015 (₹ In lakhs)

Particulars	Year Ended March 31, 2015	Year Ended March 31, 2014
<b>A CASH FLOW FROM OPERATING ACTIVITIES</b>		
Net Profit /(Loss) before tax and extra-ordinary items	3928.92	6170.70
Non-cash adjustment to reconcile profit before tax to net cash flows	-	-
Depreciation / amortization	3399.03	2500.23
(Profit) / loss on sale or write off Fixed Assets	-	-
Loss on Impairment of Assets	15.58	32.49
Diminution in value of investments	(15.17)	15.17
Interest expense	1495.05	1193.34
Subsidy transferred to P&L	(8.23)	(6.25)
Interest income	(37.41)	(43.70)
Provision for Wealth Tax	0.91	1.09
Provision for Interest on income tax	15.50	2.73
Provisions no longer required and Credit balances written off	(359.55)	(199.41)
Provision for Unavailed Leave	159.26	52.91
Bad Debts / Advances written off	22.58	7.50
Provision for doubtful debts/ advances	78.61	89.90
Dividend received	(0.04)	(0.14)
Operating cash flow before Working Capital Changes	8695.04	9816.55
Movements in working capital :		
Increase / (decrease) in trade payables	1214.60	1415.29
Increase / (decrease) in long term provisions	-	-
Increase / (decrease) in short term provisions	-	-
Increase / (decrease) in other current liabilities	(417.06)	733.60
Increase / (decrease) in other long term liabilities	65.39	179.61
Decrease/ (increase) in trade receivables	(833.85)	(221.41)
Decrease/ (increase) in inventories	(3081.49)	(2646.19)
Decrease / (increase) in long term loans and advances	(179.76)	(290.47)
Decrease / (increase) in short term loans and advances	688.67	(95.86)
Decrease / (increase) in other current assets	(16.43)	(25.38)
Decrease / (increase) in other non-current assets	3.38	(32.22)
Cash Generated from /(used in) operations	6138.49	8833.52
Direct taxes paid (net of refunds)	(979.06)	(1308.64)
<b>Net Cash flow from/(used) in Operating activities before extra-ordinary items</b>	<b>5159.43</b>	<b>7524.89</b>
Less: Extra-ordinary items	-	50.00
<b>Net Cash flow from /(used) in Operating activities (A)</b>	<b>5159.43</b>	<b>7474.89</b>

## Consolidated Cash Flow Statement for the year ended March 31, 2015

(₹ In lakhs)

Particulars	Year Ended March 31, 2015	Year Ended March 31, 2014
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchase of Fixed Assets, including intangible assets, cwip and capital advances	(5116.39)	(6422.86)
Proceeds from sale of Fixed Assets	321.50	147.85
Purchase of non-current investments	(0.25)	(1.31)
Investment in Subsidiaries	-	-
(Investment) in / redemption of bank deposits having original maturity more than three months	9.94	65.19
State Subsidy received	-	-
Interest received	37.41	43.70
Dividend received	0.04	0.14
<b>Net Cash used in Investing Activities (B)</b>	<b>(4,747.75)</b>	<b>(6167.30)</b>
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>		
Proceeds from long-term borrowings	3150.00	1294.75
Repayment of long-term borrowings	(1411.63)	(2837.83)
Short-term borrowings (net)	(151.70)	3063.47
Interest paid	(1549.73)	(1210.84)
Unclaimed dividend paid	(10.72)	(5.12)
Dividend paid (including dividend tax)	(814.25)	(405.13)
<b>Net Cash flow from /(Used) in Financing Activities (C)</b>	<b>(788.03)</b>	<b>(100.70)</b>
Net increase /(decrease) in cash and cash equivalents (A+B+C)	<b>(376.35)</b>	<b>1206.88</b>
Cash and Cash equivalents at the beginning of the year	<b>4380.28</b>	<b>3173.40</b>
Cash and Cash equivalents at the end of the year	<b>4003.93</b>	<b>4380.28</b>
<b>Components of cash and cash equivalents</b>		
Cash on hand	<b>275.17</b>	<b>1023.80</b>
Cheques / drafts on hand	<b>31.95</b>	<b>34.04</b>
Balances with banks in current accounts	<b>3696.81</b>	<b>3322.44</b>
Total cash and cash equivalents	<b>4003.93</b>	<b>4380.28</b>
<b>Significant accounting policies (1)</b>		
<b>Notes on accounts (2 to 48)</b>		

As per our report attached  
For **Raju & Prasad**  
Chartered Accountants  
Firm No. 003475S

For and on behalf of the Board

**Y Balakrishna Reddy**  
Partner  
M. No.223701

26<sup>th</sup> May, 2015  
Hyderabad

**N Bhuvaneswari**  
Vice Chairperson & Managing Director  
DIN : 00003741

**A Prabhakara Naidu**  
Chief Financial Officer  
M.No.FCA 200974

**N Brahmani**  
Executive Director  
DIN : 02338940

**Umakanta Barik**  
Company Secretary  
M.No.FCS 6317

## Significant Accounting Policies and Notes on Accounts

### 1. Significant Accounting Policies

#### 1.1 Basis of Preparation of Consolidated financial statements

The consolidated financial statements of Heritage Foods Limited (referred to as “the Company”) and its Subsidiaries Heritage Foods Retail Limited, Heritage Conpro Limited (collectively referred to as “the Group”) have been prepared under the historical cost convention and on the accrual basis of accounting in accordance with Indian Generally Accepted Accounting Principles, applicable provisions of Companies Act, 2013, and as per the Accounting standards specified under section 133 of the Companies Act, 2013 read with rule 7 of Companies (Accounts) Rules 2014. The Financial have been prepared as per the schedule III of Companies Act, 2013.

#### 1.2 Principles of Consolidation: The consolidated Financial Statements have been prepared on the following basis:

- The Financial Statements of the Company and its Subsidiaries have been consolidated on a line-by-line basis by adding together the book values of like items of assets, liabilities, income and expenses.
- Intra group balances and intra group transactions and resulting unrealized profits are eliminated in full. Unrealized losses resulting from such transactions are also eliminated unless cost cannot be recovered.
- Minority Interest's share of net profit/loss of consolidated subsidiaries for the year is identified and adjusted against the income of the group in order to arrive at the net income attributable to shareholders of the Company.
- Minority Interest's share of net assets of consolidated subsidiaries as on March 31, 2015 is identified and presented in the consolidated balance sheet separate from liabilities and the equity of the Company's shareholders.
- Unrealized profits and losses resulting from transactions between the Company and the Associate are eliminated to the extent of the Company's interest in the associate.

The Subsidiaries / Associates considered in the Consolidated Financial Statements are :

Company status / Name	Country of Incorporation	Ownership interest / % voting power held as at March 31, 2015	Ownership interest / % voting power held as at March 31, 2014
<b>i) Subsidiary:</b>			
a) Heritage Foods Retail Limited	India	99.64%	99.64%
b) Heritage Conpro Limited	India	75.70%	75.70%
<b>ii) Associate:</b>			
a) SKIL Raigam Power (India) Limited	India	44.83%	44.83%

#### 1.3 Changes in Accounting Policies

Accounting policies have been consistently applied except where a newly issued Accounting Standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use or for the purpose of better presentation of financial statements. Management evaluates all recently issued or revised Accounting Standards on an ongoing basis and accordingly changes the Accounting policies as applicable.

#### 1.4 Use of estimates

The preparation of financial statements is in conformity with Indian GAAP which requires management to make judgments, estimates and assumptions that affect the reported balances of assets, liabilities, income and expenses along with the disclosures of contingent liabilities at the end of reporting period.

Accounting estimates could change from period to period. Actual results could differ from those estimates. Appropriate

changes in estimates are made as the Management becomes aware of changes in circumstances surrounding the estimates. Changes in estimates are reflected in financial statements in the period in which changes are made and, if material, its effects are disclosed in the notes to the financial statements.

#### 1.5 Revenue Recognition

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured.

Revenue from operations includes revenue from sale of products, services and other operating revenue.

**Revenue from sales of products:** Revenue from sale of products is recognized when all the significant risks and rewards of ownership of products have been passed to the buyer, usually on delivery of the products. The revenue from sale of products is inclusive of Excise duty and net of discounts, value added taxes and sales tax.



With respect to Renewable Energy business, Revenue from Power supply and transmission charges are accounted for on the basis of billing to other divisions under inter-segment and includes unbilled revenues accrued up to the end of the accounting period. The inter-segment revenue is based on arms length price under comparable uncontrolled price (CUP) method as per the Specified Domestic Transfer Pricing regulations. Revenue from sale of Renewable Energy Certificates is recognized at the time of sale.

**Interest Income :** Interest is recognized on a time proportion basis taking into account the amount outstanding and the applicable interest rate.

**Dividend Income :** Dividend income is recognized when the Company's right to receive dividend is established by the reporting date.

## 1.6 Fixed Assets

**Tangible Assets:** Tangible Assets are stated at cost net of accumulated depreciation and accumulated impairment losses, if any. The cost comprises purchase price (net of discounts and rebates), borrowing costs if capitalization criteria are met and any attributable cost of bringing the asset to its working condition and location for the intended use.

Subsequent expenditure related to an item of fixed assets is added to its book value only if it increases the future economic benefits from the existing assets beyond its previously assessed standard of performance.

**Intangible Assets:** Intangible assets that are acquired are recognized at cost initially and carried at cost less accumulated amortization and accumulated impairment loss, if any.

**Capital Work-in-Progress :** Capital work-in-progress is recognized at cost. It comprises of fixed assets that are not yet ready for their intended use at the reporting date and capital stores issued.

Gain or loss arising from de-recognition of fixed assets (tangible and intangible) are measured as the difference between the net disposal proceeds and the carrying amount of the asset and is recognized in the Statement of Profit and Loss when the asset is de-recognized.

## 1.7 Depreciation and Amortization

**Depreciation on Tangible Assets:** Depreciation on tangible assets is provided on the basis of straight line method at the rates and in the manner prescribed in Schedule II of the Companies Act, 2013 except in respect of the following assets where useful life is different from than those described in Schedule II

**Plant and Machinery :** Depreciation on Plant and Machinery is provided on the basis of straight line method based on the useful life ranging from 1 to 20 years. Useful life of each assets is determined based on internal and external technical evaluation.

**Improvements to leasehold property :** Depreciation on Improvements to leasehold property is provided over a period of lease.

Depreciation on assets which are commissioned during the year is charged on pro-rata basis from the date of commissioning.

Depreciation in respect of its Renewable Energy business is provided on straight line method and at rates / methodology prescribed under the relevant Central Electricity Regulatory Commission (CERC) regulations.

**Amortization on Intangible Assets :** Intangible assets are amortized over their respective individual estimated useful lives not exceeding five years on a straight-line basis in the manner as prescribed in the Schedule II of the Companies Act, 2013.

## 1.8 Borrowing Cost

Borrowing cost directly attributable to the acquisition, construction or production of qualifying assets, till the time such assets are ready for intended use, are capitalized as part of the cost of such assets as defined in Accounting Standard (AS-16) on "Borrowing Costs". Other Borrowing costs are recognized as expenses in the year in which they are incurred.

Borrowing cost includes interest, amortization of ancillary cost incurred in connection with arrangement of borrowings and exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost.

## 1.9 Impairment of Fixed assets

An asset is treated as impaired when the carrying cost of the asset exceeds its recoverable value and the resultant impairment loss is charged to profit and loss account in the year in which impairment is identified. Impairment loss of earlier years is reversed in the event of the estimated recoverable amount is higher.

## 1.10 Investments

Investments, which are readily realizable and intended to be held for not more than one year from the date of such investments are classified as current investments. Current investments are carried at the lower of cost and fair value of each investment individually. All other investments are classified as long-term investments which are carried at cost less provisions for decline (if any), other than temporary, in the carrying value of each investment.

## 1.11 Government Grants

The investment subsidies (Non-refundable) received from Government in lieu of promoters contribution are treated as capital reserve. Subsidies received towards acquisition of assets are treated as deferred Government grants and the amount in proportion to the depreciation is transferred to statement of profit and loss.

### 1.12 Employee Retirement Benefits

**Provident Fund :** Retirement benefit in the form of provident fund is a defined contribution scheme. The contributions to the provident fund administered by the Central Government under the Provident Fund Act, 1952, are charged to the statement of profit and loss for the year in which the contributions are due. The company has no obligation, other than the contribution payable to the provident fund.

**Gratuity :** Accrued liability is determined on actuarial valuation basis using Projected Unit Credit (PUC) Method at the end of the year and provided in accounts as per AS-15

**Leave Encashment :** Accrued liability for leave encashment including sick leave is determined on actuarial valuation basis using Projected Unit Credit (PUC) Method at the end of the year and provided in accounts as per AS-15.

### 1.15 Inventories : Inventories are valued as under

S. No.	Particulars	Valuation	Method
1	Raw Materials	Cost or net realizable value whichever is lower	Cost has been ascertained on FIFO basis
2	Finished Goods	Cost or net realizable value whichever is lower	Cost has been ascertained on FIFO basis
3	Stores, Spares and Consumables	at cost	Cost has been ascertained on FIFO basis
4	Work- in- progress	Cost or net realizable value whichever is lower	Cost has been ascertained on FIFO basis
5	Tradable Goods	Cost or net realizable value whichever is lower	Cost has been ascertained on moving weighted average basis
6	Packing Material	at cost	Cost has been ascertained on FIFO basis

### 1.16 Taxes on Income

Income Taxes are accounted for in accordance with Accounting Standard (AS-22) on “ Accounting for Taxes on Income”. Income tax expenses comprises current tax (i.e., amount of tax for the period determined in accordance with the Income Tax law) and deferred tax charge or credit (reflecting the tax effects of timing differences between accounting income and taxable income for the period). The deferred tax charge or credit and the corresponding deferred tax liabilities or assets are recognized using the tax rates that have been enacted or substantively enacted by the balance sheet date. Deferred tax liability / assets are reviewed as at each balance sheet date and written down or written up to reflect the amount that is reasonably / virtually certain (as the case may be) to be realized. Taxes on distributed profits payable in accordance with the Guidance note on “Accounting for Corporate Dividend Tax” regarded as a tax on distribution of profits and is not considered in determination of profits for the year. MAT credit is recognized as an asset only when and to the extent there is convincing evidence that the Company will pay normal tax during the specific period.

### 1.13 Foreign Exchange transactions :

Transactions made during the year in foreign currency are recorded at the exchange rate prevailing at the time of transaction. Foreign currency monetary items remaining unsettled at the year end are translated at the contract rates, when covered by firm commitment forward cover contracts and at the year end rates in other cases. Gains and losses on foreign currency transactions are recognized in the profit and loss account as per AS-11.

### 1.14 Leases

**Operating leases (Lessee):** The Company has taken properties on operating lease, Civil works and other improvements of enduring nature are capitalized. Operating lease payments for properties and other assets are recognized as an expense in the statement of profit and loss on a straight line basis over the term of the lease.

### 1.17 Cash flow statement

The cash flow statement is prepared as per the “Indirect Method” set out in Accounting Standard (AS-3) “Cash Flow Statements” and presents the cash flows by operating, financing and investing activities of the Company. Operating cash flows are arrived by adjusting profit or loss before tax for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments, and items of income or expense associated with investing or financing cash flows.

### 1.18 Cash and Cash Equivalents

Cash and cash equivalents comprises cash on hand, cash at bank, cash on deposits with banks.

### 1.19 Earnings Per Share

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders (after deducting preference dividends and attributable taxes) by the weighted average number of equity shares outstanding during the period.

For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity

shareholders and the weighted average number of shares outstanding during the year are adjusted for the effects of all dilutive potential equity shares.

### 1.20 Segment Reporting

The Company is engaged in Dairy, Retail, Agri, Bakery and Renewable Energy businesses which are identified as reportable segments as per the Accounting Standard (AS-17) –“Segment Reporting”. The Company prepares its segment information in conformity with the accounting policies adopted for preparing and presenting the financial statements of the Company as a whole.

The Company accounts for inter-segment sales and transfers at cost plus appropriate margins. Allocation of common allocable costs allocated to each segment according to the relative contribution of each segment to the total common costs.

### 1.21 Provisions

Provision is recognized when the company has a present obligation as a result of past event and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Provisions are not discounted to their present value and are determined based on the best estimate required to settle the obligation at the year end. These estimates are reviewed at each year end and adjusted to reflect the current best estimates.

### 1.22 Contingent Liabilities

Contingent liabilities are identified and disclosed as per the requirements of “Accounting Standard AS-29”.

## Consolidated Notes to Accounts

### Note 2 : Share Capital

(₹ in lakhs)

Particulars			As at March 31, 2015	As at March 31, 2014
a) Authorised Share Capital				
i) Equity Share Capital 4,80,00,000 Equity Shares of ₹ 10/- each (Previous year : 4,80,00,000 Equity Shares of ₹ 10/- each )			4800.00	4800.00
ii) Convertible cumulative Preference Share Capital 20,00,000 Preference Shares of ₹ 10/- each (Previous Year 20,00,000 Convertible cumulative Preference Shares of ₹ 10/- each)			200.00	200.00
Total			5000.00	5000.00
b) Issued,Subscribed and Paidup Share Capital :				
Equity Share Capital 2,31,99,000 Equity Shares of ₹ 10/- each (Previous year 2,31,99,000 Equity Shares of ₹ 10/- each)			2319.90	2319.90
c) Reconciliation of number of equity shares outstanding and the amount of share capital				
Particulars	March 31, 2015		March 31, 2014	
	Number of Shares	Amount (₹ in lakhs)	Number of Shares	Amount (₹ in lakhs)
Shares Outstanding at the beginning of the year	23199000	2319.90	11599500.00	1159.95
Shares issued during the year	-	-	11599500.00	1159.95
Shares bought back during the year	-	-	-	-
Shares outstanding at the end of the year	23199000	2319.90	23199000.00	2319.90
d) Rights, preferences and restrictions attached to equity shares				
The Company has only one class of Issued, subscribed and paid up equity shares having a par value of ₹ 10/- each per share. Each holder of equity shares is entitled to one vote per share. The Company declares and pays dividends in Indian rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the Annual General Meeting.				
70,000 Equity Shares have been allotted as fully paid up Sweat Equity Shares for consideration other than cash to an employee of the Company during the financial year ended March 31, 2013 with a lock in period of 3 years from the date of allotment and 70,000 Equity Shares have been issued as bonus Shares during the year ended March 31,2014 .				
In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the share holders.				

<b>e) Details of Shareholders holding more than 5% shares in the Company</b>				
Name of Shareholder	March 31, 2015		March 31, 2014	
	No.of Shares held	% of holding	No.of Shares held	% of holding
Equity Shares of ₹ 10/- each fully paid				
1. Nara Bhuvaneswari	5330826	22.98	5330826	22.98
2. Nirvana Holdings Private Limited	2572842	11.09	2572842	11.09
3. Nara Lokesh	2366400	10.20	2366400	10.20
4. V Sudha Sarada	1271000	5.48	1321000	5.69
5. Megabid Finance & Investment Pvt Ltd	1223800	5.28	1223800	5.28

<b>f) Aggregate number of shares issued for consideration other than cash during the period of five years immediately preceeding the reporting date :</b>					
Particulars	March 31, 2015 No. of Shares	March 31, 2014 No. of Shares	March 31, 2013 No. of Shares	March 31, 2012 No. of Shares	March 31, 2011 No. of Shares
Equity Shares allotted as fully paid up as Sweat Equity shares for consideration other than cash	70000	70000	70000	-	-
Equity Shares allotted as fully paid-up as Bonus shares for consideration other than cash	11599500	11599500	-	-	-

### Note 3: Reserves and Surplus

(₹ in lakhs)

Particulars	As at March 31, 2015	As at March 31, 2014
<b>a) Capital Reserve (Deferred Government Grants)</b>		
Opening Balance	67.74	73.99
Add: Subsidy Received during the year	-	-
Less: Transfer to Profit and Loss statement	8.23	6.25
Closing Balance	59.51	67.74
<b>b) Capital Redemption Reserve</b>		
Opening Balance	81.00	81.00
Add: Current year transfer	-	-
Less: Written back in current year	-	-
Closing Balance	81.00	81.00
<b>c) Securities Premium Reserve</b>		
Opening Balance	3784.14	4944.09
Add: Securities premium credited	-	-
Less: Security Premium utilized	-	1159.95
Closing Balance	3784.14	3784.14
<b>d) Warrants Money Appropriated</b>		
Opening Balance	318.69	318.69
Add: Current year transfer	-	-
Less: Written back in current year	-	-
Closing Balance	318.69	318.69
<b>e) General Reserve</b>		
Opening Balance	6000.71	5000.71
Add: Transfer from Surplus	1000.00	1000.00
	7000.71	6000.71
Less: Depreciation and amortisation for the period prior to April 1, 2014 *	573.32	-
Closing Balance	6427.39	6000.71
* The Company has revised its estimated useful life of Tangible and Intangible assets, wherever appropriate, with effect from April 1, 2014 based on the internal and external technical evaluation as per Schedule II of the Companies Act, 2013. The straight line method is being used to depreciate the assets. The carrying amount as on April 1, 2014 is depreciated over the remaining useful life. As a result of these changes, the effect for those assets whose useful life had completed prior to April 1, 2014 is ₹ 573.32 lakhs (net of deferred tax of ₹ 295.22 lakhs) is adjusted in the General Reserve		



### Note 3: Reserves and Surplus

(₹ in lakhs)

Particulars	As at March 31, 2015	As at March 31, 2014
<b>f) Surplus / (Deficit)</b>		
Opening Balance	5303.70	2587.96
Add: Net Profit / (Net Loss) after tax transferred from Statement of Profit and Loss	2835.92	4529.99
Amount available for appropriations	8139.62	7117.95
Appropriations :		
Transferred to General Reserve	1000.00	1000.00
Proposed Dividend amount per share ₹ 3.00 per share (Previous Year : ₹ 3.00 per share)	695.97	695.97
Tax on Proposed Dividend	141.68	118.28
Closing Balance	6301.97	5303.70
<b>Total</b>	<b>16972.70</b>	<b>15555.98</b>

### NON-CURRENT LIABILITIES :

#### Note 4: Long-Term Borrowings

(₹ in lakhs)

Particulars	Non-Current		Current Maturities	
	As at March 31, 2015	As at March 31, 2014	As at March 31, 2015	As at March 31, 2014
<b>a) Term Loans</b>				
i) From Banks (secured)				
- Indian rupee loans	4686.25	2967.50	1431.25	1351.42
- Foreign currency loans	-	-	-	-
ii) From others	-	36.23	36.32	36.14
<b>b) Deferred Payment liabilities</b>				
Sales tax deferment (secured)	887.85	913.08	25.23	24.16
<b>c) Loans and Advances from related parties</b>				
Loan (unsecured)	-	-	-	-
<b>Total</b>	<b>5574.10</b>	<b>3916.81</b>	<b>1492.80</b>	<b>1411.72</b>

Installments falling due in respect of the above loans upto March 31, 2016 is ₹ 1492.80 lakhs (Previous Year: March 31, 2015: ₹ 1411.72 lakhs) have been grouped under “ Current maturities of long term borrowings “ (Ref Note 9)

Term Loan from Banks (Secured) includes :							(₹ In lakhs)
Type of Loan	Name of the Bank	Loan Outstanding As on		Loan Drawn	Rate of Interest	Security / Guarantee	Repayment Terms
		31.03.2015	31.03.2014				
a. Indian Rupee Loans from Banks							
1. Rupee Term Loan	Bank of Baroda	-	129.76	1435.00	'@base rate plus 2.75% (Previous Year: '@base rate plus 2.75%)	First pari passu charge on all present and future fixed assets of the Company, second pari passu charge on current assets of the Company	Repayable in 20 quarterly instalments commencing from Nov, 2009
2. Rupee Term Loan	ICICI Bank	-	160.00	3000.00	1.75% per annum below the sum of I-BAR and term premia prevailing on the date plus applicable interest tax or other statutory levy (Previous year :1.75% per annum below the sum of I-BAR and term premia prevailing on the date plus applicable interest tax or other statutory levy)	First pari passu charge on fixed assets of the Company and Second charge on current assets of the Company	Repayable in 21 quarterly instalments commencing from April 2009
3. Rupee Term Loan	ICICI Bank	25.00	125.00	300.00	Sum of I Base and “spread” per annum plus applicable interest tax or other statutory levy, if any (Previous year :Sum of I Base and “spread” per annum plus applicable interest tax or other statutory levy, if any)	First charge on fixed assets both immovable and movable excluding entire stocks of raw materials, work-in-progress, semi-finished and finished goods, consumable stores and spares and such other movables including book debts, bills whether documentary or clean both present and future of the Company	Repayable in 12 quarterly instalments commencing from August 2012
4. Rupee Term Loan	ICICI Bank	487.50	704.16	1300.00	9.5% per annum (Previous year :9.5% per annum)	First pari passu charge on both on both movable and immovable fixed assets of the Company, second charge on current assets, present and future of the Company, along with other term lenders	Repayable in 24 quarterly instalments commencing from August, 2011
5. Rupee Term Loan	ICICI Bank	1375.00	2000.00	2500.00	a) IBASE and spread per annum plus applicable interest tax or other statutory levy if any b) For sub-limit of FCNR(B) the rate of interest 8.80% plus six months USD LIBOR (Previous year:IBASE and spread per annum plus applicable interest tax or other statutory levy if any b) For sub-limit of FCNR(B) the rate of interest 8.80% plus six months USD LIBOR )	First pari passu charge on both movable and immovable fixed assets of the Company, second charge on current assets, present and future of the Company, along with other term lenders	Repayable in 16 quarterly instalments commencing from December, 2012
6. Rupee Term Loan	ICICI Bank	1080.00	1200.00	1200.00	IBASE and spread per annum subjected to minimum rate of IBASE + 3.75% per annum + applicable interest tax or other statutory levy if any (Previous year: IBASE and spread per annum subjected to minimum rate of IBASE + 3.75% per annum + applicable interest tax or other statutory levy if any)	First pari passu charge on both movable and immovable fixed assets of the Company, second pari passu charge on entire current assets of the company both present and future, along with other term lenders	Repayable in 16 quarterly instalments commencing from October, 2014

Term Loan from Banks (Secured) includes :							(₹ In lakhs)
Type of Loan	Name of the Bank	Loan Outstanding As on		Loan Drawn	Rate of Interest	Security / Guarantee	Repayment Terms
		31.03.2015	31.03.2014				
7. Rupee Term Loan	Bank of Baroda	350.00	-	350.00	@base rate plus 1.75% (Previous year :Nil)	First pari passu charge on all present and future fixed assets of the Company, second pari passu charge on current assets of the Company	Repayable in 24 quarterly instalments commencing from Jan, 2016
8. Rupee Term Loan	Andhra Bank	1500.00	-	1500.00	@base rate plus spread 2% plus term premium 0.25% (Previous year :Nil)	First pari passu charge on net fixed assets of the Company(Present and future) along with other consortium members, second pari passu charge on current assets of the Company	Repayable in 16 quarterly instalments commencing from Sep, 2015
9. Rupee Term Loan	Yes Bank	1000.00	-	1000.00	@base rate plus plus 1.25% (Previous year :Nil)	First pari passu charge over all fixed assets of the Company, second pari passu charge on all current assets of the Company	Repayable in 20 quarterly instalments commencing from Nov, 2015
10. Rupee Term Loan	Yes Bank	300.00	-	300.00	@base rate plus plus 0.75% (Previous year :Nil)	First pari passu charge over all fixed assets of the Company, second pari passu charge on all current assets of the Company	Repayable in 20 quarterly instalments commencing from Sep, 2015
<b>Total Indian rupee loans from banks</b>		<b>6117.50</b>	4318.92				
<b>b) Term loans from others(secured) includes :</b>							
1. Retail Finance (Auto-Loan)	BMW Financial Services	36.32	72.37	94.75	Interest at the rate of 9.89% per annum	Hypothecation of Vehicle BMW 7 series 730LD	Repayable in 30 monthly instalments commencing from August, 2013
<b>Total Rupee Term Loans (a+b)</b>		<b>6153.82</b>	4391.29				
<b>Deferred Payment Liabilities</b>							
Deferred Payment Liabilities represent sales tax collected under deferrment scheme of State Government of United Andhra Pradesh and is being repaid as per the sales tax deferrment scheme. The Company availed sales tax deferrment scheme for Gokul, Narketpalle and Bayyavaram Dairy plants. Sales Tax deferred in a year should be repaid at the end of 14th year for Gokul and Bayyavaram plants and 10th year for Narketpalle plant without interest and is secured by fixed assets of the respective dairy plants.							

### Note 5: Deferred Tax Liability (Net)

(₹ in lakhs)

Particulars	As at March 31, 2015	As at March 31, 2014
<b>a) Deferred Tax Liability :</b>		
Opening Deferred Tax Liability	2444.99	2127.62
Add: Deferred Tax Liability during the year on account of :		
Depreciation	(312.38)	317.37
(Net of deferred tax asset of ₹ 295.22 lakhs on account of depreciation - Ref Note 3)		
Closing Deferred Tax Liability	2132.61	2444.99
<b>b) Deferred Tax Asset :</b>		
Opening Deferred Tax Asset	192.69	174.71
Add: Deferred Tax Asset during the year on account of :		
Provision for unavailed leave	58.86	17.98
Closing Deferred Tax Asset	251.55	192.69
<b>Net Deferred Tax Liability there on</b>	<b>1881.06</b>	<b>2252.30</b>

**Note 5: Deferred Tax Liability (Net)**

(₹ in lakhs)

Particulars	As at March 31, 2015	As at March 31, 2014
Major components of deferred tax arising on account of timing differences are:		
a) Deferred Tax liabilities:		
Depreciation	2132.61	2444.99
b) Deferred Tax Asset:		
Provision for unavailed leave	251.55	192.69

**Note 6: Other Long-Term Liabilities**

(₹ in lakhs)

Particulars	As at March 31, 2015	As at March 31, 2014
Others :		
Security Deposits	999.78	934.38
<b>Total</b>	<b>999.78</b>	<b>934.38</b>

**Note 7: Long-Term Provisions**

(₹ in lakhs)

Particulars	Long - Term		Short Term	
	As at March 31, 2015	As at March 31, 2014	As at March 31, 2015	As at March 31, 2014
Provision for employee benefits				
Unavailed Leave	156.51	93.39	569.64	473.50
Other Provisions				
Proposed Dividend	-	-	695.97	695.97
Provision for tax on dividend	-	-	141.68	118.28
Provision for Income Tax (Net of Advance Tax)	-	-	58.98	-
<b>Total</b>	<b>156.51</b>	<b>93.39</b>	<b>1466.27</b>	<b>1287.75</b>

**CURRENT LIABILITIES :**
**Note 8: Short-Term Borrowings**

(₹ in lakhs)

Particulars	As at March 31, 2015	As at March 31, 2014
<b>Loan Repayable on demand:</b>		
a) Working Capital Loan from banks (secured)	6185.62	6599.04
b) Short -Term Loans from banks (secured)	2487.87	2226.15
<b>Total</b>	<b>8673.49</b>	<b>8825.19</b>

**a) Working Capital Loans from Banks:**

	Name of the Bank	Type of Loan Facility	Loan Outstanding As on		Working Capital Loan Limit	Rate of Interest	Security / Guarantee
			31.03.2015	31.03.2014			
i)	Bank of Baroda	Cash Credit	2713.03	2911.13	4000 (Previous year : ₹ 3000)	Base rate plus 2.25% (Previous year : Base rate plus 2.50%)	First pari passu charge on current assets of the Company by way of hypothecation of raw material, work-in- progress, finished goods such as Milk, Milk Powder, Ghee, Skimmed Milk, Butter, Curd etc., and packing materials, spares, stores. Extension of first pari passu charge on the fixed assets of the Company
ii)	Andhra Bank	Open Cash Credit	1455.17	1396.30	2500 (Previous year : ₹ 1500)	Base rate plus 2.25% (Previous year : Base rate plus 2.75%)	Hypothecation of inventory, receivables and advances to suppliers by way of first pari passu charge under consortium arrangement with Bank of Baroda and ICICI Bank Ltd.,

Name of the Bank	Type of Loan Facility	Loan Outstanding As on		Working Capital Loan Limit	Rate of Interest	Security / Guarantee
		31.03.2015	31.03.2014			
iii) ICICI Bank	Cash Credit	2017.42	2291.61	3500 (with sublimit of WCDL- Rupee (Previous Year: 3000 (with sublimit of WCDL- FCNR(B), WCDL- Rupee)	IBASE plus “spread” per annum subject to minimum rate of I Base plus 2.50% per annum plus applicable interest tax or other statutory levy, if any. (Previous year: IBASE plus “spread” per annum subject to minimum rate of I Base plus 3.25% per annum plus applicable interest tax or other statutory levy, if any.)	First pari passu charge on Companies entire stocks of raw materials, semi finished and finished goods, consumable stores and spares and such other movables including book debts, bills whether documentary or clean, outstanding moneys, receivables, both present and future, in a form and manner satisfactory to the bank, ranking pari passu with other participating banks. First pari passu charge on all the Borrower's fixed assets both immovable and movable.
<b>Total</b>		<b>6185.62</b>	6599.04	10000.00		

b) Short Term Loans from Banks							(₹ In lakhs)
Name of the Bank	Type of Loan Facility	Loan Outstanding As on		Short Term Loan Limit	Rate of Interest	Security / Guarantee	Repayment Terms
		31.03.2015	31.03.2014				
i) Kotak Mahindra Bank	Short Term Loan	1422.12	999.58	1500 (Previous Year : 1000)	@11.50 % (Previous year : @base rate plus 1.5%)	Secured by second charge by way of extension of equitable mortgage on the property belonging to Executive Director of the Company and personal	Repayable in three instalments on 25th day of 4th, 5th and 3rd instalment on 180th day from the date of disbursement.
ii) Andhra Bank	Short Term Loan	-	1185.79	Nil (Previous Year : 3000)	Nil (Previous year : @base rate plus 2.75%)	Secured by first pari passu charge on the current assets of the Company and extension of first pari passu charge on net fixed assets of the Company as a collateral security along with consortium banks	Repayable in three equal monthly instalments commencing from the end of fourth month from the date of disbursement
iii) HDFC Bank	Short Term Loan	1000.00	-	1000 (Previous Year : Nil)	@base rate plus 0.75% (Previous year : Nil)	Unsecured	Repayable in six months from the date of disbursement
iv) Kotak Mahindra Bank	Over Draft	65.75	40.77	100 (Previous Year : 100)	@12.50% (Previous year :12.50%)	Secured by exclusive mortgage of property belonging to Executive Director of the Company and personal guarantees of Executive Director	Repayable within one year
<b>Total</b>		<b>2487.87</b>	2226.15				

Aggregate amount of loan repayable on demand guaranteed by :			March 31, 2015	March 31, 2014
<b>i. Executive Director of the Company :</b>				
Loans outstanding amount			1487.87	1040.36
Loans guaranteed			1600.00	1100.00
<b>ii. Vice Chairperson and Managing Director of the Company :</b>				
Loans outstanding amount			-	1040.36
Loans guaranteed			-	1100.00
<b>iii. Non-Executive Director of the Company :</b>				
Loans outstanding amount			-	1040.36
Loans guaranteed			-	1100.00



### Note 9a Trade Payables

(₹ in lakhs)

Particulars	As at March 31, 2015	As at March 31, 2014
Trade Payables (Including payable to Micro, Small and Medium Scale Enterprises of ₹ 8.78 lakhs (Previous year: ₹ 8.79 lakhs) (Ref Note 36)	7752.70	6897.65

### Note 9b Other Current Liabilities

(₹ in lakhs)

Particulars	As at March 31, 2015	As at March 31, 2014
Current maturities of long-term borrowings (Ref Note 4):		
Term Loans	1467.57	1387.56
Deferred payment liabilities	25.23	24.16
Interest Accrued but not due on borrowings	38.77	17.30
Interest accrued and due on borrowings	-	-
Unpaid Dividends (Ref Note. 30)	52.80	42.07
Other Payables :		
Employee Related payables	1158.51	1136.82
Advance from Customers	607.22	698.09
Capital Creditors	404.14	920.59
Statutory Payables	515.32	322.46
Security Deposits	336.48	349.52
Freight Payables	574.35	495.88
Other payables	1597.36	1703.79
<b>Total</b>	<b>6777.75</b>	<b>7098.24</b>

### Note 10: Short Term Provisions

(₹ in lakhs)

Particulars	As at March 31, 2015	As at March 31, 2014
Provision for employee benefits		
Unavailed Leave	569.64	473.50
Other Provisions :		
Proposed Dividend	695.97	695.97
Provision for tax on proposed dividend	141.68	118.28
Provision for Income Tax (Net of Advance Tax)	58.98	-
<b>Total</b>	<b>1466.27</b>	<b>1287.75</b>

## NON-CURRENT ASSETS

### Note.11 Fixed Assets

(₹ in lakhs)

Particulars	Gross Block				Accumulated Depreciation / Amortization						Net Block	
	Balance as at 01.04.2014	*Additions / other adjustments during the year	Deductions / Retirement during the year	Balance as at 31.03.2015	Balance as at 01.04.2014	Depreciation charge for the year	Deductions / adjustments during the year	# Impairment loss for the year	** General Reserve	Balance as at 31.03.2015	Balance as at 31.03.2015	Balance as at 01.04.2014
<b>a. Tangible Assets</b>												
Land	1544.19	361.71	10.91	1894.99	-	-	-	-	-	-	1894.99	1544.19
Buildings	9701.92	853.28	245.74	10309.46	2281.98	355.22	60.34	-	436.88	3013.73	7295.72	7419.94
Improvements to leasehold property	1581.24	197.94	86.82	1692.36	804.30	176.85	60.67	-	-	920.49	771.87	776.94
Plant and Machinery	22853.46	3569.07	873.31	25549.22	8284.76	2249.51	779.26	15.55	280.93	10051.48	15497.74	14568.70
Furniture and Fixtures	2011.95	153.84	6.57	2159.22	666.88	151.68	5.22	0.02	20.38	833.73	1325.49	1345.07
Office Equipment	2449.52	307.53	23.27	2733.78	1553.83	277.46	20.80	0.01	124.78	1935.28	798.50	895.70
Vehicles	374.57	35.77	4.61	405.73	101.53	68.47	3.44	-	5.57	172.13	233.60	273.04
<b>Total - a</b>	40516.85	5479.14	1251.23	44744.76	13693.28	3279.19	929.73	15.58	868.54	16926.84	27817.91	26823.57
<b>b. Intangible Assets</b>												
Computer Software	1446.40	42.81	-	1489.21	1121.85	119.84	-	-	-	1241.69	247.52	324.55
<b>Total -b</b>	1446.40	42.81	-	1489.21	1121.85	119.84	-	-	-	1241.69	247.52	324.55
<b>Total (a+b)</b>	41963.25	5521.95	1251.23	46233.96	14815.13	3399.03	929.73	15.58	868.54	18168.54	28065.43	27148.12
Previous year	36347.62	6149.35	533.72	41963.25	12668.28	2500.23	385.88	32.49	-	14815.13	27148.12	
<b>c. Capital Work-in-progress</b>	1111.81	5309.82	5521.95	899.68							899.68	1111.81
Previous year	827.49	6433.67	6149.35	1111.81								
* During the year, as per Accounting Standard AS-16, borrowing cost of ₹ 55.31 lakhs (Previous year : ₹ 16.59 lakhs) has been capitalized to Plant & Machinery, ₹ 32.03 lakhs (Previous year: ₹ 0.80 lakhs) to Buildings and to Office Equipment in Current Year : Nil (Previous Year: ₹ 0.11 lakhs) it is included in other adjustments.												
** General Reserve :As per Schedule II of the Companies Act, 2013 the carrying value of those assets whose useful life had completed prior to April 1, 2014 is ₹ 573.32 lakhs (net of deferred tax of ₹ 295.22 lakhs) is adjusted in the General Reserve												

#### Details of impairment losses :

##### Dairy

(₹ in lakhs)

Particulars	2014-2015 ₹	2013-2014 ₹	2012-2013 ₹	2011-2012 ₹	2010-2011 ₹
Balance as at the beginning of the year	36.90	5.87	5.53	0.42	-
# Impairment loss during the year	15.58	32.49	0.34	5.11	0.42
Reversal of accumulated impairment loss	-	1.46	-	-	-
Balance as at the end of the year	52.48	36.90	5.87	5.53	0.42

**Note 12 :Non-current Investments**

(₹ in lakhs)

Particulars	Non - Current		Current	
	As at March 31, 2015	As at March 31, 2014	As at March 31, 2015	As at March 31, 2014
<b>I. Trade Investments:</b>				
Other non-current investments	1.13	1.13	-	-
<b>Other Investments (Non-Traded):</b>				
<b>I. Investment in Equity Instruments</b>				
<b>a) Subsidiaries</b>	-	-	-	-
<b>b) Associates</b>	56.72	57.51	-	-
Less: Diminution in value of investments	-	-	-	-
Cost of investment in Associate	56.72	57.51	-	-
Less: Share of Loss	0.28	0.79	-	-
<b>Total -i(b)</b>	56.44	56.72	-	-
<b>II. Investment in Government securities</b>	2.67	2.88	1.10	0.64
<b>III Other non-current investments</b>	20.00	20.00	-	-
<b>Total</b>	80.24	80.73	1.10	0.64
Less: Provision for diminution in the value of investments	-	15.17	-	-
	80.24	65.56	1.10	0.64

Particulars	Book Value		Market value	
	March 31, 2015	March 31, 2014	March 31, 2015	March 31, 2014
Aggregate of quoted investments	1.13	1.13	3.13	2.74
Aggregate of un-quoted investments	80.21	80.24		
<b>Total</b>	81.34	81.37		

Name of the Body Corporate	Quoted / Unquoted	As at March 31, 2015	As at March 31, 2014
<b>I. Details of Trade Investments :</b>			
<b>Andhra Bank</b>	Quoted	0.33	0.33
363 Equity Shares of ₹ 10/- each fully paid up (Previous year:363 Equity shares of ₹ 10/- each fully paid up)			
<b>Bank of Baroda</b>	Quoted	0.80	0.80
1740 Equity shares of ₹ 2/- each fully paid up (Previous year:348 Equity shares of ₹ 10/- each fully paid up)			
<b>Total</b>		1.13	1.13
<b>Details of Other Investments (Non-Traded):</b>			
<b>I.b) Investment in Equity Shares of Associates :</b>			
<b>Skil Raigam Power (India) Limited</b>		65.00	65.00
Less: Diminution value of investments *		6.98	6.98
Cost of investment in Associate	Unquoted	58.02	58.02
Less: Share of accumulated losses		1.30	0.51
		56.72	57.51
<b>Less : Share of current loss</b>		0.28	0.79

Name of the Body Corporate	Quoted / Unquoted	As at March 31, 2015	As at March 31, 2014
Carrying Value		56.44	56.72
* Diminution in value of investments recognized during the financial year 2011-12 when SKIL Raigam Power (India) Limited ceased to be Subsidiary and became Associate			
<b>II. Investment in Government securities</b>			
National Savings Certificates	Unquoted	3.77	3.52
<b>Total</b>		3.77	3.52
<b>III. Heritage Finlease Limited</b>	Unquoted	20.00	20.00
200000 Equity shares of ₹ 10/- each fully paid up (Previous year: 200000)			
Equity Shares of ₹ 10/- each fully paid up)			
<b>Total</b>		20.00	20.00
<b>Total Other investments (Non-traded)</b>		80.21	80.24

**Note: 13 Loans and Advances**

(₹ in lakhs)

Particulars	Non - Current		Current	
	As at March 31, 2015	As at March 31, 2014	As at March 31, 2015	As at March 31, 2014
<b>a) Capital Advances</b>				
Unsecured , considered good	79.57	218.32		
<b>b) Security Deposits</b>				
Unsecured , considered good	1856.22	1674.87	373.47	271.69
Doubtful	-	-	43.54	41.14
	1856.22	1674.87	417.00	312.83
Less: Provision for doubtful security deposit	-	-	43.54	41.14
<b>Total</b>	1856.22	1674.87	373.47	271.69
<b>c) Advances recoverable in cash or kind</b>				
Unsecured , considered good	-	-	338.09	1116.18
Doubtful	-	-	31.41	27.94
	-	-	369.50	1144.13
Less: Provision for doubtful advances	-	-	31.41	27.94
<b>Total</b>	-	-	338.09	1116.18
<b>d) Advances to related parties</b>	-	-	-	-
<b>e) Other loans and advances</b>				
Unsecured , considered good				
Advance income tax and TDS receivable (Net of provision for taxation)	-	-	-	131.78
Loans and advances to employees	22.32	23.90	61.57	102.25
Balances with Statutory / Government Authorities	127.06	127.07	2.66	4.20
Advances to subsidiaries	-	-	-	-
<b>Total</b>	149.38	150.97	64.23	238.23
<b>Total (a+b+c+d)</b>	2085.17	2044.16	775.79	1626.10
Loans and advances due by directors or other officers etc.				(₹ in lakhs)
Loans and advances due by directors	-	-	-	-
Loans and advances to employees include dues from other officers of the Company	16.47	17.46	20.92	60.52

**Note: 14 Other non-current assets**

(₹ in lakhs)

Particulars	Non - Current	
	As at March 31, 2015	As at March 31, 2014
Others :		
Unsecured, considered good unless stated otherwise		
Non-current bank balances (Ref Note 18)	55.11	60.02
Interest accrued on margin money and other deposits	11.47	8.56
Prepaid expenses	6.71	8.09
<b>Total</b>	<b>73.29</b>	<b>76.67</b>

**Note: 15 Other current assets**

(₹ in lakhs)

Particulars	As at March 31, 2015	As at March 31, 2014
Unsecured, considered good unless stated otherwise		
Prepaid expenses	151.71	140.19
Interest accrued on margin money and other deposits	4.91	-
<b>Total</b>	<b>156.62</b>	<b>140.19</b>

**Note 16 : Inventories**

(₹ in lakhs)

Particulars	As at March 31, 2015	As at March 31, 2014
<b>(Valued at lower of cost or net realisable value except Packing Material &amp; stores and spares)</b>		
Raw Materials (Includes in-transit of ₹ 155.54 lakhs) (Previous year : ₹ 493.64 lakhs))	2339.16	4287.74
Work-in-Progress	24.51	65.59
Finished Goods	6330.19	2600.76
Stock-in-Trade	4327.93	2937.02
Packing Material (valued at cost)	731.47	790.69
Stores and spares (valued at cost)	183.62	173.59
<b>Total</b>	<b>13936.88</b>	<b>10855.39</b>
<b>Details of Inventory</b>		
<b>A. Inventory : Raw Materials</b>		
a) Dairy		
Skimmed milk powder	2220.98	4197.20
Other materials	103.49	81.27
<b>Total</b>	<b>2324.47</b>	<b>4278.47</b>
b) Bakery		
Bakery raw materials	14.69	9.27
<b>Total</b>	<b>14.69</b>	<b>9.27</b>
<b>Total (a + b)</b>	<b>2339.16</b>	<b>4287.74</b>
<b>B. Inventory: Work-in-Progress</b>		
a) Dairy-in-process material	24.37	64.45
b) Bakery-in-process material	0.14	1.14
<b>Total</b>	<b>24.51</b>	<b>65.59</b>
<b>C. Inventory: Finished Goods</b>		
a) Dairy		
Milk	1024.09	921.31
Value Added Products	479.55	411.87
Fat Products	2575.92	968.80
Skimmed milk powder	2166.36	194.37
<b>Total</b>	<b>6245.92</b>	<b>2496.36</b>



**Note 16 : Inventories**

(₹ in lakhs)

Particulars	As at March 31, 2015	As at March 31, 2014
<b>b) Agri</b>		
Fruits and vegetables	81.17	102.57
<b>Total</b>	<b>81.17</b>	<b>102.57</b>
<b>c) Bakery</b>		
Bakery products	3.10	1.83
<b>Total</b>	<b>3.10</b>	<b>1.83</b>
<b>Total (a + b + c)</b>	<b>6330.19</b>	<b>2600.76</b>
<b>D. Inventory: Stock-in-Trade</b>		
<b>a) Dairy</b>		
Tradable goods	74.51	36.87
<b>Total</b>	<b>74.51</b>	<b>36.87</b>
<b>b) Retail</b>		
FMCG - Food	1995.78	1408.82
FMCG - Non-food	2214.23	1439.00
Fruits and vegetables	38.04	45.55
<b>Total</b>	<b>4248.05</b>	<b>2893.37</b>
<b>c) Agri</b>		
Fruits	-	-
Others	5.37	6.78
<b>Total</b>	<b>5.37</b>	<b>6.78</b>
<b>Total (a + b + c)</b>	<b>4327.93</b>	<b>2937.02</b>

**Note: 17 Trade Receivables**

(₹ in lakhs)

Particulars	Current	
	As at March 31, 2015	As at March 31, 2014
<b>A. Trade receivables outstanding for a period exceeding six months from the date they are due for payment</b>		
a) Unsecured, considered good	50.40	9.78
b) Unsecured, considered doubtful	70.96	79.51
<b>Total (a+b)</b>	<b>121.36</b>	<b>89.29</b>
<b>Less : Provision for bad and doubtful receivables</b>	<b>70.96</b>	<b>79.51</b>
<b>Total - A</b>	<b>50.40</b>	<b>9.78</b>
<b>B. Other trade receivables</b>		
a) Unsecured, considered good	2373.18	1651.27
b) Unsecured, considered doubtful	0.39	15.32
<b>Total (a+b)</b>	<b>2373.57</b>	<b>1666.59</b>
<b>Less : Provision for bad and doubtful receivables</b>	<b>0.39</b>	<b>15.32</b>
<b>Total - B</b>	<b>2373.18</b>	<b>1651.27</b>
<b>Grand total (A+B)</b>	<b>2423.58</b>	<b>1661.05</b>
<b>Debts due by directors</b>	<b>-</b>	<b>-</b>

**Note: 18 Cash and Bank Balances**

(₹ in lakhs)

Particulars	Non - Current		Current	
	As at March 31, 2015	As at March 31, 2014	As at March 31, 2015	As at March 31, 2014
<b>i) Cash and Cash Equivalents :</b>				
a) Balances with banks:				
On current accounts			3696.81	3322.44
Deposits with original maturity of less than three months			-	-
b) Cheques, drafts on hand			31.95	34.04
c) Cash on hand			275.17	1023.80
<b>Total Cash and Cash Equivalents</b>			<b>4003.93</b>	<b>4380.28</b>
<b>ii) Other Bank balances :</b>				
a) Earmarked balance with bank:				
- Unpaid dividend	-	-	52.80	42.07
- Other deposits	12.60	14.10	-	0.09
b) Margin money deposit	53.98	54.48	21.36	31.22
c) Deposits with original maturity for more than 12 months	-	-	-	-
<b>Total Other Bank balances</b>	<b>66.58</b>	<b>68.58</b>	<b>74.16</b>	<b>73.38</b>
<b>Total Cash and Bank Balances</b>	<b>66.58</b>	<b>68.58</b>	<b>4078.09</b>	<b>4453.66</b>

Non-current portion of other bank balances are included in other assets (Ref.Note 14)

**Note : 19 Revenue from operations**

(₹ in lakhs)

Particulars	Year Ended March 31, 2015	Year Ended March 31, 2014
<b>Revenue from operations :</b>		
<b>A) Sale of Products</b>		
<b>i) Finished goods</b>		
Domestic Sales	151786.34	129130.97
Export Sales	356.57	383.04
<b>Total</b>	<b>152142.91</b>	<b>129514.01</b>
<b>ii) Traded goods</b>		
Domestic Sales	50589.64	39069.67
Export Sales	88.23	493.10
<b>Total</b>	<b>50677.87</b>	<b>39562.77</b>
Domestic Sales	202375.98	168200.64
Export Sales	444.80	876.14
<b>Total - A (i+ii)</b>	<b>202820.78</b>	<b>169076.78</b>
<b>B) Sale of services</b>		
Job work	633.31	517.16
<b>C) Other operating revenues</b>		
Scrap Sales	97.03	86.94
Others :		
i) Display & Visibility Income	314.57	253.44
ii) Promotional Income	3322.87	2199.00
iii) Concessionary income	203.93	158.26
iv) REC Credits	10.12	-
<b>Total -c</b>	<b>3948.52</b>	<b>2697.64</b>
<b>Revenue from operations (gross) (A+B+C)</b>	<b>207402.61</b>	<b>172291.58</b>
Less: Excise duty	105.96	87.59
<b>Revenue from operations (net)</b>	<b>207296.65</b>	<b>172203.99</b>

**Note : 19 Revenue from operations**

(₹ in lakhs)

Particulars	Year Ended March 31, 2015	Year Ended March 31, 2014
<b>A. Details of products sold</b>		
<b>i) Finished goods sold</b>		
<b>a) Dairy</b>		
Milk	107661.20	93573.79
Value Added Products	30681.36	23694.14
Fat Products	11602.63	10027.48
Skimmed milk powder	76.41	80.84
<b>Total</b>	<b>150021.60</b>	<b>127376.26</b>
<b>b) Agri</b>		
Fruits and Vegetables	1797.81	1867.46
<b>c) Bakery</b>		
Bakery products	323.50	270.30
<b>Total (a+b+c)</b>	<b>152142.91</b>	<b>129514.01</b>
<b>ii) Traded goods sold</b>		
<b>a) Dairy</b>		
Tradable goods	2757.93	3320.62
<b>Total</b>	<b>2757.93</b>	<b>3320.62</b>
<b>b) Retail</b>		
FMCG - Food	27558.37	21168.48
FMCG - Non-Food	11209.53	8029.87
Fruits and Vegetables	6584.88	5729.02
<b>Total</b>	<b>45352.78</b>	<b>34927.36</b>
<b>c) Agri</b>		
Fruits and Vegetables	-	-
Other Tradable goods	2507.43	1314.79
<b>Total</b>	<b>2507.43</b>	<b>1314.79</b>
<b>d) Bakery</b>		
Tradable goods	59.74	-
<b>Total</b>	<b>59.74</b>	<b>-</b>
<b>Total (a+b+c+d)</b>	<b>50677.87</b>	<b>39562.77</b>
<b>B) Details of sale of services</b>		
a) Dairy	607.38	459.07
b) Agri	25.93	58.09
<b>Total (a+b)</b>	<b>633.31</b>	<b>517.16</b>
<b>C) Details of other operating revenues</b>		
a) Dairy	60.58	60.81
b) Retail	3875.96	2635.00
c) Agri	0.82	0.62
d) Bakery	1.04	1.21
e) Renewable Energy	10.12	-
<b>Total (a+b+c+d+e)</b>	<b>3948.52</b>	<b>2697.64</b>

**Note: 20 Other Income**

(₹ in lakhs)

Particulars	Year Ended March 31, 2015	Year Ended March 31, 2014
a) Interest Income on :		
Bank and other deposits	29.12	30.88
Others	8.29	12.82
b) Dividend Income on :		
Long-term investments	0.04	0.14
c) Subsidy transferred from Deferred Govt.grants	8.23	6.25
d) Lease rental income	154.11	111.65
e) Provisions no longer required/Credit Balances written back	374.72	199.41
f) Exchange differences(net)	-	18.35
g) Export Incentives	-	29.45
h) Profit on Sale of Assets (Net)	57.67	7.73
i) Other non-operating income	85.65	78.72
	<b>717.83</b>	<b>495.40</b>

**Note : 21 Cost of materials consumed**

(₹ in lakhs)

Particulars	Year Ended March 31, 2015	Year Ended March 31, 2014
<b>a) Raw material :</b>		
Inventory at the beginning of the year	4287.74	2746.20
Add: Purchases	123823.30	99747.80
	<b>128111.04</b>	<b>102494.00</b>
Less: Inventory at the end of the year	2339.16	4287.74
Raw Material consumed (a)	<b>125771.88</b>	<b>98206.26</b>
<b>b. Packing material :</b>		
Inventory at the beginning of the year	790.69	565.45
Add: Purchases	5562.42	5077.15
	<b>6353.10</b>	<b>5642.60</b>
Less: Inventory at the end of the year	731.47	790.69
Packing Material Consumed (b)	<b>5621.63</b>	<b>4851.91</b>
<b>Cost of materials consumed (a+b)</b>	<b>131393.51</b>	<b>103058.17</b>
<b>Details of Raw materials consumed</b>		
<b>a) Dairy</b>		
Raw Milk	111783.37	82125.65
Skimmed Milk Powder	8906.87	11199.96
Other Raw materials	1696.47	1475.18
<b>Total</b>	<b>122386.71</b>	<b>94800.79</b>
<b>b) Agri</b>		
Fruits and Vegetables	3201.70	3260.58
<b>Total</b>	<b>3201.70</b>	<b>3260.58</b>
<b>c) Bakery</b>		
Bakery raw materials	183.47	144.89
<b>Total</b>	<b>183.47</b>	<b>144.89</b>
<b>Total (a + b + c)</b>	<b>125771.88</b>	<b>98206.26</b>

**Note : 22 Purchase of Stock-in-Trade**

(₹ in lakhs)

Particulars	Year Ended March 31, 2015	Year Ended March 31, 2014
FMCG - Food	21,902.47	16,173.81
FMCG - Non-Food	10,231.32	7,034.77
Fruits and Vegetables	4,975.30	4,436.52
Others	5075.08	4565.79
<b>Total</b>	<b>42184.17</b>	<b>32210.89</b>
<b>Details of purchase of Stock-in-Trade</b>		
<b>a) Dairy</b>		
Tradable Goods	617.93	1562.11
<b>b) Retail</b>		
FMCG - Food	21902.47	16173.81
FMCG - Non-Food	10231.32	7034.77
Fruits and Vegetables	4975.30	4436.52
<b>Total</b>	<b>37109.09</b>	<b>27645.10</b>
<b>c) Agri</b>		
Fruits and Vegetables	-	-
Other Tradable goods	4381.03	3003.68
<b>Total</b>	<b>4381.03</b>	<b>3003.68</b>
<b>d) Bakery</b>		
Tradable goods	76.12	-
<b>Total</b>	<b>76.12</b>	<b>-</b>
<b>Total (a + b + c+d)</b>	<b>42184.17</b>	<b>32210.89</b>

**Note : 23 Changes in inventories of finished goods, work-in-progress and Stock-in-Trade**

(₹ in lakhs)

Particulars	Year Ended March 31, 2015	Year Ended March 31, 2014
<b>A) Inventory at the end of the year :</b>		
Work-in-progress	24.51	65.59
Finished goods	6330.18	2600.76
Stock-in-Trade	4327.93	2937.02
<b>Total - A</b>	<b>10682.62</b>	<b>5603.37</b>
<b>B) Inventory at the beginning of the year :</b>		
Work-in-progress	65.59	36.76
Finished goods	2600.76	2185.32
Stock-in-Trade	2937.02	2492.90
<b>Total - B</b>	<b>5603.37</b>	<b>4714.98</b>
Changes in inventories of finished goods, work-in-progress and stock-in-trade (B-A)	<b>(5079.25)</b>	<b>(888.39)</b>



**Note : 24 Employee benefit expense**

(₹ in lakhs)

Particulars	Year Ended March 31, 2015	Year Ended March 31, 2014
Salaries, wages, bonus and allowances (Refer Note 31)	10081.81	9242.72
Contribution to Provident and other funds	542.80	487.36
Contribution to gratuity fund (Refer Note 31)	134.17	34.77
Staff Welfare Expenses	313.64	244.61
<b>Total</b>	<b>11072.42</b>	<b>10009.46</b>

**Note: 25 Finance costs**

(₹ in lakhs)

Particulars	Year Ended March 31, 2015	Year Ended March 31, 2014
Interest Expense	1495.05	1193.34
Other borrowing cost	82.46	125.98
Applicable loss on foreign currency transaction and translation	-	0.07
Interest on income tax	15.50	2.73
<b>Total</b>	<b>1593.01</b>	<b>1322.12</b>

**Note: 26 Depreciation and amortization expense**

(₹ in lakhs)

Particulars	Year Ended March 31, 2015	Year Ended March 31, 2014
Depreciation on tangible assets	3279.19	2378.02
Amortization of Intangible assets	119.84	122.21
<b>Total</b>	<b>3399.03</b>	<b>2500.23</b>

**Note: 27 Other expenses**

(₹ in lakhs)

Particulars	Year Ended March 31, 2015	Year Ended March 31, 2014
Consumption of Stores ,spares and consumables	1124.15	1266.85
Rent (Refer Note 34)	2764.27	2171.46
Bank Charges	165.23	209.25
Insurance	92.30	92.84
Travelling and conveyance	383.51	385.22
Communication cost	234.73	225.52
Safety and Security	539.38	469.20
Printing and Stationery	117.94	105.78
Office Maintenance	59.13	53.07
House Keeping Expenses	152.78	132.11
Books and periodicals	0.92	0.76
Electricity Charges	871.39	778.16
Rates and taxes	205.41	215.15
Repairs and maintenance		
Buildings	63.12	94.07
Machinery	174.81	236.07
Others	508.77	494.27
Wheeling Charges	66.89	22.30
Operation & Maintenance Charges	21.20	6.95
Legal and Professional Charges	502.70	402.59
Payment to Auditors :		
As Auditor:		
Audit Fee	15.90	13.65

**Note: 27 Other expenses**

(₹ in lakhs)

Particulars	Year Ended March 31, 2015	Year Ended March 31, 2014
Tax Audit fee	7.87	4.49
Limited Review	3.37	3.37
Corporate Governance	1.12	1.12
In other capacity :		
Taxation matters	3.89	3.88
Certification fee	4.28	1.28
Reimbursement of expenses	2.95	2.58
Advertisement expenses	264.55	231.15
Selling and Distribution expenses	1248.68	1099.93
Warehouse and logistics	280.84	248.19
Freight outwards	6522.58	6041.56
Directors' sitting fees	11.87	8.30
Provision for bad and doubtful advances	17.09	25.22
Bad Debts written off	9.81	2.92
Bad and doubtful advances written off	12.77	4.57
Provision for doubtful debts	61.52	64.69
Impairment loss on fixed assets	15.58	32.49
Recruitment and Training expenses	27.52	34.59
Contribution to Heritage Farmers Welfare Trust	103.04	99.32
Exchange differences (net)	1.17	-
Prior Period items *	1.33	6.31
Corporate Social Responsibility expenditure (Ref Note 44)	69.63	-
Miscellaneous expenses	20.52	23.61
Diminution in value of investments	-	15.17
<b>Total</b>	<b>16756.51</b>	<b>15330.01</b>
*Prior period items:		
Debits relating to earlier years	1.33	23.02
Credits relating to earlier years	-	16.71
<b>Total</b>	<b>1.33</b>	<b>6.31</b>

**Note : 28 Extra-ordinary items:**

(₹ in lakhs)

	As at March 31, 2015	As at March 31, 2014
(Previous year : Extra-ordinary items relates to ex-gratia amount paid to the families of the deceased in the accidents occurred in Dairy plants at Bayyavaram and Pamarru )	-	50.00

**Note: 29 Contingent liabilities and commitments (to the extent not provided for)**

(₹ in lakhs)

	As at March 31, 2015	As at March 31, 2014
<b>A. Contingent Liabilities</b>		
i. Claims against the company not acknowledged as debt :		
a) Tax matters in appeal :		
Income Tax	475.68	475.68
Sales Tax	166.38	141.29
The Andhra Pradesh VAT Act	201.89	201.89
Excise duty	-	-
b) Others	16.20	17.45
ii. Guarantees	373.99	372.86
iii. Other money for which the company is contingently liable		
‘C’ forms under collection	379.30	82.50
(Against all the above ₹ 171.21 lakhs (Previous year : 151.21 lakhs ) was paid under protest) It is not practicable for the Company to estimate the timing of cash outflows, if any, in respect of A(i) pending resolution of the respective proceedings.		
<b>B. Commitments</b>		
i. Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances)	780.82	664.02
ii. Other commitments :		
- Export obligation upto the year 2022-23 against import of capital goods under EPCG scheme	4280.49	3247.83

**Note: 30 Investor Education and Protection Fund**

(₹ in lakhs)

Particulars	As at March 31, 2015	As at March 31, 2014
Unclaimed Dividend		
Opening Balance	42.07	36.95
Add: Unclaimed dividend amount of earlier years	-	2.14
Less Claims during the year	0.64	0.35
Less: Transfer to IEPF	7.01	6.51
Add: Current year's unclaimed dividend	18.37	9.84
Closing Balance (Refer Note 9b)	52.80	42.07
There is no amount outstanding to be credited to the Investor Education and Protection Fund		

**Note: 31 As per the Accounting Standards AS-15 -"Employee Benefits" the disclosures of the Employee benefits as defined in the Accounting Standard are given below**
**Defined Contribution Plan :**

(₹ in lakhs)

Particulars	Year Ended March 31, 2015	Year Ended March 31, 2014
Employers Contribution to Provident Fund	438.56	395.98
<b>Defined Benefit Plan :</b>		

Gratuity (Funded) : As per Actuarial Report dated April 27, 2015		(₹ in lakhs)
Particulars	As at 31-Mar-2015	As at 31-Mar-2014
<b>1. Assumption</b>		
Discount Rate	7.80%	9.00%
Salary Escalation	5.00%	5.00%
Rate of Return on Plan Assets	9.00%	9.25%
Expected Average remaining working lives of employees (years)	29 yrs	29 yrs
<b>2. Table showing change in present value of obligations</b>		
Present value of obligations as at beginning of year	405.76	369.92
Acquisition adjustments	-	-
Interest cost	36.52	30.33
Current Service Cost	95.56	75.22
Curtailment Cost / (Credit)	-	-
Settlement Cost / (Credit)	-	-
Benefit Paid	(40.86)	(29.49)
Actuarial (gain)/ loss on obligations	43.35	(40.22)
Present value of obligations as at end of year	540.33	405.76
<b>3. Table showing changes in the fair value of plan assets</b>		
Fair value of plan assets at beginning of year	486.84	382.06
Opening balance adjustment	(12.63)	-
Acquisition adjustments	-	-
Expected return on plan assets	41.26	30.56
Contributions	76.18	103.71
Benefits paid	(40.86)	(29.49)
Actuarial gain / (loss) on plan assets	-	-
Fair value of plan assets at end of year	550.80	486.84
<b>4. Table showing fair value of plan assets</b>		
Fair value of plan assets at beginning of year	486.84	382.06
Acquisition adjustments	-	-
Actual return on plan assets	41.26	30.56
Contributions	76.18	103.71
Benefits paid	(40.86)	(29.49)
Fair value of plan assets at the end of year	550.80	486.84
Funded Status	10.47	81.08
Excess of Actual over estimated return on plan assets	-	-
<b>5. Actuarial Gain / Loss recognised</b>		
Actuarial (gain)/ loss on obligations	(43.35)	40.22
Actuarial (gain)/ loss for the year -plan assets	-	-
Total (gain) / loss for the year	43.35	(40.22)
Actuarial (gain)/ loss recognised in the year	43.35	(40.22)
<b>6. The amounts to be recognised in the balance sheet and statement of profit and loss</b>		
Present value of obligations as at the end of year	540.33	405.76
Fair value of plan assets as at the end of the year	550.80	486.84
Funded Status	10.47	81.08
Net asset/ (liability) recognised in balance sheet	10.47	81.08

(₹ in lakhs)

Particulars	As at 31-Mar-2015	As at 31-Mar-2014
<b>7. Expenses Recognised in the statement of profit and loss</b>		
Current Service Cost	95.56	75.22
Past Service Cost	-	-
Interest cost	36.52	30.33
Expected return on plan assets	(41.26)	(30.56)
Curtailement Cost / (Credit)	-	-
Settlement Cost / (Credit)	-	-
Net Actuarial (gain) / loss recognised in the year	43.35	(40.22)
Expenses recognised in statement of profit and loss (Refer Note 24)	134.17	34.77

**Amounts for the current and previous four financial years (for Gratuity)**

Particulars	As at 31-Mar-2015	As at 31-Mar-2014	As at 31-Mar-2013	As at 31-Mar-2012	As at 31-Mar-2011
Present value of defined benefit obligations	550.80	486.84	369.92	271.00	199.14
Fair value of plan assets	10.47	81.08	382.06	280.21	191.37
Deficit/(Surplus) in the plan assets	540.33	405.76	(12.14)	(9.21)	7.77

Note: Details of experience adjustments arising on plan liabilities and plan assets have not been disclosed in the absence of relevant information

**Defined Benefit Plan :**

Leave Encashment & Sick Leave(Unfunded): As per Actuarial Report dated 21.04.2015

(₹ in lakhs)

1. Assumptions	Leave Encashment		Sick Leave	
Particulars	As at 31-Mar-2015	As at 31-Mar-2014	As at 31-Mar-2015	As at 31-Mar-2014
Discount Rate	7.80%	9.00%	7.80%	9.00%
Rate of increase in Compensation levels	5% p.a.	5% p.a.	5% p.a.	5% p.a.
Rate of Return on Plan Assets	-	-	-	-
Expected Average remaining working lives of employees (years)	29 yrs	29 yrs	25 Yrs	25 Yrs
<b>2. Reconciliation of Defined benefit obligation</b>				
Particulars				
Present Value of Obligation as at the beginning of the year	472.47	429.55	94.42	84.43
Acquisition adjustment	-	-	-	-
Interest Cost	42.52	35.22	8.50	6.92
Past Service Cost	-	-	-	-
Current Service Cost	142.42	42.93	16.84	9.98
Curtailement Cost / (Credit)	-	-	-	-
Settlement Cost / (Credit)	-	-	-	-
Benefits paid	(124.67)	(99.46)	(19.49)	(15.52)
Actuarial (gain)/ loss on obligations	82.14	64.24	10.99	8.60
Present Value of Obligation as at the end of the year	614.89	472.47	111.26	94.42



(₹ in lakhs)

Particulars	Leave Encashment		Sick Leave	
	As at 31-Mar-2015	As at 31-Mar-2014	As at 31-Mar-2015	As at 31-Mar-2014
<b>3. Actuarial Gain / Loss Recognised</b>				
Particulars				
Actuarial (gain)/loss for the year – Obligation	(82.14)	(64.24)	(10.99)	(8.60)
Actuarial gain/(loss) for the year - Plan Assets	-	-	-	-
Total (gain) / loss for the year	82.14	64.24	10.99	8.60
Actuarial (gain) / loss recognized in the year	82.14	64.24	10.99	8.60
Unrecognized actuarial (gains) / losses at the end of year	-	-	-	-
<b>4. The amounts to be recognised in Balance Sheet and Statement of Profit and Loss</b>				
Particulars				
Present Value of Obligation as at the end of the year	614.89	472.47	111.26	94.42
Value of Plan Provisions as at the end of the year	-	-	-	-
Funded Status	(614.89)	(472.47)	(111.26)	(94.42)
Unrecognized Actuarial (gains) / losses	-	-	-	-
Net Asset/(Liability) Recognized in Balance Sheet	(614.89)	(472.47)	(111.26)	(94.42)
<b>5. Expenses Recognized in the statement of Profit &amp; Loss</b>				
Particulars				
Current Service Cost	142.42	42.93	16.84	9.98
Past Service Cost	-	-	-	-
Interest Cost	42.52	35.22	8.50	6.92
Expected Return on Plan Assets	-	-	-	-
Curtailment Cost / (Credit)	-	-	-	-
Settlement Cost / (Credit)	-	-	-	-
Net actuarial (gain)/ loss recognized in the year	82.14	64.24	10.99	8.60
Expenses Recognized in the statement of Profit & Loss (Refer Note 24 - included in Salaries, wages ,bonus and allowances)	267.08	142.38	36.33	25.51

**Amounts for the current and previous four financial years (for Leave Encashment)**

Particulars	As at 31-Mar-2015	As at 31-Mar-2014	As at 31-Mar-2013	As at 31-Mar-2012	As at 31-Mar-2011
Present value of defined benefit obligations	614.89	472.47	429.55	381.06	332.33
Deficit in the plan assets	(614.89)	(472.47)	(429.55)	(381.06)	(332.33)

**Amounts for the current and previous four financial years (for Sick Leave)**

Particulars	As at 31-Mar-2015	As at 31-Mar-2014	As at 31-Mar-2013	As at 31-Mar-2012	As at 31-Mar-2011
Present value of defined benefit obligations	111.26	94.42	84.43	62.44	50.46
Deficit in the plan assets	(111.26)	(94.42)	(84.43)	(62.44)	(50.46)

**Note:** Details of experience adjustments arising on plan liabilities have not been disclosed in the absence of relevant information

**Note: 32 Segment reporting for the year ended March 31, 2015**

(₹ in lakhs)

Particulars	As at March 31, 2015			As at March 31, 2014		
	External Revenue	Inter-segment Revenue	Total	External Revenue	Inter-segment Revenue	Total
<b>1. Segment Revenue</b>						
i. Heritage Foods Ltd:						
a. Dairy	153354.44	2231.27	155585.71	131138.01	1681.15	132819.16
b. Retail	49228.74	168.26	49397.00	37562.36	230.19	37792.55
c. Agri	4331.99	4068.17	8400.16	3240.95	3542.38	6783.33
d. Bakery	371.37	217.56	588.92	262.67	103.60	366.27
e. Renewable Energy	10.12	246.92	257.04	-	77.35	77.35
ii Heritage Foods Retail Limited	-	-	-	-	-	-
iii Heritage Conrpo Limited	-	-	-	-	-	-
<b>Total Segment Revenue</b>	<b>207296.65</b>	<b>6932.18</b>	<b>214228.83</b>	<b>172203.99</b>	<b>5634.67</b>	<b>177838.66</b>
Inter-segment-eliminations		6932.18	6932.18		5634.67	5634.67
<b>Net Sales / Income from Operations</b>		<b>-</b>	<b>207296.65</b>		<b>-</b>	<b>172203.99</b>

Particulars	As at March 31, 2015	As at March 31, 2014
<b>2. Segment Results</b>		
Profit / (Loss) before finance costs and tax		
i. Heritage Foods Limited		
a. Dairy	6717.47	9869.19
b. Retail	(1107.36)	(1992.16)
c. Agri	(125.47)	(298.70)
d. Bakery	(84.46)	(102.13)
e. Renewable Energy	70.53	(11.54)
ii. Heritage Foods Retail Limited	(0.76)	(0.28)
iii. Heritage Conrpo Limited	(0.63)	(0.22)
<b>Total Segment Results</b>	<b>5469.32</b>	<b>7464.15</b>
Less: i. Finance costs	1593.01	1322.12
Add: Interest income	37.41	43.70
Add/ (Less): Net Unallocable Income / (Expenditure)	15.21	(15.03)
<b>Profit / (Loss) before Extra-ordinary items and Tax</b>	<b>3928.92</b>	<b>6170.70</b>
Less: Extra-ordinary items	-	50.00
<b>Profit / (Loss) before Tax</b>	<b>3928.92</b>	<b>6120.70</b>
Less:		
a. Current tax	1169.36	1291.05
b. Prior period tax	(0.45)	(0.46)
c. Deferred tax	(76.02)	299.38
<b>Net Profit / (Loss)</b>	<b>2836.04</b>	<b>4530.73</b>

Particulars	As at March 31, 2015	As at March 31, 2014
<b>3. Total Capital Employed</b>		
(Segment Assets - Segment Liabilities)		
i. Heritage Foods Limited		
a. Dairy	18687.40	17611.21
b. Retail	8877.41	6460.95
c. Agri	3135.91	3368.09
d. Bakery	1075.13	1119.33
e. Renewable Energy	1588.95	1675.05
ii. Heritage Foods Retail Limited	(0.52)	(0.39)
iii. Heritage Conrpo Limited	(0.41)	(0.39)
<b>Total Segment Capital Employed</b>	<b>33363.88</b>	<b>30233.85</b>
Add: Unallocated Assets	1272.23	1249.55
Less: Unallocated Liabilities	1049.83	1105.70
<b>Total Capital Employed</b>	<b>33586.29</b>	<b>30377.70</b>
<b>4. Capital Expenditure incurred during the year</b>		
i. Heritage Foods Limited		
a. Dairy	3865.69	2999.53
b. Retail	1588.94	1167.03
c. Agri	36.35	74.96
d. Bakery	8.29	64.14
e. Renewable Energy	-	1714.02
ii. Heritage Foods Retail Limited	-	-
iii. Heritage Conrpo Limited	-	-
<b>Total Segment Capital Expenditure</b>	<b>5499.27</b>	<b>6019.68</b>
Add: Unallocated Capital Expenditure	22.69	129.68
<b>Total Capital Expenditure</b>	<b>5521.96</b>	<b>6149.36</b>
<b>5. Depreciation and Amortisation for the year</b>		
Segment Depreciation		
i. Heritage Foods Limited		
a. Dairy	1987.76	1422.15
b. Retail	888.50	636.01
c. Agri	228.19	223.54
d. Bakery	82.08	53.26
e. Renewable Energy	81.05	40.83
ii. Heritage Foods Retail Limited	-	-
iii. Heritage Conrpo Limited	-	-
<b>Total Segment Depreciation and Amortisation</b>	<b>3267.59</b>	<b>2375.79</b>
Add: Unallocated Depreciation	131.44	124.44
<b>Total Depreciation and Amortisation</b>	<b>3399.03</b>	<b>2500.23</b>
<b>6 . Significant Non Cash Expenditure (excluding depreciation, amortisation and impairment)</b>	<b>398.82</b>	<b>305.45</b>

**Note: 33 Related party disclosures as per AS-18**
**A. Relationships :**

<b>i) Subsidiary Companies</b> <b>a) Heritage Foods Retail Limited</b> <b>b) Heritage Conpro Limited</b> <b>ii) Associates :</b> <b>a) SKIL Raigam Power (India) Limited</b>	<b>iii) Key Management Personnel</b> <b>a) N Bhuvanewari</b> Vice Chairperson & Managing Director <b>b) N Brahmani</b> Executive Director <b>c) K Durga Prasada Rao</b> Whole-time Director <b>d) A Prabhakara Naidu</b> Chief Financial Officer <b>e) Umakanta Barik</b> Company Secretary	<b>iv) Other Related Parties :</b> a) Heritage Farmers Welfare Trust b) Heritage Finlease Limited	<b>v) Relatives of Key Management Personnel and their enterprises</b> <b>A) where transactions have taken place</b> a) N Lokesh Non-Executive Director b) NTR Memorial Trust c) Sunkara Vasavi <b>B) where no transactions have taken place</b> a) Nirvana Holdings Private Limited
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Name of the related party ==> Particulars	N Bhuvanewari	N Lokesh	N Brahmani	K Durga Prasada Rao	Vasavi Sunkara	Heritage Finlease Limited	Heritage Foods Retail Limited	Heritage Conpro Limited	SKIL Raigam Power (India)Ltd	A Prabha-kara Naidu	Umakanta Barik	NTR Memorial Trust	Heritage Farmers Welfare Trust
Description of the Relationship between the parties	Key Management Personnel (Vice Chairperson & Managing Director)	Relative of Key Management Personnel (Non-Executive Director since June 30, 2013)	Key Management Personnel (Executive Director)	Key Management Personnel (Whole-time Director w.e.f August 1st, 2014)	Relative of Key Management Personnel of Heritage Foods Ltd	Key Management Personnel of Heritage Foods Ltd are Directors of Heritage Finlease Ltd	Subsidiary	Subsidiary	Associate	Key Management Personnel (CFO)	Key Management Personnel (CS)	Key Management Personnel of Heritage Foods Ltd are Trustees of NTR Memorial Trust	Key Management Personnel of Heritage Foods Ltd are Trustees of Heritage Farmers Welfare Trust
Description of the nature of transactions	a) Managerial Services b) Rental agreement	Managerial Services	Managerial Services	Managerial Services	Lease Rentals	a) Investment b) Cattle loans given by Heritage Finlease Limited to the milk producers are recovered by the Company and remitted subsequently to Heritage Finlease Ltd	Investment	Investment	Investment	Service	Service	CSR Activity	Contributions made by the Company



Name of the related party ==> Particulars	N Bhubaneswari	N Lokesh	N Brahmani	K Durga Prasada Rao	Vasavi Sunkara	Heritage Finlease Limited	Heritage Foods Retail Limited	Heritage Conpro Limited	SKIL Raigam Power (India)Ltd	A Prabha-kara Naidu	Umakanta Barik	NTR Memorial Trust	Heritage Farmers Welfare Trust
Volume of the transactions either as an amount or as appropriate proportion	a) Managerial Remuneration of ₹120.00 lakhs (Previous year: ₹112.50 lakhs)	a) Managerial Remuneration : Nil (Previous year: ₹ 21.00 lakhs)	a) Managerial Remuneration of ₹ 60.00 lakhs (Previous year: ₹ 45.50 lakhs)	a) Managerial Remuneration of ₹ 24.00 lakhs (Previous year: ₹ Nil)	Rent: ₹ 2.88 lakhs	a) Share Capital ₹ 20 lakhs (Previous year: ₹ 20 lakhs)	a) Share Capital ₹ 16.50 lakhs (Previous year: ₹ 16.50 lakhs)	a) Share Capital ₹ 7.60 lakhs (Previous year: ₹ 7.60 lakhs)	a) Share Capital ₹ 65 lakhs (Previous year: ₹ 65 lakhs)	a) Salary :34.85 lakhs (Previous Year :₹ 31.67 lakhs)	a) Salary :17.24 lakhs (Previous year : ₹ 15.66 lakhs)	Contributions by the Company during the year: ₹ 69.63 lakhs (Previous year: Nil)	Contributions by the Company during the year: ₹ 103.04 lakhs (Previous year: 99.32 lakhs)
	b) PF contribution of ₹8.64lakhs (Previous year: ₹8.10 lakhs)	b) PF contribution : Nil (Previous year: ₹ 1.26 lakhs)	b) PF contribution of ₹ 4.32 lakhs (Previous year: ₹3.28 lakhs)	b) PF contribution of ₹ 1.73 lakhs (Previous year: Nil)		b) Dividend Received ₹ Nil (Previous year: ₹ Nil)				b) Perks: ₹ 0.15 lakhs (Previous year : ₹ 0.15 lakhs)	b) Perks: ₹ 0.15 lakhs (Previous year : ₹ 0.15 lakhs)		
	c) Perks ₹ 10.68 lakhs (Previous year: ₹8.09 lakhs)	c) Perks : Nil (Previous year: ₹ 7.56 lakhs)	c) Perks : ₹ 6.95 lakhs (Previous Year: Nil)			c) Cattle loans of ₹ 5769.47 lakhs (Previous year: ₹ 5195.66 lakhs) given by Heritage Finlease Limited to the milk producers are recovered by the Company and remitted subsequently to Heritage Finlease Ltd				c) PF Contribution of ₹ 1.89 lakhs (Previous Year: ₹ 1.72 lakhs)	c) PF Contribution of ₹ 0.94 lakhs (Previous Year: ₹ 0.85 lakhs)		
	d) Leave Encashment of ₹ Nil (Previous year: ₹ .Nil)	d) Commission: Nil (Previous year: ₹ 55.20 lakhs)	d) Commission: ₹ 108.61 lakhs (Previous year:160.73 lakhs)										
	e) Commission: ₹88.77 lakhs (Previous year : ₹159.43 lakhs)												
	f) Office rent of ₹49.40 lakhs paid by Company (Previous year : ₹43.92 lakhs)												
Any other elements of the related party transactions in the financial statements	Managerial Remuneration was approved by Shareholders	Managerial Remuneration was approved by Shareholders	Remuneration was approved by Shareholders	Remuneration was approved by Shareholders	NIL	NIL	NIL	NIL	NIL	Nil	Nil	NIL	NIL



Name of the related party ==> Particulars	N Bhuvaneswari	N Lokesh	N Brahmani	K Durga Prasada Rao	Vasavi Sunkara	Heritage Finlease Limited	Heritage Foods Retail Limited	Heritage Conpro Limited	SKIL Raigam Power (India)Ltd	A Prabha-kara Naidu	Umakanta Barik	NTR Memorial Trust	Heritage Farmers Welfare Trust
Guarantees and collaterals	1.Current Year : Nil (Previous year : Given personal guarantee for the overdraft facility of ₹ 100 lakhs availed by the Company from Kotak Mahindra Bank.)	1.Current Year : Nil (Previous year : Given personal guarantee for the overdraft facility of ₹ 100 lakhs availed by the Company from Kotak Mahindra Bank.)	1.Given personal guarantee for the overdraft facility of ₹ 100 lakhs availed by the Company from Kotak Mahindra Bank and the loan is also secured by exclusive mortgage of property belonging to Executive Director										
	2.Current Year : Nil ( Previous year : Given personal guarantee for the short term loan of ₹ 1000 lakhs availed by the Company from Kotak Bank and the loan is also secured by second charge by way of equitable mortgage on the industrial property of Vice Chairperson & Managing Director of the Company .)	Current year Nil ( Previous year : Given personal guarantee for the short term loan of ₹ 1000 lakhs availed by the Company from Kotak Mahindra Bank)	2.Given personal guarantee for the short term loan facility of ₹ 1500 lakhs availed by the Company from Kotak Mahindra Bank and the loan is also secured by extension of mortgage of property belonging to Executive Director (Previous year : ₹ 1000 lakhs)										



Name of the related party ==> Particulars	N Bhuvaneswari	N Lokesh	N Brahmani	K Durga Prasada Rao	Vasavi Sunkara	Heritage Finlease Limited	Heritage Foods Retail Limited	Heritage Conpro Limited	SKIL Raigam Power (India)Ltd	A Prabha-kara Naidu	Umakanta Barik	NTR Memorial Trust	Heritage Farmers Welfare Trust
The amounts or appropriate proportions of outstanding items pertaining to related parties at the Balance Sheet date	₹ 76.62 lakhs (Previous year: ₹ 168.72 lakhs)	₹ Nil (Previous year : ₹ 55.20 lakhs)	₹ 111.83 lakhs (Previous year : ₹ 164.04 lakhs)	₹ 1.88 lakhs (Previous year : ₹ Nil)	₹ 0.30 lakhs	₹ 199.93 lakhs is outstanding to Heritage Finlease Ltd.,towards cattle loans amount recovered from the milk producers and the same has been remitted subsequently (Previous year: ₹ 169.68 lakhs)	NIL	NIL	NIL	2.07 Lakhs (Previous Year: Salary advance receivable- ₹ 1.76 lakhs)	1.21 Lakhs (Previous year: ₹ 0.01 lakhs)	Nil	Contribution amount outstanding: ₹ 15.94 lakhs the same has been remitted subsequently (Previous year : ₹ 12.32 lakhs)
Provisions for doubtful debts due from such parties at that date and amounts written off or written back in the period in respect of debts due from or to related parties	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
Provision for diminution in value of Investments	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL

**Note: 34 Lease**

(₹ in lakhs)

Particulars	As at March 31, 2015	As at March 31, 2014
Data Processing Equipments taken on Operating Lease:		
The total future minimum lease rentals payable at the Balance Sheet is as under:		
- for a period not later than one year	44.65	---
- for a period later than one year and not later than five years	23.23	---
- for a period later than five years	---	---
Total operating lease expenses debited to statement of profit and loss is ₹ 2764.27 lakhs (Previous year : ₹ 2171.46 lakhs)		
Total sub-lease payments received /(receivable) credited to statement of profit and loss is ₹ Nil (Previous year : ₹ 3.85 lakhs)		

**Note: 35 Earning per share (EPS)**

(₹ In lakhs)

Particulars	Year Ended March 31, 2015	Year Ended March 31, 2014
A) Calculation of weighted average number of equity shares of ₹ 10/-each :		
Number of Equity Shares outstanding at the beginning of the year	23199000	11599500
Add: Issue of shares during the year	-	11599500
Number of Equity shares outstanding at the end of the year	23199000	23199000
Weighted average number of equity shares outstanding during the year	23199000	23199000
The nominal value per share (₹ )	10	10
b) Net Profit / (Loss) before tax	3928.92	6120.70
c) Net Profit / (Loss) after tax before extraordinary items	2836.03	4579.99
e) Net Profit / (Loss) after tax and extraordinary items	2835.92	4529.99
f) Basic and diluted Earnings per share (Before Extraordinary items) of ₹ 10 each (₹ )	12.22	19.69
g) Basic and diluted Earnings per share (After Extraordinary items) of ₹ 10 each (₹ )	12.22	19.53

**Note: 36 Disclosure under Micro, Small and Medium Enterprises Development Act, 2006**

The particulars of outstanding (for more than 45 days) to Micro, Small and Medium Scale business enterprises are given below

(₹ in lakhs)

As at	Principal amount outstanding	Interest amount outstanding	Interest paid by the company in terms of section 16 of the Act, 2006 and the amount of the payment made beyond the appointed day during the year;	Interest due and payable on delayed payments made during the year	The amount of interest accrued and remaining unpaid	Interest re- maining due until such date when the inter- est dues are actually paid to the small enterprise (even if paid in succeeding years)
31-Mar-15	8.78	1.55	Nil	1.55	1.55	1.55
31-Mar-14	8.79	4.21	Nil	4.21	4.21	4.21

**Note: 37 Value of Imports calculated on CIF basis in respect of :**

(₹ in lakhs)

Particulars	Year Ended March 31, 2015	Year Ended March 31, 2014
Capital Goods	-	143.62
<b>Total</b>	<b>-</b>	<b>143.62</b>

**Note: 38 Expenditure in Foreign Currency on account of :**

(₹ in lakhs)

Particulars	Year Ended March 31, 2015	Year Ended March 31, 2014
a) Interest	-	37.03
b) Foreign travel	2.32	-
<b>Total</b>	<b>2.32</b>	<b>37.03</b>

**Note: 39 Earnings in Foreign Currency :**

(₹ in lakhs)

Particulars	Year Ended March 31, 2015	Year Ended March 31, 2014
Export of goods calculated on FOB basis	312.20	770.84
<b>Total</b>	<b>312.20</b>	<b>770.84</b>

**Note: 40 Consumption of Materials:**

(₹ in lakhs)

a) Raw Materials (Refer Note 21)	%	2014 - 15	%	2013 - 14
i) Indigenous	100.00	131393.51	100.00	103058.17
ii) Imported		-		-
b) Stores, spares and consumables (Refer Note 27)				
i) Indigenous	100.00	1124.15	100.00	1266.85
ii) Imported		-		-

**Note: 41 Remittance in Foreign Currency on account of dividends :**

(₹ in lakhs)

a) Year to which the dividend relate	2014 - 15	2013 - 14
b) Amount remitted in Foreign Currency	Nil	Nil
c) Number of non-resident shareholders to whom remittances were made	NA	NA
d) Number of shares on which remittances were made	NA	NA

**Note: 42 Disclosures in respect of derivative instruments :**

(₹ in lakhs)

Particulars	March 31, 2015		March 31, 2014	
	USD	INR	USD	INR
i) Forward :				
FCNR(B) - Principal	-	-	-	-
FCNR(B) - Interest	-	-	-	-
ii) Option :				
FCTL - Principal	-	-	-	-
FCTL - Interest	-	-	-	-

**Note: 42 Disclosures in respect of derivative instruments :**

a) Derivative instruments outstanding at the balance sheet date (₹ in lakhs)

Particulars	March 31, 2015		March 31, 2014	
	USD	INR	USD	INR
iii) Swap :				
FCTL - Interest	-	-	-	-
b) The derivative instruments have been acquired for hedging purposes				
c) Foreign currency exposures that are not hedged by derivatives :				
Particulars	March 31, 2015		March 31, 2014	
	Foreign Currency	INR (in lakhs)	Foreign Currency	INR (in lakhs)
Trade receivables	\$ 2.14 lakhs	133.87	-	-

Disclosures mandated by Schedule III of the Companies Act'2013, by way of additional information.

Name of the Entities	Net Assets i.e total assets minus total liabilities		Share in Profit / (Loss) (after tax)	
	As a % of consolidated net assets	Amount (₹ In Lakhs)	As a % of consolidated net assets	Amount (₹ In Lakhs)
Parent:				
Heritage Foods Limited	100.04%	19301.16	99.47%	2821.02
Subsidiary:				
Heritage Foods Retail Limited	0.01%	2.71	(0.03%)	(0.76)
Heritage Conpro Limited	0.03%	6.59	(0.02%)	(0.63)
Sub-total	100.08%	19310.47	99.42%	2819.63
Inter-companyelimination&consolidationadjustments	(0.08%)	(16.26)	0.58%	16.41
Grand total	100.00%	19294.21	100.00%	2836.04
Minority interest in subsidiaries		1.61		(0.16)
Share in profit / (loss) of associates				(0.28)

**Note: 43** Confirmation of balances for Trade Receivables / Payables, Loans and advances and others have been received from many parties. Wherever conformation of balances have not been received, they are subject to adjustment and reconciliation, if any.

**Note:44** In the opinion of Board of Directors the assets other than fixed assets and non-current investments have value on realisation in the ordinary course of business atleast equal to the amount at which they are stated.

**Note: 45** Details of Corporate Social Responsibility (CSR) expenditure :

a) Gross amount required to be spent by the company during the year : ₹ 69.63 lakhs (Previous year : Nil)			
b) Amount spent during the year :			(₹ In lakhs)
	paid	Yet to be paid	Total
i. Construction /acquisition of any asset	Nil	Nil	Nil
ii. On purposes other than (i) above contribution made to a Registered Trust *	69.63	Nil	69.63

\* Contribution made to a Registered Trust named NTR Memorial Trust of ₹ 69.63 lakhs during the Financial Year 2014-15.

**Note: 46** The financial statements for the year ended March 31, 2015 are prepared as per Schedule III of the Companies Act, 2013 and in or form as near as thereto.

**Note: 47** Previous year figures are regrouped / reclassified, wherever necessary.

**Note: 48** The amounts in the financial statements are presented in Indian Rupees in lakhs



Form AOC-1														
(Persuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules 2014)														
Statement containing salient feature of the financial statements of subsidiaries/associate companies/joint ventures														
Part "A" Subsidiaries													(₹ In lakhs)	
Sr. No	Name of the Subsidiary	Reporting period for the subsidiary concerned, if difference from the holding company's reporting period	Reporting period for the subsidiary concerned, if difference from the holding company's reporting period	Share capital	Reserves & Surpluses	Total Assets	Total Liabilities	Investments	Turn over	Profit / (Loss) before taxation	Provision for taxation	Profit / (Loss) after taxation	Proposed Dividend	% of share holding
1	Heritage Foods Retail Limited (Subsidiary)			16.56	(13.85)	3.23	0.52	-	-	(0.76)	-	(0.76)	-	99.64
2	Heritage Conpro Limited (Subsidiary)			10.04	(3.45)	7.00	0.41	-	-	(0.63)	-	(0.63)	-	75.70

#### Part "B" : Associates and Joint ventures

Statement pursuant to 129 (3) of the Companies Act, 2013 related to Associate Companies and Joint Ventures

(₹ In lakhs)

Sr. No	Name of the Associates/ Joint Ventures	1. Latest audited Balance sheet Date	2. Shares of Associates/Joint Ventures held by the company on the year end			3. Description of how there is significant influence	4. Reason why the associate/Joint venture is not consolidated.	5. Net worth distribution to share holding as per latest audited Balance sheet.	6. Profit/ (Loss) for the year		
			No.	Amount of Investment in Associates/ Joint Venture (₹ In lakhs)	Extent of Holding %				1. Considered in consolidation	1. Not considered in Consolidation	
1	Skill Raigam Power (India) Limited (Associate)	31.03.2015	650000	65.00	44.83	N.A	N.A	56.44	(0.28)	(0.35)	

As per our report attached  
 For **Raju & Prasad**  
 Chartered Accountants  
 Firm No. 003475S

**Y Balakrishna Reddy**  
 Partner  
 M. No.223701

26<sup>th</sup> May, 2015  
 Hyderabad

For and on behalf of the Board

**N Bhuvaneswari**  
 Vice Chairperson & Managing Director  
 DIN : 00003741

**A Prabhakara Naidu**  
 Chief Financial Officer  
 M.No.FCA 200974

**N Brahmani**  
 Executive Director  
 DIN : 02338940

**Umakanta Barik**  
 Company Secretary  
 M.No.FCS 6317



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**HERITAGE FOODS LIMITED**  
 (Formerly known as **HERITAGE FOODS (INDIA) LIMITED**)

CIN: L15209TG1992PLC014332

#6-3-541/C, Panjagutta, Hyderabad - 500 082, Telangana

Ph: +91-040-23391221/2, Fax: +91-040-30685458

E-mail: hfl@heritagefoods.in website: www.heritagefoods.in

**(Please fill this attendance slip and hand it over at the entrance of the Meeting Hall)**

DP ID*	
--------	--

Folio Number	
--------------	--

Client ID*	
------------	--

**Name (in BLOCK letters):**

I/we certify that I/we am/are a registered shareholder(s)/proxy(s) for the registered shareholder of the Company. I/we hereby record my/our presence at the **23rd Annual General Meeting** of the Company to be held at National Institute for Micro, Small and Medium Enterprises, Yousufguda, and Hyderabad - 500045 on **Thursday, the 24th September, 2015 at 10.30 a.m.**

.....  
 Signature of the Shareholder / Authorized Representative/Proxy \*\*

\* Applicable for investors holding shares in electronic form

\*\* Strike out whichever is not applicable



## PROXY FORM



### HERITAGE FOODS LIMITED

Formerly known as HERITAGE FOODS (INDIA) LIMITED

CIN: L15209TG1992PLC014332

#6-3-541/C, Panjagutta, Hyderabad - 500 082, Telangana

Ph: +91-040-23391221/2, Fax: +91-040-30685458

E-mail: hfl@heritagefoods.in website: www.heritagefoods.in

[Pursuant Section 105(6) of the Companies Act 2013 and Rule 19(3) of Companies (Management and Administration) Rules, 2014]

Name of the Member(s):		
Registered address:		
Folio No./Client Id:	DP ID:	
E-mail Id:		

I/We, being the member(s) having ..... shares of the above named Company, hereby appoint:

1.	Name :	Address :
	E-mail Id :	Signature :
or failing him/her		
2.	Name :	Address:
	E-mail Id :	Signature :
or failing him/her		
3.	Name :	Address:
	E-mail Id :	Signature :



as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 23rd Annual General Meeting of the Company to be held on Thursday, the 24th September, 2015 at 10.30 a.m. at National Institute For Micro, Small And Medium Enterprises, Yousufguda, Hyderabad-45 and at any adjournment thereof in respect of such resolutions as are indicated below:

Resolution number	Resolution	Vote (Optional see Note 2) (Please mention no. of shares)		
		For	Against	Abstain
<b>Ordinary Business:</b>				
1.	Adoption of Financial Statement: a. The Audited Financial Statements of the Company for the Financial Year ended 31st March, 2015, the Reports of the Board of Directors and Auditors thereon ; and b. The Audited Consolidated Financial Statement of the Company for the Financial Year ended 31st March, 2015ed Financial Statement of the Company for the Financial Year ended 31st March, 2015.			
2.	To declare a dividend of ₹ 3/- per equity share (30%) on Equity Shares of ₹ 10/- each for the year 31st March, 2015			
3.	To appoint a Director in place of Sri N Lokesh (DIN: 02230945) who retires by rotation and being eligible, offers himself for re-appointment.			
4.	To resolve not to fill the vacancy for the time being in the Board caused by the retirement of Sri N P Rama Krishna (DIN: 00003751) who retires by rotation and does not seek for re-appointment.			
5.	To ratify the appointment of auditors of the Company, and to fix their remuneration.			
<b>Special Business:</b>				
6.	Modification of the Object Clause of the Memorandum of Association of the Company			
7.	Modification in liability Clause of the Memorandum of Association of the Company			

Signed this ..... day of .....2015

Affix  
Revenue  
Stamp

Signature of Shareholder

Signature of Proxy holder(s)

#### Notes:

1. This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company not less than 48 hours before the commencement of the meeting.
2. A Proxy need not be a member of the Company.
3. A person can act as a proxy on behalf of members not exceeding fifty and holding in the aggregate not more than 10% of the total share capital of the Company carrying voting rights. A member holding more than 10% of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person or shareholder.
4. This is only optional. Please put a '✓' in the appropriate column against the resolutions indicated in the Box. If you leave the 'For' or 'Against' column blank against any or all the resolutions, your Proxy will be entitled to vote in the manner as he/she thinks appropriate.
5. Appointing a proxy does not prevent a member from attending the meeting in person if he so wishes.
6. In the case of joint holders, the signature of any one holder will be sufficient, but names of all the joint holders.

## Notes

[illegible]

## Notes

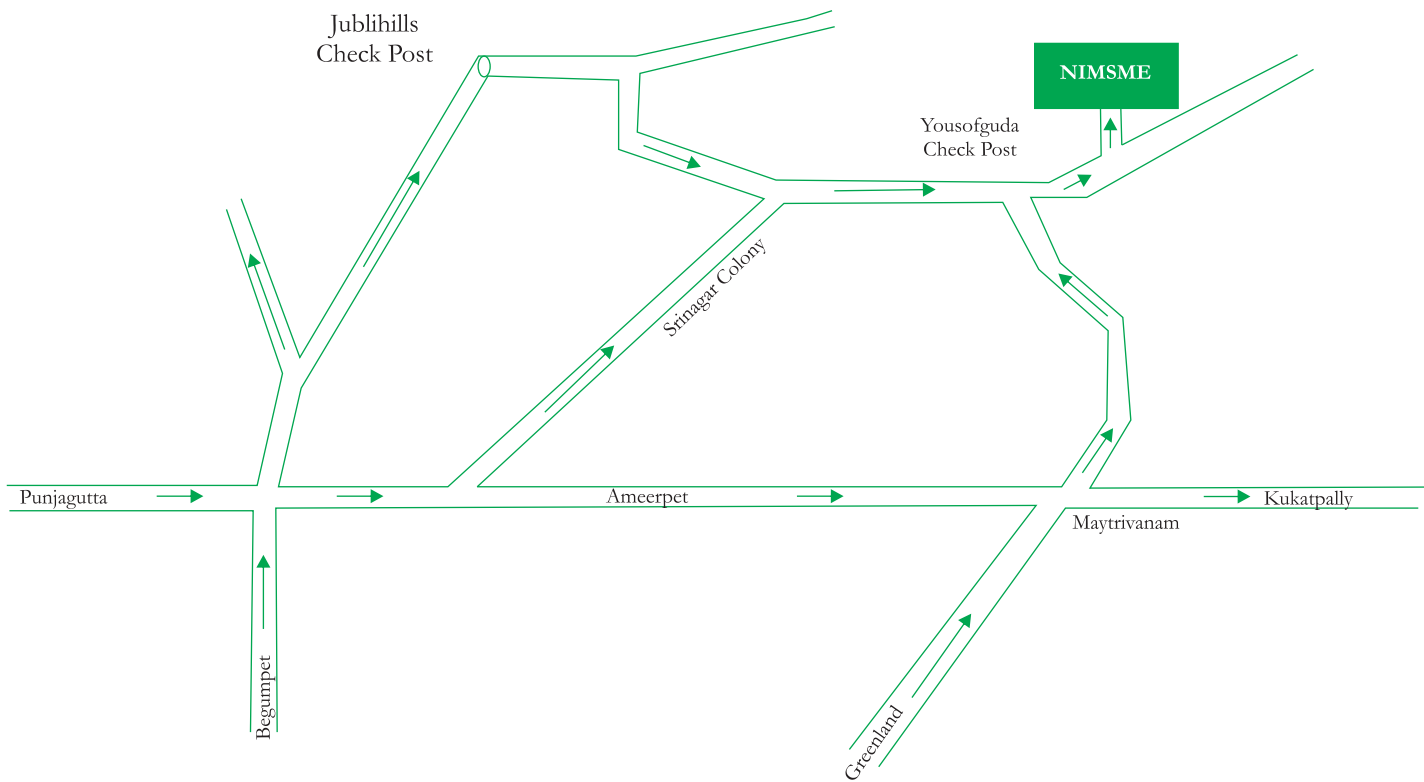
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# Route Map to the Venue of the AGM





## Heritage Foods Limited

[Formerly known as Heritage Foods (India) Limited]

CIN: L15209TG1992PLC014332

#6-3-541/C, Panjagutta

Hyderabad-500082, Telangana

Fax: 040-30685458

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Web site: [www.heritagefoods.in](http://www.heritagefoods.in)