



**Ref: SECT: STOC: 52 – 16**

22<sup>nd</sup> August, 2016

To  
The Secretary,  
**The Stock Exchange, Mumbai**  
Phiroze Jeejeebhoy Towers,  
Dalal Street,  
Mumbai - 400 001

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

Dear Sir / Madam,

**Sub: Annual Report for the Financial Year 2015 - 16**

**Ref: Stock Code: 519552/HERITGFOOD**

Please find a copy of 24<sup>th</sup> Annual Report for the Financial Year 2015 – 16 along with Form-A of our Company of the 24<sup>th</sup> Annual General Meeting scheduled to be held on 19<sup>th</sup> August, 2016 at Auditorium Hall, 2<sup>nd</sup> Floor, Training Block, National Institute for Micro, Small and Medium Enterprises (formerly NISIET), Yousufguda, Hyderabad-500045. The said Annual Report is also place on the website of the Company at [www.heritagefoods.in](http://www.heritagefoods.in) for the benefit the Investors.

This is for your information and record.

Thanking you,

Yours Faithfully,

**For HERITAGE FOODS LTD**

  
**UMAKANTA BARIK**  
Company Secretary  
M No: FCS-6317



**Encl:** 1) Annual Report for the year 2015-16  
2) Form - A



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



## 2015-16

24th Annual Report



**Fast  
Moving  
Committed to  
Grow**

**Heritage Foods Limited**  
(Formerly Known as Heritage Foods (India) Ltd.)

## Forward-Looking Statement

In this Annual Report, we have disclosed forward-looking information to enable investors to comprehend our prospects and take investment decisions. This report and other statements – written and oral – that we periodically make contain forward-looking statements that set out anticipated results based on the management's plans and assumptions. We have tried wherever possible to identify such statements by using words such as 'anticipate', 'estimate', 'expects', 'projects', 'intends', 'plans', 'believes', and words of similar substance in connection with any discussion of future performance. We cannot guarantee that these forward-looking statements will be realised, although we believe we have been prudent in our assumptions. The achievements of results are subject to risks, uncertainties and even inaccurate assumptions. Should known or unknown risks or uncertainties materialise, or should underlying assumptions prove inaccurate, actual results could vary materially from those anticipated, estimated or projected. Readers should bear this in mind. We undertake no obligation to publicly update any forward-looking statement, whether as a result of new information, future events or otherwise.

## Read Inside

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₹ **23,806** million

Revenue

₹ **554** million

PAT

₹ **1,365** million

EBIDTA

₹ **2,400** million

Networth

₹ **5,184** million

Gross Fixed Assets

**30**%

Equity Dividend



For more details, please visit  
[www.heritagefoods.in](http://www.heritagefoods.in)

Ever since inception, we have honed our expertise to grow sustainably across diverse business segments. Now we are set to position ourselves as a prominent FMCG company, by expanding our offerings, while strengthening our existing business verticals.

As a leading dairy company, we aim to further enhance the contribution of value-added products in the dairy vertical from 21% to 40%.

The retail business is growing encouragingly, meeting the needs of modern Indian consumers who want convenience and comfort. We are confident of witnessing healthy profits by 2018.

At Heritage Agri, we follow a farm-to-fork model and source fresh fruits and vegetables from farmers. Growing awareness

about health among customers is facilitating the growth of our agri vertical.

With changing eating habits of people and rise in the consumption of fast food, we also see promising growth in our bakery vertical.

The evolution of renewable energy over the past decade has surpassed all expectations. In line with that, we have embarked on a clean energy initiative and came up with renewable energy vertical. With our consistent endeavour to push our limits at every step, we are

**Fast  
Moving  
Committed  
to Grow.**

# A Glimpse of Heritage

Incorporated in 1992, Heritage Foods Limited (Heritage) is one of the most evolving FMCG companies in India with five key business verticals – Dairy, Retail, Agri, Bakery and Renewable Energy.

## An Inspiration to Reality

Heritage was founded with a vision to assure remunerative prices to dairy farmers who needed better marketing opportunities. At the same time, the aim was to build an enduring connection of trust with customers by delivering pure and fresh products. Over the years, we have been able to position ourselves as a leading dairy company, while remaining close to dairy farmers from whom we procure milk. We have maintained our track record of profitability and shareholder value creation, and are now set to strengthen our prominence, at every step.

## Vision

Delighting every home with fresh and healthy products and empowering the farmer.

## Mission

- To be a nationally recognised brand for healthy and fresh products with a revenue of ₹ 6,000 Cr. (USD 1 billion) 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

## Values

### Speed and Agility

Our strategic agility is strengthened and propelled by our operational agility.

### Uphold Integrity

We do the right thing in the 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.

## Geographical Presence

We have our strong presence across 10 states in India.



	<b>Dairy</b>	Andhra Pradesh, Telangana, Karnataka, Kerala, Tamil Nadu, Maharashtra, Odisha, Rajasthan, Haryana and NCR Delhi
	<b>Retail</b>	Bengaluru (Karnataka), Chennai (Tamil Nadu) and Hyderabad (Telangana)
	<b>Agri</b>	Chittoor (Andhra Pradesh) and Medak (Telangana)
	<b>Bakery</b>	Uppal in Hyderabad (Telangana)
	<b>Renewable energy</b>	Solar plant in Medak district (Telangana). Wind power plant in Ananthapur district (Andhra Pradesh)

## Certifications

- ISO 22000-14/2014 by FoodCert India Pvt Ltd
- HCH Cert. No. HFC 15-101 by Halal Certification Hyderabad, Rahmat-e-Aalam Foundation – USA and Shariah Board of India
- HCH Cert. No. HIP 15-102 by Halal Certification Hyderabad, Rahmat-e-Aalam Foundation – USA and Shariah Board of India
- All 14 processing and packing units are ISO 22000 & FSMS certified

## Employee Strength



**2,235**  
Dairy & RE



**110**  
Agri



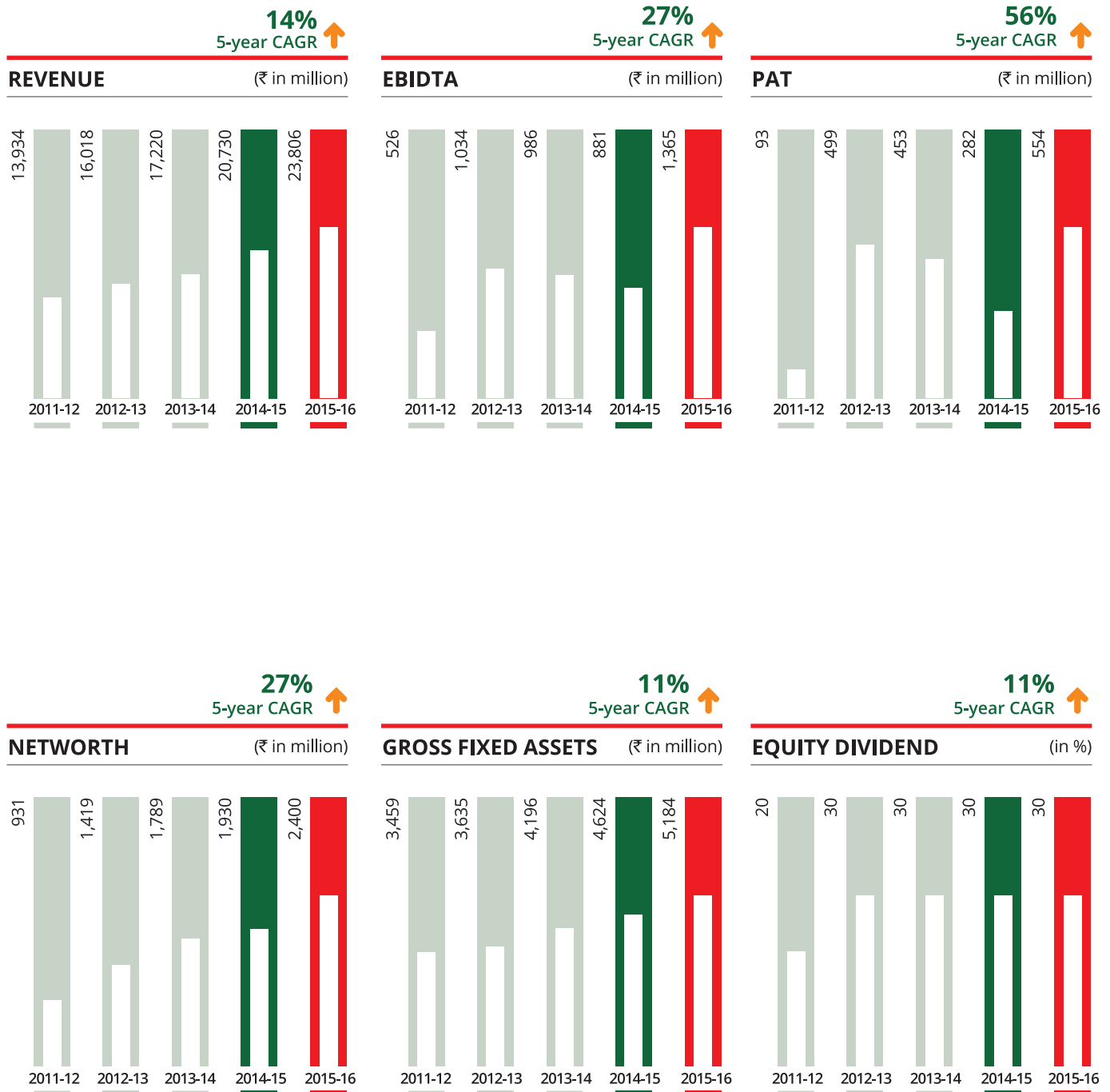
**2,689**  
Retail



**43**  
Bakery

**5,077**  
Total Employees

# Promising Financial Performance





# 10-year Financial Highlights

## Consistent Growth

₹ in million

	1	2	3	4	5	6	7	8	9	10
	2015-16	2014-15	2013-14	2012-13	2011-12	2010-11	2009-10	2008-09	2007-08	2006-07
Turnover	23,806	20,730	17,220	16,018	13,934	10,961	9,004	7,960	5,880	3,463
Other Income	65	70	50	42	32	48	29	32	401	13
Total Income	23,871	20,800	17,270	16,060	13,966	11,009	9,033	7,992	6,281	3,476
Earnings before Depreciation, Interest and Tax (EBIDTA)	1,365	881	987	1,034	526	389	470	34	237	122
Depreciation & Amortisation	345	340	250	220	212	199	196	172	106	68
Interest	146	150	119	148	178	160	167	146	124	18
Provision for Taxation	306	109	159	137	42	18	50	66	(3)	18
Profit after Tax	554	282	453	500	93	11	56	(356)	9	17
Cash Profit/(Loss)	899	622	703	720	305	211	252	(184)	115	85
Equity Dividend (%)	30	30	30	30	20	12	18	Nil	18	30
Dividend Payout (Including Tax on Dividend)	84	84	81	41	27	16	24	Nil	21	35
Equity Share Capital	232	232	232	116	115	115	115	115	115	100
Reserves and Surplus	2,168	1,698	1,558	1,303	816	750	754	692	1,042	593
Networth	2,400	1,930	1,790	1,419	931	865	869	808	1,157	693
Gross Fixed Assets	5,184	4,623	4,196	3,635	3,459	3,175	2,942	2,645	2,065	1,289
Net Fixed Assets	3,120	2,807	2,715	2,368	2,303	2,217	2,152	2,037	1,624	954

## Key Indicators

	1	2	3	4	5	6	7	8	9	10
	2015-16	2014-15	2013-14	2012-13	2011-12	2010-11	2009-10	2008-09	2007-08	2006-07
Earnings per share - ₹	23.89	12.16	19.53	21.64*	8.1	8.1	4.85	(30.89)	0.92	1.73
Cash Earnings per Share - ₹	38.77	26.81	30.31	31.03*	26.47	26.47	26.32	(9.67)	9.96	8.51
Book Value per share - ₹	103.45	83.29	77.15	61.16*	80.77	80.77	75.35	70.05	100.35	69.37
Debt : Equity Ratio	0.27:1	0.29:1	0.25:1	0.42:1	0.99:1	0.99:1	1.34:1	1.50:1	0.96:1	0.79:1
EBIDTA/Turnover - %	5.68	4.25	5.73	6.27	3.77	3.77	5.22	0.43	4.02	3.51
Net Profit Margin - %	2.33	1.36	2.63	3.12	0.67	0.67	0.62	(4.47)	0.16	0.5
RONW - %	23.10	14.62	25.32	35.21	10.02	10.02	6.45	(44.09)	0.81	2.48

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



# Chairperson's Communiqué



**D Seetharamaiah**, Chairperson



The society and communities form an important part of our business. We remain committed to our vision to assure remunerative prices to dairy farmers and maximise their income to transform their lifestyles.

I am indeed delighted to report that we had an encouraging FY 2015-16 on the back of our robust performance across various - verticals. Although dairy continued to be our primary business, we took a step forward to establish ourselves as a prominent FMCG company.

During the year, we delivered a revenue of ₹ 23,806 million, a 15% growth over the previous year. Our EBITDA grew by 55% over the previous year, with a ₹ 1,370 million profit. The profit before tax was at ₹ 870 million, compared to ₹ 390 million in the previous financial year. PAT was at ₹ 550 million, compared to ₹ 280 million in FY 2014-15.

## Performance across Verticals

Coming to our dairy vertical, favourable weather conditions helped us procure milk from our major operational areas. Our dairy

vertical revenue grew by a 14%, i.e. ₹ 17,688 million, compared to ₹ 15,558 million; and value-added products delivered a 21% higher revenue, that is ₹ 3,825 million. Value-added products are growing well, essentially, on the strength of packaged curd, besides buttermilk and ice-cream/frozen desserts, among others. The year's EBITDA for value-added products was 17.68%. Going forward, we expect to further strengthen our flagship business, primarily driven by our value-added products.

After a strong performance during FY 2014-15, our retail vertical was affected by the Chennai floods during FY 2015-16. The city shut down for three days, resulting in loss of inventory and sale, delaying new store opening. But, we recovered in the fourth quarter. Despite headwinds, our retail vertical delivered a ₹ 5,829 million revenue, which is 18% higher than the last year.

Our agri vertical maintained its growth momentum as consumers have become more health conscious. People want farm-fresh products on their plate. This favourable scenario has strengthened the performance of our agri vertical. The EBITDA of agri vertical remained positive at ₹ 13 million, 22% higher than the previous year.

Our emerging business like bakery and renewable energy are also showing considerable gains.

### Significant Initiatives during FY 2015-16

- We commissioned our first wind power plant of 2.1 MW capacity at Chinahothur Village of Ananthapur district, Andhra Pradesh. It is expected to generate 5 million units per annum, to be consumed by our dairy plants in Chittoor district
- We have hired a powder making plant in Haryana for one year to convert milk into powder
- We opened 17 retail stores during the year
- Our chilling capacity was expanded to 1.68 million litres per day

### Society Matters

The society and communities form an important part of our business. We remain committed to our vision to assure remunerative prices to farmers and maximise their income to transform their lifestyles. We take various initiatives in the realms of farmer welfare and community development to improve the lives of people in rural India.

- We provide support to milk producers for purchasing and insuring cattle
- We have established mobile veterinary clinic to offer medical services to cattle
- We offer high-quality cattle feed to farmers and educate them through various video programmes on dairy farming

### Committed to Grow

Going forward, our primary focus will remain on positioning ourselves as an FMCG company. We have already started expanding our business portfolio to achieve this mission.

In dairy vertical, we aim to achieve a ₹ 4,500 Cr. revenue by 2020. Next four years' growth will be driven towards multiple directions and at multiple levels. We plan to grow geographically into new markets and penetrate deeper into existing markets.

We aim to strengthen our relationship with customers by delivering pure and fresh products.

### On a Thanking Note

I take this opportunity to thank all our employees, customers, shareholders, business associates and the wider fraternity of stakeholders for their encouragement and support. We have a lot more to achieve together and many more milestones to cross.

With best regards,

### D Seetharamaiah

Chairperson, Heritage Foods Limited

# Strategic Review



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

Our focus will be on leveraging the emerging opportunities to stay on the growth trajectory. We aim to foray into new markets and penetrate deeper into existing markets, primarily in Tier-II and Tier-III cities. Moving ahead, our aim is to further strengthen our value-added products.

In line with our strategy to 'grow', we concentrated on expanding our business offerings, along with strengthening our existing portfolio. With our consistent investments in various business verticals, we bolstered our position during the year. During FY 2015-16, we spent about ₹ 680 million, of which ₹ 400 million was for dairy infrastructure, ₹ 130 million for retail and around ₹ 140 million for wind power project. These were broadly the major CAPEX commitments incurred during the year under review.

With sustained growth of the Indian economy and a consequent rise in purchasing power during the last two decades, more people today are able to afford milk and various other dairy products. This trend is expected to continue with the sector experiencing a robust growth in demand in the short and medium term. During the year, our dairy vertical witnessed significant growth on the back of strong demand for our value-added products, especially curd. We expect the trend of 20-25% growth of value-added products to continue for the next two to three years.

Coming to retail vertical, currently, we have 110 stores, of which 93% are profitable at store level. Therefore, almost 102 stores are profitable. Moreover, we have reached around 390,000 square feet of trading space, which we aim to further increase in FY 2016-17. Our endeavour will be to open new stores in the coming year to make the business more profitable.

## Partners of Progress

Along with bolstering our business, we work towards strengthening our relationship with farmers, who are



our key stakeholders. We go much beyond just procuring milk, fruits and vegetables from them. We focus on input activities such as subsidising cattle feed, facilitating loan to buy animals and making them acquainted with modern farming techniques. Our objective is to grow along with our key stakeholders.

### Way Forward

In the next four years, our focus will be on leveraging the emerging

opportunities to stay on the growth trajectory. We aim to foray into new markets and penetrate deeper into existing markets, primarily in Tier-II and Tier-III cities. Moving ahead, we plan to further strengthen our value-added products.

To establish ourselves as a leading FMCG company, we aim to expand our product base. We are trying to get new products through joint venture arrangements. But most

importantly, we have to create infrastructure at the back-end and front-end to achieve our long-term objectives.

We plan to spend close to ₹ 1,000 million in CAPEX over the next two years – ₹ 800 million for dairy vertical and around ₹ 200 million for retail vertical.



**N Brahmani**, Executive Director



**We aim to expand our product base. We are trying to get new products through joint venture arrangements. But most importantly, we have to create infrastructure at the back-end and front-end to achieve our long-term objectives.**

# Committed to grow with robust performance

₹ **23,806** million  
Consolidated Revenue

₹ **146** million  
Export Turnover

**1,135,000**  
No. of households  
serviced on daily basis

**1,455**  
Franchisee-operated  
exclusive Heritage Parlours

**5,900**  
Distributors ensure strong  
distribution network

**7**  
Prestigious awards  
received during FY 2015-16

**113,000**  
Outlets across India selling  
Heritage products

**400**  
Quality assurance associates  
and dairy technologists

**110**  
Modern retail outlets

**22%**  
Share of value-added  
products of overall FY 2015-  
16 turnover

**300,000**  
Farmers associated with  
our business

**10** States  
Presence across India

# Committed to grow with comprehensive business portfolio

## DAIRY



We produce and market a complete range of dairy products including fresh milk, curd, buttermilk, lassi, ice-cream/frozen dessert, paneer, table butter, milk powder, flavoured milk, UHT milk, Indian sweets and dairy whitener.

### Revenue

2014-15	2015-16
₹ 15,558 million	₹ 17,688 million

**13.69% Y-O-Y ↑**

## AGRI



Heritage Agri is committed to source fresh fruits and vegetables from farmers. Last year, we started veterinary care business under this vertical to provide quality feed, fodder and vet medicines to farmers.

### Revenue

2014-15	2015-16
₹ 840 million	₹ 957 million

**13.93% Y-O-Y ↑**

## RENEWABLE ENERGY



We are using renewable energy (solar and wind) for captive consumption as a part of our strategy to reduce our environmental footprint.

### Revenue

2014-15	2015-16
₹ 26 million	₹ 30 million

**15.38% Y-O-Y ↑**

## RETAIL



We hold a competitive edge in managing and selling fresh products at our retail outlets across three cities. This vertical contributes to 23% of our sales.

### Revenue

2014-15	2015-16
₹ 4,940 million	₹ 5,829 million

**18% Y-O-Y ↑**

## BAKERY



Heritage Bakery supplies good quality bakery products to leading multinational chains and top star hotels, besides Heritage Fresh outlets.

### Revenue

2014-15	2015-16
₹ 59 million	₹ 81 million

**37.28% Y-O-Y ↑**

# Committed to grow with diversified product offering



**Dairy  
Products**



**Retail  
Products**



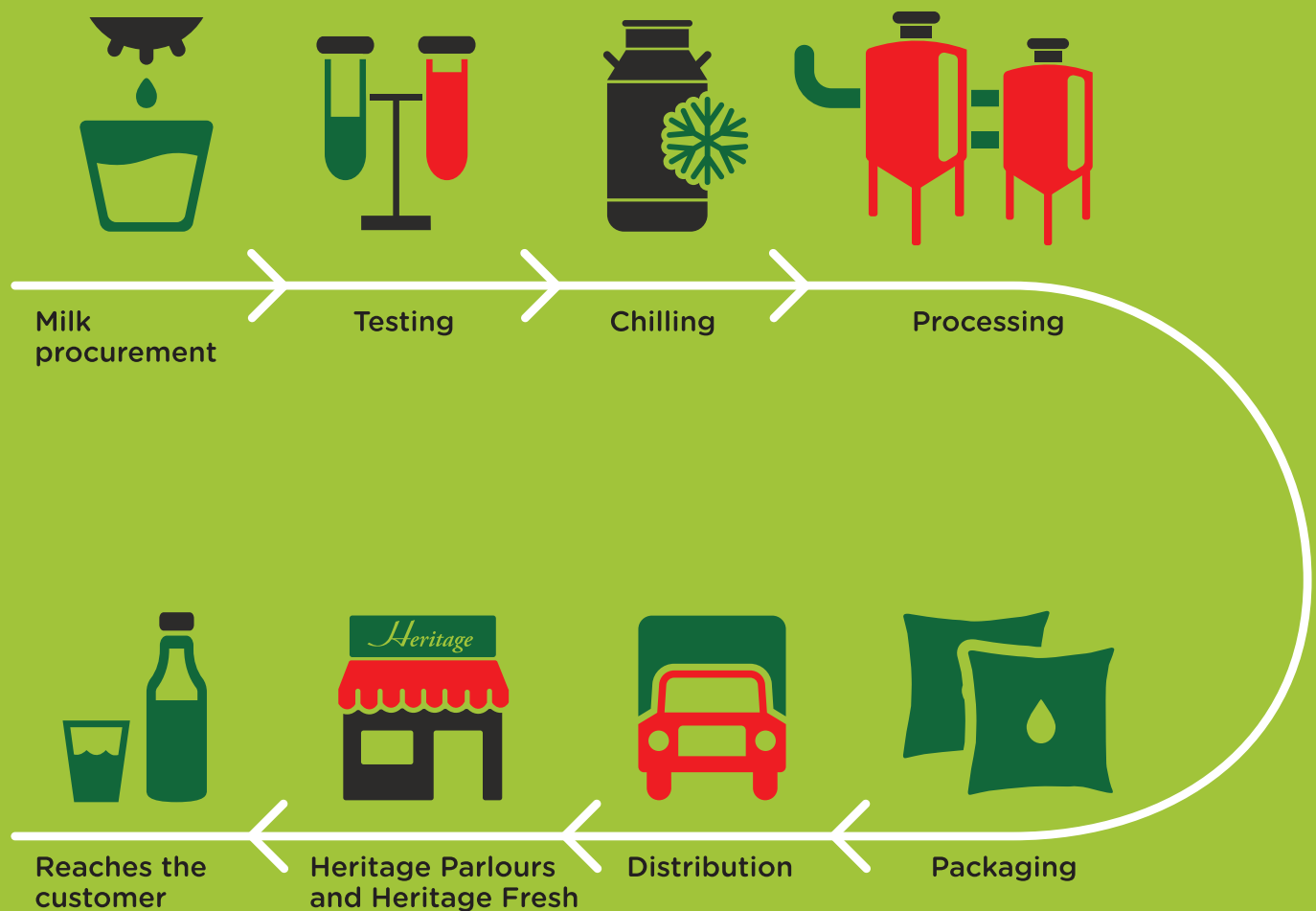


**Agri  
Products**



**Bakery  
Products**

# Committed to grow by strengthening the dairy value chain



**We recognise the importance of catering to the interests of our key stakeholders. Therefore, we take various initiatives to strengthen our relationships with stakeholders and create value for them.**



### Customers

- Ensuring timely delivery of products to customers, without compromising quality. This has strengthened our relationship with our customers
- Providing nutritional products at affordable prices
- 24-hours helpline to respond to customer queries and to record customer feedback
- 3 million happy and satisfied customers
- Selling Heritage products through 1,00,000 retail outlets and 1,274 Heritage parlours that are operated by our franchisees
- Meeting the needs of the modern Indian consumer through 'Heritage Fresh' - our unique chain of retail stores



### Employees

- Continuously training and developing employees to upgrade their technical and managerial skills
- Maximising employee contribution by realising their potential and motivating them to 'add value to whatever they do'



### Shareholders

- Maintaining transparency is one of our core values. We keep our

shareholders well informed of the Company's performance and developments through results and press releases. Besides, the Annual General Meeting serves as the biggest platform to connect with them

- Heritage has been a dividend paying Company since its public listing in 1994-95. This year, the Company has maintained a 30% dividend
- Investor engagement is of prime importance to us and contributes significantly towards enhancing our brand and its value proposition
- We aim to generate more value for our shareholders by focusing on optimum use of resources



### Farmers

- As one of the leading dairy companies, we realise the responsibility to improve income levels of dairy farmers and protecting them from price exploitation by the unorganised sector
- Ensuring stable and enhanced income for farmers by sourcing 1,00,000 Metric Tons of fruits and vegetables from farmers every year
- Transforming thousands of Acres of agricultural lands into productive farms, through our

team of Agriculturists closely working with farmers

- Providing remunerative price and making punctual payments
- Ensuring accurate measurement - both quantity and quality of milk
- Facilitating financial support to dairy farmers for purchasing and insuring cattle. We have also established Heritage Mobile Veterinary Clinics which offer free medical services to cattle and enlighten farmers about Good Milk Practices through various video programmes



### Society

- Apart from producing healthy products we also help the society in various other ways. We have generated employment opportunities for 5,077 people; entrepreneurship opportunities for 11,097 procurement agents in rural areas, 5,300 sales agents and 1,455 franchisees who operate Heritage Parlours
- Providing financial assistance and other support to unemployed youth to open Heritage Parlours
- Offering a diploma course to farmers' children and ensuring job guarantee at Heritage on completion of the course

# Committed to grow with strong business verticals

From being a front-runner in the dairy sector, we are now committed to position ourselves as a prominent FMCG player with diverse offerings. Besides dairy, we also have our strong presence in retail, agri, bakery and renewable energy. We are well poised to push our limits further to maintain our growth graph.

## Dairy Vertical

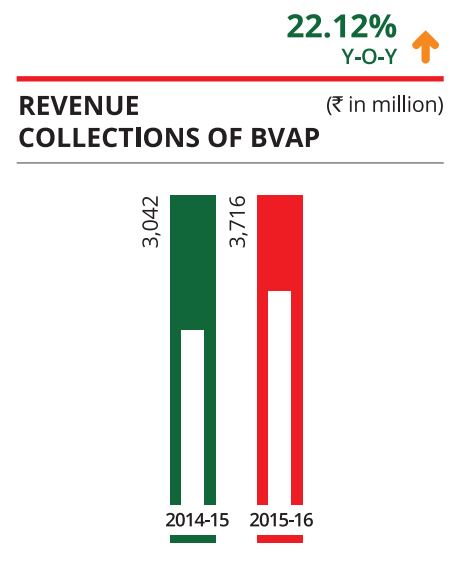
We are one of the leading private dairy companies in India, providing high-quality and nutritious dairy products to customers. Headquartered in Hyderabad, we have an extensive presence across 10 Indian states including Telangana, Andhra Pradesh, Tamil Nadu, Karnataka, Kerala, Maharashtra, Odisha, Delhi, Haryana and Rajasthan.

We produce and market a wide range of dairy products including fresh milk, curd, butter milk, lassi, ice-cream/frozen dessert, paneer, table butter, milk powder, flavoured milk, UHT milk and dairy whitener. We have a capacity to

chill 1.68 million litres of milk every day and we occupy a sizeable share in India's dairy market. Besides, we are one of the two dairies from South India to export dairy products. Our primary export items comprise pure ghee, butter and skimmed milk powder.

## Branded Value-Added Products (BVAP)

We forayed into value-added products in 2007, and since then, these products are experiencing consistent growth year-on-year. Such products comprise curd, ice-cream, paneer, flavoured milk and sweets. Curd accounted for 75% of total BVAP revenue.



**1.68** million litres  
Chilling capacity per day

**1.53** million litres  
Processing capacity per day

**1.06** million litres  
Packaging capacity per day

**14**  
Processing units and packing stations are ISO 22000 & FSMS certified

**1.5** million  
Families daily receive Heritage milk and milk products

**₹ 17,688** million  
Dairy Revenue



# 142

Bulk cooling, mini chilling  
and chilling centres

# ₹ 1,372 million

Dairy EBITDA

## Heritage Institute of Milk Sciences (HIMS), Hyderabad

We established HIMS in 2010 to train the children of farmers in milk science and technology. After completion of training programmes like 'Dairy Technology Skill Development' and 'Dairy Plant Maintenance', the candidates are provided with jobs at our various establishments.

## Co-creating Value

Dairy farmers are integral to our business, and we are aware of our responsibilities towards them. We ensure that the milk supplied by farmers is properly marketed and they get paid on time. We facilitate credit tie-ups with banks and NBFCs for purchasing cattle and insuring them as well. Besides, we conduct free veterinary camps through six mobile veterinary clinics. Cattle feed and fodder seeds are also supplied to farmers.



## Retail Vertical

A modern Indian customer expects all essential items to be available under one roof and delivered at their doorstep. Heritage Fresh is our chain of retail stores, designed to meet the emerging needs of Indian customers. We offer farm-fresh products and grocery items through our retail chain to offer a one-stop solution to customers.

### Pillars of Heritage Retail

#### Farm Fresh Products

The fruits and vegetables that we offer at our retail stores are directly sourced from farmers. These farm-fresh products are sent to stores through our integrated cold chain.

#### Farmer's Pride

We offer staples like rice, pulses, spices and dry fruits through our in-house brand, Farmer's Pride. The customers get best-quality products in the most competitive prices.



### Retail Format

Heritage Fresh Store: These stores offer essential needs of an Indian household, including fruits and vegetables, grocery, processed food, general merchandise and beverages, among various other items. They are spread over an average area of 2,500 square feet.

# 110

Heritage Fresh retail stores

# 2

 million

Customers served every month

# 0.38

 million sq ft

of trading space in Hyderabad, Bengaluru and Chennai

# 1

 million sq ft

of targeted overall trading space in the next 5 years

# 18%

Growth in number of bills Y-O-Y

# 18%

Growth in Revenue Y-O-Y

## Agri Vertical

Heritage Agri is a unique business vertical that provides customers with farm-fresh products by sourcing fruits and vegetables directly from farmers. This vertical not only provides customers with fresher, tastier, and more nourishing food, but also supports the rural communities by enhancing their income.

Heritage Agri acts as a supply-chain arm for Heritage Fresh stores, other MRF stores and wholesalers. Besides, it has also forayed into the export of processed fruits and cereals.

### Pack Houses

We have two state-of-the-art pack houses at Mattam in Andhra Pradesh and Mulugu in Telangana. The facilities have Reverse Osmosis (RO) and de-mineralised plant, along with Effluent Treatment Plant (ETP). The processing and dispatch areas are fully air-conditioned, with pre-cooling short and long-term humidity-controlled storage chambers and ripening chambers. Besides, we maintain sorting and grading lines.

### Cattle Feed & Maize

We have been supplying cattle feed to our dairy farmers since 2012. We manufacture high-quality cattle feed in consultation with the industry's best nutritionists. Animal feed is provided to dairy farmers and general traders, while maize is supplied to poultry and distilleries.



**1,00,000** metric tons

Of fruits and vegetables sourced from farmers every year

**₹956.77** million

Revenue during FY 2015-16

**13.93%**

Growth in Revenue Y-O-Y



## Poly Green House

We have poly green house for producing seedlings and other on-demand vegetables, which are subsequently supplied to our customers.



## Contact Farming

We have subscribed to contact farming to help farmers produce quality food at reduced cost. It maximises farmers' income by eliminating middlemen. The Vertical integration of farm-level production, procurement and trade ensure effective quality control in retail stores.

## Bakery Vertical

Heritage Bakery established its advanced production facility at Hyderabad, Telangana, and is equipped with best-in-class bakery equipment and cold storage provisions. Our product range include breads, cakes, pastries, desserts, savouries and cookies.

We produce quality products and supply them to reputed multinational chains, besides various hotels and Heritage Fresh outlets. Our fresh quality products ensure maximum customer satisfaction.



**157.61%**

Growth over the last five years

**₹81.20 million**

Revenue during FY 2015-16

**37.28%**

Growth in Revenue Y-O-Y

## Renewable Energy Vertical

We recognise the importance of protecting the environment, while expanding our business activities. To extend our 'Green Footprint', we commissioned a 2.34 MW solar PV unit at Medak district of Telangana. It provides captive power to one of our dairy units in Hyderabad. On 27th March, 2016, we commissioned our first wind power plant of 2.1 MW capacity at Chinahothur Village of Ananthapur district, Andhra Pradesh. It is expected to generate 5 million units

per annum to be consumed by our plants in Chittoor district.

### 'Go Green' Initiatives

Besides commissioning solar and wind power plants, our other 'Go Green' initiatives include:

- Reducing carbon footprint
- Developing green belt at our plants
- Carrying out periodic energy audits of our processing plants as part of energy conservation measures



### Recognition of Efforts

The Ministry of Energy, Government of India has awarded us the first prize for 'Conservation of Energy in Dairy Sector' for the years 2008, 2010, 2012, 2014 and 2015.

# Committed to grow taking the society along

At Heritage, we live by our commitment to take the community along in our journey forward. Our primary objective is to contribute towards social wellbeing through consistent efforts. We focus on improving the lives of marginalised sections in rural areas, especially farmers.

## Heritage Farmers Welfare Trust (HFWT)

Being a responsible corporate citizen, we are well aware of our social responsibilities while fulfilling business objectives. We created HFWT with the aim to improve the quality of life of farmers by helping them enhance dairy productivity. HFWT offers education on farming, provides veterinary treatment and ensures financial support to farmers, supporting holistic development of rural communities.



Conducting veterinary health camp under HFWT veterinary care services



### Initiatives by HFWT

#### Heritage Mobile Veterinary Clinic (HMVC)

HMVC is equipped with advanced tools to provide veterinary services at the doorstep. The services empower cattle owners with relevant technology and knowledge on cattle management and feeding practices. It provides free services throughout the year. The mobile vans work in a structured manner – they show educational video films and organise free health camps. The video films help in educating farmers on cattle maintenance, thereby enhancing dairy productivity.



Conducting veterinary health camp through Heritage mobile veterinary clinic

### HFWT Impact 2015-16

# 100

HFL Locations Covered

# 2,568

Milk Collection Centres Covered

# 2,120

Video Films Shown

# 2,178

Cattle Health Camps Organised

# 1,68,022

Cattle Treated

# 1,513

Artificial Inseminations

# 1,00,000

Farmers insured under social security scheme

# 13

Human healthcare camps organised



Distribution of meritorious awards to SSC merit students of HFWT farmers' children

### Social Security Scheme

HFWT has insured farmers and MCC representatives of the Trust under Social Security Scheme. According to the scheme, we have distributed claim amount to insurers and nominees.

### IGNOU Study Centre

IGNOU Dairy Technology Diploma Course Study Centre was inaugurated at Heritage Gokul Plant. We have come forward to bear the fees of our eligible employees, farmers welfare trust members and their children to pursue courses offered by IGNOU.

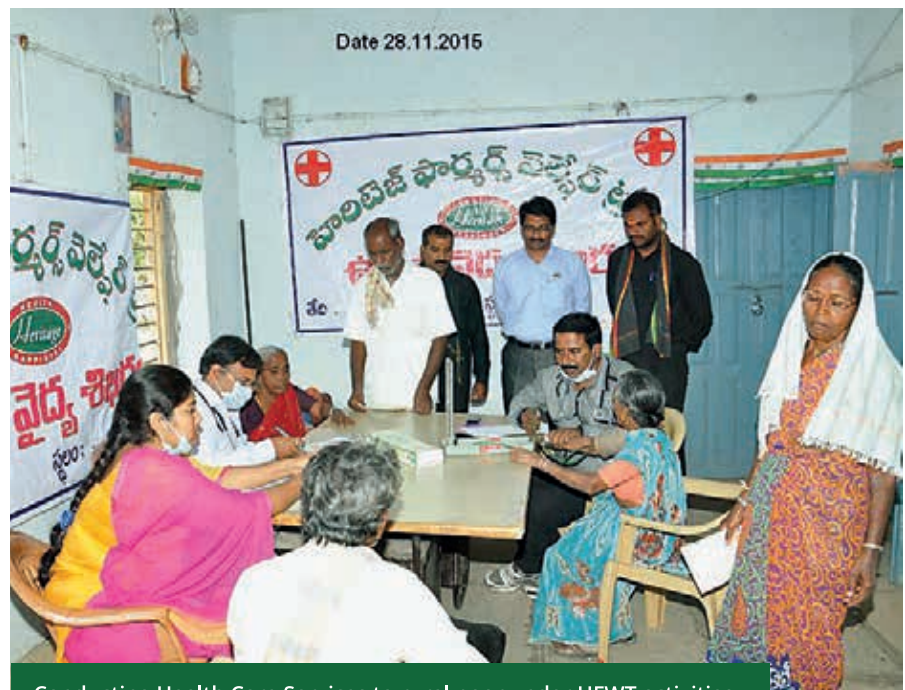
### Healthcare Camps for Villagers

We organised human health camps, apart from providing healthcare facilities to cattle. During the year, we distributed free medicines and nutritious fruits to them.

### Mega Event @ V Kota in Andhra Pradesh

The HFWT conducted a mega event at V Kota market yard on 26th January, 2016. A number of activities were conducted in this event, including:

- The inauguration of RO water plant and health camp at V Kota by our VC & MD, Mrs. N. Bhuvaneswari
- Pressure cookers, umbrellas, sarees and steel cans were distributed to farmers



Conducting Health Care Services to rural poor under HFWT activities





Distribution of umbrellas and pressure cookers to HFWT members under MCC Development Activity

- Stalls were set-up by Heritage, Netafim – Drip Irrigation, Himalaya, Indian Immunologicals, Siddon – Milking Machine and Everest Milk Analysers
- Voluntary blood donation, cardiology and health check-up camps were also organised. Around 192 patients were checked under the health camp and 301 people donated blood. This is a record in Chittoor district
- Best cows and calves were selected and recognised with cash prizes
- Zonal head talked about the advantages of cattle feed and guidelines to use cattle feed



Distribution of stainless steel cans to HFWT members under MCC Development Activity

# Awards and Accolades



The retail vertical was awarded most prestigious 'Coca Cola Golden Spoon Award' 2016 for being the 'IMAGES Most Admired Food & Grocery Retailer of the Year - Regional Chain' at India Food Forum, Mumbai, during the month of January, 2016 for the second consecutive year.



The Gokul Plant of Dairy vertical has received the 1st Prize in 'National Energy Conservation Award 2015' from the Ministry of Power, Government of India in December, 2015 for adopting effective energy conservation methods.

The Uppal Plant of Dairy vertical has received the 2nd Prize in 'National Energy Conservation Award 2015' from the Ministry of Power, Government of India in December, 2015 for adopting effective energy conservation methods.

This is the 5th time that the Company has been recognised with this award by Ministry of Power, Government of India (previously the Company won the award, 1st prize in the years-2014, 2012 & 2008, 2nd prize in the year-2010).



The dairy vertical bagged four awards at the 'The Great Indian Ice Cream Contest 2016 - Season 5' conducted by Indian Dairy Association and DuPont Nutrition & Health.

- Gold Award in Kool Kids i.e. 1st prize on all India level
- The Best in Class in Kool Kids i.e. award for excellent product
- Silver Award for VANILLA i.e. 2nd prize on all India level
- Silver Award for CHOCOLATE i.e. 2nd prize on all India level



# Corporate Information

## Board of Directors

Mr. D Seetharamaiah  
Mr. N Sri Vishnu Raju  
Mr. M Siva Rama Vara Prasad  
Mr. Rajesh Thakur Ahuja  
Mr. N P Ramakrishna  
Dr. V Nagaraja Naidu  
Mr. N Lokesh  
Mrs. N Bhuvaneswari  
Mrs. N Brahmani  
Mr. K Durga Prasada Rao

CA A Prabhakara Naidu  
CS Umakanta Barik

## Senior Management

Dr. M Sambasiva Rao  
Mr. J Samba Murthy  
Mr. Dharmender K Matai  
Mr. Anil Kumar Srivastava

## Board Committees

### Audit Committee

Mr. D Seetharamaiah, Chairperson  
Mr. N Sri Vishnu Raju  
Mr. M Siva Rama Vara Prasad (up to 12th May, 2016)  
Mr. Rajesh Thakur Ahuja (w.e.f. 23rd May, 2016)  
Dr. V Nagaraja Naidu  
Mr. N Lokesh

### Nomination & Remuneration Committee

Mr. N Sri Vishnu Raju, Chairperson  
Mr. D Seetharamaiah  
Mr. M Siva Rama Vara Prasad (up to 12th May, 2016)  
Mr. Rajesh Thakur Ahuja (w.e.f. 23rd May, 2016)  
Mr. N Lokesh

### Stakeholders' Relationship Committee

Dr. V Nagaraja Naidu, Chairperson  
Mr. D Seetharamaiah  
Mr. N Sri Vishnu Raju  
Mrs. N Bhuvaneswari

Non Executive Independent Chairperson  
Non Executive Independent Director  
Non Executive Independent Director (up to 12th May, 2016)  
Non Executive Independent Director (w.e.f. 23rd March, 2016)  
Non Executive Director (up to 24th September, 2015)  
Non Executive Director  
Non Executive Director  
Vice Chairperson & Managing Director  
Executive Director  
Whole-Time Director (up to 1st November, 2015)

Chief Financial Officer  
Company Secretary

President  
Head - Dairy Division  
Chief Operating Officer - Retail & Bakery Divisions  
Chief Operating Officer - Agri Division

### Risk Management Committee

Mr. M Siva Rama Vara Prasad, Chairperson (up to 12th May, 2016)  
Mr. Rajesh Thakur Ahuja, Chairperson (w.e.f. 23rd May, 2016)  
Mr. D Seetharamaiah  
Mr. N Sri Vishnu Raju  
Mrs. N Bhuvaneswari  
Mr. K Durga Prasada Rao (up to 1st November, 2015)

### Management Committee

Mr. D Seetharamaiah, Chairperson  
Mr. N Sri Vishnu Raju  
Mrs. N Bhuvaneswari  
Mr. N Lokesh

### CSR Committee

Mr. D Seetharamaiah, Chairperson  
Mr. N Sri Vishnu Raju  
Mrs. N Bhuvaneswari

## Registered Office

: #6-3-541/C, Panjagutta, Hyderabad - 500 082, Telangana, Tel: 040-23391221/2  
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 No. 31 & 32, Financial District, Gachibowli,  
Hyderabad - 500 032, Tel No.: 91040 6716 1566

## Website

: www.heritagefoods.in



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# Notice to Shareholders

Members of Heritage Foods Limited (Formerly known as Heritage Foods (India) Limited) are hereby given notice for the 24<sup>th</sup> Annual General Meeting of the Company, the schedule of which and the business to be transacted therein, are given below:

Day and Date :	Friday, August 19, 2016
Time :	10.30 am
Venue :	Auditorium Hall, 2nd Floor, Training Block, National Institute for Micro, Small and Medium Enterprises, Yousufguda, Hyderabad – 500 045, Telangana.

## ORDINARY BUSINESS:

- To receive Consider and Adopt:
  - The Audited Financial Statements of the Company for the Financial Year ended March 31, 2016, 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 March 31, 2016.
- To declare a dividend of ₹ 3.00/- per equity share (30 %) on Equity Shares of ₹ 10/- each for the Financial Year Ended on March 31, 2016.
- To appoint a Director in place of Dr. V Nagaraja Naidu (DIN: 00003730) who retires by rotation and being eligible, offers himself 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 the Companies Act, 2013 and the Rules made there under and the Listing Agreement with the Stock Exchanges/SEBI (Listing Obligation & Disclosure Requirements) Regulation, 2015, 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 September 26, 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, 2017 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:

- To consider and if thought fit, to pass, with or without modification(s), the following resolution as an **Ordinary Resolution**:

**"RESOLVED THAT** pursuant to the provisions of Sections 149, 152 read with Schedule IV and other applicable provisions, if any of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and SEBI (Listing Obligation and Disclosure Requirements) Regulation, 2015, Mr. Rajesh Thakur Ahuja (DIN: 00371406), who was appointed on March 23, 2016 as an Additional Director pursuant to the provisions of Section 161 of the Companies Act, 2013 & Rules made thereof and the Articles of Association of the Company and who holds office up to the date of this Annual General Meeting and in respect of whom the Company has received a notice in writing under Section 160 of the Companies Act, 2013 and rules made thereof as ammended from time to time from a member proposing his candidature for the office of Director, be and is hereby appointed as Non-Executive Independent Director of the Company to hold office for a period upto March 22, 2021, not liable to retire by rotation."

**"RESOLVED FURTHER THAT** the Board of Directors, be and is hereby authorized to settle any question, difficulty or doubt, that may arise in giving effect to this resolution and to do all such acts, deeds and things as may be necessary, expedient and desirable for the purpose of giving effect to this resolution".

6. To consider and if thought fit, to pass, with or without modification(s), the following resolution as an **Ordinary Resolution**:

**"RESOLVED THAT** pursuant to the provisions of Section 20 of the Companies Act 2013 and other applicable provisions, if any, of the said Act and relevant rules prescribed there under, whereby a document may be served on any member(s) by the company by sending it to him/her by post or by registered post or by speed post or by courier or by electronic or other mode as may be prescribed, the consent of the company be and is hereby accorded to charge from the member(s) the fee in advance equivalent to the estimated actual expenses of delivery of the documents, pursuant to any request made by the member(s) for delivery of such document to him, through a particular mode of services mentioned above provided such request along with requisite fee has been duly received by the Company at least one week in advance of the dispatch of document by the company and that no such request shall be entertained by the company post the dispatch of such document by the company to the member(s)."

**"RESOLVED FURTHER THAT** for the purpose of giving effect to this resolution, Board of Director of the company be and is hereby authorized to do all acts, deeds, matters and things as they may in their absolute discretion deem necessary, proper or desirable and to settle any question, difficulty, doubt that may arise in respect of the matter aforesaid and further to do all acts, deeds, matters and things as may be necessary, proper or desirable or expedient to give effect to above 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 : 040-23391221/2

E-mail : hfl@heritagefoods.in

Date : May 23, 2016

**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 member(s) not exceeding fifty (50) and holding in the aggregate not more than ten percent (10%) 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 shareholder(s).

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 Member(s) 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, Karvy Selenium Tower B, 6th Floor, Plot 31-32, Gachibowli, Financial District, Nanakramguda, Hyderabad is the Registrar and Share Transfer Agent of the Company.
5. Brief resume of Directors 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 / SEBI (Listing Obligation & Disclosure Requirements)

Regulation, 2015, 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, August 11, 2016 to Friday, August 19, 2016 (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 Friday August 26, 2016.
8. The dividend as recommended by the Board of Directors for the year ended March 31, 2016, 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 member(s) on the Register of Members of the Company on record date after giving effect to all valid share transfer(s) 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 2007-08, 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 September 24, 2015 (date of last Annual General Meeting) on the website of the Company ([www.heritagefoods.in](http://www.heritagefoods.in)) and also on the website of the Ministry of Corporate Affairs, the information in respect of such unclaimed/unpaid 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
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
2014-15	24-09-2015	23-09-2022

9. 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.
10. 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.
11. 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.
12. Pursuant to Section 101 and Section 136 of the Companies Act, 2013 read with relevant Rules made there under, Companies can serve Annual Reports and other communications through electronic mode to those members who have registered their e-mail address either with the Company or with the Depository. As per provisions of Section 20 of the Companies Act, 2013 read with Rules thereunder, a document may be served on any member by sending it to him / her by post or by registered post

or by speed post or by courier or by delivering at his / her office or address, or by such electronic or other mode as may be prescribed including by facsimile telecommunication or to electronic mail address, which the member has provided to his/her Depository Participant / the Company's Registrar & Share Transfer Agent from time to time for sending communications, provided that a member may request for delivery of any document through a particular mode, for which he / she shall pay such fees as may be determined by the company in its annual general meeting. In cases where any member has not registered his/her e-mail address with the company, the service of documents etc. will be effected by other modes of service as provided in Section 20 of the Companies Act, 2013 read with the relevant Rules thereunder. Those members, who desire to receive notice / documents through e-mail, are requested to communicate their e-mail ID and changes thereto from time to time to his/her Depository Participant / the Company's Registrar & Share Transfer Agent as the case may be.

#### 13. 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 from time to time and Regulation 44 of the SEBI (Listing Obligation & Disclosure Requirements) Regulation, 2015, 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 Mrs. Savita Jyoti, a Practicing Company Secretary (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. Friday, August 12, 2016.
- 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. Friday, August 12, 2016 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. Friday, August 12, 2016 may write to the Karvy on the email Id: evoting@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: .http://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 August 16, 2016.  
  
End of remote e-voting: Up to 5.00 p.m. (IST) on August 18, 2016.  
  
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 shall 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. Friday, August 19, 2016.
- 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.

User – ID	For Members holding shares in Demat Form:- a) For NSDL:- 8 Character DP ID followed by 8 Digits Client ID b) For CDSL:- 16 digits beneficiary ID For Members holding shares in Physical Form:- • Electronic Voting Event Number (EVEN) followed by Folio Number registered with the company
Password	Your Unique password is printed on the EGM Notice/forwarded through the electronic notice via email
Captcha	Enter the Verification code i.e., please enter the alphabets and numbers in the exact way as they are displayed, for security reasons.

- 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: savitajyotiassociates05@gmail.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>
14. Printed copies of the 24<sup>th</sup> Annual Report for the year 2015-16 of the Company inter alia indicating the process and manner of e-voting along with Attendance Slip, Ballot Paper and Proxy Form is being sent to all members in the permitted mode. In addition, Notice of the 24<sup>th</sup> Annual General Meeting of the Company in electronic form inter alia indicating the process and manner of e-voting along with Attendance Slip, Ballot Paper and Proxy Form is also being sent to all members whose email IDs are registered with the Company/Depository Participants(s) for communication purposes;
- Members may also note that the 24<sup>th</sup> Annual Report for the year 2015-16 will also be available on the Company's website [www.heritagefoods.in](http://www.heritagefoods.in) for their download. Even after registering for e-communication, members are entitled to receive such communication in printed form, upon making a request for the same. For any communication, the members may also send requests to the Company's investor email id: [umakanta@heritagefoods.in](mailto:umakanta@heritagefoods.in)

**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 : 040-23391221/2

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

Date : May 23, 2016

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

### Item No. 5:

The Board of Directors of the Company appointed Mr. Rajesh Thakur Ahuja (DIN: 00371406), pursuant to the provisions of Section 161(1) of the Act and the Articles of Association of the Company, an Additional Director with effect from March 23, 2016 and would hold the office up to the date of this Annual General Meeting.

The Company has received a notice in writing from a member along with the deposit of requisite amount under Section 160 of the Act proposing the candidature of Mr. Rajesh Thakur Ahuja (DIN: 00371406) for the office of Director of the Company. He is not disqualified from being appointed as a Director in terms of Section 164 of the Act and has given his consent to act as a Director.

Section 149 of the Act inter alia stipulates the criteria of independence should a company propose to appoint an independent director on its Board. As per the said Section 149, an independent director can hold office for a period upto March 22, 2021 on the Board of a company and he shall not be included in the total number of directors for retirement by rotation.

The Company has received a declaration from Mr. Rajesh Thakur Ahuja (DIN: 00371406) that he meets with the criteria of independence as prescribed both under sub-section (6) of Section 149 of the Act and SEBI (Listing Obligation & Disclosure Requirements) Regulation, 2015. Mr. Rajesh Thakur Ahuja (DIN: 00371406) possesses appropriate skills, experience and knowledge, inter alia, in the field of Management and Administration.

In the opinion of the Board, Mr. Rajesh Thakur Ahuja (DIN: 00371406) fulfills the conditions for his appointment as an Independent Director as specified in the Act and SEBI (Listing Obligation & Disclosure Requirements) Regulation, 2015.

Brief resume of Mr. Rajesh Thakur Ahuja, nature of his expertise in specific functional areas and names of companies in which he holds directorships and memberships / chairmanships of Board Committees, shareholding and relationships between directors inter-se as stipulated under SEBI (Listing Obligation & Disclosure Requirements) Regulation, 2015, are forming part of the Annual Report.

Keeping in view his vast expertise and knowledge, it will be in the interest of the Company that Mr. Rajesh Thakur

Ahuja (DIN: 00371406) is appointed as an Independent Director.

Copy of the draft letter for appointment of Mr. Rajesh Thakur Ahuja (DIN: 00371406) as an Independent Director setting out the terms and conditions is available for inspection by members at the Registered Office of the Company.

Save and except the appointee, none of the other Directors / Key Managerial Personnel of the Company / their relatives are, in any way, concerned or interested, financially or otherwise, in the resolution set out at Item No.5 of the Notice.

The Board recommends the Ordinary Resolution set out at Item No.5 of the Notice for approval by the shareholders.

### Item No. 6:

As per the provisions of Section 20 of the Companies Act, 2013, a member may request for any document through a particular mode, for which the member shall pay such fees as may be determined by the Company in its annual general meeting. Since the cost of providing documents may vary according to the mode of service, weight and its destination etc., therefore it is proposed that actual expense borne by the Company for such dispatch will be paid in advance by the member to the company.

The Board recommends the resolution at item no. 6 for the approval of the Shareholders.

No Director of the Company, Key Managerial Personnel or their relatives are in any way concerned or interested 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 : 040-23391221/2  
E-mail : hfl@heritagefoods.in  
Date : May 23, 2016

## Pursuant to SEBI (Listing Obligation & Disclosure Requirements) Regulation, 2015 and applicable Provisions of Companies Act 2013, following informations are furnished about the Directors proposed to be appointed / re – appointed

Brief resume of the Directors, 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:

<b>1. Name of the Director</b>	<b>Dr. V Nagaraja Naidu</b>
Director Identification Number (DIN)	00003730
Date of Birth	July 01, 1947
Date of First Appointment	June 05, 1992
Profile of the Director	Dr. V Nagaraja Naidu 69 years, is a postgraduate in Commerce and Doctorate in Financial Management. Dr. Naidu started his career from Administrative Staff College of India, Hyderabad in 1972 held various positions in reputed Universities viz., Professor, Dean Director etc., and taught in the fields of Finance and Business Economics at Post graduate and Doctorate levels. He had been the Registrar (Administrative head) of the Dr B R Ambedkar Open University for about 10 years.
Directorships held in other Public Companies* (Excluding Foreign, Private & Section-8 Companies)	Heritage International Limited
Chairmanships/Membership of Committees of other Public Companies* (includes only Audit Committee, Stakeholders Relationship Committee and Nomination & Remuneration Committee)	NIL
Shareholding in the Company	50,000 Equity Shares
<b>2. Name of the Director</b>	<b>Mr. Rajesh Thakur Ahuja</b>
Director Identification Number (DIN)	00371406
Date of Birth	May 02, 1971
Date of First Appointment	March 23, 2016
Profile of the Director	Mr. Rajesh Thakur Ahuja is a graduate in Production Engineering from Pune University Engineering College. He started Silver line Wire Products in 1993 as a manufacturer of plastic coated wire products for household applications. In 1998, started marketing under the brand name of Sleek. Presently he is Managing Director at M/s. Sleek International Private Limited. Currently pursuing Owner President Management Programme at Harvard University, USA.
Directorships held in other Public Companies* (Excluding Foreign, Private & Section-8 Companies)	Nil
Chairmanships/Membership of Committees of other Public Companies* (includes only Audit Committee, Stakeholders Relationship Committee and Nomination & Remuneration Committee)	Nil
Shareholding in the Company	Nil

\* Directorship and Committee Membership in Heritage Foods Limited are not included in the aforesaid disclosure.

**By Order of the Board of Directors**

### Registered Office:

#6-3-541/C, Punjagutta,  
Hyderabad – 500 082  
CIN : L15209TG1992PLC014332  
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E-mail : hfl@heritagefoods.in  
Date : May 23, 2016

**UMAKANTA BARIK**

Company Secretary

M. No: FCS-6317

# Directors' Report

To the members,

Your Directors have great pleasure in presenting the 24<sup>th</sup> Annual Report of the Company together with the Standalone & Consolidated Audited statement of accounts for the Financial Year ended March 31, 2016.

## Financial Results (Standalone)

(₹ in lakhs)

Particular	FY 2015-16	FY 2014-15
Revenue from Operations (Gross)	<b>238162.13</b>	207402.61
Less: Excise Duty	<b>103.80</b>	105.96
Total Revenue from operations	<b>238058.33</b>	207296.65
Add: Other Income	<b>654.96</b>	702.66
Total Income	<b>238713.29</b>	207999.31
Total Expenditure	<b>224980.99</b>	199093.36
Profit /(Loss) before Finance Cost, Depreciation & amortization and Tax	<b>13732.30</b>	8905.95
Finance cost	<b>1545.89</b>	1593.01
Depreciation & Amortization	<b>3451.21</b>	3399.03
Profit /(Loss) before Exceptional & Extraordinary Item and Tax	<b>8735.20</b>	3913.91
- Exceptional Items	<b>136.95</b>	-
Profit /(Loss) before Tax	<b>8598.25</b>	3913.91
Tax Expenses		
- Current & prior period tax	<b>3068.44</b>	1168.91
- Deferred Tax	<b>(13.34)</b>	(76.02)
Net Profit /(Loss) for the Year	<b>5543.15</b>	2821.02

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

## Performance of the Company

Your Company, during the year under review earned revenue from operations (Gross) of ₹ 238162.13 Lakhs, achieved an increase of 14.83% over the previous year. The EBITDA was of ₹ 13732.30 (5.77% on total revenue) as against ₹ 8905.95 (4.29% on total revenue) in the previous year. The operating profit after depreciation was amounted to ₹ 10144.14 (4.26% to revenue) as against ₹ 5506.92 (2.65% of revenue) in the previous year.

## Dividend

Your Directors have pleasure in recommending a dividend of ₹ 3.00/- (30%) per equity share of ₹ 10/- each for the financial year ended March 31, 2016, 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 15.11% as compared to 29.69% in the previous year.

The Register of Members and Share Transfer Books will remain closed from Thursday August 11, 2016 to Friday August 19, 2016 (both days inclusive) for the purpose of payment of the final dividend for the financial year ended March 31, 2016, and the Annual General Meeting. The Annual General Meeting is scheduled to be held on Friday, August 19, 2016.

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.

### Dividend record for the last 10 years:

Sl. No.	Year of Declaration of Dividend	Dividend %	Amount Declared per share (Face Value of ₹ 10/- each)
1	2005-06	30%	₹ 3.00
2	2006-07	30%	₹ 3.00
3	2007-08	18%	₹ 1.80
4	2008-09	Nil	Nil
5	2009-10	18%	₹ 1.80
6	2010-11	12%	₹ 1.20
7	2011-12	20%	₹ 2.00
8	2012-13	30%	₹ 3.00
9	2013-14	30%	₹ 3.00
10	2014-15	30%	₹ 3.00

### 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 ₹ 5,30,250/- (Rupees Five Lakh Thirty Thousand Two Hundred Fifty Only) for the year 2007-08 was transferred to the Investor Education and Protection Fund during the financial year 2015-16.



## Transfer to Reserves

Your Company proposes to transfer ₹ 1000 Lakhs to General Reserve. An amount of ₹ 3705.50 Lakhs is proposed to be retained in the Surplus.

## Share Capital

The paid up Equity Share Capital as at March 31, 2016 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 March 31, 2016, 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 at 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 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.

The related party transactions, if any 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 March 31 and the date of Board's Report.

## Variation in Market Capitalization

Particulars	As at March 31,		Increase / (decrease) in %
	2016	2015	
Market capitalization (₹ in Crore)	1185.47	764.17	55.13
Price earnings ratio	21.39	27.08	(21.01)
Percentage increase in the market price of shares in comparison with the last public offer price*			10120

Note: Data bases on share prices quoted on BSE

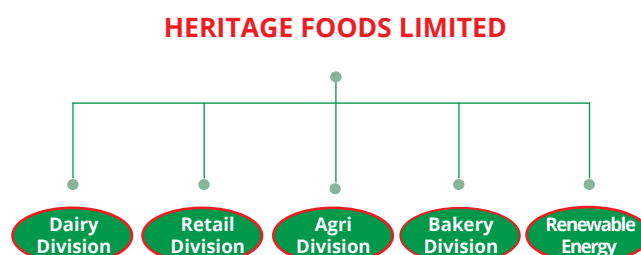
\* Last public offer price in India has been adjusted for bonus issues

## Management's Discussion and Analysis

In terms of the provisions of SEBI (Listing Obligation & Disclosure Requirements) Regulation, 2015, 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 Division:

The dairy segment in India, which has been growing at a scorching 22% annually in the last five fiscals (2012-16) compared with 17% for the whole industry.

It will do even better over the next three years as rising disposable income and increasing quality consciousness lead to greater consumer preference for branded milk and milk products.

The organised dairy segment revenue is ₹ 75,000 crore in fiscal 2016, which was 19% of the total ₹ 4.3 lakh crore for the entire dairy industry. As the consumer shift accelerates,

the revenue share from organised segment could rise to 25% by fiscal 2018.

On their part, dairies have been sharpening focus on value-added products, investing in brand-building and scaling up operations, particularly in processing and milk-collection infrastructure. Management of logistics costs and consistent procurement is crucial to profitability and cash flows in the business.

India, the leading producer of milk and milk products, is also the largest consumer, with supply barely matching demand. According to NDDDB and CRISIL Research estimates, the country produces 3,800 lakh litre per day (LLPD) of milk, accounting for a fifth of the global output. About 40% of this is retained by producers (farmers) for household consumption & another 41% share is with the unorganised segment. The remaining 19% is procured, processed and sold by organised dairies. Given the rising demand for branded products and investments being made by organised sector players, CRISIL believes the share of organised segment will increase to about 25% by fiscal 2018.

In term of volume, the dairy industry grew 4% annually during the last five years ended fiscal 2016, while the organised sector grew at twice as fast. With changing consumer preference, the volume of milk processed from organised sector is expected to grow 13% annually by fiscal 2018, way ahead of a 5% annual growth for the industry at large.

Growth in value terms was much higher at 17% annually, signalling better realisation. This was driven by value-added products, which grew 23% annually compared with 15% for liquid milk.

The small and medium-sized organised players that derive a bulk of their revenues from the liquid milk segment have faced intensifying competition from larger players who are expanding their footprint. In contrast, increased focus on value-added products and investments in processing facilities have supported steady cash flows for the large organised players.

Your Dairy division of the Company is one of the leading private dairy players in India with a chilling capacity of 16.8 lakhs liters per day, processing capacity 15.3 lakhs liters per day and packaging capacity of 10.6 laksh liters per day. It produces and markets a full line of Dairy products

including fresh milk, curd, butter milk, lassi, ice-cream, paneer, table butter, milk powder, flavored milk, Doodh Peda, UHT milk and dairy whitener etc. The Dairy division has a significant presence in the states of Andhra Pradesh, Delhi, Haryana, Karnataka, Kerala, Maharashtra, Odisha, Rajasthan, Tamilnadu and Telangana.

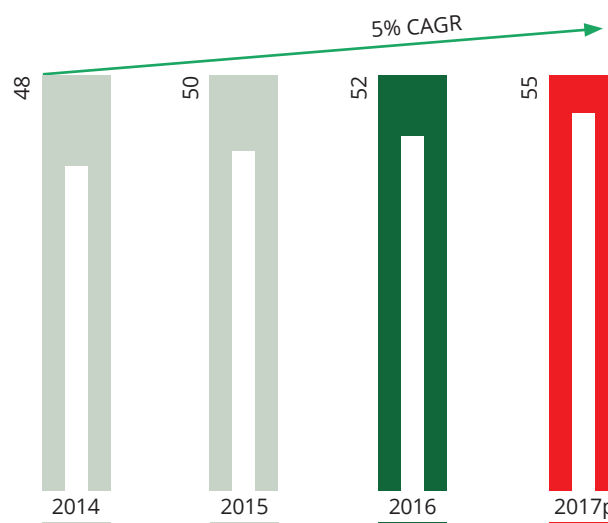
### Increasing presence of Corporate's in the processed milk market

Of the total milk procured for processing, about 65 per cent is pasteurized and sold in liquid form packaged in pouches, tetra packs or glass and PET bottles. Emergence of the 'cooperatives model' aided growth of the milk processing segment. While co-operatives command a majority market share, corporates are gradually gaining ground on the back of shift in the consumer taste and preference towards toned milk, flavoured milk and value added products. While the co-operatives have an advantage of subsidies in terms of procurement, the corporates are attracting farmers by offering relatively higher prices for milk procurement and providing other value added services such as healthcare facilities for animals, quality fodder, creating awareness amongst farmers, etc to boost the supply of milk to their processing plants.

Consumption of processed milk is expected to continue the growth momentum and record about 5 per cent CAGR until 2016-17 to reach 55 billion litres.

### Trends in Consumption of Processed Milk (In Volume)

(bn litres)

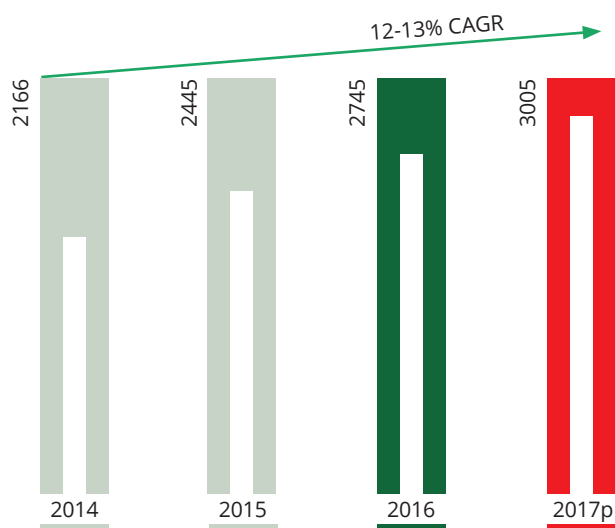


Market size of processed milk segment to expand at a CAGR of 12-13 per cent.

While demand for processed milk grew by 5.3 per cent CAGR during 2009-10 to 2015-16, realisations rose by about 9-10 per cent CAGR. Higher realisations could be attributed to rise in milk prices and growth in consumption of flavoured milk and tetra pack milk.

### Market size of processed milk industry to rise steadily

(INRbn)



During the financial year 2015-16, Dairy Division has increased milk Chilling capacity by 1,00,000 LPD by commissioning of 16 units which includes Bulk Mini Chilling units, Mini Chilling units, chilling centres and Franchisee Bulk Mini Chilling units. The Turnover has grown by 13.69% from ₹ 155585.71 Lakhs to ₹ 176880.13 Lakhs.

### Retail Division:

The Indian retail industry has emerged as one of the most dynamic and fast-paced industries due to the entry of several new players. It accounts for over 10 per cent of the country's Gross Domestic Product (GDP) and around 8 per cent of the employment. India is the world's fifth-largest global destination in the retail space.

The number of food and grocery supermarkets are expected to increase from 500 in 2006 to about 8,500 by 2017. The retail space supply in India is projected to grow from 6.3 million sqft to 7.6 million sqft over 2016-17.

In the coming years, about 70 per cent of world's growth is likely to come from emerging markets, with 40 per cent

contribution from India alone. These forecasts and industry prospects suggest that emerging markets are likely to gain investor interest in the future.

One of the biggest opportunities and challenges that characterise the Indian retail sector is its structure. While it has matured over the years, it is still highly fragmented, with an estimated 15 million outlets. Its overall size is estimated to be INR 41 trillion in 2015-16, with a CAGR of 15 per cent over the last five years, which is much higher than the growth of the Indian GDP in the same period. Going forward, the overall retail sector growth is likely to witness a CAGR of 12-13 per cent, which would be worth INR 55 trillion in 2018-19.

E-commerce is expanding steadily in the country. Customers have the ever increasing choice of products at the lowest rates. E-commerce is probably creating the biggest revolution in the retail industry, and this trend would continue in the years to come.

E-commerce, as a retail channel, has seen phenomenal growth over the last couple of years. It is driven by demand factors such as substantial rise in internet penetration, increasing speed of broadband connections, increasing use of smart phones, etc. in the urban areas, and by supply factors such as increased proliferation of venture capitalists/private equity-funded e-commerce startups. India has about one million online traders - small and large that sell their products through various e-commerce portals.

Your Retail Division of the Company is unique chain of retail stores designed to meet the needs of the modern Indian consumer. For us, retail business is all about creating an engaging experience for customers while offering great deals that make them feel privileged and cared for. Not a single opportunity is missed to delight the customers. The Retail division of your Company is having 110 stores operational with 60 stores operating in Hyderabad, Telangana, 16 in Bangalore, Karnataka and 34 in Chennai, Tamil Nadu as on March 31, 2016. The Company has also initiated e-commerce through Heritage fresh online as a pilot in one store now and planning to activate all the stores during 2016-17.

During the Financial year 2015-16, Retail Division turnover has grown by 18% from ₹ 49397 Lakhs to ₹ 58286.49 Lakhs. The Institutional sales segment achieved sale of ₹ 4053.53 Lakhs in FY 2015-16 against ₹ 3239.45 Lakhs in FY 2014-15 with 25.13% growth.

### Agri Division:

Agriculture plays a vital role in India's economy. Over 58 per cent of the rural households depend on agriculture as their principal means of livelihood. Agriculture, along with fisheries and forestry, is one of the largest contributors to the Gross Domestic Product (GDP).

Over the recent past, multiple factors have worked together to facilitate growth in the agriculture sector in India. These include growth in household income and consumption, expansion in the food processing sector and increase in agricultural exports. Rising private participation in Indian agriculture, growing organic farming and use of information technology are some of the key trends in the agriculture industry.

The Agri Division of your Company was started with an aim of sourcing fresh Fruits and Vegetables from Farmers, and ensuring stable and enhanced income for them by disintermediating the supply chain. The team of Agriculturists closely work with Farmers to transform agricultural lands into productive farms in terms of output per unit of land and energy. Company has established a couple of advanced, fully Integrated Pack Houses to handle fresh products. Apart from acting as a supply chain arm for Heritage Fresh Stores, Agri division also supplies animal feed to Dairy Farmers.

The Agri division of your Company, during the year under review apart from the sourcing the fruits & vegetables, started the Veterinary care business with an aim to provide the quality feed to increase the productivity of the animals.

Agri Division of your Company had achieved the turnover of ₹ 9567.72 Lakhs and handled 60198 MT including Custom Ripening with respect to Value & Volume. There is an improvement in Volume of 12% over the financial year 2014-15.

### Bakery Division:

The Bakery division of your Company armed with world-class Bakery Equipment and Cold Storage facilities, supplies high quality Bakery Products to leading multinational chains, top star Hotels, as well as to Heritage Fresh Stores. The product range includes breads, cakes, pastries, desserts, savories and cookies. The division is also equipped to handle a wider range of Bakery Products and is open to contract manufacturing and private label opportunities.

During the Financial year 2015-16, Bakery Division turnover has grown by 37.88% from ₹ 588.92 Lakhs to ₹ 812.03 Lakhs.

### Renewable Energy Division:

The Renewable Energy Division of your Company strongly recognizes the responsibility towards protecting the environment. As a forward-looking enterprise, it is strongly committed to extending the 'Green' footprint. In line with this thinking, the Division has set up with 2.34 MW Solar Power Plant which was commissioned at Adavi Masjid Village, Mulugu Mandal, Medak Dist, Telangana and commissioned 2.1MW Wind Power Project at Vajrakarur, Anantapur Dist, Andhra Pradesh for captive consumption of Dairy Division of the Company. The above plants are expected to supply 3.75 million units of clean and green energy annually and expected to displace nearly 3,300 MT of CO annually.

Renewable Energy Division of your Company had achieved the turnover of ₹ 304.30 Lakhs during the year under review.

### Subsidiary / Associate Companies

Your Company is having two Subsidiaries Company's namely M/s. Heritage Foods Retail Limited (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, associate 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 SEBI (Listing Obligation & Disclosure Requirements) Regulation, 2015, 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 in financial statement of the report. The statement also provides the details of 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 the website of the Company i.e. [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 22000:2005, (OHSAS) ISO 18001:2007, ISO 14001:2004, (ENMS) ISO 50001:2011 and HALAL Certification HFC 15-101 & 102. Your Company has also received an independent auditor's assurance report on compliance to ISO 14001 & 18001 (EMS & OHSAS) 2nd 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. Marketing reach of your Company extends nationally through advertisements (such as hoarding, wall paint, vehicle brandings, Newspaper ads and radio ads etc.), public relations and digital marketing initiatives. Your Company also organizes several events in various localities to create awareness about the products of the Company.

## Awards & Recognitions

During the financial year 2015-16 the Company has received the following awards and recognition.

- Two dairy packing stations of your Company had won the Prestigious National Energy Conservation Awards

(NECA) in Dairy Sector for the year 2015 at All India Level. Gokul Dairy Plant, Tirupathi, Andhra Pradesh has been awarded the 1<sup>st</sup> Prize NECA - 2015 and the Uppal Dairy Plant, Hyderabad, Telangana has been awarded the 2<sup>nd</sup> Prize NECA - 2015 by the Ministry of Power, Government of India during December, 2015. This is the 5<sup>th</sup> time that the Company has been recognised with this award (previously the Company won the award, 1st prize in the years-2014, 2012 & 2008, 2nd prize in the year-2010).

- The Retail Division of your Company was awarded most prestigious 'COCA COLA Golden Spoon Award' 2016 for being the IMAGES Most Admired Food & Grocery Retailer of the Year - Regional Chain' at India Food Forum, Mumbai, during the month of January, 2016
- Your Dairy Division of the Company has been awarded in four categories at the "The Great Indian Ice Cream Contest 2016 - Season 5" conducted by Indian Dairy Association and DuPont Nutrition & Health on February 11, 2016, in Gurgaon, Delhi.
  - ★ GOLD Award in Kool Kids i.e 1st prize on All India level.
  - ★ The Best in Class in Kool Kids i.e Award for Excellent product.
  - ★ Silver Award for VANILLA i.e 2nd prize on All India level.
  - ★ Silver Award for CHOCOLATE i.e 2nd prize on All India level.

## 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 and engagement 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 & Development Programmes. 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 2015-16 was 5077, with an increase of 833 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-1A 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-1B 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 Regulations on corporate governance. Your Company has documented internal policies on corporate governance. Company Corporate governance report for financial year 2015-16 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 SEBI (Listing Obligation & Disclosure Requirements) Regulation, 2015, 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 believes 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 six 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 and SEBI (Listing Obligation & Disclosure Requirements) Regulation, 2015.

### Policy on Director's 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, 2016, the Board consists of 8 members, two of whom are women Executive/Whole- time directors and six are Non-Executive directors as on March 31, 2016. 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, and SEBI (Listing Obligation & Disclosure Requirements) Regulation, 2015 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 SEBI (Listing Obligation & Disclosure Requirements) Regulation, 2015.

### Board Evaluation

SEBI (Listing Obligation & Disclosure Requirements) Regulation, 2015 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 and have to visit the Company manufacturing facilities and other locations. 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.

### Appointment/Re-Appointment

Dr. V Nagaraja Naidu (DIN: 00003730) Non-Executive Director 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 the Article of Association of the Company and Section 152 of the Companies Act 2013 and rules made thereof and SEBI (Listing Obligation & Disclosure Requirements) Regulation, 2015.

During the year Mr. Rajesh Thakur Ahuja (DIN: 00371406) was appointed as Non-Executive Independent Director w.e.f. March 23, 2016 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 Mr. N. P. Ramakrishna (DIN: 00003751) Non-Executive Director of the Company retired 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 Mr. N P Ramakrishna during his tenure as member of the Board.

Mr. K Durga Prasad Rao (DIN:06888949) Whole-time Director of the Company had resigned from the Board w.e.f. November 1, 2015 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.

Mr. M Siva Rama Vara Prasad (DIN: 00170919) Non-Executive Independent Director of the Company had resigned from the Board w.e.f. May 12, 2016 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.

### Key Managerial Personnel

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

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

## Committees of the Board

Currently, the Board has Six committees: the Audit Committee, Nomination and Remuneration Committee, Stakeholders Relationship Committee, Corporate Social Responsibility Committee, Risk Management Committee and 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	Mr. D Seetharamaiah (Chairperson) Mr. N Sri Vishnu Raju Mr. M Siva Rama Vara Prasad# Dr. V Nagaraja Naidu Mr. N Lokesh Mr. Rajesh Thakur Ahuja\$	<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	Mr. N Sri Vishnu Raju (Chairperson) Mr. D Seetharamaiah Mr. M Siva Rama Vara Prasad# Mr. N Lokesh Mr. Rajesh Thakur Ahuja\$	<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>
Stakeholders Relationship Committee	Dr. V Nagaraja Naidu (Chairperson) Mr. D Seetharamaiah Mr. N Sri Vishnu Raju Mrs. N Bhuvaneswari	<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>
Corporate Social Responsibility Committee	Mr. D Seetharamaiah (Chairperson) Mr. N Sri Vishnu Raju Mrs. N Bhuvaneswari	<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>
Risk Management Committee	Mr. M Siva Rama Vara Prasad# (Chairperson) Mr. Rajesh Thakur Ahuja\$ Chairperson Mr. D Seetharamaiah Mr. N Sri Vishnu Raju Mrs. N Bhuvaneswari Mr. K Durga Prasada Rao*	<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>
Management Committee	Mr. D Seetharamaiah (Chairperson) Mr. N Sri Vishnu Raju Mr. N Lokesh Mrs. N Bhuvaneswari	<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>

\* Mr. K Durga Prasada Rao Resigned from the Board w.e.f. November 1, 2015.

# Mr. M Siva Rama Vara Prasad Resigned from the Board & Committees w.e.f. May 12, 2016.

\$ Mr. Rajesh Thakur Ahuja has appointed as Chairperson/Member in the Committees w.e.f. May 23, 2016.



## Policies

The SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 mandated the formulation of certain policies for all listed companies. All the corporate policies are available in the Company website ([www.heritagefoods.in/Corporate/policies](http://www.heritagefoods.in/Corporate/policies)). The policies are reviewed periodically by the Board and updated based on need and new compliance requirement.

In addition to its Code of Conduct and Ethics, key policies that have been adopted by the Company are as follows:

Name of the policy	Brief description	Web link
Whistleblower Policy (Policy on vigil mechanism)	The Company has adopted the whistleblower mechanism for directors and employees to report concerns about unethical behaviour, actual or suspected fraud, or violation of the Company's code of conduct and ethics. 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. There has been no change to the Whistleblower Policy adopted by the Company during fiscal 2016.	<a href="http://heritagefoods.in/images/HFL%20Whistle%20Blower%20Policy.pdf">http://heritagefoods.in/images/HFL%20Whistle%20Blower%20Policy.pdf</a>
Insider Trading Policy and Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information	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. All Board Directors and the designated employees have confirmed compliance with the Code.	<a href="http://heritagefoods.in/images/COC.pdf">http://heritagefoods.in/images/COC.pdf</a> <a href="http://heritagefoods.in/images/COFD.pdf">http://heritagefoods.in/images/COFD.pdf</a>
Nomination and Remuneration Policy	This policy formulates the criteria for determining qualifications, competencies, positive attributes and independence for the appointment of a director (executive / non-executive) and also the criteria for determining the remuneration of the directors, key managerial personnel and senior management of the Company. This policy also lays down criteria for selection and appointment of Board Members.	<a href="http://heritagefoods.in/images/BD.pdf">http://heritagefoods.in/images/BD.pdf</a>
Corporate Social Responsibility Policy	The policy outlines the Company's strategy to bring about a positive impact on society through programs relating to hunger, poverty, education, healthcare, environment and lowering its resource footprint.	<a href="http://heritagefoods.in/images/HFL_CSR.pdf">http://heritagefoods.in/images/HFL_CSR.pdf</a>
Policy for Determining Material Subsidiaries	The policy is used to determine the material subsidiaries and material non-listed Indian subsidiaries of the Company and to provide the governance framework for them.	<a href="http://heritagefoods.in/images/Subsidiary_Policy.pdf">http://heritagefoods.in/images/Subsidiary_Policy.pdf</a>
Related Party Transaction Policy	The policy regulates all transactions between the Company and its related parties	<a href="http://heritagefoods.in/images/RPT_Policy.pdf">http://heritagefoods.in/images/RPT_Policy.pdf</a>
Policy on Preservation of Documents	The policy deals with the preservation of corporate records of the Company and all its subsidiaries.	<a href="http://heritagefoods.in/images/PD.pdf">http://heritagefoods.in/images/PD.pdf</a>

## Auditors & Auditors Report

### Statutory Auditors

At the Annual General Meeting held on September 26, 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 25th 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, (FRN: 003475S) 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 Jyoti, Practicing Company Secretary (CP No:1796), was appointed to conduct the Secretarial Audit of the Company for the financial year 2015-16, as required under Section 204 of the Companies Act, 2013 and Rules made thereunder. The secretarial audit report for financial year 2015-16 issued by M/s. Savita Jyoti, Practicing Company Secretary in form MR-3 is provided in the Annexure-2 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 Jyoti (CP.No. 1796), Practicing Company Secretaries, as Secretarial Auditor of the Company for the financial year 2016-17 as per the provisions of the Companies Act, 2013 and Rules made thereof and SEBI (Listing Obligation & Disclosure Requirements) Regulation, 2015.

### 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-3 to this report.

## Listing Agreement

The Securities and Exchange Board of India (SEBI), on September 2, 2015, issued SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 with the aim to consolidate and streamline the provisions of the Listing Agreement for different segments of capital markets to ensure better enforceability. The said regulations were effective from December 1, 2015. Accordingly, all listed entities were required to enter into the Listing Agreement within six months from the effective date. Your Company entered into Listing Agreement with BSE Limited and the National Stock Exchange of India Limited during December 2015.

### Internal financial control and its adequacy

The Board has adopted policies and procedures for ensuring the orderly and efficient conduct of its business, including adherence to the Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial disclosures.

### 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 and Statutory Auditors 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 2016-17 as per the provision of Section 138 of the Companies Act, 2013 and Rules made thereof and as per the SEBI (LO&DR) Regulation, 2015

## 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 skills & 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 initiatives 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 skills and supply of clean water, apart from its own trust's namely Heritage Farmers Welfare Trust and Heritage Employee 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-4 forming part of the Board's Report.

### i. Heritage Farmer Welfare Trust (HFWT)

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. The Mobile veterinary vans reach 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 accidental death of farmer members, Incentive for fodder development & reward for Meritorious Students.
- The HFWT impact during the year through Mobile Veterinary clinic as follows:

No of Cattle Treated	No of Milk Collection Centers Covered	No of Cattle Health Camps Organized
1,68,022	2,568	2,178

No of Artificial Inseminations	No of Video Film Shows
1,513	2,120

### ii. Heritage Employee Welfare Trust (HEWT)

Heritage Employees Welfare Trust is a trust formed by Heritage Foods Limited for the welfare of employees in the field of Health, Medical Service, Education Facilities, Financial Needs, common development needs and major objectives of the trust are as follows: -

- To extend financial assistance to the needy Employees and their dependents to pursue medical treatment, higher education, social functions and other needed assistance.
- Providing non-statutory Medical Insurance Packages to members and their dependents.
- To address any other employee needs (Includes employees, their family members and other dependents)

## 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-5 to the Board Report.

### Risk Management

Your Company have constituted a Risk Management Committee pursuant to Section 134 (3)(n) of the Companies Act, 2013 & Regulation 21 of SEBI (Listing Obligation & Disclosure Requirements) Regulation 2015, which has been entrusted with the responsibility to assist the Board in (a) Overseeing and approving the Company's enterprise 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. 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 shall be reviewed by the Risk Management Committee and Board of Directors on a half-yearly basis.

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

### 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 2015-16

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 2015-16, 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 2015-16 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 2015-16 and Notice of the 24<sup>th</sup> Annual General Meeting will be 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 2015-16 and the Notice of the 24<sup>th</sup> Annual General Meeting will be 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's 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:

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Hyderabad – 500 082

CIN : L15209TG1992PLC014332

Ph : 040-23391221/2

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

Date : May 23, 2016



# Annexure-1 (A & B)

## 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

Name of the Director	Title	Remuneration in FY 2015-16 (₹ in Lakhs)*	Remuneration in FY 2014-15 (₹ in Lakhs)*	No. of Stock options / RSUs granted in FY 2015-16	% increase/(Decrease) of remuneration in FY 2015-16 as compared to FY 2014-15	Excl. WTD Ratio of remuneration to MRE	Incl. WTD Ratio of remuneration to MRE
Mrs. N Bhuvaneshwari	Vice Chairperson & Managing Director	478.13	219.45	-	117.88	498.06	498.06
Mrs. N Brahmani	Executive Director	382.51	175.56	-	117.88	398.45	398.45
Mr. K Durga Prasad Rao #	Whole-time Director	27.75	24.00	-	15.63	28.91	28.91

MRE : Median Remuneration of Employees

\* Remuneration including salary, Perks & Commission

# Mr. Durga Prasad Rao has resigned from the Board w.e.f. November 1, 2015.

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

Name of the Director	Sitting Fee in FY 2015-16 (₹ in Lakhs)	Sitting Fee in FY 2014-15 (₹ in Lakhs)	Number of stock options/RSUs granted in FY 2015-16	% increase/(decrease) of remuneration in FY 2015-16 as compared to FY 2014-15
Mr. D Seetharamaiah	3.70	2.75	-	34.55
Mr. N SriVishnu Raju	1.50	2.55	-	(41.18)
Mr. M Siva Rama Vara Prasad^	2.10	1.40	-	50.00
Mr. Rajesh Thakur Ahuja *	-	-	-	0
Dr. V Nagaraja Naidu	2.60	1.40	-	85.71
Mr. N P Rama Krishna #	0.40	0.80	-	(50.00)
Mr. N Lokesh	1.90	1.50	-	26.67

^ Mr. M Siva Rama Vara Prasad has resigned from the Board w.e.f. May 12, 2016

\* Mr. Rajesh Thakur Ahuja appointed as Director on March 23, 2016.

# Mr. N P Rama Krishna has resigned from the Board w.e.f. September 24, 2015

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

Name of the KMP	Title	Remuneration in FY 2015-16 (₹ in Lakhs)	Remuneration in FY 2014-15 (₹ in Lakhs)	No. of stock options / RSUs granted in FY 2015-16	% increase / (decrease) of remuneration in FY 2015-16 as compared to FY 2014-15	Excl. WTD Ratio of remuneration to MRE	Incl. WTD Ratio of remuneration to MRE and WTD
Mr. A Prabhakara Naidu	Chief Financial Officer	39.20	35.00	-	12.00	40.83	40.83
Mr. Umakanta Barik	Company Secretary	19.47	17.39	-	12.00	20.28	20.28

The Median Remuneration of Employees (MRE) excluding Whole-time Directors (WTDs) was ₹ 96,000 and ₹ 96,000/- in financial year 2015-16 and financial year 2014-15 respectively. There is no change in MRE (excluding WTDs) in financial year 2015-16, as compared to financial year 2014-15.

The Median Remuneration of Employees (MRE) including Whole-time Directors (WTDs) was ₹ 96,000 and ₹ 96,000/- in financial year 2015-16 and financial year 2014-15 respectively. There is no change in MRE (including WTDs) in financial year 2015-16, as compared to financial year 2014-15.

The number of permanent employees on the rolls of the Company as of March 31, 2016 was 5077

The revenue growth of the Company during financial year 2015-16 over previous financial year was 14.84%

The aggregate remuneration of employees excluding WTD increased in FY 2015-16 over the previous financial year was 25.11%

The aggregate remuneration of employees including WTD increased in FY 2015-16 over the previous financial year was 29.75%

The aggregate remuneration of KMP increased in FY 2015-16 over the previous financial year was 105.48%

**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 2015-16 as compared to FY 2014-15
Mrs. N Bhuvaneswari	Vice Chairperson & Managing Director	117.88
Mrs. N Brahmani	Executive Director	117.88
Mr. A Prabhakara Naidu	Chief Financial Officer	12.00
Mr. Umakanta Barik	Company Secretary	12.00

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

Turnover has increased by 14.84% as compared to the previous year i.e. from ₹ 207297 Lakhs to ₹ 238058 Lakhs. EBITDA has increased by 54.94% as compared to the last year i.e. from ₹ 8808 Lakhs to ₹ 13647 Lakhs. Profit after Tax (PAT) has increased by 96.49 % as compared to the last year i.e. from ₹ 2821 Lakhs to ₹ 5543 Lakhs. The EPS of the Company for the year ended March 31, 2016 is ₹ 23.89 as compared to previous year was ₹ 12.16. Market capitalization increased by 55.13% to ₹ 1185.47 Crores as of March 31, 2016 from ₹ 764.17 Crores as of March 31, 2015. The Price Earnings Ratio was 21.39 as of March 31, 2016 from 27.08 as of March 31, 2015. The closing price of the Company's equity shares on the NSE and BSE as of March 31, 2016 was ₹ 512.65 and ₹ 511.00 respectively. During Financial Year 2015-16, no employee received remuneration in excess of the highest-paid director.

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

- Details of employees 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.	59	31	23/01/2006	189.22*	Joint Secretary, Ministry of Commerce and Industry Government of India (IAS Retired)

\* Remuneration includes Salary & Performance incentive

- Details of employees 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**

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

**D SEETHARAMAIAH**  
Chairperson  
DIN: 00005016

#### Registered Office:

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CIN : L15209TG1992PLC014332  
Ph : 040-23391221/2  
E-mail : hfl@heritagefoods.in  
Date : May 23, 2016

## Annexure - 2

**FORM No. MR-3  
SECRETARIAL AUDIT REPORT****For the Financial year ended March 31, 2016**

[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**  
CIN:L15209TG1992PLC014332  
#6-3-541/C, Panjagutta,  
Hyderabad-500082

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 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, we hereby report that in my opinion, the company has during the audit period covering the financial year ended on March 31, 2016 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:

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 March 31, 2016 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) The Securities and Exchange Board of India (Listing Obligation & Disclosure Requirements) Regulations, 2015.



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.

During the period under review, the Company has generally complied with the applicable provisions of the Act, Rules, Regulations, Guidelines, Standards, etc., mentioned.

**We further report that,** having regard to the compliance system prevailing in the Company and on examination of the relevant documents and records in pursuance thereof, on test-check basis, the Company has generally complied with following laws applicable specifically to the Company:

- i) Food Safety and Standards Act, 2006 and the Rules made there under.
- ii) The Prevention of Foods Adulteration Act, 1954 and the Rules made there under.
- iii) The Legal Metrology Act, 2009 and the Rules made there under.
- iv) The Environment Protection Act, 1986
- v) Boilers Act, 1923
- vi) Bureau of Indian Standards (BIS) Act, 1986
- vii) The Water (Prevention and Control of Pollution) Act, 1974
- viii) The Air (Prevention and Control of Pollution) Act, 1981

**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.

**We further report that,** during the audit period the company has sought the approval of its members for modification of Memorandum of Association of the Company with regard to comply the Companies Act, 2013.

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.

**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.

**We further report that,** our Audit was subjected only to verifying adequacy of systems and procedures that are in place for ensuring proper compliances on the part of the Company.

for **SAVITA JYOTI ASSOCIATES**

**Savita Jyoti**

Partner

FCS. No. 3738

CP. No. 1796

Place : Hyderabad  
Date : April 22, 2016

This Report is to be read with our testimony of even date which is annexed as Annexure- A and forms an integral part of this report

## ANNEXURE- A TO SECRETARIAL AUDIT REPORT

To  
The Members  
**Heritage Foods Limited**  
Hyderabad

Our report of even date is to be read along with this supplementary testimony.

- a) Maintenance of Secretarial record is the responsibility of management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
- b) We have followed the audit practices and processes that were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on a test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices we followed provide a reasonable basis for our opinion.
- c) We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
- d) Whenever required, we have obtained Management representation about the compliance of laws, rules and regulations and happenings of events etc.
- e) The Compliance of the provisions of Corporate and other applicable laws, rules and regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.
- f) The Secretarial Audit is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management conducted the affairs of the Company.

**For SAVITA JYOTI ASSOCIATES**

Place : Hyderabad  
Date : April 22, 2016

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

## Annexure - 3

**Form No. MGT-9**  
**EXTRACT OF ANNUAL RETURN**

**As on the financial year ended on March 31, 2016**

[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 : June 5, 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	45.77
2	Value added Products	2010	15.61
3	FMCG (Food & Non Food)		19.16

**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 01.04.2015				No. of Shares held at the end of the year 31.03.2016				% Change during the year
		Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>A.</b>	<b>Promoters</b>									
	<b>(1) Indian</b>									
	(a) Individual / HUF	8062046	-	8062046	34.75	8033046	-	8033046	34.63	0.12
	(b) Central Govt	-	-	-	-	-	-	-	-	-
	(c) State Govt(s)	-	-	-	-	-	-	-	-	-
	(d) Bodies Corporate	1223800	-	1223800	5.28	1223800	-	1223800	5.28	-
	(e) Banks/FI	-	-	-	-	-	-	-	-	-
	(f) Any other	-	-	-	-	-	-	-	-	-
	<b>Sub total</b>	<b>9285846</b>	<b>-</b>	<b>9285846</b>	<b>40.03</b>	<b>9256846</b>	<b>-</b>	<b>9256846</b>	<b>39.90</b>	<b>0.13</b>
	<b>(A) (1):-</b>									
	<b>(2) Foreign</b>	-	-	-	-	-	-	-	-	-
	(a) NRIs Individuals	-	-	-	-	-	-	-	-	-
	(b) Other Individuals	-	-	-	-	-	-	-	-	-
	(c) Bodies Corporate	-	-	-	-	-	-	-	-	-
	(d) Banks/FI	-	-	-	-	-	-	-	-	-
	<b>Sub-total (A) (2)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
	<b>Total shareholding of Promoter (A) = (A) (1)+(A)(2)</b>	<b>9285846</b>	<b>-</b>	<b>9285846</b>	<b>40.03</b>	<b>9256846</b>	<b>-</b>	<b>9256846</b>	<b>39.90</b>	<b>0.13</b>
<b>B.</b>	<b>Public Shareholding</b>									
	<b>1. Institutions</b>									
	(a) Mutual Funds	868683	18100	886783	3.82	1080113	18000	1098113	4.73	(0.91)
	(b) Banks/FI	9419	-	9419	0.04	19963	-	19963	0.09	(0.05)
	(c) Central Govt	-	-	-	-	-	-	-	-	-
	(d) State Govt(s)	-	-	-	-	-	-	-	-	-
	(e) Venture Capital Funds	-	-	-	-	-	-	-	-	-
	(f) Insurance Companies	-	-	-	-	-	-	-	-	-
	(g) FII	566922	-	566922	2.44	-	-	-	-	-
	(h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
	(i) Others (specify)	-	-	-	-	1027975	-	1027975	4.43	(4.43)
	<b>Sub-total (B)(1)</b>	<b>1445024</b>	<b>18100</b>	<b>1463124</b>	<b>6.31</b>	<b>2128051</b>	<b>18000</b>	<b>2146051</b>	<b>9.25</b>	<b>(2.94)</b>



Category of Shareholders			No. of Shares held at the beginning of the year 01.04.2015				No. of Shares held at the end of the year 31.03.2016				% Change during the year
			Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
2.	<b>Non-Institutions</b>										
	(a)	Bodies Corporate	4553711	13400	4567111	19.69	3680649	13300	3693949	15.92	3.77
	(i)	Indian	-	-	-	-	-	-	-	-	-
	(b)	Individuals	-	-	-	-	-	-	-	-	-
	(i)	Individual shareholders holding nominal share capital upto ₹ 1 Lakh	2598923	814638	3413561	14.71	3138637	809038	3947675	17.02	(2.31)
	(ii)	Individual shareholders holding nominal share capital in excess of ₹ 1 Lakh	3832051	110400	3942451	16.99	3530958	100000	3630958	15.65	1.34
	(c)	Others (Specify)	443307	83600	526907	2.27	443321	80200	523521	2.26	0.01
	<b>Sub-total (B)(2)</b>		<b>11427992</b>	<b>1022038</b>	<b>12450030</b>	<b>53.67</b>	<b>10793565</b>	<b>1002538</b>	<b>11796103</b>	<b>50.85</b>	<b>2.82</b>
	<b>Total Public Shareholding (B)=(B)(1)+(B)(2)</b>		<b>12873016</b>	<b>1040138</b>	<b>13913154</b>	<b>59.97</b>	<b>12921616</b>	<b>1020538</b>	<b>13942154</b>	<b>60.10</b>	<b>(0.13)</b>
<b>C.</b>	<b>Shares held by Custodian for GDRs &amp; ADRs</b>		-	-	-	-	-	-	-	-	-
	<b>Grand Total (A+B+C)</b>		<b>22158862</b>	<b>1040138</b>	<b>23199000</b>	<b>100.00</b>	<b>22178462</b>	<b>1020538</b>	<b>23199000</b>	<b>100</b>	

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

Sl. No	Shareholder's Name	Shareholding at the beginning of the Year 01.04.2015			Shareholding at the end of the year 31.03.2016			% 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	-	5330826	22.98	-	-
2.	Nara Lokesh	2366400	10.20	-	2366400	10.20	-	-
3.	Megabid Finance & Investments Pvt Ltd	1223800	5.28	-	1223800	5.28	-	-
4.	N Brahmani	101000	0.44	-	101000	0.44	-	-
5.	Ramakrishna N P	100000	0.43	-	100000	0.43	-	-
6.	V Nagaraju Naidu	58000	0.25	-	50000	0.22	-	0.03
7.	Kathya N P	30000	0.13	-	30000	0.13	-	-
8.	Suneel Vadlamuni	21000	0.09	-	-	-	-	0.09
9.	Durga Ramakrishna N P	20000	0.09	-	20000	0.09	-	-
10.	Neelima N P	20000	0.09	-	20000	0.09	-	-
11.	Nandamuri Balakrishna	6820	0.03	-	6820	0.03	-	-
12.	Nandamuri Vasundara	6400	-	-	6400	-	-	-
13.	A Siva Sankara Prasad	800	-	-	800	-	-	-
14.	N Bala Krishna	600	-	-	600	-	-	-
15.	Ramakrishna Nandamuri	200	-	-	200	-	-	-
		<b>9285846</b>	<b>40.03</b>	<b>-</b>	<b>9256846</b>	<b>39.90</b>	<b>-</b>	<b>0.12</b>

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

Sl. No		Shareholding at the beginning of the year 01.04.2015		Cumulative Shareholding during the year 31.03.2016	
		No. of Shares	% of total Shares of the Company	No. of Shares	% of total Shares of the Company
	At the beginning of the year 01.04.2015	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)	21000 Shares Sold	0.09	9264846	39.93
		30.10.2015 8000 Shares sold	0.03	9256846	39.90
	At the end of the Year 31.03.2016	--	--	9256846	39.90

**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 01.04.2015		Cumulative Shareholding during the year 31.03.2016	
		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 01.04.2015	2572842	11.09	2572842	11.09
	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 31.03.2016	-	-	2572842	11.09

Sl. No		Shareholding at the beginning of the year 01.04.2015		Cumulative Shareholding during the year 31.03.2016	
		No. of Shares	% of total Shares of the Company	No. of Shares	% of total Shares of the Company
2.	<b>V Sudha Sarada</b>				
	At the beginning of the year 01.04.2015	1271000	5.48	1271000	5.48
		23.10.2015 6680 Shares Sold	0.03	1264320	5.45
		30.10.2015 89,320 Shares Sold	0.39	1175000	5.06
		06.11.2015 10,000 Shares Sold	0.04	1165000	5.02
		27.11.2015 2,622 Shares Sold	0.01	1162378	5.01
		04.12.2015 12,500 Shares Sold	0.05	1149878	4.96
		29.01.2016 5200 Shares Purchase	0.02	1155078	4.98
		05.02.2016 26482 Shares Purchase	0.11	1181560	5.09

Date wise Increase/Decrease in promoters Shareholding during the year specifying the reasons for increase/decrease (e.g. allotment/ transfer/bonus/sweat equity etc)	12.02.2016 1690 Shares Purchase	0.01	1183250	5.10
	19.02.2016 5250 Shares Purchase	0.02	1188500	5.12
	26.02.2016 651 Shares Purchase	-	1189151	5.13
	04.03.2016 600 Shares Purchase	-	1189751	5.13
	11.03.2016 710 Shares Purchase	-	1190461	5.13
	18.03.2016 550 Shares Purchase	-	1191011	5.13
	25.03.2016 21 Shares Purchase	-	1191032	5.13
	31.03.2016 150 Shares Purchase	-	1191182	5.13
At the end of the Year 31.03.2016	-	-	1191182	5.13

Sl. No		Shareholding at the beginning of the year 01.04.2015		Cumulative Shareholding during the year 31.03.2016	
3.	EM Resurgent Fund	No. of Shares	% of total Shares of the Company	No. of Shares	% of total Shares of the Company
	At the beginning of the year 01.04.2015	-	-	44273	0.19
	Date wise Increase/Decrease in promoters Shareholding during the year specifying the reasons for increase/decrease (e.g. allotment/ transfer/bonus/sweat equity etc)	10.04.2015 55492 Shares Purchase	0.24	99765	0.43
		17.04.2015 26000 Shares Purchase	0.11	125765	0.54
		24.04.2015 34000 Shares Purchase	0.15	159765	0.69
		01.05.2015 5650 Shares Purchase	0.02	165415	0.71
		29.05.2015 17000 Shares Purchase	0.07	182415	0.79
		05.06.2015 52742 Shares Purchase	0.23	235157	1.01
		12.06.2015 143341 Shares Purchase	0.62	378498	1.63
		19.06.2015 39160 Shares Purchase	0.17	417658	1.80
		26.06.2015 10649 Shares Purchase	0.05	428307	1.85
		09.10.2015 12418 Shares Purchase	0.05	440725	1.90
	At the end of the Year 31.03.2016	-	-	955468	4.12

Sl. No		Shareholding at the beginning of the year 01.04.2015		Cumulative Shareholding during the year 31.03.2016	
4.	M/s. Vidya Investment and Trading Co Pvt Ltd	No. of Shares	% of total Shares of the Company	No. of Shares	% of total Shares of the Company
	At the beginning of the year 01.04.2015	400000	1.72	400000	1.72
	Date wise Increase/Decrease in promoters Shareholding during the year specifying the reasons for increase/decrease (e.g.allotment/transfer/bonus/sweat equity etc)	13.11.2015 25,838 Shares Sold	0.11	374162	1.61
		27.11.2015 1,00,000 Shares Sold	0.43	274162	1.18
		18.12.2015 50,000 Shares Sold	0.22	224162	0.97
		25.03.2016 31,465 Shares Sold	0.14	192697	0.83
	At the end of the Year 31.03.2016	-	-	192697	0.83

Sl. No		Shareholding at the beginning of the year 01.04.2015		Cumulative Shareholding during the year 31.03.2016	
5.	M/s Regal Investment and Trading Co Pvt Ltd	No. of Shares	% of total Shares of the Company	No. of Shares	% of total Shares of the Company
	At the beginning of the year 01.04.2015	389753	1.68	389753	1.68
	Date wise Increase/Decrease in promoters Shareholding during the year specifying the reasons for increase/decrease (e.g.allotment/transfer/bonus/sweat equity etc)	04.12.2015 1,00,000 Shares Sold	0.43	289753	1.25
		11.12.2015 25,000 Shares Sold	0.11	264753	1.14
		18.12.2015 25,000 Shares Sold	0.11	239753	1.03
		18.12.2015 16,597 Shares Sold	0.07	223156	0.96
	At the end of the Year 31.03.2016	-	-	223156	0.96

Sl. No		Shareholding at the beginning of the year 01.04.2015		Cumulative Shareholding during the year 31.03.2016	
6.	M/s. Napean Trading and Investment co Pvt Ltd	No. of Shares	% of total Shares of the Company	No. of Shares	% of total Shares of the Company
	At the beginning of the year 01.04.2015	2,97,376	1.28	2,97,376	1.28
	Date wise Increase/Decrease in promoters Shareholding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/sweat equity etc)	13.11.2015 223,584 Shares Sold	0.96	73792	0.32
		20.11.2015 20483 Shares Sold	0.09	53309	0.23
		04.12.2015 53,309 Shares Sold	-	-	-
	At the end of the Year 31.03.2016	-	-	-	-



Sl. No		Shareholding at the beginning of the year 01.04.2015		Cumulative Shareholding during the year 31.03.2016	
		No. of Shares	% of total Shares of the Company	No. of Shares	% of total Shares of the Company
7.	Kamal Kabra				
	At the beginning of the year 01.04.2015	246900	1.06	246900	1.06
	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 31.03.2016	-	-	246900	1.06

Sl. No		Shareholding at the beginning of the year 01.04.2015		Cumulative Shareholding during the year 31.03.2016	
		No. of Shares	% of total Shares of the Company	No. of Shares	% of total Shares of the Company
8.	Usha Kamal Kabra				
	At the beginning of the year 01.04.2015	246200	1.06	246200	1.06
	Date wise Increase/Decrease in promoters Shareholding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/sweat equity etc)	22.05.2015 246200 Shares Sold	1.06	-	-
	At the end of the Year 31.03.2016	-	-	-	-

Sl. No		Shareholding at the beginning of the year 01.04.2015		Cumulative Shareholding during the year 31.03.2016	
		No. of Shares	% of total Shares of the Company	No. of Shares	% of total Shares of the Company
9.	Dolly Khanna				
	At the beginning of the year 01.04.2015	215064	0.93	215064	0.93
	Date wise Increase/Decrease in promoters Shareholding during the year specifying the reasons for increase/decrease (e.g.allotment/transfer/bonus/sweat equity etc	17.04.2015 3000 Shares Sold	0.13	212064	0.91
		24.04.2015 1000 Shares Sold	0.04	211064	0.91
		05.06.2015 3000 Shares Purchase	0.13	214064	0.92
		12.06.2015 1773 Shares Purchase	0.08	215837	0.93
		19.06.2015 3000 Shares Purchase	0.13	218837	0.94
		26.06.2015 2800 Shares Purchase	0.12	221637	0.96
		30.06.2015 1988 Shares Purchase	0.09	223625	0.96

Sl. No		Shareholding at the beginning of the year 01.04.2015		Cumulative Shareholding during the year 31.03.2016	
		No. of Shares	% of total Shares of the Company	No. of Shares	% of total Shares of the Company
9.	Dolly Khanna				
		03.07.2015 1821 Shares Purchase	0.08	225446	0.97
		10.07.2015 1000 Shares Purchase	0.01	226446	0.98
		17.07.2015 1000 Shares Purchase	-	227446	0.98
		24.07.2015 5160 Shares Purchase	0.01	232606	1.00
		14.08.2015 870 Shares Purchase	-	233476	1.01
		30.09.2015 1000 Shares Purchase	-	234476	1.01
		16.10.2015 1000 Shares Purchase	-	235476	1.02
		23.10.2015 5000 Shares Purchase	0.01	24076	1.04
		30.10.2015 15000 Shares Purchase	0.02	255476	1.10
		06.11.2015 2000 Shares Purchase	-	257476	1.11
		18.12.2015 2000 Shares Purchase	-	259476	1.12
		01.01.2016 1000 Shares Purchase	-	260476	1.12
		26.02.2016 1000 Shares Purchase	0.01	261476	1.13
		04.03.2016 3000 Shares Purchase	-	264476	1.14
		18.03.2016 2000 Shares Purchase	0.01	266476	1.15
		31.03.2016 1500 Shares Sold	0.02	264976	1.14
	At the end of the Year 31.03.2016	-	-	264976	1.14

Sl. No		Shareholding at the beginning of the year 01.04.2015		Cumulative Shareholding during the year 31.03.2016	
		No. of Shares	% of total Shares of the Company	No. of Shares	% of total Shares of the Company
10.	M/s. Premier Investment Fund Ltd				
	At the beginning of the year 01.04.2015	31962	0.14	31962	0.14
	14.08.2015 2000 Shares Purchase		0.01	33962	0.15
	21.08.2015 2000 Shares Purchase		0.01	35962	0.16
	18.09.2015 3500 Shares Purchase		0.02	39462	0.17
	25.09.2015 80956 Shares Purchase		0.35	120418	0.52
	30.09.2015 1953 Shares Purchase		0.01	122371	0.53
	02.10.2015 5976 Shares Purchase		0.03	128347	0.55
	09.10.2015 24821 Shares Purchase		0.11	153168	0.66
	16.10.2015 8650 Shares Purchase		0.04	161818	0.70
	23.10.2015 2300 Shares Purchase		0.01	164118	0.71
	30.10.2015 36640 Shares Purchase		0.16	200758	0.87
	06.11.2015 3000 Shares Purchase		0.01	203758	0.88
	20.11.2015 2000 Shares Sold		0.01	201758	0.87
	04.12.2015 5100 Shares Purchase		0.02	206858	0.89
	18.12.2015 8209 Shares Purchase		0.04	215067	0.93
	25.12.2015 24571 Shares Sold		0.11	190496	0.82

Date wise Increase/Decrease in promoters Shareholding during the year specifying the reasons for increase/decrease (e.g.allotment/transfer/bonus/sweat equity etc)

Sl. No		Shareholding at the beginning of the year 01.04.2015		Cumulative Shareholding during the year 31.03.2016	
		No. of Shares	% of total Shares of the Company	No. of Shares	% of total Shares of the Company
10.	M/s. Premier Investment Fund Ltd				
		15.01.2016 447 Shares Purchase	-	190943	0.82
		22.01.2016 1073 Shares Purchase	-	192016	0.83
		29.01.2016 9621 Shares Sold	0.04	182395	0.79
		12.02.2016 335 Shares Sold	-	182060	0.78
		19.02.2016 6870 Shares Purchase	0.03	188930	0.81
		26.02.2016 17000 Shares Purchase	0.07	205930	0.89
	At the end of the Year 31.03.2016	-	-	205930	0.89

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

Sl. No		Shareholding at the beginning of the year 01.04.2015		Cumulative Shareholding during the year 31.03.2016	
		No. of Shares	% of total Shares of the Company	No. of Shares	% of total Shares of the Company
1.	Mr. D Seetharamaiah DIN No: 00005016				
	At the beginning of the year 01.04.2015	NIL			
	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 31.03.2016				

Sl. No		Shareholding at the beginning of the year 01.04.2015		Cumulative Shareholding during the year 31.03.2016	
		No. of Shares	% of total Shares of the Company	No. of Shares	% of total Shares of the Company
2.	Mr. M Siva Rama Vara Prasad DIN No: 00170919				
	At the beginning of the year 01.04.2015	NIL			
	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 31.03.2016				



Sl. No		Shareholding at the beginning of the year 01.04.2015		Cumulative Shareholding during the year 31.03.2016	
		No. of Shares	% of total Shares of the Company	No. of Shares	% of total Shares of the Company
3.	<b>Mr. N Sri Vishnu Raju</b> <b>DIN No: 00025063</b>				
	At the beginning of the year 01.04.2015	NIL			
	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 31.03.2016				

Sl. No		Shareholding at the beginning of the year 01.04.2015		Cumulative Shareholding during the year 31.03.2016	
		No. of Shares	% of total Shares of the Company	No. of Shares	% of total Shares of the Company
4.	<b>Mr. Rajesh Thakur Ahuja</b> <b>DIN No: 00371406</b>				
	At the beginning of the year 01.04.2015	NIL			
	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 31.03.2016				

Sl. No		Shareholding at the beginning of the year 01.04.2015		Cumulative Shareholding during the year 31.03.2016	
		No. of Shares	% of total Shares of the Company	No. of Shares	% of total Shares of the Company
5.	<b>Dr. V Nagaraja Naidu</b> <b>DIN No: 00003730</b>				
	At the beginning of the year 01.04.2015	58,000	0.25	58,000	0.25
	Date wise Increase/Decrease in promoters Shareholding during the year specifying the reasons for increase/decrease (e.g. allotment/ transfer/bonus/sweat equity etc)	30.10.2015 8000 Shares sold	0.03	50,000	0.22
	At the end of the Year 31.03.2016	-	-	50,000	0.22

Sl. No		Shareholding at the beginning of the year 01.04.2015		Cumulative Shareholding during the year 31.03.2016	
		No. of Shares	% of total Shares of the Company	No. of Shares	% of total Shares of the Company
6.	<b>Mr. N Lokesh</b> <b>DIN No: 02230945</b>				
	At the beginning of the year 01.04.2015	2366400	10.20	2366400	10.20
	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 31.03.2016	-	-	2366400	10.20

Sl. No		Shareholding at the beginning of the year 01.04.2015		Cumulative Shareholding during the year 31.03.2016	
7.	<b>Mrs. N Bhuvaneswari</b> <b>DIN No: 00003741</b>	No. of Shares	% of total Shares of the Company	No. of Shares	% of total Shares of the Company
	At the beginning of the year 01.04.2015	5330826	22.98	5330826	22.98
	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 31.03.2016	-	-	5,330,826	22.98

Sl. No		Shareholding at the beginning of the year 01.04.2015		Cumulative Shareholding during the year 31.03.2016	
8.	<b>Mrs. N Brahmani</b> <b>DIN No: 02338940</b>	No. of Shares	% of total Shares of the Company	No. of Shares	% of total Shares of the Company
	At the beginning of the year 01.04.2015	101,000	0.44	101,000	0.44
	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 31.03.2016	-	-	101,000	0.44

Sl. No		Shareholding at the beginning of the year 01.04.2015		Cumulative Shareholding during the year 31.03.2016	
9.	<b>Mr. A Prabhakara Naidu</b> <b>Chief Financial Officer</b> <b>M No: FCA 200974</b>	No. of Shares	% of total Shares of the Company	No. of Shares	% of total Shares of the Company
	At the beginning of the year 01.04.2015	NIL			
	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 31.03.2016				

Sl. No		Shareholding at the beginning of the year 01.04.2015		Cumulative Shareholding during the year 31.03.2016	
10.	<b>Mr. Umakanta Barik</b> <b>Company Secretary</b> <b>M No: FCS 6317</b>	No. of Shares	% of total Shares of the Company	No. of Shares	% of total Shares of the Company
	At the beginning of the year 01.04.2015	1090	-	1090	-
	Date wise Increase/Decrease in promoters Shareholding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/sweat equity etc)	01.05.2015 150 Shares Sold	-	940	-
		26.06.2015 350 Shares Sold	-	590	-
		27.11.2015 500 Shares Sold	-	90	-
	At the end of the Year 31.03.2016	-	-	90	-

## (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 Indebtedness
<b>Indebtedness at the beginning of the financial year</b>				
(i) Principal Amount	13827.31	1000.00	-	14827.31
(ii) Interest due but not paid	-			-
(iii) Interest accrued but not due	38.77			38.77
<b>Total (i+ii+iii)</b>	<b>13866.08</b>	<b>1000.00</b>	<b>-</b>	<b>14866.08</b>
<b>Change in Indebtedness during the financial year</b>				
● Addition	3171.75			3171.752
● Reduction	5284.07	1000.00		6284.070
<b>Net Change</b>	<b>(2112.32)</b>	<b>(1000.00)</b>	<b>-</b>	<b>(3112.32)</b>
<b>Indebtedness at the end of the financial year</b>				
(i) Principal Amount	11714.99			11714.99
(ii) Interest due but not paid	-			-
(iii) Interest accrued but not due	25.47			25.47
<b>Total (i+ii+iii)</b>	<b>11740.46</b>	<b>-</b>	<b>-</b>	<b>11740.46</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/WTM/Manager			Total Amount
		Mrs. N Bhuvaneswari	Mrs. N Brahmani	Mr. K Durga Prasad Rao <sup>^</sup>	
1.	Gross Salary				
	(a) Salary as per provisions contained in section 17(1) of the Income Tax Act, 1961.	102.00	57.83	21.00	180.83
	(b) Value of perquisites u/s 17(2) of the Income Tax Act, 1961	10.54	5.00	6.75	22.29
	(c) Profits in lieu of salary under section 17(3) Income Tax Act, 1961	-	-	-	-
2.	Stock Option	-	-	-	-
3.	Sweat Equity	-	-	-	-
4.	Commission	365.59	319.68	-	685.27
	- As % of profit				
	- Others, specify				
5.	Others, please specify	-	-	-	-
	<b>Total (A)</b>	<b>478.13</b>	<b>382.51</b>	<b>27.75</b>	<b>888.39</b>
	Ceiling as per the Act	₹ 956.30 Lakhs (being 10% of the net profits of the Company calculated as per Section 198 of the Companies Act, 2013)			

<sup>^</sup> Mr. K Durga Prasad Rao has resigned from the Board w.e.f. November 1, 2015.

**B. Remuneration to other Directors:**

(₹ In Lakhs)

Particulars of Remuneration	Name of Directors							Total Amount
	Mr. D Seethara maiah	Mr. N Sri Vishnu Raju	Mr. M Siva Rama Vara Prasad <sup>#</sup>	Mr. Rajesh Thakur Ahuja <sup>@</sup>	Dr. V Nagaraja Naidu	Mr. N Lokesh	Mr. N P Ramakrishna <sup>%</sup>	
Independent Directors								
Fee for attending Board/ Committee Meetings	3.70	1.50	2.10	-	-	-	-	7.30
Commission	-	-	-	-	-	-	-	-
Others, please specify	-	-	-	-	-	-	-	-
Total (1)	3.70	1.50	2.10	-	-	-	-	7.30
Other Non-Executive Directors								
Fee for attending Board/ Committee Meetings	-	-	-	-	2.60	1.90	0.40	4.90
Commission	-	-	-	-	-	-	-	-
Others, please specify	-	-	-	-	-	-	-	-
Total (2)	-	-	-	-	2.60	1.90	0.40	4.90
Total (B)= (1+2)	3.70	1.50	2.10	-	2.60	1.90	0.40	12.20
Overall Ceiling as per the Act	₹ 95.63 Lakhs (being 1% of the net profits of the Company calculated as per Section 198 of the Companies Act, 2013)							
Total Managerial Remuneration *					900.59			

# Mr. M Siva Rama Vara Prasad has resigned from the Board w.e.f. May 12, 2016.

@ Mr. Rajesh Thakur Ahuja appointed as an Additional Director on March 23, 2016.

% Mr. N P Ramakrishna has resigned from the Board w.e.f. September 24, 2015.

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

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

(₹ in Lakhs)

Sl. No	Particulars of Remuneration	Key Managerial Personnel		
		CFO	Company Secretary	Total Amount
		Mr. A Prabhakara Naidu	Mr. Umakanta Barik	
1.	Gross Salary			
	(a) Salary as per provisions contained in section 17(1) of the Income Tax Act, 1961.	39.20	19.47	58.67
	(b) Value of perquisites u/s 17(2) of the Income Tax Act, 1961	-	-	-
	(c) Profits in lieu of salary under section 17(3) Income Tax Act, 1961	-	-	-
2.	Stock Option	-	-	-
3.	Sweat Equity	-	-	-
4.	Commission			
	- As % of profit	-	-	-
	- Others, specify	-	-	-
5.	Others, please specify	-	-	-
	<b>Total</b>	<b>39.20</b>	<b>19.47</b>	<b>58.67</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>			NIL		
Penalty					
Punishment					
Compounding					
<b>B. DIRECTORS</b>					
Penalty					
Punishment					
Compounding					
<b>C. OTHER OFFICERS IN DEFAULT</b>					
Penalty					
Punishment					
Compounding					

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

### Registered Office:

#6-3-541/C, Punjagutta,  
Hyderabad – 500 082  
CIN : L15209TG1992PLC014332  
Ph : 040-23391221/2  
E-mail : hfl@heritagefoods.in  
Date : May 23, 2016

**D SEETHARAMAIAH**

Chairperson  
DIN: 00005016



## Annexure-4

## 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: <a href="http://www.heritagefoods.in/Corporate/Policies/CSR">www.heritagefoods.in/Corporate/Policies/CSR</a>												
2. The composition of the CSR Committee.	<table><tr><td>Mr. D Seetharamaiah</td><td>Chairman</td></tr><tr><td>Mr. N Sri Vishnu Raju</td><td>Member</td></tr><tr><td>Mrs. N Bhuvaneswari</td><td>Member</td></tr></table>	Mr. D Seetharamaiah	Chairman	Mr. N Sri Vishnu Raju	Member	Mrs. N Bhuvaneswari	Member						
Mr. D Seetharamaiah	Chairman												
Mr. N Sri Vishnu Raju	Member												
Mrs. N Bhuvaneswari	Member												
3. Average Net Profit of the company for last three financial years computed as per Section 198 of the Companies Act, 2013.	<table><tr><th colspan="3">₹ In Lakhs</th></tr><tr><th>FY 2014-15</th><th>FY 2013-14</th><th>FY 2012-13</th></tr><tr><td>4357.89</td><td>6768.56</td><td>3747.73</td></tr><tr><td colspan="3">Average Net Profit : <b>4958.06</b></td></tr></table>	₹ In Lakhs			FY 2014-15	FY 2013-14	FY 2012-13	4357.89	6768.56	3747.73	Average Net Profit : <b>4958.06</b>		
₹ In Lakhs													
FY 2014-15	FY 2013-14	FY 2012-13											
4357.89	6768.56	3747.73											
Average Net Profit : <b>4958.06</b>													
4. Prescribed CSR Expenditure (two percent of the amount as in item No. 3 above)	₹ 99.16 Lakhs												
5. Details of CSR spent during the financial year: a. total amount to be spent for the financial year: b. amount unspent: c. manner in which the amount spent during the financial year is detailed below:	₹ 99.16 Lakhs  Nil												

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 for Pursuing their Educations	Promoting Education	Hyderabad Telangana	3.15 Cr	99.16 Lakhs	--	Through Implementing Agency - NTR Memorial Trust
<b>TOTAL</b>			<b>3.15 Cr*</b>	<b>99.16 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.

Place : Hyderabad  
Date : May 23, 2016

**D Seetharamaiah**  
Chairperson  
DIN: 00005016

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

## Annexure-5

**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 energy efficiency".

- 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. The Company has undertaken various energy efficient practices that have reduced the 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. Two packing stations (Gokul & Upppal plant) of the Company received the 1<sup>st</sup> & 2<sup>nd</sup> prize in prestigious 'National Energy Conservation Award' 2016 in Dairy sector from Ministry of Power, Govt. of India during December, 2015. This is the 5<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-2014, 2012 & 2008, 2<sup>nd</sup> prize in the year-2010).
- ii. The Company has commissioned 2.1MW Wind Power Project at Vajrakarur, Anantapur Dist, Andhra Pradesh for captive consumption of Dairy Division of the Company.
- iii. The Capital investment on energy conservation equipments is ₹ 1403 lakhs

**B. Technology Absorption**

- i. The efforts made by the Company towards technology absorption during the year under review are:
  - Installation of Compact type skid mounted refrigeration system
  - Installation of energy efficient evaporative condensor
  - installation of high energy efficient ammunition screw compressor system along with variable frequency drive (VFD)
  - Commissioned 2TPH Biomass Fuel Fired Boilers
  - Provided LED lighting system to all major packing stations
  - Installed Automatic CIP system
  - Provide Crate conveyor system
  - Ucrete Flooring for Hygiene
  - Using of enviro friendly consumption materials
  - Implementation of Rapid Milk chilling units to enhance quality of Milk
  - Implementation of Automatic milk analyzer for accurate quality/quantity management system
  - Installed automatic power measurements ABT method systems
  - Installed High efficiency Homogenisers
- ii. The benefits derived like product Improvement, cost reduction, product development or import substitution: Cost reduction, product improvement
- 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 ₹ 1416.45 Lakhs (previous Year ₹ 312.20 Lakhs) and foreign exchange outgo was ₹ 12.11 Lakhs (Previous year ₹ 2.32 Lakhs).

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

**Registered Office:**

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E-mail : hfl@heritagefoods.in  
Date : May 23, 2016

**D SEETHARAMAIAH**  
Chairperson  
DIN: 00005016

# Management Discussion and Analysis

## OVERVIEW OF THE ECONOMY

Despite a weak monsoon for a second consecutive year, agriculture grew by 1.1% in FY2016, mainly on strong growth in livestock. Food grain production is estimated to have increased by 0.5% in FY2016, though there was lower production of rice, coarse cereals, oilseeds, and sugarcane. Economic growth in India accelerated in Fiscal Year 2016 despite decline in exports. It is projected to dip marginally in FY2017 due to a slowdown in public investment, stressed corporate balance sheets, and declining exports.

After growing by 5.9% in FY2015, industry accelerated further to 7.3% in FY2016. Expansion in services moderated to 9.2%. Private consumption growth is estimated to have picked up to 7.6% in FY2016 from 6.2% a year earlier. Much of the improvement in private consumption stems from a pickup in urban consumption, while rural consumption has remained subdued as a result of two consecutive weak monsoons. Government consumption growth also stayed tepid as the central government boosted capital expenditure and curtailed current expenditure. A 20.9% increase in capital expenditure undertaken by the central government helped investment growth. However, private investment remained weakened by overcapacity and Indian corporations' debt overhang.

While public investment and urban consumption were the major drivers of growth in FY2016, a revival of private investment and rural consumption is critical if growth is to remain strong in FY2017, given the likely sluggish recovery in the advanced economies and the anemic outlook for global trade. Growth is projected at 8.4% in FY2017, as the expected decline in external demand offsets a pickup in domestic demand.

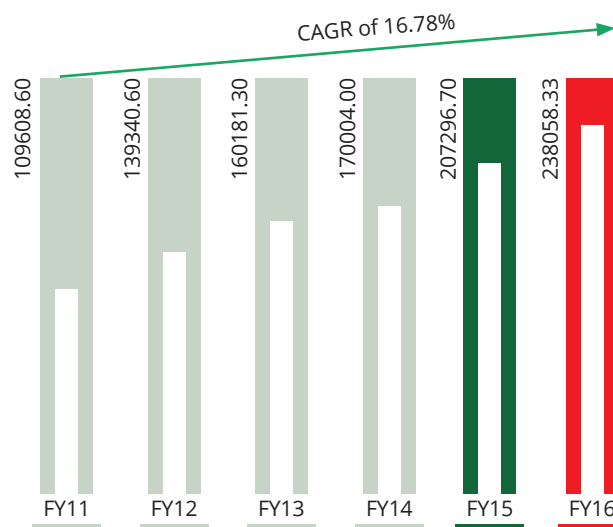
## Review of Operations:

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 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 focused on the principles of continuous excellence to drive efficiencies. Therefore your Company has grown constantly at CAGR of 16.78%.

## Revenue

(₹ in lakhs)



## Moving up Value Chain:

The company is rapidly moving up the value chain as the contribution of Value Added Products (VAD) in Dairy vertical is improving on a Y-o-Y basis, currently at 22%. The margin in VAD is almost double than that of Liquid Milk.

## Making Rapid Strides:

Was successful in making rapid strides in Mumbai and Delhi markets in Dairy business vertical. Attempts are on to add further capacities in Mumbai market.

## Retail turning EBITDA positive:

With the benefits accruing from the "economies of scale of business" due to increase in additional trading space, Retail business vertical will be EBITDA positive soon.

## Renewable Energy:

Although the Company went into Solar power primarily for captive consumption, it was successful in making a "Profit before tax" this year as against losses in previous year.

## Agri & Bakery:

The Agri & Bakery business verticals have crossed ₹ 10,000 lakh mark. Efforts are also on to set up Cattle Feed plant. On the Bakery front, there is a firm tie-up with Multinational Companies for supply of our products.

### Farmers Welfare Trust:

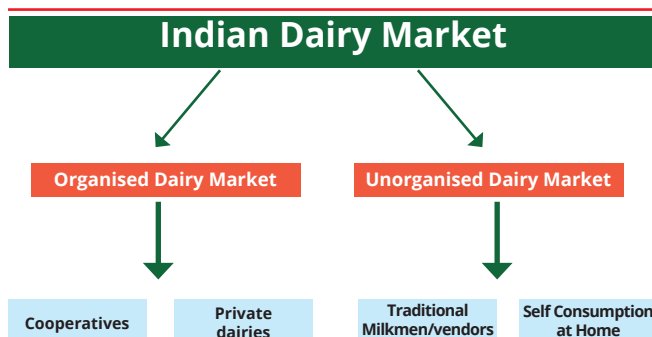
Since the company believes in adding value to its stakeholders, it has successfully created Farmers Welfare Trust for its Dairy Farmers who form an important constituent among its key stakeholders.

## INDUSTRY STRUCTURE AND DEVELOPMENTS

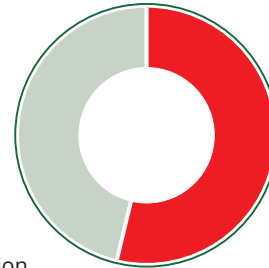
### Dairy Industry:

India is among the fastest growing dairy markets and has become the largest global producer of milk, since 1998. Domestic milk production recorded about 4.3 per cent CAGR, reaching about 147 million tonnes in 2015-16, from 116 million tonnes in 2009-10. The value of milk produced is more than the total value of paddy and wheat produced in this country. This underlines the importance of the dairy sector for the rural economy. Growth in milk production in India outpaced that in other large milk producing nations such as United States of America, which recorded about 2-3 per cent CAGR during the past five years. As opposed to the trend seen in other major producing regions, the increase in production has managed to outpace the growth in population, thereby increasing per capita consumption/availability (PCC).

Milk cooperatives procure about 10% of the total production which is about 18% of the marketable surplus. A similar quantity is reportedly procured by the private sector. Both the sectors together account for only about 35% of the marketable surplus. This means that a large quantity of milk remains unprocessed. The installed processing capacity of the cooperative sector 43.3 million litres /day while they actually process an average 33.5 million litres/day. As per available data, the registered (as different from installed) capacity of private sector milk processors in India is 73.3 million litres/day. It is recognized that post liberalization in 1991, the role of private sector in dairying has increased significantly thereby accounting for a significant share of the market.

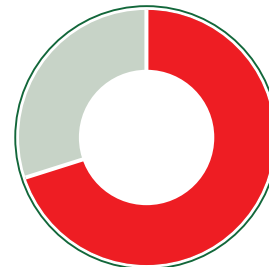


### Milk production volume break-up by marketability



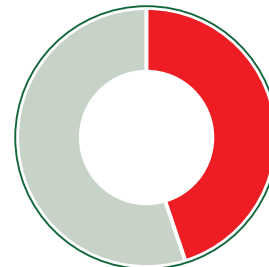
Self Consumption	54%
Marketable Milk	46%

### Marketable milk volume break-up by segment



Organised	70%
Unorganised	30%

### Organised marketable milk volume break-up by segment

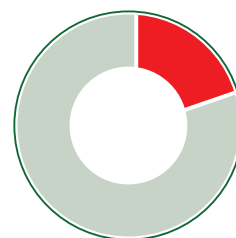


Private Players	45%
Cooperatives & Govt	55%

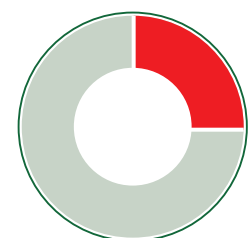
Organized dairy is 20% of total dairy industry by value and is expected to be 25% by 2020.

2016

2020



Organised	20%
Unorganised	80%

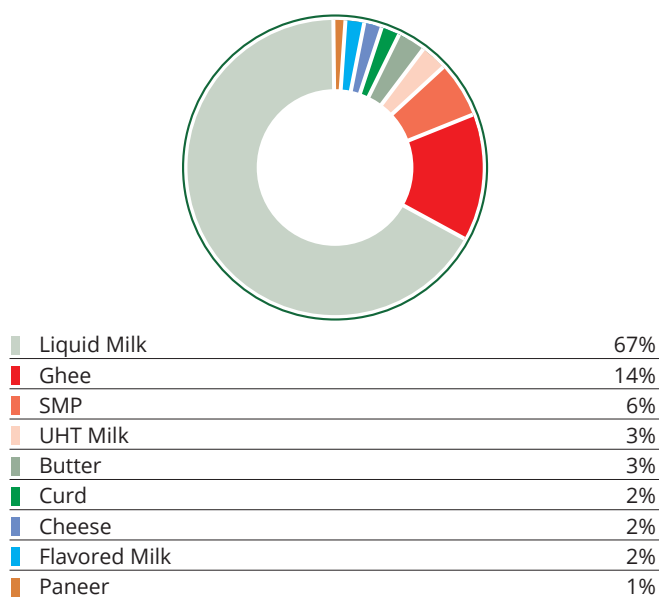


Organised	25%
Unorganised	75%

### Share of organized dairy in different categories:

Liquid milk is still primarily either consumed at source or sold through the unorganized route. Hence leaves a lot of room for growth for organized dairy players as with population growth (2% p.a.), higher disposable income and more quality conscious consumers, the increasing demand for packaged milk and processed dairy products like curd, paneer, cheese etc.

### Share of organized dairy in different categories



Milk production is growing at 4.3 per cent while consumption is growing at 5 per cent leaving a gap between demand and supply. In order to meet the rapid growing demand and to increase milk production, Union Government has started a central scheme National Dairy Plan - Phase 1, for the period from 2011-12 to 2016-17. Its main objective is to help rural milk producers with greater access to the organized milk -processing sector and thus to bridge the gap between the demand and supply of milk in the country. The Government of India in the budget for the year 2016-17 has provided for ₹ 850 crore for spending on the 'Pashudhan Sanjivani', an animal wellness programme and provision of Animal Health Cards ('Nakul Swasthya Patra'); an Advanced breeding technology; Creation of 'E-Pashudhan Haat', an e market portal for connecting breeders and farmers; and a National Genomic Centre for indigenous breeds.

The processed milk and milk products segment is expected to record about 12-13% CAGR by FY17. Growth will be

driven by several factors such as changing lifestyle of consumers, growth in the food services industry, increasing urbanization, rising need for convenience, better health awareness among end-users, etc.

### Retail Industry:

The Indian Retail sector has come off age and has gone through major transformation over the last decade with a noticeable shift towards organized retailing. The retail market is expected to reach a whopping ₹ 47 lakh crore by 2016-17, as it expands at a compounded annual growth rate (CAGR) of 15 per cent. The retail market, (including organized and unorganized retail), was at ₹ 23 lakh crore in 2011-12. According to the study, organized retail, that comprised just seven per cent of the overall retail market in 2011-12, is expected to grow at a CAGR of 24 per cent and attain 10.2 per cent share of the total retail sector by 2016-17. Favourable demographics, increasing urbanization, nuclearisation of families, rising affluence amid consumers, growing preference for branded products and higher aspirations are other factors which will drive retail consumption in India.

### Market Dynamics

In the past few years, Indian Retail sector has seen tremendous growth in the organized segment. Major domestic players have stepped into the retail arena with long term, ambitious plans to expand their business across verticals, cities and formats.

High consumer spending over the years by the young population and sharp rise in disposable income are driving the Indian organized retail sector's growth. Even Tier I & Tier II cities and towns are witnessing a major shift in consumer preferences and lifestyles, the result of which, they have emerged as attractive markets for retailers to expand their presence.

The Indian retail sector is highly fragmented and the unorganized sector has around 13 million retail outlets that account for around 95-96% of the total Indian retail industry. However, going forward, the organized sector's growth potential is expected to increase due to globalization, high economic growth, and improved lifestyle.

Although the growth potential in the sector is immense, there are obstacles too, that could slow the pace of growth for new entrants. Rigid regulations, high personnel costs, real estate costs, lack of basic infrastructure.



## Key drivers of the Indian Retail Industry

- Emergence of nuclear families
- An increase in the double-income households trend
- Large working population
- Increase in disposable income and customer aspiration
- Demand as well as increase in expenditure for luxury items
- Growing preference for branded products and higher aspirations
- Liberalization of the FDI policy in the past decade
- Increasing urbanisation,
- Rising affluence amid consumers

## Bottlenecks

- A long way to meet international standards
- Lack of efficient supply-chain management
- Lack of required retail space
- Shortage of trained manpower
- Lack of proper infrastructure and distribution channel

## Emerging sectors/trends in Indian retailing

Within retail, the emerging sectors would be food and grocery, apparel, electronics, e-commerce, fashion and lifestyle. Incorporation of technology in the organized retail segment has been something to reckon with in the past few years. Use of specialised Software for merchandise planning and management, control of inventory costs and supplies and replenishment of goods done electronically, internal store billing, etc changed the face of product retailing.

Online retail business is the next gen format which has high potential for growth in the near future. After conquering physical stores, retailers are now foraying into the domain of e-retailing. The retail industry is all set to test waters over the online medium, by selling products through websites. Food and grocery stores comprises the largest chunk of the Indian retail market.

An emerging trend in this segment is the virtual formats where customer orders are taken online through web

portals which are delivered at the door step the very same day or the following day. This trend has been catching up with most of the retail chains that have their websites.

## The Road Ahead...

According to panel members at the seventh Food and Grocery Forum India, the opportunities in food and grocery retail in India are immense, given that it constitutes about 69 per cent of India's total retail market. The Indian retail market, currently estimated at \$490 billion, is projected to grow at a compounded annual growth rate of 6 per cent to reach \$865 billion by 2023. Modern retail with a penetration of only 7% is expected to grow about six times across all categories and segments.

Organised Retail is emerging as the new phenomenon in India and despite the slump, the market is growing exponentially. As economic growth brings more of India's people into the consuming classes and organized retail lures more and more existing shoppers, by 2017, more than 400 million shoppers are likely to patronize organized retail chains.

The growing middle class is an important factor contributing to the growth of retail in India. By 2030, it is estimated that 91 million households will be 'middle class', up from 21 million today. Also by 2030, 570 million people are expected to live in cities, nearly twice the population of the United States today. Thus, with tremendous potential and huge population, India is set for high growth in consumer expenditure. With India's large 'young' population and high domestic consumption, the macro trends for the sector look favorable.

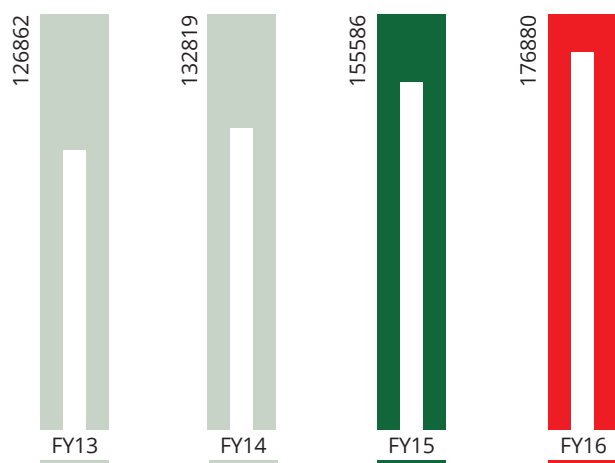
## Dairy Business Vertical:

₹ 1,76,880 Lakh Revenue	71.95 % Contribution on total Revenue	₹ 13,720 Lakh EBITDA
₹ 38,247 Lakh Revenue from Value Added Products	₹ 19,574 Lakh Capital Employed	

The Dairy division accounting for 71.95% of revenue (₹ 176,880 Lakh) is the flagship business vertical for your Company. The Last 4 financial year's revenue of the Dairy vertical is given below:

**Dairy Turnover**

(₹ In Lakhs)



With a surge in the value added products, from ₹ 17,434 lakhs in FY13 to ₹ 38,247 lakhs in the current fiscal year, the percentage of contribution to the dairy income has improved from a mere 12% to nearly 22% in the current year on a dairy income of ₹ 176,880 lakhs. The value added products have been growing at a CAGR of 21.70% over the last 4 years.

These products indeed attract the attention of stakeholders as the profit margins among these are almost double compared to that of the liquid milk. Among these value added products, it's the curd that forms a significant portion. The rest include: ice cream, Forzen Desert, paneer, butter milk, flavored milk, and others. Attempts are on to add newer value added products like cheese, whey protein, and other beverages.

**Retail Business Vertical:**

₹ 58,286 Lakh Revenue

23.71% Contribution on total Revenue

110 Stores

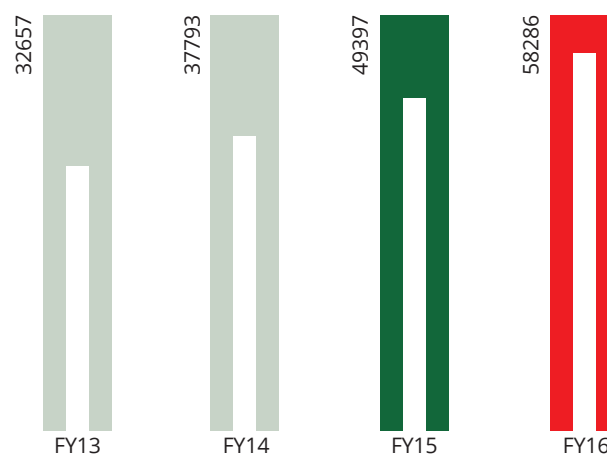
3,89,806 Sq.ft Operating Space

₹ 8,632 Lakh Capital Employed

The last 4 financial year's revenue of the Retail Division is given below:

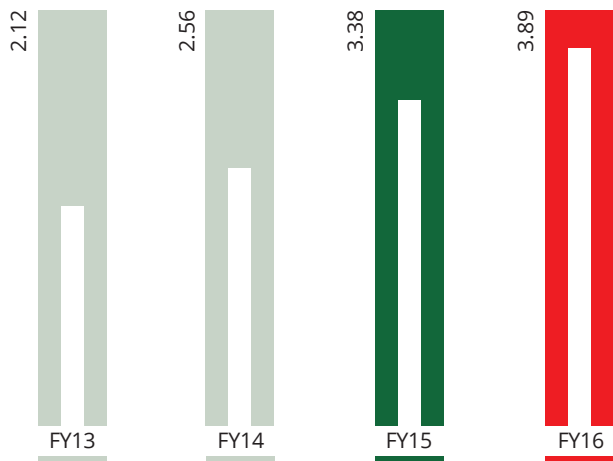
**Retail Turnover**

(₹ In Lakhs)



Selling liquid milk is a passe, improving sales of value added products like curd, ice cream, butter milk, paneer, is where the action is, thanks to higher profit margins. Having successfully transformed ourselves into a full-fledged dairy player by surging forward in terms of procurement of milk from a modest figure of 20,000 liters per day, about 2 decades back, to the current levels of 11 lakh liters per day was indeed a challenging one. However, now a new journey to transform the Company from a mere milk Company into an FMCG has indeed begun.

### Total Carpet Area (₹ In Lakhs)



On the Retail business vertical, your Company successful in cutting down the EBITDA losses from ₹ 17 crores in FY13 to about 4 crores this year, thanks to the economies of large scale owing to a surge in total trading space under operation to 3.89 lakh square feet from 2.12 lakh in FY13. The Agri and Bakery division's topline too have crossed a milestone of ₹ 10,000 lakhs mark this year.

Your Company confident of turning EBITDA positive soon. Post making profits in Retail division (which will include the Agri and Bakery divisions), your Company has exploring various options including bringing in a strategic partner or hive off the retail business into a separate company.

### Agri & Bakery Business Vertical:

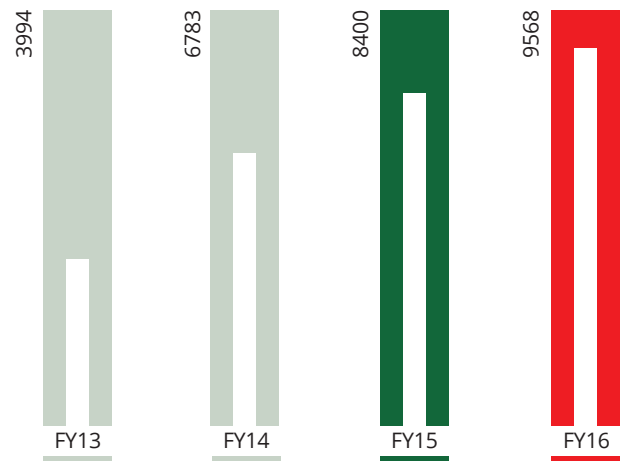
₹ 9,568 Lakh Revenue from Agri	3.89% Contribution on total Revenue	₹ 3,211 Lakh Capital Employed in Agri
₹ 812 Lakh Revenue from Bakery	0.33% Contribution on total Revenue	₹ 1,064 Lakh Capital Employed in Bakery

Agri & Bakery to support Retail Operations

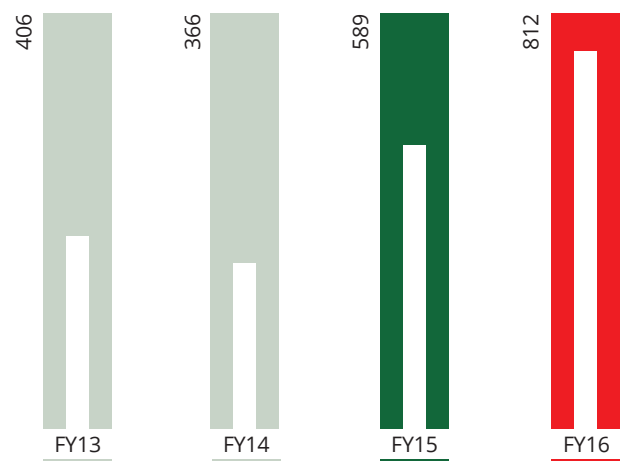
The other business divisions, namely: Agri, Bakery and Renewable Energy verticles whose current turnover is ₹ 9568 Lakhs in Agri (on a capital employed of ₹ 3,211 Lakhs), Bakery ₹ 812 Lakhs (on a capital employed of ₹ 1,064 Lakhs) and Renewable energy ₹ 304 Lakhs (on a capital employed of ₹ 2609 Lakhs)

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

### Agri Revenue (₹ In Lakhs)



### Bakery Revenue (₹ In Lakhs)



### Renewable Energy Business Vertical:

₹ 304 Lakhs Revenue from Renewable Energy	0.12% Contribution on total Revenue	₹ 2,609 Lakhs Capital Employed in Renewable Energy
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### Way Forward:

As per the vision and mission statement, the Company is set to emerge with a topline of ₹ 600,000 lakhs in 4 to 5 years. By FY2020 your Company is set to emerge as a pan India player. Our current relationships with as many as 3 lakh dairy farmers and nearly 15 lakh consumer households are set to grow.

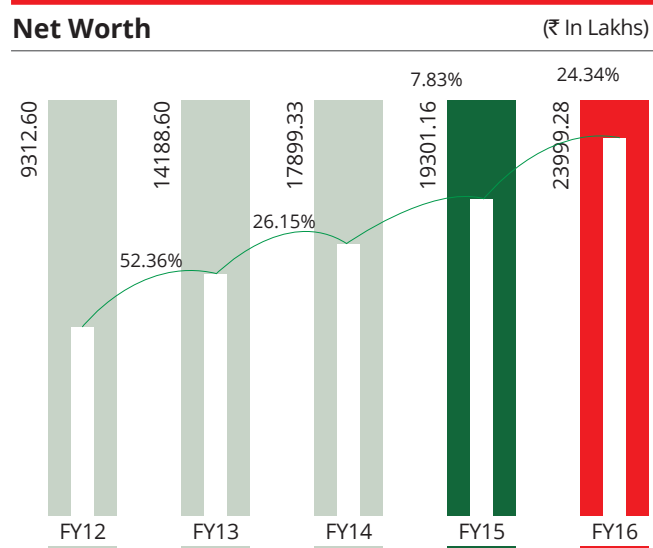
### Discussion on Financial and Operational Performances

Your Company has created significant wealth for its

shareholders as the Company 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.

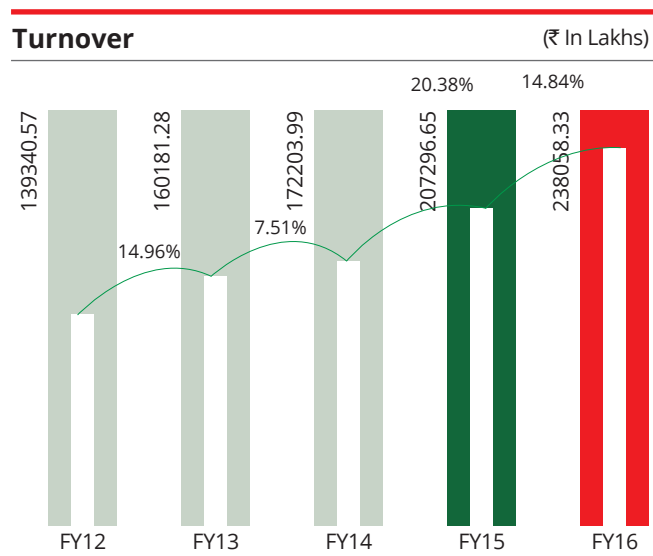
### Net worth Trend:

The net worth has shown a steady and constant ascent from ₹ 9312.60 lakhs to ₹ 23999.28 lakhs in the last five years.



### Revenue Trend

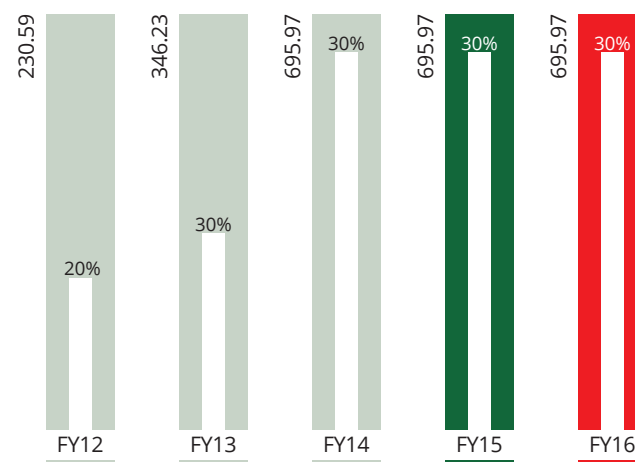
The focused approach helped the Company to deliver an industry leading performance with a revenue growth of 14.84% in FY2015-16.



### Dividend Payment History

The Dividend and the payout ratio computed on consolidated profits have remained high. The dividend appropriated has increased steadily from 20% in FY12 to 30% in FY16.

#### Dividend Payment History (₹ In Lakhs)/Dividend %

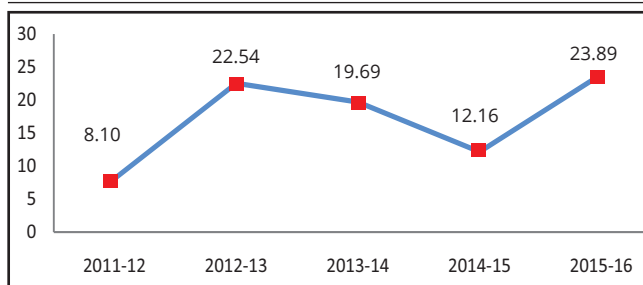


- The Board of Director allotted 1:1 bonus shares on July 30, 2013

### Earnings per Share

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

#### EPS Per Equity Share of ₹ 10/- each (In Rupees)



- The Board of Director allotted 1:1 bonus shares on July 30, 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, 2016.

#### Overview of Standalone Financial Results

Particulars	2015 - 16		2014 - 15		FY 2016 Vs 2015 % of Growth
	₹ In Lakhs	% of Revenue	₹ In Lakhs	% of Revenue	
Net Sales	232895.32	97.83	203348.13	98.10	14.53
Other operating income	5163.01	2.17	3948.52	1.90	30.76
<b>Total Revenue</b>	<b>238058.33</b>	<b>100.00</b>	<b>207296.65</b>	<b>100.00</b>	<b>14.84</b>
Less: Total Expenditure (before Depreciation & Finance cost)	224980.99	94.51	199093.36	96.04	13.00
Add: Other Income	654.96	0.28	702.66	0.34	(6.79)
Profit before finance cost, depreciation and tax	13732.30	5.77	8905.95	4.30	54.19
Less: Finance costs	1545.89	0.65	1593.01	0.77	(2.96)
Depreciation & Amortisation	3451.21	1.45	3399.03	1.64	1.54
Profit / (Loss) before tax	8735.20	3.67	3913.91	1.89	123.18
Less: Exceptional items	136.95	0.06	-	-	-
	8598.25	3.61	3913.91	1.89	119.68
Less: Provision for current taxation(Incl.tax. earlier yrs)	3068.44	1.29	1168.91	0.56	162.50
Less: Provision for deferred taxation	(13.34)	(0.01)	(76.02)	(0.04)	(82.45)
Profit / (Loss) after tax	5543.15	2.33	2821.02	1.36	96.49

#### Standalone Segment results:

Particulars	2015 - 16		2014 - 15		FY 2016 Vs 2015 % of Growth
	₹ In Lakhs	% of Revenue	₹ In Lakhs	% of Revenue	
<b>1. Total Revenue</b>					
a. Dairy	176880.13		155585.71		13.69
b. Retail	58286.49		49397.00		18.00
c. Agri	9567.72		8400.16		13.90
d. Bakery	812.03		588.92		37.88
e. Renewable Energy	304.30		257.04		18.39
<b>Total Revenue</b>	<b>245850.67</b>		<b>214228.83</b>		<b>14.76</b>
<b>2. Inter-segment Revenue</b>					
a. Dairy	2603.18		2231.27		16.67
b. Retail	244.95		168.26		45.58
c. Agri	4489.22		4068.17		10.35
d. Bakery	210.19		217.56		(3.39)
e. Renewable Energy	244.80		246.92		(0.86)
<b>Total Inter-segment Revenue</b>	<b>7792.34</b>		<b>6932.18</b>		<b>12.41</b>



Particulars	2015 - 16		2014 - 15		FY 2016 Vs 2015 % of Growth
	₹ In Lakhs	% of Revenue	₹ In Lakhs	% of Revenue	
<b>3. External Revenue</b>					
(Incl other operating income)					
a. Dairy	174276.95		153354.44		13.64
b. Retail	58041.54		49228.74		17.90
c. Agri	5078.50		4331.99		17.23
d. Bakery	601.84		371.37		62.06
e. Renewable Energy	59.50		10.12		487.85
<b>Net Sales / Income from Operations</b>	<b>238058.33</b>		<b>207296.65</b>		<b>14.84</b>
<b>4. Segment Results</b>					
(Profit (+) / (Loss) (-) before tax and finance costs)					
a. Dairy	11532.19	6.52	6717.47	4.32	71.67
b. Retail	(1380.99)	(2.37)	(1107.36)	(2.24)	24.71
c. Agri	(135.78)	(1.42)	(125.47)	(1.49)	8.21
d. Bakery	(61.52)	(7.58)	(84.46)	(14.34)	(27.16)
e. Renewable Energy	126.17	41.46	70.53	27.44	78.89
<b>Total Segment Results</b>	<b>10080.07</b>	<b>4.23</b>	<b>5470.71</b>	<b>2.64</b>	<b>84.25</b>
<b>Less: I. Finance Cost</b>	<b>1545.89</b>	<b>0.65</b>	<b>1593.01</b>	<b>0.77</b>	<b>(2.96)</b>
<b>Add: i. Interest income</b>	<b>61.01</b>	<b>0.03</b>	<b>37.41</b>	<b>0.02</b>	<b>63.08</b>
ii. Other un-allocable Income / (expenditure)	3.06	-	(1.20)	-	(355.25)
<b>Total Profit before Tax</b>	<b>8598.25</b>	<b>3.61</b>	<b>3913.91</b>	<b>1.89</b>	<b>119.68</b>

## CASH FLOW ANALYSIS

### Cash inflows

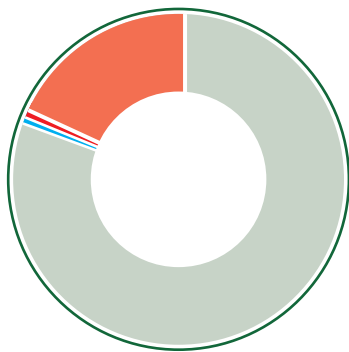
Particulars	2015 - 16		2014 - 15	
	₹ in Lakhs	%	₹ in Lakhs	%
Operating Cashflow	13901.88	81.09	8696.44	73.12
Interest & Dividend on Investments	64.07	0.37	37.45	0.31
Earmarked balances redemption	6.78	0.04	9.94	0.08
Proceeds from Long Term Borrowings	3171.75	18.50	3150.00	26.48
<b>Total</b>	<b>17144.48</b>	<b>100.00</b>	<b>11893.83</b>	<b>100.00</b>

## Cash Outflows

Particulars	2015 - 16		2014 - 15	
	₹ in Lakhs	%	₹ in Lakhs	%
Repayment of Long Term Borrowings	1560.96	9.35	1411.63	11.51
Change in Working capital (net)	3199.11	19.16	2708.40	22.08
Taxes paid	2962.39	17.74	979.06	7.98
Capital Expenditure	6657.01	39.87	4794.90	39.08
Net Investments	0.25	-	0.25	-
Change in unclaimed dividend	11.65	0.07	10.72	0.09
Interest Paid	1466.97	8.79	1549.73	12.63
Dividend Paid	837.65	5.02	814.25	6.64
<b>Total</b>	<b>16696.00</b>	<b>100.00</b>	<b>12268.93</b>	<b>100.00</b>
Net increase /(decrease) in cash and cash equivalents	448.48		(375.10)	
Add: Opening Cash and Cash Equivalents	3993.70		4368.80	
Effect of foreign exchange gain /(loss)	(1.99)		-	
Cash and Cash Equivalents at the end of the period	4440.19		3993.70	

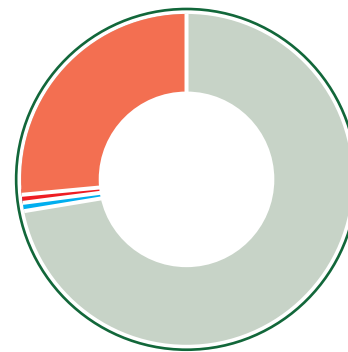
## Cash Inflow

### 2015-16



Operating Cashflow	81.09%
Interest & Dividend on Investments	0.37%
Earmarked balances redemption	0.04%
Proceeds from Long Term Borrowings	18.50%

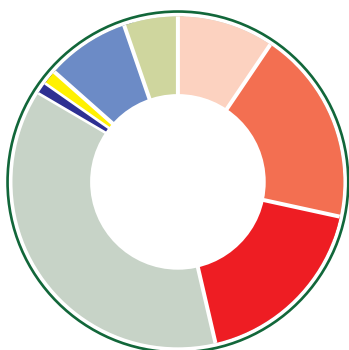
### 2014-15



Operating Cashflow	73.12%
Interest & Dividend on Investments	0.31%
Earmarked balances redemption	0.08%
Proceeds from Long Term Borrowings	26.48%

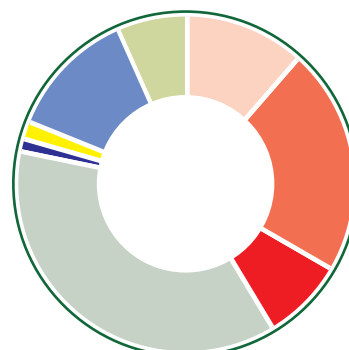
## Cash Outflow

### 2015-16



Repayment of Long Term Borrowings	9.35%
Change in Working capital (net)	19.16%
Taxes paid	17.74%
Capital Expenditure	39.87%
Net Investments	0.001%
Change in unclaimed dividend	0.07%
Interest Paid	8.79%
Dividend Paid	5.02%

### 2014-15



Repayment of Long Term Borrowings	11.51%
Change in Working capital (net)	22.08%
Taxes paid	7.98%
Capital Expenditure	39.08%
Net Investments	0.001%
Change in unclaimed dividend	0.09%
Interest Paid	12.63%
Dividend Paid	6.64%

## FORWARDLOOKING 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 SEBI (Listing Obligation and Disclosure Requirements) Regulation, 2015. Your Company believes 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 believes that Board independence is essential to bring objectivity and transparency in the management and in the dealings of your Company. As on March 31, 2016, the Board consists of eight members out of which four members are independent directors.

### Ethics/Governance Policies

Your Company strives 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 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 Policy
- Board Diversity and Nomination & Remuneration Policy
- Board Evaluation Framework
- Policy for Determining Material Subsidiaries
- Risk Management Policy
- Familiarisation Programme for Independent Directors
- Policy on Preservation of Documents

### 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 the 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 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, 2016, the Board consists of eight (8) members, two (2) of whom are executive/whole-time women directors, four (4) are Non-Executive Independent Directors and two (2) are Non-Executive Directors. The Board periodically evaluates the need for change in its composition and size.

None of the Independent Directors on the Board serve as an independent director in more than seven listed entities and 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 SEBI (Listing Obligation and Disclosure Requirements) Regulation, 2015, 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 March 31, 2016:

Name	No. of other Director ships ® (Including Heritage Foods)	Committee memberships & (Including Heritage Foods)	
		Member	Chairman
Independent Director			
Mr. D Seetharamaiah	5	2	1
Mr. N Sri Vishnu Raju	4	3	-
Mr. M Siva Rama Vara Prasad^	4	1	-
Mr. Rajesh Thakur Ahuja *	1	-	-
Non Executive Director			
Dr. V Nagaraja Naidu	2	1	1
Mr. N P Ramakrishna#	1	-	-
Mr. N Lokesh	4	1	-
Whole-time Director			
Mrs. N Bhuvaneshwari	5	1	-
Mrs. N Brahmani	3	-	-
Mr. Durga Prasada Rao\$	1	-	-

\* Mr. Rajesh Thakur Ahuja appointed as an Additional Director on March 23, 2016.



- # Mr. N P Ramakrishna has resigned from the Board w.e.f. September 24, 2015.
- \$ Mr. K Durga Prasada Rao has resigned from the Board w.e.f. November 1, 2015.
- ^ Mr. M Siva Rama Vara Prasad has resigned from the Board w.e.f. May 12, 2016.
- @ The directorships held by directors as mentioned above, do not include directorships in Private Companies & Section 8 Companies
- & In accordance with SEBI (Listing Obligation & Disclosure Requirements) Regulation, 2015, 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. The Familiarisation Programme for Independent Directors is available in the Company website [www.heritagefoods.in](http://www.heritagefoods.in).

### Meetings of Independent Directors

Pursuant to Schedule IV of the Companies Act, 2013 & the Rules made there under and SEBI (Listing Obligation

& Disclosure Requirements) Regulation, 2015, the independent directors of the Company shall hold at least one meeting in a year, without the attendance of non-independent directors and members of the Management. 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.

The 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 Directors.

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 components and a variable components. The Compensation of the executive directors are approved by the Nomination and Remuneration Committee of Board of Directors and placed before the shareholders at the shareholders' meeting for approval.

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 and SEBI (Listing Obligation & Disclosure Requirements) Regulation, 2015. 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 financial year are decided in advance and published as part of the Annual Report. The Non-executive Chairperson 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. Six Board meetings were held during the year ended March 31, 2016. These were held on May 26, 2015, July 22, 2015, October 19, 2015, December 17, 2015, January 21, 2016 and March 23, 2016.

## Attendance of Directors during FY 2015-16 & Last Annual General Meeting is as under:

Name	No of Meetings		Attendance at last AGM
	Held	Attended	
Independent Director			
Mr. D Seetharamaiah	6	6	Yes
Mr. N Sri Vishnu Raju	6	3	Yes
Mr. M Siva Rama Vara Prasad^	6	4	Yes
Mr. Rajesh Thakur Ahuja*	6	0	No
Non Executive Director			
Dr. V Nagaraja Naidu	6	6	Yes
Mr. N P Ramakrishna#	6	2	No
Mr. N Lokesh	6	4	Yes
Whole-time Director			
Mrs. N Bhuvaneshwari	6	6	Yes
Mrs. N Brahmani	6	6	Yes
Mr. Durga prasada Rao\$	6	3	Yes

<sup>^</sup> Mr. M Siva Rama Vara Prasad has resigned from the Board w.e.f. May 12, 2016.

<sup>\*</sup> Mr. Rajesh Thakur Ahuja appointed as an Director on March 23, 2016.

<sup>#</sup> Mr. N P Ramakrishna has resigned from the Board w.e.f. September 24, 2015.

<sup>\$</sup> Mr. K Durga Prasada Rao has resigned from the Board w.e.f. November 1, 2015.

## Availability of Information to Board Members

The Board has unrestricted access to all Company-related information including that of your employees. 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 observations division wise
- 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
- Minutes of meetings of previous Board & Committee Meetings and abstracts of Circular Resolutions passed etc.
- 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
- Show cause, demand, prosecution notices and penalty notices, which are materially important.
- Fatal or serious accidents, dangerous occurrences, and issues related to material effluents or pollution problems.
- 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 or collaboration agreements, if any.
- Transactions that involve substantial payments toward goodwill, brand equity or Intellectual Property.
- Significant labour problems and their proposed solutions. Any significant development in Human Resources/ Industrial Relations front like signing of wage agreement, implementation of Voluntary Retirement Scheme etc.
- Sale of investments, subsidiaries, assets which are material in nature and not in normal course of business.
- Details of foreign exchange exposures and the steps taken by management to limit the 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 etc.

## C. BOARD COMMITTEES

As on March 31, 2016, 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 SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015. Members of the Audit Committee possess financial accounting expertise/exposure.

### Composition of the Committee as on March 31, 2016:

Name	Designation
Mr. D Seetharamaiah	Chairperson
Dr. V Nagaraja Naidu	Member
Mr. N Sri Vishnu Raju	Member
Mr. Siva Rama Vara Prasad <sup>^</sup>	Member
Mr. N Lokesh	Member

<sup>^</sup> Mr. M Siva Rama Vara Prasad has resigned from the Board w.e.f. May 12, 2016.

Mr. Rajesh Thakur Ahuja has appointed as a Member in the Audit Committee w.e.f. May 23, 2016.

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 independent 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 independent auditors in accordance with the law. All possible measures were taken by the committee to ensure the objectivity and independence of the independent auditors.

### Audit Committee Attendance

Five meeting of Audit Committee were held during the financial year 2015-16, i.e. May 26, 2015, July 22, 2015, October 19, 2015, January 2016 and March 23, 2016. The attendance details of the Committee Meeting are as follows:-

Name	No. of Meetings	
	Held	Attended
Mr. D Seetharamaiah	5	5
Mr. N Sri Vishnu Raju	5	2
Mr. M Siva Rama Vara Prasad <sup>^</sup>	5	4
Dr. V Nagaraja Naidu	5	5
Mr. N Lokesh	5	3

<sup>^</sup> Mr. M Siva Rama Vara Prasad has resigned from the Board w.e.f. May 12, 2016.

Mr. Rajesh Thakur Ahuja has appointed as a Member in the Audit Committee w.e.f. May 23, 2016.

The terms of reference, Powers, Roles & responsibilities of the Audit Committee are as stated in SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015 and Section 177 of the Companies Act, 2013 and the rules made thereof as amended from time to time.

Dr. M Sambasiva Rao, President, Mr. A Prabhakar Naidu Chief Financial Officer, Statutory Auditor and Lead Internal Auditor of the Company are permanent invitees to the Committee Meeting, Mr. 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 SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015.

### Composition of the Committee as on March 31, 2016:

Name	Designation
Mr. N Sri Vishnu Raju	Chairperson
Mr. D Seetharamaiah	Member
Mr. N Lokesh	Member
Mr. Siva Rama Vara Prasad <sup>^</sup>	Member

<sup>^</sup> Mr. M Siva Rama Vara Prasad has resigned from the Board w.e.f. May 12, 2016.

Mr. Rajesh Thakur Ahuja has appointed as a Member in the Nomination & Remuneration Committee w.e.f. May 23, 2016.

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 Annual General Meeting.

The committee will review and discuss all matters pertaining to candidates and shall 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. 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 two meeting during the financial year 2015-16 on July 08, 2015 and March 23, 2016. The attendance details of the Committee Meeting are as follows:

Name	No. of Meetings	
	Held	Attended
Mr. N Sri Vishnu Raju	2	0
Mr. D Seetharamaiah	2	2
Mr. M Siva Rama Vara Prasad <sup>^</sup>	2	2
Mr. N Lokesh	2	1

<sup>^</sup> Mr. M Siva Rama Vara Prasad has resigned from the Board w.e.f. May 12, 2016.

Mr. Rajesh Thakur Ahuja has appointed as a Member in the Nomination & Remuneration Committee w.e.f. May 23, 2016.

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

### Details of remunerations paid/payable to directors for the year ended March 31, 2016 is as follows:

(In Rupees)

Name	Sitting Fees	Remuneration	Perquisites/ Perks	Commission	Total
<b>Independent Directors</b>					
Mr. D Seetharamaiah	3,70,000	-	-	-	<b>3,70,000</b>
Mr. N Sri Vishnu Raju	1,50,000	-	-	-	<b>1,50,000</b>
Mr. M Siva Rama Vara Prasad <sup>^</sup>	2,10,000	-	-	-	<b>2,10,000</b>
Mr. Rajesh Thakur Ahuja <sup>*</sup>	-	-	-	-	<b>-</b>
<b>Non Executive Directors</b>					
Dr. V Nagaraja Naidu	2,60,000	-	-	-	<b>2,60,000</b>
Mr. N P Ramakrishna <sup>#</sup>	40,000	-	-	-	<b>40,000</b>
Mr. N Lokesh	1,90,000	-	-	-	<b>1,90,000</b>
<b>Whole-time Directors</b>					
Mrs. N Bhuvaneswari	-	1,02,00,000	10,54,375	3,65,59,436	<b>4,78,13,811</b>
Mrs. N Brahmani	-	57,83,000	5,00,000	3,19,68,049	<b>3,82,51,049</b>
Mr. K Durga Prasad Rao <sup>\$</sup>	-	21,00,000	6,75,000	-	<b>27,75,000</b>

<sup>^</sup> Mr. M Siva Rama Vara Prasad has resigned from the Board w.e.f. May 12, 2016.

<sup>\*</sup> Mr. Rajesh Thakur Ahuja appointed as an Director on March 23, 2016.

<sup>#</sup> Mr. N P Ramakrishna has resigned from the Board w.e.f. September 24, 2015.

<sup>\$</sup> Mr. K Durga Prasada Rao has resigned from the Board w.e.f. November 1, 2015.

The Company has not granted any stock option to any of its directors. Mr. N Lokesh, Dr. V Nagaraja Naidu and Mr. N P Ramakrishna, Non Executive Directors of the Company are holding 23,66,400, 50,000 and 1,00,000 equity shares of the Company as on March 31, 2016 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 SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015 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 March 31, 2016:

Name	Designation
Dr. V Nagaraja Naidu	Chairperson
Mr. D Seetharamaiah	Member
Mrs. N Bhuvaneswari	Member
Mr. N Sri Vishnu Raju	Member

The terms of reference of the Stakeholders Relationship Committee include 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 2015-16. These were held on May 26, 2015, July 22, 2015, October 19, 2015 and January 21, 2016. 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
Mr. D Seetharamaiah	4	4
Mrs. N Bhuvaneswari	4	4
Mr. N Sri Vishnu Raju	4	2

Mr. Umakanta Barik, Company Secretary acts as the Secretary for the Committee who is designated as Compliance Officer pursuant to SEBI (Listing Obligation & Disclosure Requirements) Regulation, 2015.

**The details of Complaints/request as on 31<sup>st</sup> March 2016 are as follows:**

Number of Complaint/ request Received- 27  
 Number of Complaint/ request Resolved- 27  
 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 Committee (CSR)**

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 Committee's constitution and terms of reference meet with the requirements of the Companies Act, 2013 and rules made thereof as amended from time to time.

**Composition of the Committee as on March 31, 2016:**

Name	Designation
Mr. D Seetharamaiah	Chairperson
Mrs. N Bhuvaneswari	Member
Mr. N Sri Vishnu Raju	Member

The committee shall be overseeing the activities / functioning with regards to Company's project works 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 2015-16. These were held on July 2015 and January 21, 2016. The attendance details of the Committee Meeting are as follows:-

**CSR Committee Attendance:**

Name	No. of Meetings	
	Held	Attended
Mr. D Seetharamaiah	2	2
Mrs. N Bhuvaneswari	2	2
Mr. N Sri Vishnu Raju	2	0

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

**v. Risk Management Committee**

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.

The Committee's constitution and terms of reference meet with the requirements of the Companies Act, 2013 and rules made thereof and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

#### Composition of the Committee as on March 31, 2016:

Name	Designation
Mr. M Siva Rama Vara Prasad <sup>^</sup>	Chairperson
Mr. D Seetharamaiah	Member
Mrs. N Bhuvaneswari	Member
Mr. N Sri Vishnu Raju	Member
Mr. K Durga Prasada Rao <sup>*</sup>	Member

<sup>^</sup> Mr. M Siva Rama Vara Prasad has resigned from the Board w.e.f. May 12, 2016.

<sup>\*</sup> Mr. K Durga Prasada Rao has resigned from the Board w.e.f. November 1, 2015.

Mr. Rajesh Thakur Ahuja has appointed as a Chairperson in the Risk Management Committees w.e.f. May 23, 2016.

One Risk Management committee meeting was held during the financial year 2015-16 on March 23, 2016. The attendance details of the committee meetings are as follows:

#### Risk Management Committee Attendance:

Name	No. of Meetings	
	Held	Attended
Mr. M Siva Rama Vara Prasad <sup>^</sup>	1	1
Mr. D Seetharamaiah	1	1
Mrs. N Bhuvaneswari	1	1
Mr. N Sri Vishnu Raju	1	0
Mr. K Durga Prasada Rao <sup>*</sup>	1	0

<sup>^</sup> Mr. M Siva Rama Vara Prasad has resigned from the Board w.e.f. May 12, 2016.

<sup>\*</sup> Mr. K Durga Prasada Rao has resigned from the Board w.e.f. November 1, 2015.

Mr. Rajesh Thakur Ahuja has appointed as a Chairperson in the Risk Management Committees w.e.f. May 23, 2016.

Mrs. N Brahmani, Executive Director, Dr. M Sambasiva Rao, President and Mr. A Prabhakar Naidu Chief Financial Officer of the Company are permanent invites to the Committee Meeting, Mr. 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 urgent in nature without having to wait for the next Board Meeting.

#### Composition of the Committee as on March 31, 2016:

Name	Designation
Mr. D Seetharamaiah	Chairperson
Mrs. N Bhuvaneswari	Member
Mr. N Lokesh	Member
Mr. N Sri Vishnu Raju	Member

Four Management Committee meetings were held during the financial year 2015-16. These were held on April 20, 2015, June 15, 2015, August 17, 2015 and November 19, 2015. The attendance details of the Committee Meeting are as follows:-

#### Management Committee Attendance: .

Name	No. of Meetings	
	Held	Attended
Mr. D Seetharamaiah	4	4
Mrs. N Bhuvaneswari	4	4
Mr. N Lokesh	4	4
Mr. N Sri Vishnu Raju	4	3

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

## 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, Yousufguda, Hyderabad-45. Details of date & time are as follows:

Financial year ended	Date and time	Venue	Special resolution(s) passed
March 31, 2015	September 24, 2015, at 10.30 a.m.	Auditorium Hall, 2nd Floor, National Institute for Micro, Small and Medium Enterprises, Yousufguda, Hyderabad-45	<ul style="list-style-type: none"> <li>Modification in Object Clause of the Memorandum of Association of the Company</li> <li>Modification in Liability Clause of the Memorandum of Association of the Company</li> </ul>
March 31, 2014	September 26, 2014, at 10.30 a.m.	Auditorium Hall, 2nd Floor, National Institute for Micro, Small and Medium Enterprises, Yousufguda, Hyderabad-45	<ul style="list-style-type: none"> <li>Appointment of Mr. K Durga Prasada Rao as Director and re-appointment as Whole-time Director of the Company w.e.f. August 1, 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>
March 31, 2013	July 17, 2013, at 10.30 a.m.	Auditorium Hall, 2nd Floor, National Institute for Micro, Small and Medium Enterprises, 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>

### Postal ballot

During the financial year 2015-16, there is no special resolution proposed to be conducted through postal ballot.

### Procedure for postal ballot

In compliance with SEBI (Listing Obligation & Disclosure Requirements) Regulation, 2015 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 his report to the Chairperson, after the completion of scrutiny, and the consolidated results of the voting by postal ballot are then announced by the Chairman. The results are published

in the newspapers and also displayed on the website of the Company, [www.heritagefoods.in](http://www.heritagefoods.in), besides being communicated to the stock exchanges, depository and 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 and Rules made thereof as amended from time to time provides for the appointment of independent directors. Sub-section (10) of Section 149 of the Companies Act, 2013 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 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 each. 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 and/or SEBI (Listing Obligation & Disclosure Requirements) Regulation, 2015.

### Details of establishment of Vigil Mechanism (Whistle Blower policy)

The Board of Directors of the Company had adopted 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 and Ethics. It also provides for adequate safeguards against the victimization of employees who avail of the mechanism and allows direct access to the Chairperson of the audit committee in exceptional cases. The Audit Committee reviews periodically the functioning of whistle blower mechanism. There is no complaint received during the Financial Year ended March 31, 2016.

No personnel has been denied access to the Audit Committee. A copy of the Whistle Blower Policy is available in the company's website: [www.heritagefoods.in](http://www.heritagefoods.in)→corporate→Policy→WBPpolicy

### 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 of Listing Agreement and SEBI (Listing Obligation & Disclosure Requirements) Regulation, 2015.

The Company has complied with all mandatory requirements of Clause 49 of the Listing Agreement and/or SEBI (Listing Obligation & Disclosure Requirements) Regulation, 2015. The Company has adopted following non-mandatory requirements of Clause 49 of the Listing Agreement and SEBI (Listing Obligation & Disclosure Requirements) Regulation, 2015:

**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 Un-Audited/Audited Financial Results (Standalone

& Consolidated) are published in the English and Regional Language Newspapers. 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)

**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 the SEBI (Listing Obligations & Disclosure Requirements) Regulation, 2015.

**Annual Report:** The Annual Report containing inter-alia Notice of the 24<sup>th</sup> AGM, Audited Annual Accounts (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 National Stock Exchange of India Limited (NSE), Mumbai 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 Venue	Friday, August 19, 2016 at 10.30 am Auditorium Hall, 2 <sup>nd</sup> Floor, Training building, National Institute For Micro, Small And Medium Enterprises, Yousufguda, Hyderabad-45
Financial Year	April 1 to March 31
Financial Calendar (tentative) Results for the quarter ending	June 30, 2016 – Last week of July, 2016 September 30, 2016 – Last week of October, 2016 December 31, 2016 - Last week of January, 2016 March 31, 2017 - Last week of May, 2017 Annual General Meeting - August, 2017
Date of Book Closure	Thursday, August 11, 2016 to Friday, August 19, 2016 (both days inclusive)
Dividend payment date	By Friday August 26, 2016 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 2016-17 has been paid by the Company to BSE and NSE.
Stock /Scrip Code	BSE – 519552 NSE - HERITGFOOD
Face Value of Equity Share	₹ 10/- each
ISIN Number	NSDL & CDSL - INE978A01019
Payment of Depository Fees	Annual Custody/Issuer fee for the year 2016-17 has been paid by the Company to NSDL and CDSL.



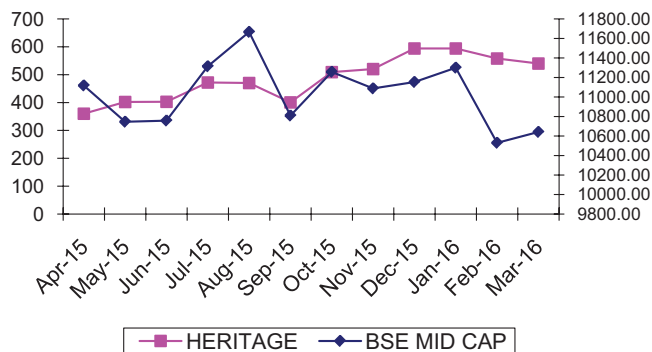
### Market Price Data:

Closing High/Low Equity Share Price during each month of the financial year 2015-16

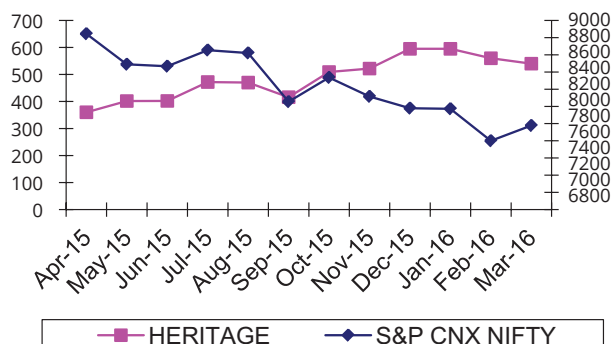
Month	NSE (in ₹ per share)		BSE (in ₹ per share)	
	HIGH	LOW	HIGH	LOW
April, 2015	360.00	300.00	359.90	301.00
May, 2015	401.70	282.90	402.00	280.00
June, 2015	402.00	356.00	402.70	363.00
July, 2015	472.00	367.25	472.00	368.30
August, 2015	470.00	344.00	470.00	345.00
September, 2015	415.85	339.00	400.50	340.00
October, 2015	509.00	380.30	509.10	384.00
November, 2015	521.80	446.70	520.10	447.90
December, 2015	595.00	481.10	594.00	482.75
January, 2016	595.00	478.90	594.00	480.00
February, 2016	560.00	444.55	557.90	446.00
March, 2016	540.00	510.10	540.00	511.25

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

#### Heritage vs. BSE MD Cap



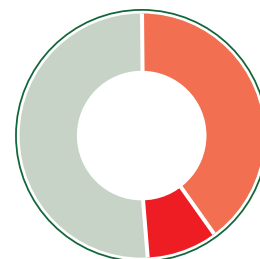
#### HERITAGE vs. S&P CNX NIFTY



### Distribution of Shareholding as on March 31, 2016

Category Code	Category of Shareholder	Number of Share holders	Total number of Shares	As a percent tage of (A+B+C)
<b>(A) Shareholding of Promoter and Promoter Group</b>				
1	Indian	14	9256846	39.90
2	Foreign	0	0	0
	<b>Total</b>	<b>14</b>	<b>9256846</b>	<b>39.90</b>
<b>(B) Public Shareholding</b>				
1	Institutions	33	2146051	9.25
2	Non-institutions	14706	11788103	50.85
	<b>Total Public Shareholding</b>	<b>14739</b>	<b>13942154</b>	<b>60.10</b>
<b>(C) Shares held by Custodians and against which Depository Receipts have been issued</b>				
1	Promoter and Promoter Group	0	0	0
2	Public	0	0	0
	<b>TOTAL (A)+(B)+(C)</b>	<b>14753</b>	<b>23199000</b>	<b>100.00</b>

### Category wise Shareholding



Promoter & Promoters Group	39.90%
Institutions	9.25%
Non-Institutions	50.85%



**Shareholding Pattern by Size as on March 31, 2016**

Category (No. of Shares)	No. of Shareholders	No. of Shares	% of Total Shares
Up to 500	13211	1512524	6.52
501 - 1000	770	600549	2.59
1001 - 2000	346	534963	2.31
2001 - 3000	108	277943	1.20
3001 - 4000	64	240956	1.04
4001 - 5000	68	323723	1.40
5001 - 10000	92	697070	3.00
10001 - Above	94	19011272	81.95
<b>TOTAL</b>	<b>14753</b>	<b>23199000</b>	<b>100.00</b>

**Total Shares in Demat and Physical form as on March 31, 2016**

Sl. No	Category	No. of Holders	Total Shares	% To Equity
1	Physical	2193	1020538	4.40
2	NSDL	8889	19480570	83.97
3	CDSL	3671	2697892	11.63
	<b>Total</b>	<b>14753</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

**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 Regulation 40(9) of SEBI (Listing Obligation & Disclosure Requirement) Regulation 2015 and files a copy of the said certificate with Stock Exchanges.

**Dematerialisation**

95.60 % of the Company's paid-up Equity share capital has been dematerialised as on March 31, 2016. 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.

The Company has complied the Regulation 31(2) of SEBI (Listing Obligation & Disclosure Requirement) Regulation 2015, as follows:

Category of Share holder	Total		Shares In Demat Form		
	No of Share holders	number of shares Held	No of Share holders	No of Shares	% of Respective Share holding
Promoter & Promoters Group	14	9256846	14	9256846	100%
Public	14739	13942154	12546	12921616	92.68%
<b>Total</b>	<b>14753</b>	<b>23199000</b>	<b>12560</b>	<b>22178462</b>	

To enable us to serve our investors better, we request shareholders whose shares are in the physical mode to dematerialize their shares and update their bank accounts with the respective depository participants.

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

Plant Locations are attached to this report.

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

During the year under review, the Company has credited ₹ 5,30,250/- (Rupees Five Lakh Thirty Thousand Two Hundred Fifty 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 Regulation 17(8) of the SEBI (Listing Obligation & Disclosure Requirements) Regulation, 2015. 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 Regulation 33(2)(a) of the SEBI (Listing Obligation & Disclosure Requirements) Regulation, 2015. The annual certificate given by the Chairperson 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 Jyoti, Practicing Company Secretary (CP No.1796), to conduct Secretarial Audit. The Secretarial Audit Report for the financial year ended March 31, 2016, is forming 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 SEBI (Listing Obligation & Disclosure Requirements) Regulation, 2015 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

For Shares/Debentures held in Physical form  
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](http://www.karvy.com)  
(Address changed w.e.f. April 14, 2015)

## Any query on the Annual Report

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

## Code of Conduct

In compliance with SEBI (Listing Obligation & Disclosure Requirements) Regulation, 2015 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)

## Declarations

### Compliance with the Code of Business Conduct and Ethics

As provided under Regulation 26(3) of the SEBI (Listing Obligation & Disclosure Requirements) Regulation, 2015, all Board Members and Senior Management Personnel have affirmed compliance with Heritage Foods Limited Code of Business Conduct and Ethics for the year ended March 31, 2016.

**N Bhuvaneswari**

Place : Hyderabad      Chairperson and Managing Director  
Date : May 23, 2016      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. **Pamaruru**  
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
17. **K. J.Puram,**  
Krishnajamhapuram Village,  
Gudipala (M), Chittoor Dist

##### Bulk Coolers

1. **Aryavatam**  
Aryavatam (V),  
Kajulluru (M), East Godavari Dist
2. **A.S.Peta**  
Kasimkota (M), Vizag Dist
3. **Atchutapuram**  
Chodapalli (V), Atchutapuram  
(M), Visakhapatnam dist
4. **Avanigadda**  
Avanigadda, Krishna Dist
5. **Banaganapalli**  
Yagantipalli vilalge, Banaganapalli (M),  
Kurnool Disrict
6. **Bikkavolu**  
Bikkavolu, East Godavari Dist
7. **Bondapally**  
Bondapalli, (V) & (M), Vijayanagaram Dist
8. **Buchireddy palem**  
SPSR Nellore dist
9. **Chakalikonda**  
Vinjamuru Mdl, SPSR Nellore Dist
10. **Chinnagummaluru**  
Kotauratla (M), Visakhapatnam Dist
11. **Chuchukonda**  
Munagapaka (M), Vizag Dist
12. **Dhammapeta**  
Dhammapeta (V), Khammam Dist
13. **Dimili**  
Rambilli (M), Vizag Dist
14. **Dubacherala/Nachugunta**  
Nachugunta (V) Ungutur,  
(M) West Godvari Dist
15. **Duttaluru**  
Duttaluru, Nellore Dist
16. **Dwarapudi**  
Dwarapudi (V), Mandapet (M)  
East Godavari Dist
17. **Gara**  
Gara, Srikakulam Dist
18. **Garividi**  
Garividi, Vijayanagaram, Dist
19. **Giddaluru**  
Modempalli (V), Giddaluru (M),  
Prakasam Dist
20. **Gokivada**  
Rambilli (M), Visakhapatnam Dist
21. **Jaladanki**  
Jaladanki (V) & (M), SPSR Nellore Dist
22. **Kaluvovai**  
Kaluvoya (V) & (M), SPSR Nellore Dist

### 23. Kanaganapalli

Survey No.286/3A, Kanaganapalli (V) & (M), Ananthapur Dist

### 24. Kasibugga

Anthapuram (V), Palasa (M), Srikakulam Dist

### 25. Kodapuram

Gudavaluru Pancayati, SPSR Nellore Dist

### 26. Korukonda

Korukonda (V), East Godavari Dist

### 27. Krishnapuram

Krishnapuram(V), Chillakuru (M), SPSR Nellore Dist

### 28. Laveru

Laveru (M)am, Srikakulam Dist

### 29. M Jagannadapuram

Atchutapuram (M), Vizag Dist

### 30. Modavalasa

Denkada (M), Vijayanagaram Dist.

### 31. Nimmada

Kotabomali, Srikakulam Dist,

### 32. P. Gannavarm

East Godvari Dist

### 33. Palakonda

Tumarada, Rtamadatapalli, Srikakulam Dist

### 34. Pathapatnam

Pathapatnam (V), Srikakulam Dist

### 35. Ponduru

Ponuru, Srikakulam Dist

### 36. Porumamilla

Kammavaripalli (V), Porumamilla (M) Kadapa Dist

### 37. Samarlakota

E-1 Industrial Estate, East Godavari Dist

### 38. Santhamaguluru

Puttavripalem (V), Santhamagulru (M) Prakasam Dist

### 39. Sattenapalli

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

### 40. Seethanagaram

East Godavari Dist

### 41. Sompeta

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

### 42. T. Narasapuram

West Godvari Dist

### 43. Tekkali

Thamaram Road, Srikakulam Dist

### 44. Venkannapalem

Chodavaram (M), Visakhapatnam Dist

### 45. Venkatagiri

Anjayapuram (V), Enagalur post, Srialahasti (M), Chittoor Dist

### Ice Plant

1. **Amalapuram** Batinavalli, Amalapuram, East Godavari Dist

### Sales Offices

1. **Bobbili**  
Plot No.248&249, Growth Centre, Bobbili, Vizianagaram Dist.,
2. **Chittoor**  
Sundararaja Puram, E.R Palli Post, Chittoor - Puttoor Road, Chittoor
3. **Rajahmundry**  
Yendagandi (V), K. Gangavaram (M), East Godavari Dist
4. **Tanuku**  
Door No. 4-252, Ground Floor, Subhodaya Apartment, Chivitm Tanuku, West Godavari Dist
5. **Tirupathi**  
D.No. 19-12-154, Rayalacheruvu road, Baragaipattada Turapati, Chittoor Dist
6. **Vijayawada**  
Plot No 188, C-6, New Auto Nagar, Enikapadu, Vijayawada, Krishna Dist
7. **Vishakhapatnam**  
D. No. 50-48-15/2, 3rd Floor P&T colony, Near Gurudwara Junction, Visakhapatnam

### Regional Offices of Procurement Dept.

1. **Ongole**  
D.No: 5-400/1, Raavianjaneyulu road, Venkateswara Nagar, 2nd Lane, Ongole, Prakasam Dist
2. **Tirupati**  
D.No 19-12-154, Arch Road, Byragipattada, Tirupati, Chittoor Dist
3. **Vijayawada**  
D No: 54-20-6, Kanaka Durga Gazetted Officers Colony, Street No:1, Ring Road, Vijayawada, Krishna Dist
4. **Vizag**  
D No: 50-48-15/2, 3rd Floor, P&T Colony, Near Gurudwara junction, Seethammadhara, Vizag 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**  
Yadavanhalli (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
4. **Bengaluru SO-4**  
No.27, s.no.277, 8th cross Kundala halli layout, ITPL main road, Near CMR College, Bangalore - 560048, Karnataka

### MAHARASTRA

#### Packing Station

1. **Sangvi**  
Milakt No. 892. AT/Post - Sangavi, Phaltan taluka, Satara Dist

#### Chilling Centers

1. **Sangola**  
Solapur Dist

#### Bulk Coolers

1. **Nirgudi**  
Phaltan (T), Satara Dist
2. **Rajale**  
Milk at No 808, A/P - Rajale, (T) Phaltan, Dist, Satara Dist
3. **Sakharwadi**  
Sakharwadi, Phaltan (T), Satara Dist
4. **Taradgon**  
Taradgon (kursor) Phaltan taluka, Satara Dist
5. **Temburni**  
Gat No. 178/1A, At Post- Venegaon (Temburni) Tal- Madha, Solapur 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****Ice Plant****1. Bansur**

Kotaputali Road, Bansur, Alwar Dist

**2. Behror**

Behror Taluk,, 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.

**4. Vepanapalli**

Thalipalli (V), Krishnagiri Dist

**Mini Chilling Centers****1. Berigai**

Berigai (V) Post, Krishnagiri Dist

**2. Devarajapalyam**

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

**3. Reddihalli**

Reddihalli (V) Adhiyankotai, 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 (PO & T)ost,  
Polur Chatpattu Rd, , T.V Malai Dist

**5. P. Veluru**

KK Thottam, Pramthi Velur Post  
Namakkal Dist

**6. Sempatty**

Sevugmpatti (V) & (Post), Dindigul Dt

**Sales Offices****1. Chennai SO-1**

Survey No. 16/6 Parivakkam Main Road,  
Seneerkuppam (V), Poonamalle, Chennai

**2. Chennai SO-2**

Plot no. 6 Ganesh Nagar,  
4th street, Adambakam, Chennai

**3. Chennai SO-3**

No.43 Mari Ammal nager,  
Kanagarai(East) Puzhal, Chennai

**4. Chennai SO-5**

No.28 , Agasthiyasteet, East Tambaram,  
opp to Gandhi Park Chennai

**5. Vadamadurai**

Moorpatti (V), Vadamadurai Post  
Dindigul Dist

**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. Doultabad**

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. Kamareddy**

Opp. Renuka functional hall,  
Kamareddy, Nizamabad Dist



10. **Kandukur**  
Padmanagar colony,  
Kandukru (V) & (M), RR Dist
11. **Kothapet**  
Kothapeta (V), Keshmpet (M),  
Mahabubnagar Dist
12. **Kukunoorpally**  
Kukunoor (V), Kondapak (M)  
Medak Dist
13. **Manasanapalli**  
Manasanapalli x road,  
Maheswaram (M), RR Dist
14. **Mankhal**  
Mankhal (V), Maheswaram (M), RR Dist
15. **Masaipeta**  
Opp Canara Bank, Masaipet (V),  
yeldurthy (M), Medak Dist,
16. **Medak**  
Chegunta road,  
Opp Balaji function Hall, Medak Dist
17. **Medchal-Pudur**  
Medchal (V) & (M) RR Dist
18. **Meerkhanpet**  
Meerkahanpet, Kandukur (M), RR Dist
19. **Mogaligidda**  
Mogaligidda (V), Farooqnagar (M),  
Mahabubnagar Dist
20. **Nandhigama** Nadhigama (V),  
Kothur (M), Mahabubnagar Dist
21. **Narsapur**  
Narsapur (V) & (M), Medak Dist
22. **Pregnapur**  
Opp: Petrol bunk, Hyderabad,  
Pregnapur (V), Gajwel (M), Medak Dist
23. **Shadnagar**  
Chatanapally (V), Farqoonager (M),  
Shad Nagar, Mahabubnagar Dist
24. **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. **Hyderabad SO-9**  
H.No: 18-4-83/1 First floor,  
Shamsheer gunj, Hyderabad
7. **Hyderabad SO-10**  
H.No: 8-1-284/OD/149,  
OD Employees Colony,  
Shaikpet, Hyderabad
8. **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. **Alkapur**  
"Atrium", G2 & G-3,  
Plot No's.39,40,47,48 & 49  
Survey No.135, "Alkapur Township",  
Neknampur Village & Gram Panchyat,  
Rajendra Nagar 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 Dist
4. **Alwal-2**  
Ground Floor, H.No.1-4-180/1/84,  
Survey No.72,219,221,230 & 232  
Vasavi Nagar, Alwal Municipality,  
Malkajgiri Mandal, R R Dist
5. **AS Rao Nagar**  
Yasmai Arcade P.No A-6/1, A-6/3,  
SY No 500, Kapra, AS Rao Nagar,  
Hyderabad

6. **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'
7. **Balapur**  
Ground Floor,  
Municipal No.6-317/3, Plot No.334  
Triveni Nagar, Meerpet Village,  
SaroorNagar Mandal, Ranga Reddy Dist
8. **Banjara Hills**  
8-2-686/k3/1, P.no3, Kimtee Banjara  
Heights, Road No. 12,  
Banara Hills, Hyderabad
9. **Banjara Hills Road no.14**  
Ground Floor,  
Premises No.8-2-309/3/B/1 & 2 Road  
No.14, Banjara Hills, Hyderabad
10. **Bowenpally**  
Ground Floor,  
Plot No.1-10-316, Sy.No.130,  
Bapuji Nagar X Roads, Bowenpally,  
Thokatta Village, Secunderabad
11. **Chanda Nagar**  
Ground Floor, H.No.1-35/6 & 1-35/6A,  
Survey No.208/AA, Chanda Nagar Village,  
Serilingampally Mandal, R R Dist
12. **Dammaiguda**  
Ground Floor, Plot No.2,3, 10 & 11  
Dammaiguda Main Road,  
Keesara Mandal, Rangar Reddy Dist
13. **D.D Colony**  
Ashoka Satyam Enclave,  
P.No 2-2-7/1  
Durgabai Deshmukh Colony  
Hyderabad
14. **Film Nagar**  
Opp To More SuperMarket  
Previously UTI Bank,  
Film Nagar, Hyderabad
15. **Gacchi Bowli**  
Plot No.2, Survey No.91, Ground Floor,  
Telecom Employees Co-Operative  
Housing Society Ltd, Gacchi Bowli,  
Hyderabad
16. **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.



17. **Gandhi Nagar**  
"Siddamsetty's Hima Sai Heights"  
Ground Floor, No.1-1-365/A,  
Jawaharnagar, Bakaram  
(Gandhi Nagar) Hyderabad
18. **Gopanpally**  
Ground Floor, Plot No.2 & 7, Sy  
No.58/1 Part, Sri Sai Housing Colony,  
Gopanpally Village,  
Serilingampally GHMC & Mandal,  
R R Dist
19. **Hayath Nagar**  
Plot No.2, Survey No.268,  
Ward No.4, Block No.7,  
Bagh Hayath Nagar Village,  
Hayath Nagar, Revenue Mandal,  
R R Dist
20. **Hitex**  
"Magna's Lake View"  
Flat No.G-6, G-7 & G-8,  
Ground Floor, Survey No.56 & 57 Part,  
Khanamet Village,  
Serilingampally Mandal,  
GHMC, Serilingampally, R R Dist
21. **HMT Nagar**  
Plot No A 128, A 129  
Bapuji Nagar Nacharam Road  
Beside Trinetra Super Market,  
Habsi Guda
22. **JP Nagar**  
Plot No.2, Sy.No.118, Jayaprakash  
Nagar Miyapur Village,  
Serilingampally Mandal,  
R R Dist
23. **Jubilee Hills Road No. 36**  
Ground Floor, Plot no.1244, Jubilee  
Hills Colony, Road no.36,  
Banjara Hills Locality, Hyderabad
24. **Karmanghat**  
GHMC No's. 10-1-74/10/1,  
10-1-74/12,13 & 14 Main Road,  
Lingojiguda, Karmanghat, Sagar Road,  
Saroor Nagar, R R Dist
25. **Kompally**  
Sree Vensai Towers varuna Block  
Shop no.GF2, Sy.No. 128 (P),  
Grampanchayath of Kompally,  
Qutbullapur mandal, R R Dist
26. **Kondapur**  
"Park View" Plot no.5, Sy.No.6,  
Kondapur Village, Serilingampally  
Municipality,  
R R Dist
27. **Kondapur Camelot**  
Ground Floor, Dr. Raju Center,  
Botanical Garden Road,  
Camelot Lay out, Hyderabad
28. **Madhapur**  
Ground floor, HNo 1-90/2/46/1,  
Sy No 86(part) of Madhapur village,  
Vittalraonagar , Madhapur Village ,  
R R Dist
29. **Madhapur-2**  
Ground Floor, SBR tower II,  
Shop No.3,3A, Plot no.2,  
Sector 1, HUDS Techno Enclave  
Survey No.64, Madhapur Village  
Serilingampally, R R Dist
30. **Madhavapuri**  
H.No.19-402, Plot No.402 & 403,  
Survey No.339, Madavapuri Township,  
South Avenue, Ameenpur Village,  
Patancheru Mandal, Medak Dist
31. **Madinaguda**  
Rajamma Commercial Complex  
Sy.No.95, 96,  
Plot no.5,6,7,8, Madinaguda,  
Sherilingampally Mandal, Hyderabad
32. **Mahesh Nagar**  
H.No.1-7-43/93, Mahesh Nagar  
Colony, Under Kapra Municipality,  
Keesara Mandal, RR Dist.
33. **Malkajigiri**  
22-1-1/1, Radha Krishna Nagar  
Beside Bank of Maharastra,  
Malkajigiri
34. **Manikonda**  
Ground Floor, Plot No.202& 209,  
Sri Ram Nagar Colony,  
(Secretariat Colony), Puppalaguda  
Village, Rajendra Nagar Mandal,  
RR Dist, Hyderabad
35. **Manikonda-2**  
Ground Floor,  
Old Survey No.332 & 333,  
Town Sry No.5 & 6, Block 'B',  
Ward No.13, Shaikpet Village,  
Hyderabad
36. **Manikonda-3**  
Ground Floor, G-8 & G-9, Sy No.262/E,  
Manikonda Jagir Village,  
Rajendra Nagar Mandal, R R Dist
37. **Medchal**  
Ground Floor, Survey No.80/1,  
Medchal Village, Medchal Mandal,  
R R Dist
38. **Miyapur**  
Ground Floor, Sry No.44/1,50 & 51,  
Shop No.2/A, 2/B, 2/C & 2/D, Miyapur,  
Serilingampally Mandal, R R Dist
39. **Moti Nagar**  
Ground Floor, Plot no.32,  
Sy.No.19 & 20, Babbuguda Village,  
Moosapet Gram Panchayat,  
Kukatpally, Municipality, R R Dist
40. **Nagole**  
1 To 6 Survey No 128  
Part and 129/2, Nagole Village,  
LB Nagar Municipality, Hyderabad
41. **Nallakunta**  
Ground Floor, Sy.No.12  
(Old Sy.No.74 & 75)  
Bagh Lingampally, Nallakunta,  
Himayat Nagar Mandal, Hyderabad
42. **Nanakramguda**  
Ground Floor, Sy. No. 142,  
Nanakramguda Village,  
Serilingampally Mandal, R R Dist,
43. **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
44. **Padmarao Nagar**  
Ground Floor, Plot No.6-1-289/7,  
Padmarao Nagar, Secunderabad
45. **Pragati Nagar**  
Plot No.159,160,161,178,179 & 180  
Pragati Nagar, Opp: JNTU,  
Kukatpally, Quthbullapur,  
Hyderabad
46. **Rajeev Nagar**  
Madhura Heights, Ground Floor  
H.No.8-3-167/M/20/6/3/A & B/G-1,  
Rajeev Nagar, Yousufguda,  
Sy No.128/3, Ward No.8, Block no.3,  
Hyderabad
47. **Red Hills**  
11-6-872/1 to 6,  
872/A&B, 872/A/1,  
Lakdikapool, Hyderabad
48. **Sainikpuri**  
Ground Floor, Plot No.833,  
Sy.No.218/1, Defence Colony,  
Malkajigiri Circle, R R Dist
49. **Santhosh Nagar**  
Gilbert Plaza, 12-1-210/4,  
Near 1S-7, Hyderabad

- 50. Shanti Nagar**  
Ground Floor, Premises No.10-2-289/115, Flat no.101,102 & 103, Shanthi Nagar, Masab Tank, Hyderabad
- 51. Sindhi Colony**  
H-No 1-8-142&143, Prendergasth Road, Secunderabad
- 52. Srinagar Colony**  
Door No.8-3-986 & 986/1 Plot No.124, Srinagar Colony, Hyderabad
- 53. Tarnaka**  
Plot No.17, Sy.No.179 (New) Stree No.19, Tarnaka (Lalaguda Village) Secunderabad
- 54. Tirumalagiri**  
Survey No.104, Situated at Pedda Kamala, Near Hasmathpet, Tirumalagiri, Hyderabad
- 55. Uppal Depot**  
Ground Floor, Municipal No.9-68 Plot No.28 & 29, Sy.No.147, East Hanuman Nagar, Boduppal, Gatkesar Mandal, R R Dist
- 56. Vanasthalipuram**  
Plot No 1 & 2, Sy.No 53 & 54, Saheb Nagar Khund Vanasthalipuram, R R Dist
- 57. Vengalrao Nagar**  
Plot No 63/A, Mucipal No 8-3-191/67 Vengalrao Nagar Colony, Hyderabad
- 58. 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 Dist
- 59. 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
- 60. 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. Adambakkam Mart**  
Ground Floor, Plot no.194, Madavakkam Main Road, Adambakkam, Chennai
- 3. Adayar**  
Ground floor, Old no.6/1, New No.17/1, Indira Nagar, 1st Avenue, Adyar, Chennai
- 4. Alwarpet (TTK Road)**  
No.26, TT Krishnamachari Road, Alwarpet, Chennai
- 5. Ayanavaram**  
No.9/5, VP Colony South Street, Ayanavaram, Chennai
- 6. Choolaimedu**  
Greata peral Apartments, No.174, Choolaimedu High Road, Chennai
- 7. Chromepet**  
Ground Floor, Plot No. 322, Old Sy No.489/1, New Survey No.489/1A3, GST Road, Chromepet, Chennai
- 8. Gopalapuram**  
No.17 & 19, Conran Smit Road, Gopalapuram, Chennai
- 9. Hastinapuram**  
Ground Floor, Door No.15, Rajendra Prasad Road, Hastinapuram, Chennai
- 10. Iyappan Thangal**  
Flat No.A & A1, Plot No.36,37,38 & 51, New Patta No. 529, New Sy no's 108/2B & 114/1A2, Subbaiah Nagar, 1st Main Road, Iyappanthangal, Sriperumbudur Taluq, Kancheerapuram Dist, Chennai
- 11. KB Dasan Road**  
New Door No.32, (Old -43), Kavingnar Bharathi Dasan Road, Teynampet, Chennai
- 12. Kotturpuram**  
No.1, 3rd Main Road, Kottur Gardens, Kotturpuram, Chennai
- 13. Madanadhapuram**  
Ground Floor, No.3/568, Kundrathur Main Road, Madanandapuram, Chennai
- 14. Madipakkam**  
"Baggyam Ceilo" Plot no.1 & 2, Bazar Road, Baliah Garden, Madipakkam Village, Chennai
- 15. Maduravoyil**  
Ground Floor, Door No.38, Mount Poonamallee Road, Old Survey No.51/1, New Sy No.51/1A2, Porur Village, Ambattur Taluq, Thiruvallur Dist, Chennai
- 16. Mogappair West**  
PC-1, 80 feet Road, Mogappair west, Chennai
- 17. Mylapore**  
"Rabiya Building", New No.238, Old No.187, Royapettah High Road, Mylapore, Chennai
- 18. Nandanam**  
Ground Floor, Plot No.132, Chamiers Road, Nandanam, Chennai
- 19. New Madipakkam**  
No.9, Madipakkam Main Road, Baliah Garden, Madipakkam, Chennai
- 20. New Nanganallur**  
Old No.37, New NO.23, First Main Road, Nanganallur, Chennai
- 21. Padur**  
Survey No.520/2B, Grnd Floor, Door No.1/362, OMR, 43, Padur Village, Kanchipuram Dist Chennai
- 22. Pallikaranai**  
Natwest Venkatramana Apartments, Plot No.36, Kamakoti Nagar Main Rd, Pallikaranai, Chennai
- 23. Pammal**  
Door No.1, Brindavan Colony, Pammal Main Road, Krishna Nagar, Pammal, Chennai
- 24. Perumbakkam**  
Ground Floor, Plot No.1 & 2, Survey No.429/2C (Part), No.139, Perumbakkam Village, Tambaram Taluk, Kancheepuram Dist, Chennai
- 25. Perungudi**  
Plot No.60, 2nd Main Road, Thirumalai Nagar, Annexe, Perungudi, Chennai

**26. Porur**

Ground Floor, Door No.38,  
Mount Poonamallee Road,  
Old Survey No.51/1,  
New Sy No.51/1A2, Porur illage,  
Ambattur Taluq, Thiruvallur Dist

**27. Secretariate Colony**

Ground Floor, No.72/A,  
Secretariat Colony,  
Medavakkam Tank Road,  
Kellys, Chennai

**28. Shenoy Nagar**

Door no.1/2, 7th Cross Street,  
Pulla Reddy Avenue,  
Shenoy Nagar West, Chennai

**29. T.Nagar**

19/3, Bazullah Road, T.Nagar, Chennai

**30. T.Nagar-2**

Ground Floor,  
"ARSHIYA CHAMBERS",  
House New No.40 (Old no.22),  
Thanikachalam Road,  
T Nagar, Chennai

**31. Tambaram East**

D.No.457/152,  
Velachery Main Road, East  
Tambaram, Chennai

**32. Tambaram west**

New No.2, Venkatesan Street,  
West Tambaram, Chennai

**33. Valasaravakkam**

"Green's Riviera", Door No.75,  
Dr. Radhakrishnan Road,  
Valasaravakkam, Chennai

**34. 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  
Taluq, Bengaluru

**2. Banashankari 2<sup>nd</sup> Stage**

Corporation No.1036, 14th C Main,  
BSK Iind Stage, Bengaluru

**3. Bapusapallya**

Ground Floor, No.2,  
GNR Diamond Park,  
Agara Main Road, Babusabpalya,  
Kalyan Nagar Post, Bengaluru

**4. Basaveshwara Nagar**

Chamundi Towers, Coporation  
No.104, LIC Colony, WOC Road,  
Sri Siddiah Puranik Marg,  
Bhimajyothi Co-operative  
Housing Society  
Basaveshwara Nagar, Bengaluru

**5. Bhoopasandra**

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

**6. Bommanahalli,**

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

**7. BTM Layout**

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

**8. 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

**9. Indira Nagar**

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

**10. 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

**11. Koramangala**

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

**12. Mahalakshmiपुरam**

Ground Floor, No.106,  
6th Main Road, Mahalakshmiपुरam,  
Next to Nandini Theatre, Bengaluru

**13. Malleshwaram**

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

**14. Rammurthy Nagar**

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

**15. Vijaya Bank Colony**

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

**16. 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, A P

**(D) Bakery Division****Uppal (Bakery)**

C- 0, IDA, Uppal,  
Hyderabad, Telangana

**(E) Renewable Energy Division****1. Solar Power Project**

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

**2. Wind Power Project**

**Urvakonda** Sy. No. 40/A2,  
Chinathothur Village, Vajrakarur  
Mandal, Ananthapur Dist  
Andhra Pradesh

## CEO & CFO Certification

(As per Regulation 17(8) of SEBI (LO&DR) Regulation, 2015)

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 March 31, 2016 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 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.
- d. 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

Place : Hyderabad  
Date : May 23, 2016

## AUDITORS' 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 March 31, 2016 as stipulated in clause 49 of the listing agreement/SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 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 statements 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 Clause 49 of the Listing agreement and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

We state that in respect of investor grievances received during the year ended March 31, 2016, 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

Place : Hyderabad  
Date : May 23, 2016

**I Dileep Kumar**  
Partner  
M No. 223943



# Independent Auditor's Report

To

The Members of

**HERITAGE FOODS LIMITED**

(Formerly known as Heritage Foods (India) Limited)

## Report on the Standalone Financial Statements

We have audited the accompanying standalone financial statements of Heritage Foods Limited ('the Company'), which comprise the balance sheet as at 31 March 2016, the statement of profit and loss and the cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

### Management's Responsibility for the Standalone Financial Statement

The Company's Board of Directors is 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 there under.

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. 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, of the state of affairs of the Company as at 31 March 2016 and its profit and its cash flows for the year ended on that date.

### Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure A, a statement on the matters specified in the paragraph 3 and 4 of the order.

2. 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 March 31, 2016 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2016 from being appointed as a director in terms of Section 164 (2) of the Act;
- (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of

such controls, refer to our separate report in "Annexure B"; and

- (g) 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: 30)
  - 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

Date : May 23, 2016  
Place : Hyderabad

**I Dileep Kumar**  
Partner  
M.No: 223943

## Annexure - A to the Auditors' 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 March 31, 2016.

- 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) The title deeds of immovable properties are held in the name of the company.
- ii. The inventory has been physically verified during the year by the management. In our opinion, the frequency of verification is reasonable. Also, discrepancies noticed on such verification have been properly dealt with in the books of accounts.
- iii. The company has not granted any loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under Section 189 of the Act.
- iv. In respect of loans, investments, guarantees, and security, provisions of section 185 and 186 of the Companies Act, 2013 have been complied with.
- v. The Company has not accepted any deposits from the public within the meaning of Sections 73 to 76 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, 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 31.3.2016.  
(b) According to the information and explanations given to us, following are the disputed dues relating to sales tax, which have not been deposited as at 31st march, 2016:

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 of TG and AP
C.S.T ACT	Levy of purchase tax on purchase of milk	37.34	2002-03	High Court of TG and AP
C.S.T ACT	Levy of purchase tax on purchase of milk	1.42	1998-99	High Court of TG and AP
AP VAT	Input tax credit disallowance and others	2.49	2008-09	High Court of TG and AP
TN VAT Act	Input tax credit disallowed	24.38	2013-14	CTO

- viii. The Company has not defaulted in repayment of dues to any bank as at the balance sheet date.
- ix. The company has not raised any money by way of initial public offer or further public offer (Including debt instruments). Further, the term loans taken by the Company were applied for the purpose for which they were obtained.
- x. According to the information and explanations given to us, no material fraud by the Company or on the Company by its officers or employees has been noticed or reported during the course of our audit.

- xi. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has paid/provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Act.
- xii. In our opinion and according to the information and explanations given to us, the Company is not a nidhi company. Accordingly, paragraph 3(xii) of the Order is not applicable.
- xiii. According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.
- xiv. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Accordingly, paragraph 3(xiv) of the Order is not applicable.
- xv. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with him. Accordingly, paragraph 3(xv) of the Order is not applicable.
- xvi. The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act 1934.

For **Raju and Prasad**  
Chartered Accountants  
FRN: 003475S

Date : May 23, 2016  
Place : Hyderabad

**I Dileep Kumar**  
Partner  
M.No: 223943

## Annexure - B to the Auditors' Report

### Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of Heritage Foods Limited ("the Company") as of 31 March 2016 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

#### Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ('ICAI').

These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

#### Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. 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.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

#### Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A Company's internal financial control over financial reporting includes those policies and procedures that:

1. pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company;
2. provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and

3. provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

### **Inherent Limitations of Internal Financial Controls Over Financial Reporting**

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

### **Opinion**

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2016, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For **Raju and Prasad**  
Chartered Accountants  
FRN: 003475S

**I Dileep Kumar**  
Partner  
M.No: 223943

Date : May 23, 2016  
Place : Hyderabad



# Balance Sheet

As at March 31, 2016

₹ in lakhs

Particulars	Notes No.	As at March 31, 2016	As at March 31, 2015
<b>A. EQUITY AND LIABILITIES</b>			
<b>1. SHAREHOLDERS' FUNDS</b>			
a. Share Capital	2	2319.90	2319.90
b. Reserves and Surplus	3	21679.38	16981.26
Sub-Total Shareholders' funds		23999.28	19301.16
<b>2. NON-CURRENT LIABILITIES</b>			
a. Long-term borrowings	4	6584.71	5574.10
b. Deferred tax liabilities (Net)	5	1867.72	1881.06
c. Other Long term liabilities	6	1045.32	999.78
d. Long term provisions	7	551.54	156.51
Sub-Total Non-Current Liabilities		10049.29	8611.45
<b>3. CURRENT LIABILITIES</b>			
a. Short-term borrowings	8	3925.16	8673.49
b. Trade payables :	9		
(i) Total outstanding dues of micro enterprises and small enterprises		474.03	159.83
(ii) Total outstanding dues of creditors other than micro enterprises and small enterprises		7992.90	7592.87
c. Other current liabilities	10	9469.71	6776.82
d. Short-term provisions	11	1582.15	1466.27
Sub-Total Current Liabilities		23443.95	24669.28
<b>TOTAL EQUITY AND LIABILITIES</b>		57492.52	52581.89
<b>B. ASSETS</b>			
<b>1. NON-CURRENT ASSETS</b>			
a. Fixed assets			
i) Tangible assets	12	31038.44	27817.91
ii) Intangible assets	12	164.12	247.52
iii) Capital work-in-progress	12	958.79	899.68
Total - a		32161.35	28965.11
b. Non-current investments	13	96.19	96.49
c. Long term loans and advances	14	2371.52	2085.17
d. Other non-current assets	15	68.37	73.29
Sub-Total Non-Current Assets		34697.43	31220.06
<b>2. CURRENT ASSETS</b>			
a. Current Investments	13	1.65	1.10
b. Inventories	17	14491.11	13936.88
c. Trade receivables	18	2878.60	2423.58
d. Cash and Bank balances	19	4522.71	4067.86
e. Short-term loans and advances	14	680.88	775.79
f. Other current assets	16	220.14	156.62
Sub-Total Current Assets		22795.09	21361.83
<b>TOTAL ASSETS</b>		57492.52	52581.89
Significant Accounting Policies	1		
Notes on Accounts	(2 to 47)		

As per our report attached

For and on behalf of the Board

For **Raju & Prasad**

Chartered Accountants

FRN: 0034755

**N Bhuvaneswari**

Vice Chairperson &amp; Managing Director

DIN : 00003741

**N Brahmani**

Executive Director

DIN: 02338940

**I Dileep Kumar**

Partner

Membership No.223943

Date : May 23, 2016

Place : 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, 2016

₹ in lakhs

Particulars	Notes No.	Year Ended March 31, 2016	Year Ended March 31, 2015
<b>1. Revenue from operations (Gross)</b>	20	<b>238162.13</b>	207402.61
Less : Excise Duty		<b>103.80</b>	105.96
<b>Revenue from operations (Net)</b>		<b>238058.33</b>	207296.65
<b>2. Other Income</b>	21	<b>654.96</b>	702.66
<b>3. TOTAL REVENUE (1 +2)</b>		<b>238713.29</b>	207999.31
<b>4. EXPENSES:</b>			
a. Cost of materials consumed	22	<b>141378.79</b>	131393.51
b. Purchase of Stock-in-Trade	23	<b>49296.66</b>	42184.17
c. Changes in inventories of finished goods, work-in- progress and Stock-in-Trade	24	<b>(2808.46)</b>	(5079.25)
d. Power and fuel		<b>2943.24</b>	2766.16
e. Employee benefits expense	25	<b>13999.11</b>	11072.42
f. Finance costs	26	<b>1545.89</b>	1593.01
g. Depreciation and amortization expense	27	<b>3451.21</b>	3399.03
h. Other expenses	28	<b>20171.65</b>	16756.35
<b>TOTAL EXPENSES</b>		<b>229978.09</b>	204085.40
<b>5. Profit before exceptional and extraordinary items and tax (3-4)</b>		<b>8735.20</b>	3913.91
<b>6. Exceptional Items</b>	29	<b>136.95</b>	-
<b>7. Profit before extraordinary items and tax (5 -6)</b>		<b>8598.25</b>	3913.91
<b>8. Extraordinary Items</b>		<b>-</b>	-
<b>9. Profit before tax (7 - 8)</b>		<b>8598.25</b>	3913.91
<b>10. Tax expense:</b>			
a. Current tax		<b>3086.50</b>	1169.36
b. Prior period tax		<b>(18.06)</b>	(0.45)
c. Deferred tax		<b>(13.34)</b>	(76.02)
<b>11. Profit for the year (9-10)</b>		<b>5543.15</b>	2821.02
<b>12. Earning per equity share of ₹ 10/-each:</b>			
a. Before Extraordinary items			
i. Basic		<b>23.89</b>	12.16
ii. Diluted		<b>23.89</b>	12.16
b. After Extraordinary items			
i. Basic		<b>23.89</b>	12.16
ii. Diluted		<b>23.89</b>	12.16
Significant Accounting Policies	1		
Notes on Accounts	(2 to 47)		

As per our report attached

For and on behalf of the Board

For **Raju & Prasad**

Chartered Accountants

FRN: 003475S

**N Bhuvaneswari**

Vice Chairperson & Managing Director

DIN : 00003741

**N Brahmani**

Executive Director

DIN: 02338940

**I Dileep Kumar**

Partner

Membership No.223943

Date : May 23, 2016

Place : 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, 2016

₹ in lakhs

PARTICULARS	Year Ended March 31, 2016	Year Ended March 31, 2015
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>		
Net Profit /(Loss) before tax and extra-ordinary items	8598.25	3913.91
Non-cash adjustment to reconcile profit before tax to net cash flows		
Depreciation / amortization	3451.21	3399.03
Loss on Impairment of Assets	51.56	15.58
Diminution in value of Investments	-	1.24
Interest expense	1460.35	1495.05
Foreign exchange (gain)/loss , net	1.99	-
Subsidy transferred to P&L	(7.38)	(8.23)
Interest income	(61.01)	(37.41)
Provision for Wealth Tax	-	0.91
Provision for Interest on income tax	37.85	15.50
Provisions no longer required and Credit balances written back	(214.42)	(359.55)
Provision for Unavailed Leave	404.85	159.26
Bad Debts / Advances written off	55.95	22.58
Provision for doubtful debts/ advances	125.74	78.61
Dividend received	(3.06)	(0.04)
<b>Operating cash flow before Working Capital Changes</b>	<b>13901.88</b>	<b>8696.44</b>
<b>Movements in working capital :</b>		
Increase / (decrease) in trade payables	928.66	1214.60
Increase / (decrease) in other current liabilities	2054.66	(417.21)
Increase / (decrease) in other long term liabilities	45.55	65.39
Decrease/ (increase) in trade receivables	(576.48)	(833.85)
Decrease/ (increase) in inventories	(554.23)	(3081.49)
Decrease / (increase) in long term loans and advances	(321.52)	(179.76)
Decrease / (increase) in short term loans and advances	34.68	688.67
Decrease / (increase) in other current assets	(63.52)	(16.43)
Decrease / (increase) in other non-current assets	1.42	3.38
Cash Generated from /(used in) operations	15451.09	6139.74
Direct taxes paid (net of refunds)	(2962.39)	(979.06)
<b>Net Cash flow from/(used) in Operating activities before extra-ordinary items</b>	<b>12488.70</b>	<b>5160.68</b>
Less: Extra-ordinary items	-	-
<b>Net Cash flow from /(used) in Operating activities (A)</b>	<b>12488.70</b>	<b>5160.68</b>

# Cash Flow Statement

For the year ended March 31, 2016

₹ in lakhs

PARTICULARS	Year Ended March 31, 2016	Year Ended March 31, 2015
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchase of Fixed Assets, including intangible assets, cwip and capital advances	(6837.72)	(5116.39)
Proceeds from sale of Fixed Assets	180.71	321.50
Purchase of Current / non-current investments	(0.25)	(0.25)
(Investment) in / redemption of bank deposits having original maturity more than three months	6.78	9.94
Interest received	61.01	37.41
Dividend received	3.06	0.04
<b>Net Cash used in Investing Activities (B)</b>	<b>(6586.41)</b>	<b>(4747.75)</b>
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>		
Proceeds from long-term borrowings	3171.75	3150.00
Repayment of long-term borrowings	(1560.96)	(1411.63)
Short-term borrowings (net)	(4748.33)	(151.70)
Interest paid	(1466.97)	(1549.73)
Change in Unclaimed dividend	(11.65)	(10.72)
Dividend paid (including dividend tax)	(837.65)	(814.25)
<b>Net Cash flow from /(Used) in Financing Activities ( C )</b>	<b>(5453.81)</b>	<b>(788.03)</b>
Net increase /(decrease) in cash and cash equivalents (A+B+C)	448.48	(375.10)
Cash and Cash equivalents at the beginning of the year	3993.70	4368.80
Effect of foreign exchange gain /(loss)	(1.99)	-
Cash and Cash equivalents at the end of the year	4440.19	3993.70
<b>Components of cash and cash equivalents</b>		
Cash on hand	265.45	275.05
Cheques / drafts on hand	-	31.95
Balances with banks in current accounts	4174.74	3686.70
Total cash and cash equivalents	4440.19	3993.70
Significant accounting policies (1)		
Notes on accounts (2 to 48)		

As per our report attached

For **Raju & Prasad**

Chartered Accountants

FRN: 0034755

**I Dileep Kumar**

Partner

Membership No.223943

Date : May 23, 2016

Place : 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

# Significant Accounting Policies and Notes on Account

## 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.

Incentives which are ascertainable are recognised as and when accrued.

## 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.

**Finance leases (Lessee):** A finance lease is a lease that transfers substantially all the risks and rewards incidental to ownership of an asset. The lower of the fair value of the assets and present value of the minimum lease rentals is capitalized as fixed assets with corresponding amount shown as lease liability. The principle component in the lease rental is adjusted against the lease liability and the interest component is charged to profit and loss account.

### 1.14 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 Consum-ables	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

### 1.15 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”

# Notes to Financial Statements

## Note 2 : Share Capital

(₹ in lakhs)

Particulars	As at March 31, 2016	As at March 31, 2015
<b>a) Authorised Share Capital</b>		
i) Equity Share Capital		
4,80,00,000 Equity Shares of ₹ 10/- each	<b>4800.00</b>	4800.00
(Previous year : 4,80,00,000 Equity Shares of ₹ 10/- each )		
ii) Convertible cumulative Preference Share Capital		
20,00,000 Preference Shares of ₹ 10/- each	<b>200.00</b>	200.00
( Previous Year 20,00,000 Convertible cumulative Preference Shares of ₹ 10/- each)		
<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	<b>2319.90</b>	2319.90
(Previous year 2,31,99,000 Equity Shares of ₹ 10/- each)		

## c) Reconciliation of number of equity shares outstanding and the amount of share capital

Particulars	March 31, 2016		March 31, 2015	
	Number of Shares	Amount (₹ in lakhs)	Number of Shares	Amount (₹ in lakhs)
Shares Outstanding at the beginning of the year	<b>23199000</b>	<b>2319.90</b>	23199000	2319.90
Shares issued during the year	-	-	-	-
Shares bought back during the year	-	-	-	-
Shares outstanding at the end of the year	<b>23199000</b>	<b>2319.90</b>	23199000	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 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 shareholders.

### e) Details of Shareholders holding more than 5% shares in the Company

Name of Shareholder	March 31, 2016		March 31, 2015	
	No. of Shares held	% of holding	No. of Shares held	% of holding
Equity Shares of ₹ 10/- each fully paid				
1. Nara Bhuvaneshwari	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. Megabid Finance & Investment Pvt Ltd	1223800	5.28	1223800	5.28
5. V Sudha Sarada	1191182	5.13	1271000	5.48

### f) Aggregate number of shares allotted for consideration other than cash during the period of five years immediately preceding the reporting date :

Particulars	March 31, 2016 No. of Shares	March 31, 2015 No. of Shares	March 31, 2014 No. of Shares	March 31, 2013 No. of Shares	March 31, 2012 No. of Shares
Equity Shares allotted as fully paid up as Sweat Equity	70000	70000	70000	70000	-
shares for consideration other than cash					
Equity Shares allotted as fully paid-up as Bonus shares for consideration other than cash	11599500	11599500	11599500	-	-

### Note 3: Reserves and Surplus

(₹ in lakhs)

Particulars	As at March 31, 2016	As at March 31, 2015
<b>a) Capital Reserve (Deferred Government Grants)</b>		
Opening Balance	59.51	67.74
Add: Subsidy Received during the year	-	-
Less: Transfer to Statement of Profit and Loss	7.38	8.23
<b>Closing Balance</b>	<b>52.13</b>	<b>59.51</b>
<b>b) Capital Redemption Reserve</b>		
Opening Balance	81.00	81.00
Add: Current year transfer	-	-
Less: Written back in current year	-	-
<b>Closing Balance</b>	<b>81.00</b>	<b>81.00</b>
<b>c) Securities Premium Reserve</b>		
Opening Balance	3784.14	3784.14
Add: Securities premium credited	-	-
Less: Security Premium utilized	-	-
<b>Closing Balance</b>	<b>3784.14</b>	<b>3784.14</b>
<b>d) Warrants Money Appropriated</b>		
Opening Balance	318.69	318.69
Add: Current year transfer	-	-
Less: Written back in current year	-	-
<b>Closing Balance</b>	<b>318.69</b>	<b>318.69</b>

Particulars	As at March 31, 2016	As at March 31, 2015
<b>e) General Reserve</b>		
Opening Balance	6427.39	6000.71
Add: Transferred from Surplus	1000.00	1000.00
	7427.39	7000.71
Less: (Previous year depreciation and amortisation for the period prior to April 1, 2014)*	-	573.32
<b>Closing Balance</b>	<b>7427.39</b>	<b>6427.39</b>
* 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 asset of ₹ 295.22 lakhs) is adjusted in the General Reserve		
<b>f) Surplus / (Deficit)</b>		
Opening Balance	6310.53	5327.16
Add: Net Profit / (Net Loss) after tax transferred from Statement of Profit and Loss	5543.15	2821.02
Amount available for appropriations	11853.68	8148.18
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	141.68
<b>Closing Balance</b>	<b>10016.03</b>	<b>6310.53</b>
<b>Total</b>	<b>21679.38</b>	<b>16981.26</b>

## NON-CURRENT LIABILITIES :

### Note 4: Long-Term Borrowings

(₹ in lakhs)

Particulars	Non-Current		Current Maturities	
	As at March 31, 2016	As at March 31, 2015	As at March 31, 2016	As at March 31, 2015
<b>a) Term Loans</b>				
i) From banks (secured)				
- Indian rupee loans	5604.45	4686.25	2038.49	1431.25
- Foreign currency loans	-	-	-	-
ii) From others (secured)	-	-	-	36.32
<b>Total (a)</b>	<b>5604.45</b>	<b>4686.25</b>	<b>2038.49</b>	<b>1467.57</b>
<b>b) Deferred Payment liabilities</b>				
Sales tax deferment (secured)	864.98	887.85	22.88	25.23
<b>c) Loans and Advances from related parties</b>				
Loan (unsecured)	-	-	-	-
<b>d) Finance lease obligations</b>	<b>115.28</b>	<b>-</b>	<b>31.61</b>	<b>-</b>
<b>Total (a+b+c+d)</b>	<b>6584.71</b>	<b>5574.10</b>	<b>2092.98</b>	<b>1492.80</b>

Installments falling due in respect of the above loans upto March 31, 2017 is ₹ 2092.98 lakhs (Installments falling due in respect of loans upto March 31, 2016: (Prv year ₹ 1492.80 lakhs plus ₹ 68.17 lakhs paid during the year 2015-16 out of Term loan drawn during the year 2015-16 ) have been grouped under " Current maturities of long term borrowings " (Ref Note 10)



## 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
		31.03.2016	31.03.2015				
<b>a. Indian Rupee Loans from Banks</b>							
1. Rupee Term Loan	ICICI Bank	-	25.00	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
2. Rupee Term Loan	ICICI Bank	270.83	487.50	1300.00	9.5% per annum (Previous year :9.5% per annum)	First pari passu charge on entire 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 24 quarterly installments commencing from August, 2011
3. Rupee Term Loan	ICICI Bank	750.00	1375.00	2500.00	IBASE and spread per annum plus applicable interest tax or other statutory levy if any (Previous year: 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 )	First pari passu charge on entire 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 December, 2012
4. Rupee Term Loan	ICICI Bank	840.00	1080.00	1200.00	IBASE and spread per annum plus 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 entire 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

(₹ In lakhs)

Type of Loan		Name of the Bank	Loan Outstanding As on		Loan Drawn	Rate of Interest	Security / Guarantee	Repayment Terms
			31.03.2016	31.03.2015				
5.	Rupee Term Loan	ICICI Bank	1,432.47	-	1432.47	IBASE and spread per annum plus applicable interest tax or other statutory levy if any (Previous year:Nil)	First pari passu charge on entire movable and immovable fixed assets of the Company, second pari pasu charge on entire current assets of the Company both present and future along with other term lenders	Repayable in 20 quarterly installments commencing from December, 2016
6.	Rupee Term Loan	Bank of Baroda	766.67	350.00	800.00	@base rate plus 0.75% (Previous year :@base rate plus 1.75%)	First pari passu charge on entire fixed assets of the Company, second pari passu charge on current assets of the Company along with other lenders	Repayable in 24 quarterly installments commencing from Jan, 2016
7.	Rupee Term Loan	Andhra Bank	1,275.00	1,500.00	1500.00	@base rate plus 0.25% (Previous year :@base rate plus spread 2% plus term premium 0.25% )	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 along with consortium banks and Yes Bank	Repayable in 16 quarterly installments commencing from Sep, 2015
8.	Rupee Term Loan	Yes Bank	937.50	1,000.00	1000.00	@base rate plus 1.25% (Previous year :@base rate plus 1.25%)	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
9.	Rupee Term Loan	Yes Bank	649.87	300.00	700.00	@base rate plus 0.75% (Previous year :@base rate plus 0.75%)	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
10.	Rupee Term Loan	HDFC Bank	720.60	-	720.60	0.15% over the banks base rate (Previous year : Nil)	Hypothecation of movable assets wrt the Wind Power project being part funded by the bank	Repayable in 24 quarterly installments commencing from May, 2017
	Total rupee loans from banks		7,642.94	6,117.50				
b)	Term loans from others (secured) includes :							
1.	Retail Finance (Auto- Loan)	BMW Financial Services	-	36.32	94.75	(Previous Year :Interest at the rate of 9.89% per annum)	Hypothecation of Vehicle	Repayable in 30 monthly installments commencing from August, 2013
	Total Rupee Term Loans (a+b)		7,642.94	6,153.82				

**Deferred Payment Liabilities**

Deferred Payment Liabilities represent sales tax collected under deferrment scheme which shall we repaid by 2014 in case of Gokul plant and by 2023 in case of Bayyavaram plant.

Finance lease obligations : Finance lease represent Data Processing Equipment obtained on finance lease. The lease obligations payable w.e.f Jul'2015 for a period of 5 years.

### Note 5: Deferred Tax Liability (Net)

(₹ in lakhs)

Particulars	As at March 31, 2016	As at March 31, 2015
<b>a) Deferred Tax Liability :</b>		
Opening Deferred Tax Liability	2132.61	2444.99
Add: Deferred Tax Liability during the year on account of :		
Depreciation	238.52	(312.38)
(Previous year :Net of deferred tax asset of ₹ 295.22 lakhs on account of depreciation - Ref Note 3)		
<b>Closing Deferred Tax Liability</b>	<b>2371.13</b>	2132.61
<b>b) Deferred Tax Asset :</b>		
Opening Deferred Tax Asset	251.55	192.69
Add: Deferred Tax Asset during the year on account of :		
Provision for unavailed leave & Bonus	251.86	58.86
<b>Closing Deferred Tax Asset</b>	<b>503.41</b>	251.55
Net Deferred Tax Liability there on	1867.72	1881.06
Major components of deferred tax arising on account of timing differences are:		
<b>a) Deferred Tax liabilities:</b>		
Depreciation	2371.13	2132.61
<b>b) Deferred Tax Asset:</b>		
Provision for unavailed leave & Bonus	503.41	251.55

### Note 6: Other Long-Term Liabilities

(₹ in lakhs)

Particulars	As at March 31, 2016	As at March 31, 2015
Others :		
Security Deposits	1045.32	999.78
<b>Total</b>	<b>1045.32</b>	999.78

### Note 7: Long-Term Provisions

(₹ in lakhs)

Particulars	Long - Term		Short Term	
	As at March 31, 2016	As at March 31, 2015	As at March 31, 2016	As at March 31, 2015
<b>Provision for employee benefits</b>				
Unavailed Leave	551.54	156.51	559.95	569.64
Gratuity	-	-	19.52	-
<b>Other Provisions</b>				
Proposed Dividend	-	-	695.97	695.97
Provision for tax on dividend	-	-	141.68	141.68
Provision for Income Tax (Net of advance tax)	-	-	165.03	58.98
<b>Total</b>	<b>551.54</b>	156.51	<b>1582.15</b>	1466.27

**CURRENT LIABILITIES :****Note 8: Short-Term Borrowings**

(₹ in lakhs)

Particulars	As at March 31, 2016	As at March 31, 2015
<b>Loan Repayable on demand:</b>		
a) Working Capital Loan from banks (secured)	<b>3925.16</b>	6185.62
b) Short -Term Loans from banks (secured)	-	2487.87
<b>Total</b>	<b>3925.16</b>	8673.49

**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
			31.03.2016	31.03.2015			
i)	Bank of Baroda	Cash Credit	<b>885.82</b>	2,713.03	₹ 4000 lakhs with sublimit of ₹ 800 lakhs for Agri Division (Previous year : ₹ 4000 lakhs)	Base rate plus 0.75% (Previous Year: Base rate plus 2.25% )	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 to secure the working capital limits of Bank of Baroda, Andhra Bank and ICICI Bank Limited
ii)	Andhra Bank	Open Cash Credit	<b>2,268.53</b>	1,455.17	₹ 2500 lakhs (Previous year : ₹ 2500 lakhs)	Base rate plus 0.25% (Previous Year: Base rate plus 2.25% )	Hypothecation of entire current assets of the Company both present and future including inventory and receivables by way of first pari passu charge along with other consortium banks. Extension of first pari passu charge on net fixed assets of the Company along with consortium banks and Yes Bank Limited
iii)	ICICI Bank	Cash Credit	<b>770.81</b>	2,017.42	₹ 3500 lakhs with sublimit of WCDL- Rupee (Previous Year: ₹ 3500 lakhs (with sublimit of WCDL- Rupee)	IBASE and "spread" per annum subject to minimum rate of I Base plus 1.60% 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 2.50% 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 movable and immovable fixed assets of the Company.
<b>Total (i+ii+iii)</b>			<b>3,925.16</b>	6,185.62	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
			31.03.2016	31.03.2015				
i.	Kotak Mahindra Bank	Short Term Loan	-	1,422.12	Nil (Previous Year : ₹ 1500 lakhs )	Nil (Previous year :@11.5%)	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 installments on 25th day of 4th,5th and 6th months respectively (Maximum 180 days from the date of disbursement)
ii.	HDFC Bank	Short Term Loan	-	1,000.00	Nil (Previous Year : ₹ 1000 lakhs )	Nil (Previous year :@ base rate plus 0.75%)	Unsecured	Repayable in six months from the date of disbursement
iii.	Kotak Mahindra Bank	Over Draft	-	65.75	Nil (Previous Year : ₹ 100 lakhs)	Nil (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 (i+ii+iii)</b>		-	2,487.87				
	<b>Total Short Term Borrowings (a+b)</b>		<b>3,925.16</b>	<b>8,673.49</b>				

(₹ in ulakhs)

<b>c) Aggregate amount of loan repayable on demand guaranteed by :</b>		<b>As at March 31, 2016</b>	<b>As at March 31, 2015</b>
<b>Executive Director of the Company :</b>			
Loans outstanding amount		-	1487.87
Loans guaranteed		-	1600.00

**Note 9 Trade Payables**

(₹ in lakhs)

Particulars	<b>As at March 31, 2016</b>	<b>As at March 31, 2015</b>
<b>Trade Payables :</b>		
(i) Total outstanding dues of micro enterprises and small enterprises	<b>474.03</b>	159.83
(ii) Total outstanding dues of creditors other than micro enterprises and small enterprises	<b>7992.90</b>	7592.87
<b>Total</b>	<b>8466.93</b>	7752.70

**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)
<b>March 31, 2016</b>	<b>58.26</b>	<b>1.17</b>	<b>Nil</b>	<b>1.17</b>	<b>1.17</b>	<b>1.17</b>
March 31, 2015	8.78	1.55	Nil	1.55	1.55	1.55

**Note 10 Other Current Liabilities**

(₹ in lakhs)

Particulars	As at March 31, 2016	As at March 31, 2015
<b>Current maturities of long-term borrowings (Ref Note 4):</b>		
Term Loans	<b>2038.49</b>	1467.57
Finance Lease Obligations	<b>31.61</b>	-
Deferred payment liabilities	<b>22.88</b>	25.23
<b>Total</b>	<b>2092.98</b>	1492.80
Interest Accrued but not due on borrowings	<b>25.47</b>	38.77
Interest accrued and due on borrowings	-	-
Unpaid Dividends (Ref Note. 31)	<b>64.44</b>	52.80
<b>Other Payables :</b>		
Employee Related payables	<b>2164.29</b>	1158.51
Advance from Customers	<b>798.89</b>	607.22
Capital Creditors	<b>878.72</b>	404.14
Statutory Payables	<b>516.93</b>	515.32
Security Deposits	<b>328.87</b>	336.48
Freight Payables	<b>645.77</b>	574.35
Other payables	<b>1953.35</b>	1596.43
<b>Total</b>	<b>9469.71</b>	6776.82

**Note 11: Short Term Provisions**

(₹ in lakhs)

Particulars	As at March 31, 2016	As at March 31, 2015
<b>Provision for employee benefits :</b>		
Unavailed Leave	<b>559.95</b>	569.64
Gratuity	<b>19.52</b>	-
<b>Other Provisions :</b>		
Proposed Dividend	<b>695.97</b>	695.97
Provision for tax on proposed dividend	<b>141.68</b>	141.68
Provision for Income Tax (Net of advance tax)	<b>165.03</b>	58.98
<b>Total</b>	<b>1582.15</b>	1466.27



## NON-CURRENT ASSETS

### Note.12 Fixed Assets

Particulars	Gross Block			Accumulated Depreciation / Amortization					Net Block	
	Balance as at 01.04.2015	*Additions / other adjustments during the year	Deductions / Retirement during the year	Balance as at 31.03.2016	Depreciation charge for the year	Deductions / adjustments during the year	# Impairment loss for the year	** General Reserve	Balance as at 31.03.2016	Balance as at 01.04.2015
<b>a. Tangible Assets</b>										
<b>i. Owned Assets :</b>										
Land	1894.99	119.11	-	2014.10	-	-	-	-	2014.10	1894.99
Buildings	10309.46	762.21	1.14	11070.53	348.94	0.26	-	-	7708.12	7295.72
Improvements to lease-hold property	1692.36	87.01	27.36	1752.01	214.18	18.10	-	-	635.45	771.87
Plant and Machinery	25549.22	5162.65	1017.42	29694.45	2317.35	892.77	49.24	-	11525.30	15497.74
Furniture and Fixtures	2159.22	87.60	42.94	2203.88	147.63	30.30	0.09	-	951.15	1325.49
Office Equipment (Owned)	2733.78	359.74	88.89	3004.63	253.97	80.87	2.22	-	2110.60	798.50
Vehicles	405.73	12.92	15.95	402.70	51.68	14.38	0.01	-	209.44	233.60
<b>Total - Owned Assets</b>	44744.76	6591.24	1193.70	50142.30	3333.75	1036.68	51.56	-	19275.46	27817.91
<b>ii. Leasehold Assets :</b>										
Office Equipment (under finance lease)	-	192.17	-	192.17	20.56	-	-	-	20.56	-
<b>Total - Leased Assets</b>	-	192.17	-	192.17	20.56	-	-	-	20.56	-
<b>Total - Tangible Assets</b>	44744.76	6783.41	1193.70	50334.47	3354.31	1036.68	51.56	-	19296.03	27817.91
<b>b. Intangible Assets (Owned)</b>										
Computer Software	1489.21	13.50	-	1502.71	96.90	-	-	-	1338.59	247.52
<b>Total -b</b>	1489.21	13.50	-	1502.71	96.90	-	-	-	1338.59	247.52
<b>Total (a+b)</b>	46233.96	6796.92	1193.70	51837.18	3451.21	1036.68	51.56	-	20634.62	28065.43
Previous year	41963.25	5521.95	1251.23	46233.96	3399.03	929.73	15.58	868.54	18168.54	28065.43
<b>c. Capital Work-in-progress</b>	899.68	6856.03	6796.92	958.79					958.79	899.68
Previous year	1111.81	5309.82	5521.95	899.68						

\* As per Accounting Standard AS-16, during the year, borrowing cost of ₹ 30.25 lakhs (Previous year: ₹ 55.31 lakhs) has been capitalized to Plant & Machinery, ₹ 9.22 lakhs (Previous year: ₹ 32.03 lakhs) to Buildings and ₹ 0.11 lakhs (Previous year: ₹ Nil) to Office Equipment. It is included in other adjustments.

\*\* (Previous Year: 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 Asset of ₹ 295.22 lakhs) is adjusted in the General Reserve).

Details of impairment losses :

Particulars	2015-2016	2014-2015	2013-2014	2012-2013	2011-2012
Balance as at the beginning of the year	52.48	36.90	5.87	5.53	0.42
# Impairment loss during the year	51.56	15.58	32.49	0.34	5.11
Reversal of accumulated impairment loss	0.00	-	1.46	-	-
Balance as at the end of the year	104.04	52.48	36.90	5.87	5.53

(₹ in lakhs)

**Note 13 : Investments**

(₹ in lakhs)

Particulars	Non-Current		Current	
	As at March 31, 2016	As at March 31, 2015	As at March 31, 2016	As at March 31, 2015
<b>A. Trade Investments:</b>				
Other non-current investments	1.13	1.13		
<b>B. Other Investments (Non-Traded):</b>				
I. Investment in Equity Instruments				
a) Subsidiaries	24.10	24.10	-	-
Less: Provision for diminution in the value of investments	16.41	16.41	-	-
	7.69	7.69	-	-
b) Associates	65.00	65.00	-	-
II. Investment in Government securities	2.37	2.67	1.65	1.10
III. Other non-current investments	20.00	20.00	-	-
<b>Total (B)</b>	<b>95.06</b>	<b>95.36</b>	<b>1.65</b>	<b>1.10</b>
<b>Total (A+B)</b>	<b>96.19</b>	<b>96.49</b>	<b>1.65</b>	<b>1.10</b>

(₹ in lakhs)

Particulars	Book Value		Market value	
	March 31, 2016	March 31, 2015	March 31, 2016	March 31, 2015
Aggregate of quoted investments	1.13	1.13	2.75	3.13
Aggregate of un-quoted investments	96.71	96.46		
<b>Total</b>	<b>97.84</b>	<b>97.59</b>		

(₹ in lakhs)

Name of the Body Corporate	Quoted / Unquoted	As at March 31, 2016	As at March 31, 2015
<b>A. Details of Trade Investments :</b>			
<b>Andhra Bank</b> 363 Equity Shares of ₹ 10/- each fully paid up (Previous year:363 Equity shares of ₹ 10/- each fully paid up)	Quoted	0.33	0.33
<b>Bank of Baroda</b> 1740 Equity shares of ₹ 2/- each at fully paid up (Previous year:1740 Equity shares of ₹ 2/- each fully paid up)	Quoted	0.80	0.80
<b>Total</b>		<b>1.13</b>	<b>1.13</b>
<b>B. Details of Other Investments (Non-Traded)</b>			
<b>I a. Investment in Subsidiaries:</b>			
<b>i) Heritage Foods Retail Limited</b> 165000 Equity Shares of ₹ 10/-each fully paid up (Previous year: 165000 Equity Shares of ₹ 10/- each fully paid up) Less: Provision for diminution in value of investments	Unquoted	16.50	16.50
<b>Net Investment value</b>		<b>13.80</b>	<b>13.80</b>
<b>ii) Heritage Conpro Limited</b> 76000 Equity Shares of ₹ 10/- each fully paid up (Previous year: 76000 Equity Shares of ₹ 10/- each fully paid up) Less: Provision for diminution in value of investments	Unquoted	2.70	2.70
<b>Net Investment value</b>		<b>7.60</b>	<b>7.60</b>
<b>Total investments in Subsidiaries (a+b)</b>		<b>7.69</b>	<b>7.69</b>

Name of the Body Corporate	Quoted / Unquoted	As at March 31, 2016	As at March 31, 2015
<b>I b. Investment in Associates :</b>			
<b>Skil Raigam Power (India) Limited</b> 650000 Equity Shares of ₹ 10/-each fully paid up (Previous year: 650000 Equity Shares of ₹ 10/- each fully paid up)	Unquoted	<b>65.00</b>	65.00
<b>Total</b>		<b>65.00</b>	65.00
<b>II. Investment in Government securities</b>			
National Savings Certificates	Unquoted	<b>4.02</b>	3.77
<b>Total</b>		<b>4.02</b>	3.77
<b>III. Other investments in :</b>			
<b>Heritage Finlease Limited</b> 200000 Equity shares of ₹ 10/- each fully paid up (Previous year: 200000 Equity Shares of ₹ 10/- each fully paid up)	Unquoted	<b>20.00</b>	20.00
<b>Total</b>		<b>20.00</b>	20.00
<b>Total Other investments (Non-traded)</b>		<b>96.71</b>	96.46

**Note: 14 Loans and Advances**

(₹ in lakhs)

Particulars	Non - Current		Current	
	As at March 31, 2016	As at March 31, 2015	As at March 31, 2016	As at March 31, 2015
<b>a) Capital Advances</b>				
Unsecured , considered good	44.40	79.57	-	-
Doubtful	10.23	-	-	-
	54.63	79.57	-	-
Less: Provision for doubtful advances	10.23	-	-	-
<b>Total</b>	44.40	79.57	-	-
<b>b) Security Deposits</b>				
Unsecured , considered good	2194.16	1856.22	309.68	373.47
Doubtful	-	-	81.89	43.54
	2194.16	1856.22	391.57	417.00
Less: Provision for doubtful security deposit	-	-	81.89	43.54
<b>Total</b>	2194.16	1856.22	309.68	373.47
<b>c) Advances recoverable in cash or kind</b>				
Unsecured , considered good	-	-	341.47	338.09
Doubtful	-	-	17.05	31.41
	-	-	358.52	369.50
Less: Provision for doubtful advances	-	-	17.05	31.41
<b>Total</b>	-	-	341.47	338.09
<b>d) Loans and Advances to related parties</b>	-	-	-	-
<b>e) Other loans and advances</b>				
Unsecured , considered good :				
Loans and advances to employees	5.90	22.32	26.94	61.57
Balances with Statutory / Government Authorities	127.06	127.06	2.79	2.66
Advances to subsidiaries	-	-	-	-
<b>Total</b>	132.97	149.38	29.73	64.23
<b>Total (a+b+c+d+e)</b>	2371.52	2085.17	680.88	775.79

**Loans and advances due by directors or other officers etc.**

(₹ in lakhs)

Particulars	Non - Current		Current	
	As at March 31, 2016	As at March 31, 2015	As at March 31, 2016	As at March 31, 2015
Loans and advances due by directors	-	-	-	-
Loans and advances to employees include dues from				
Other officers of the Company	4.69	16.47	11.77	20.92

### Note: 15 Other non-current assets

(₹ in lakhs)

Particulars	Non - Current	
	As at March 31, 2016	As at March 31, 2015
<b>Others :</b>		
Unsecured, considered good unless stated otherwise		
Non-current bank balances (Ref Note 19)	50.82	55.11
Interest accrued on margin money and other deposits (Ref Note 19)	12.26	11.47
Prepaid expenses	5.29	6.71
<b>Total</b>	<b>68.37</b>	<b>73.29</b>

### Note: 16 Other current assets

(₹ in lakhs)

Particulars	As at March 31, 2016	As at March 31, 2015
Unsecured, considered good unless stated otherwise		
Prepaid expenses	214.47	151.71
Interest accrued on margin money and other deposits	5.67	4.91
<b>Total</b>	<b>220.14</b>	<b>156.62</b>

### Note 17 : Inventories

(₹ in lakhs)

Particulars	As at March 31, 2016	As at March 31, 2015
(Valued at lower of cost or net realisable value except Packing Material & stores and spares)		
Raw Materials [(Includes in-transit of ₹ Nil) (Previous year : ₹ 155.54 lakhs)]	124.94	2339.16
Work-in-Progress	42.77	24.51
Finished Goods	8706.02	6330.19
Stock-in-Trade	4742.28	4327.93
Packing Material (Valued at cost) (Includes in-transit of ₹ 51.24 lakhs) (Previous year: Nil)	672.05	731.47
Stores and spares (valued at cost) (Includes in-transit of ₹ 27.08 lakhs) (Previous year: Nil)	203.05	183.62
<b>Total</b>	<b>14491.11</b>	<b>13936.88</b>

#### Details of Inventory

(₹ in lakhs)

Particulars	As at March 31, 2016	As at March 31, 2015
<b>A. Inventory : Raw Materials</b>		
a) Dairy		
Milk	3.06	-
Skimmed milk powder	34.43	2220.98
Other materials	72.29	103.49
<b>Total</b>	<b>109.78</b>	<b>2324.47</b>
b) Bakery		
Bakery raw materials	15.16	14.69
<b>Total</b>	<b>15.16</b>	<b>14.69</b>
<b>Total (a + b)</b>	<b>124.94</b>	<b>2339.16</b>

Particulars	As at March 31, 2016	As at March 31, 2015
<b>B. Inventory: Work-in-Progress</b>		
a) Dairy-in-process material	42.52	24.37
b) Bakery-in-process material	0.25	0.14
<b>Total</b>	42.77	24.51
<b>C. Inventory: Finished Goods</b>		
a) Dairy		
Milk	950.94	1024.09
Value Added Products	571.53	479.55
Fat Products	1280.36	2575.92
Skimmed milk powder	5876.98	2166.36
<b>Total</b>	8679.81	6245.92
b) Agri		
Fruits and vegetables	22.71	81.17
<b>Total</b>	22.71	81.17
c) Bakery		
Bakery products	3.20	3.10
<b>Total</b>	3.20	3.10
d) Renewable Energy	0.30	
<b>Total (a + b + c + d)</b>	8706.02	6330.19
<b>D. Inventory: Stock-in-Trade</b>		
a) Dairy		
Tradable goods	51.36	74.51
<b>Total</b>	51.36	74.51
b) Retail		
FMCG - Food	2424.57	1995.78
FMCG - Non-food	2201.84	2214.23
Fruits and vegetables	61.56	38.04
<b>Total</b>	4687.97	4248.05
c) Agri		
Fruits	-	-
Others	2.95	5.37
<b>Total</b>	2.95	5.37
d) Bakery		
FMCG - Food	-	-
<b>Total</b>	-	-
<b>Total (a + b + c + d)</b>	4742.28	4327.93



## Note: 18 Trade Receivables

(₹ in lakhs)

Particulars	Current	
	As at March 31, 2016	As at March 31, 2015
<b>A. Trade receivables outstanding for a period exceeding six months</b>		
from the date they are due for payment		
a) Unsecured, considered good	218.63	50.40
b) Unsecured, considered doubtful	90.84	70.96
<b>Total (a+b)</b>	<b>309.47</b>	<b>121.36</b>
Less : Provision for bad and doubtful receivables	90.84	70.96
<b>Total - A</b>	<b>218.63</b>	<b>50.40</b>
<b>B. Other trade receivables</b>		
a) Unsecured, considered good	2659.97	2373.18
b) Unsecured, considered doubtful	8.83	0.39
<b>Total (a+b)</b>	<b>2668.80</b>	<b>2373.57</b>
Less : Provision for bad and doubtful receivables	8.83	0.39
<b>Total - B</b>	<b>2659.97</b>	<b>2373.18</b>
<b>Grand total (A+B)</b>	<b>2878.60</b>	<b>2423.58</b>
Debts due by directors	-	-

## Note: 19 Cash and Bank Balances

(₹ in lakhs)

Particulars	Non - Current		Current	
	As at March 31, 2016	As at March 31, 2015	As at March 31, 2016	As at March 31, 2015
<b>i) Cash and Cash Equivalents :</b>				
a) Balances with banks:				
In current accounts			4174.74	3686.70
Deposits with original maturity of less than three months			-	-
b) Cheques, drafts on hand			-	31.95
c) Cash on hand			265.45	275.05
<b>Total Cash and Cash Equivalents</b>			<b>4440.19</b>	<b>3993.70</b>
<b>ii) Other Bank Balances :</b>				
a) Earmarked balance with bank:				
- Unpaid dividend	-	-	64.44	52.80
- Other deposits	16.09	12.60	1.77	-
b) Margin money deposit	46.99	53.98	16.31	21.36
c) Deposits with original maturity for more than 12 months	-	-	-	-
<b>Total Other Bank Balances</b>	<b>63.08</b>	<b>66.58</b>	<b>82.52</b>	<b>74.16</b>
<b>Total Cash and Bank Balances</b>	<b>63.08</b>	<b>66.58</b>	<b>4522.71</b>	<b>4067.86</b>

Non-current portion of other bank balances are included in other non-current assets (Ref.Note 15)

**Note :20 Revenue from operations**

(₹ in lakhs)

Particulars	Year Ended March 31, 2016	Year Ended March 31, 2015
<b>Revenue from operations :</b>		
<b>A) Sale of Products</b>		
i) Finished goods		
Domestic Sales	172053.78	151786.34
Export Sales	544.46	356.57
<b>Total (i)</b>	172598.24	152142.91
ii) Traded goods		
Domestic Sales	59092.99	50589.64
Export Sales	918.50	88.23
<b>Total (ii)</b>	60011.49	50677.87
<b>Total</b>		
Domestic Sales	231146.77	202375.98
Export Sales	1462.96	444.80
<b>Total - A (i+ii)</b>	232609.73	202820.78
<b>B) Sale of services</b>		
Job work	389.39	633.31
<b>C) Other operating revenues</b>		
Scrap Sales	75.29	97.03
Others :		
i) Display & Visibility Income	327.51	314.57
ii) Promotional Income	4462.72	3322.87
iii) Concessionary income	237.99	203.93
iv) REC Credits	59.50	10.12
<b>Total - C</b>	5163.01	3948.52
<b>Revenue from operations (gross) (A+B+C)</b>	238162.13	207402.61
Less: Excise duty	103.80	105.96
<b>Revenue from operations (net)</b>	238058.33	207296.65
<b>A. Details of products sold</b>		
i) Finished goods sold		
a) Dairy		
Milk	108961.64	107672.56
Value Added Products	37183.70	30670.00
Fat Products	23544.85	11602.63
Skimmed milk powder	660.27	76.41
<b>Total</b>	170350.46	150021.60
b) Agri		
Fruits and Vegetables	1701.85	1797.81
c) Bakery		
Bakery products	545.93	323.50
<b>Total (a+b+c)</b>	172598.24	152142.91
ii) Traded goods sold		
a) Dairy		
Tradable goods	3639.20	2757.93
<b>Total</b>	3639.20	2757.93

Particulars	Year Ended March 31, 2016	Year Ended March 31, 2015
b) Retail		
FMCG - Food	33144.37	27558.37
FMCG - Non-Food	12487.75	11209.53
Fruits and Vegetables	7334.71	6584.88
<b>Total</b>	<b>52966.83</b>	<b>45352.78</b>
c) Agri		
Fruits and Vegetables	-	-
Other Tradable goods	3336.33	2507.43
<b>Total</b>	<b>3336.33</b>	<b>2507.43</b>
d) Bakery		
Tradable goods	69.13	59.74
	69.13	59.74
<b>Total (a+b+c+d)</b>	<b>60011.49</b>	<b>50677.87</b>
<b>B) Details of sale of services</b>		
a) Dairy	349.81	607.38
b) Agri	39.58	25.93
<b>Total (a+b)</b>	<b>389.39</b>	<b>633.31</b>
<b>C) Details of other operating revenues</b>		
a) Dairy	27.13	60.58
b) Retail	5074.69	3875.96
c) Agri	0.74	0.82
d) Bakery	0.95	1.04
e) Renewable Energy	59.50	10.12
<b>Total (a+b+c+d+e)</b>	<b>5163.01</b>	<b>3948.52</b>

## Note: 21 Other Income

(₹ in lakhs)

Particulars	Year Ended March 31, 2016	Year Ended March 31, 2015
<b>a) Interest Income on :</b>		
Bank and other deposits	29.62	29.12
Others	31.39	8.29
<b>b) Dividend Income on :</b>		
Long-term investments	3.06	0.04
<b>c) Subsidy transferred from Deferred Govt.grants</b>	<b>7.38</b>	<b>8.23</b>
<b>d) Lease rental income</b>	<b>161.13</b>	<b>154.11</b>
<b>e) Provisions no longer required/Credit Balances written back</b>	<b>214.42</b>	<b>359.55</b>
<b>f) Incentives (Includes Export Incentives)</b>	<b>67.65</b>	<b>-</b>
<b>g) Profit on Sale of Assets (Net)</b>	<b>23.69</b>	<b>57.67</b>
<b>h) Other non-operating income</b>	<b>116.62</b>	<b>85.65</b>
	<b>654.96</b>	<b>702.66</b>

**Note : 22 Cost of materials consumed**

(₹ in lakhs)

Particulars	Year Ended March 31, 2016	Year Ended March 31, 2015
<b>a) Raw material :</b>		
Inventory at the beginning of the year	2339.16	4287.74
Add: Purchases	133384.40	123823.30
	135723.56	128111.04
Less: Inventory at the end of the year	124.93	2339.16
Raw Material consumed (a)	135598.63	125771.88
<b>b) Packing material :</b>		
Inventory at the beginning of the year	731.47	790.69
Add: Purchases	5720.74	5562.42
	6452.21	6353.10
Less: Inventory at the end of the year	672.05	731.47
Packing Material Consumed (b)	5780.16	5621.63
Cost of materials consumed (a+b)	141378.79	131393.51
<b>Details of Raw materials consumed</b>		
a) Dairy		
Raw Milk	127539.95	111783.37
Skimmed Milk Powder	3493.50	8906.87
Other Raw materials	1135.80	1696.47
<b>Total</b>	132169.25	122386.71
b) Agri		
Fruits and Vegetables	3170.69	3201.70
<b>Total</b>	3170.69	3201.70
c) Bakery		
Bakery raw materials	258.69	183.47
<b>Total</b>	258.69	183.47
<b>Total (a + b + c)</b>	135598.63	125771.88

**Note : 23 Purchase of Stock-in-Trade**

(₹ in lakhs)

Particulars	Year Ended March 31, 2016	Year Ended March 31, 2015
FMCG - Food	28194.95	21902.47
FMCG - Non-Food	10877.84	10231.32
Fruits and Vegetables	3736.67	4975.30
Others	6487.20	5075.08
<b>Total</b>	49296.66	42184.17
<b>Details of purchase of Stock-in-Trade</b>		
a) Dairy		
Tradable Goods	1017.00	617.93
b) Retail		
FMCG - Food	28194.95	21902.47
FMCG - Non-Food	10877.84	10231.32
Fruits and Vegetables	3736.67	4975.30
Other Tradable goods	-	-
<b>Total</b>	42809.46	37109.09

Particulars	Year Ended March 31, 2016	Year Ended March 31, 2015
c) Agri		
Fruits and Vegetables	-	-
Other Tradable goods	5376.14	4381.03
<b>Total</b>	<b>5376.14</b>	<b>4381.03</b>
d) Bakery		
Tradable goods	94.06	76.12
<b>Total</b>	<b>94.06</b>	<b>76.12</b>
<b>Total (a + b + c+d)</b>	<b>49296.66</b>	<b>42184.17</b>

### Note : 24 Changes in inventories of finished goods, work-in-progress and Stock-in-Trade

(₹ in lakhs)

Particulars	Year Ended March 31, 2016	Year Ended March 31, 2015
<b>A) Inventory at the end of the year :</b>		
Work-in-progress	42.77	24.51
Finished goods	8706.02	6330.18
Stock-in-Trade	4742.29	4327.93
<b>Total - A</b>	<b>13491.08</b>	<b>10682.62</b>
<b>B) Inventory at the beginning 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 - B</b>	<b>10682.62</b>	<b>5603.37</b>
Changes in inventories of finished goods, work-in-progress and stock-in-trade (B-A)	<b>(2808.46)</b>	<b>(5079.25)</b>

### Note : 25 Employee benefit expense

(₹ in lakhs)

Particulars	Year Ended March 31, 2016	Year Ended March 31, 2015
Salaries, wages, bonus and allowances (Refer Note 32)	12803.25	10081.81
Provident and other funds	610.43	542.80
Gratuity (Refer Note 32)	155.79	134.17
Staff Welfare Expenses	429.64	313.64
<b>Total</b>	<b>13999.11</b>	<b>11072.42</b>

### Note: 26 Finance costs

(₹ in lakhs)

Particulars	Year Ended March 31, 2016	Year Ended March 31, 2015
Interest Expense	1460.35	1495.05
Other borrowing cost	47.69	82.46
Applicable loss on foreign currency transactions and translation	-	-
Interest on income tax	37.85	15.50
<b>Total</b>	<b>1545.89</b>	<b>1593.01</b>

**Note: 27 Depreciation and amortization expense**

(₹ in lakhs)

Particulars	Year Ended March 31, 2016	Year Ended March 31, 2015
Depreciation on tangible assets	3354.37	3279.19
Amortization of Intangible assets	96.84	119.84
<b>Total</b>	<b>3451.21</b>	<b>3399.03</b>

**Note: 28 Other expenses**

(₹ in lakhs)

Particulars	Year Ended March 31, 2016	Year Ended March 31, 2015
Consumption of Stores ,spares and consumables	1365.68	1124.15
Rent (Refer Note 35)	3162.88	2764.27
Bank Charges	156.85	165.23
Insurance	96.33	92.30
Travelling and conveyance	433.57	383.51
Communication cost	268.87	234.73
Safety and Security	720.10	539.38
Printing and Stationery	142.63	117.67
Office Maintenance	74.92	59.13
House Keeping Expenses	189.60	152.78
Books and periodicals	0.87	0.92
Electricity Charges	1158.11	871.39
Rates and taxes	277.66	205.29
Repairs and maintenance		
Buildings	69.82	63.12
Machinery	214.48	174.81
Others	514.11	508.77
Wheeling Charges	51.46	66.89
Operation & Maintenance Charges	22.46	21.20
Legal and Professional Charges	571.40	501.86
Payment to Auditors :		
As Auditor:		
Audit Fee	16.03	15.73
Tax Audit fee	8.02	7.87
Limited Review	3.43	3.37
Corporate Governance	1.15	1.12
In other capacity :		
Taxation matters	9.06	3.89
Certification fee	3.21	4.28
Reimbursement of expenses	5.09	2.95
Advertisement expenses	487.95	264.55
Selling and Distribution expenses	1699.54	1248.68
Warehouse and logistics	293.06	280.84
Freight outwards	7562.15	6522.58
Directors' sitting fees	13.89	11.87
Provision for bad and doubtful advances	47.11	17.09
Bad Debts written off	42.82	9.81
Bad and doubtful advances written off	13.13	12.77
Provision for doubtful debts	78.63	61.52
Impairment loss on fixed assets	51.56	15.58



Particulars	Year Ended March 31, 2016	Year Ended March 31, 2015
Recruitment and Training expenses	60.11	27.52
Contribution to Heritage Farmers Welfare Trust	160.16	103.04
Exchange differences (net) (other than considered as finance cost)	3.75	1.17
Prior Period items (net) *	(11.58)	1.33
Corporate Social Responsibility expenditure (Ref Note.44)	99.16	69.63
Miscellaneous expenses	32.42	20.52
Diminution in value of investments	0.00	1.24
<b>Total</b>	<b>20171.65</b>	<b>16756.35</b>
*Prior period items (net):		
Debits relating to earlier years	6.51	1.33
Credits relating to earlier years	18.09	-
<b>Total</b>	<b>(11.58)</b>	<b>1.33</b>

### Note : 29 Exceptional item :

(₹ in lakhs)

Particulars	As at March 31, 2016	As at March 31, 2015
Exceptional items related to additional provision for bonus for the year 2014-15 as per the Payment of Bonus (Amendment Act),2015. (Previous year : Nil)	136.95	-

### Note: 30 Contingent liabilities and commitments (to the extent not provided for)

(₹ in lakhs)

Particulars	As at March 31, 2016	As at March 31, 2015
<b>A. Contingent Liabilities</b>		
i. Claims against the company not acknowledged as debt :		
a) Tax matters in appeal :		
Income Tax	332.32	475.68
Sales Tax	166.38	166.38
The Andhra Pradesh VAT Act	128.86	201.89
Excise duty	13.26	-
b) Others	16.20	16.20
ii. Guarantees	230.24	373.99
iii. Other money for which the company is contingently liable :		
a) 'C' forms under collection	694.63	379.30
(Against all the above ₹ 138.77 lakhs (Previous year : 171.21 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) Land is under dispute	15.69	
<b>B. Commitments</b>		
i. Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances)	84.72	780.82
ii. Other commitments :		
- Export obligation upto the year 2022-23 against import of capital goods under EPCG scheme	3725.44	4280.49

**Note: 31 Investor Education and Protection Fund**

(₹ in lakhs)

Particulars	As at March 31, 2016	As at March 31, 2015
Unclaimed Dividend		
Opening Balance	52.80	42.07
Less Claims during the year	1.10	0.64
Less: Transfer to IEPF	5.30	7.01
Add: Current year's unclaimed dividend	18.04	18.37
Closing Balance (Refer Note 10)	64.44	52.80
There is no amount outstanding to be credited to the Investor Education and Protection Fund		

**Note: 32 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, 2016	Year Ended March 31, 2015
Employers Contribution to Provident Fund	494.19	438.56

**Defined Benefit Plan :**

Gratuity (Funded) : As per Actuarial Report dated 19.04.2016

(₹ in lakhs)

Particulars	As at 31-Mar-2016	As at 31-Mar-2015
<b>1. Assumption</b>		
Discount Rate	7.90%	7.80%
Salary Escalation	5.00%	5.00%
Rate of Return on Plan Assets	9.00%	9.00%
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	540.33	405.76
Acquisition adjustments	-	-
Interest cost	42.15	36.52
Current Service Cost	107.00	95.56
Curtailment Cost / (Credit)	-	-
Settlement Cost / (Credit)	-	-
Benefits paid	(87.59)	(40.86)
Actuarial (gain)/ loss on obligations	12.34	43.35
Present value of obligations as at end of year	614.22	540.33
<b>3. Table showing changes in the fair value of plan assets</b>		
Fair value of plan assets at beginning of year	550.80	486.84
Opening balance adjustment	2.00	(12.63)
Acquisition adjustments	-	-
Expected return on plan assets	3.70	41.26
Contributions	125.80	76.18
Benefits paid	(87.59)	(40.86)
Actuarial gain / (loss) on plan assets	-	-
Fair value of plan assets at end of year	594.70	550.80

Particulars	As at 31-Mar-2016	As at 31-Mar-2015
<b>4. Table showing fair value of plan assets</b>		
Fair value of plan assets at beginning of year	550.80	486.84
Opening balance adjustments	2.00	(12.63)
Acquisition adjustments	-	-
Actual return on plan assets	3.70	41.26
Contributions	125.80	76.18
Benefits paid	(87.59)	(40.86)
Fair value of plan assets at the end of year	594.70	550.80
Funded Status	(19.52)	10.47
Excess of Actual over estimated return on plan assets	-	-
<b>5. Acturial Gain / Loss recognised</b>		
Acturial (gain)/ loss on obligations	(12.34)	(43.35)
Acturial (gain)/ loss for the year -plan assets	-	-
Total (gain) / loss for the year	12.34	43.35
Acturial (gain)/ loss recognised in the year	12.34	43.35
<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	614.22	540.33
Fair value of plan assets as at the end of the year	594.70	550.80
Funded Status	(19.52)	10.47
Net asset/ (liability) recognised in balance sheet	(19.52)	10.47
<b>7. Expenses Recognised in the statement of profit and loss</b>		
Current Service Cost	107.00	95.56
Opening balance adjustment	(2.00)	-
Past Service Cost	-	-
Interest cost	42.15	36.52
Expected return on plan assets	(3.70)	(41.26)
Curtailment Cost / (Credit)	-	-
Settlement Cost / (Credit)	-	-
Net Acturial (gain) / loss recognised in the year	12.34	43.35
Expenses recognised in statement of profit and loss (Refer Note 25)	155.79	134.17

**Amounts for the current and previous four financial years (for Gratuity)**

Particulars	As at 31-Mar-2016	As at 31-Mar-2015	As at 31-Mar-2014	As at 31-Mar-2013	As at 31-Mar-2012
Present value of defined benefit obligations	614.22	540.33	405.76	369.92	271.00
Fair value of plan assets	594.70	550.80	486.84	382.06	280.21
Deficit /(Surplus) in the plan assets	19.52	(10.47)	(81.08)	(12.14)	(9.21)

**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 :**

Earned Leave &amp; Sick Leave(Unfunded):

As per Actuarial Report dated 26.04.2016

(₹ in lakhs)

<b>1 Assumptions</b>	<b>Earned Leave</b>		<b>Sick Leave</b>	
<b>Particulars</b>	<b>As at 31-Mar-2016</b>	<b>As at 31-Mar-2015</b>	<b>As at 31-Mar-2016</b>	<b>As at 31-Mar-2015</b>
Discount Rate	7.90%	7.80%	7.90%	7.80%
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	24 Yrs	25 Yrs
<b>2. Reconciliation of Defined benefit obligation</b>				
Present Value of Obligation as at the beginning of the year	614.89	472.47	111.26	94.42
Acquisition adjustment	-	-	-	-
Interest Cost	47.96	42.52	8.68	8.50
Past Service Cost	-	-	-	-
Current Service Cost	309.40	142.42	75.93	16.84
Curtailment Cost / (Credit)	-	-	-	-
Settlement Cost / (Credit)	-	-	-	-
Benefits paid	(189.30)	(124.67)	(22.56)	(19.49)
Actuarial (gain)/ loss on obligations	141.34	82.14	13.88	10.99
Present Value of Obligation as at the end of the year	924.29	614.89	187.19	111.26
<b>3. Actuarial Gain / Loss Recognised</b>				
Actuarial (gain)/loss for the year – Obligation	(141.34)	(82.14)	(13.88)	(10.99)
Actuarial gain/(loss) for the year - Plan Assets	-	-	-	-
Total (gain) / loss for the year	141.34	82.14	13.88	10.99
Actuarial (gain) / loss recognized in the year	141.34	82.14	13.88	10.99
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>				
Present Value of Obligation as at the end of the year	924.29	614.89	187.19	111.26
Value of Plan Provisions as at the end of the year	-	-	-	-
Funded Status	(924.29)	(614.89)	(187.19)	(111.26)
Unrecognized Actuarial (gains) / losses	-	-	-	-
Net Asset / (Liability) Recognized in Balance Sheet	(924.29)	(614.89)	(187.19)	(111.26)
<b>5. Expenses Recognized in the statement of Profit &amp; Loss</b>				
Current Service Cost	309.40	142.42	75.93	16.84
Past Service Cost	-	-	-	-
Interest Cost	47.96	42.52	8.68	8.50
Expected Return on Plan Assets	-	-	-	-
Curtailment Cost / (Credit)	-	-	-	-
Settlement Cost / (Credit)	-	-	-	-
Net actuarial (gain)/ loss recognized in the year	141.34	82.14	13.88	10.99
Expenses Recognized in the statement of Profit & Loss (Refer Note 25 - included in Salaries, wages ,bonus and allowances)	498.70	267.08	98.49	36.33

**Amounts for the current and previous four financial years (for Earned Leave)**

(₹ in lakhs)

Particulars	As at 31-Mar-2016	As at 31-Mar-2015	As at 31-Mar-2014	As at 31-Mar-2013	As at 31-Mar-2012
Present value of defined benefit obligations	924.29	614.89	472.47	429.55	381.06
Deficit in the plan assets	(924.29)	(614.89)	(472.47)	(429.55)	(381.06)

**Amounts for the current and previous four financial years (for Sick Leave)**

(₹ in lakhs)

Particulars	As at 31-Mar-2016	As at 31-Mar-2015	As at 31-Mar-2014	As at 31-Mar-2013	As at 31-Mar-2012
Present value of defined benefit obligations	187.19	111.26	94.42	84.43	62.44
Deficit in the plan assets	(187.19)	(111.26)	(94.42)	(84.43)	(62.44)

**Note:** Details of experience adjustments arising on plan liabilities have not been disclosed in the absence of relevant information

**Note: 33 Segment reporting for the year ended March 31, 2016**

As per the Accounting Standard (AS- 17), the Company has identified Dairy, Retail, Agri, Bakery and Renewable Energy segments as reportable segments.

Dairy segment mainly deals with procuring milk, processing and selling of milk, value added products, fat products, Skimmed milk powder, Tradable goods and job work. Retail segment mainly deals with buying and selling of FMCG-Food, FMCG-Non-Food and Fruits and vegetables. Agri segment mainly deals with procuring, processing and selling of Fruits and Vegetables, Tradable goods and job works. Bakery segment mainly deals with procurement, production and selling of bakery products. Renewable Energy segment mainly deals with generating and supply of solar power and wind power to the Dairy segment for its captive consumption.

(₹ in lakhs)

Particulars	As at March 31, 2016			As at March 31, 2015		
	External Revenue	Inter-segment Revenue	Total	External Revenue	Inter-segment Revenue	Total
<b>1. Segment Revenue:</b>						
a. Dairy	174276.95	2603.18	176880.13	153354.44	2231.27	155585.71
b. Retail	58041.54	244.95	58286.49	49228.74	168.26	49397.00
c. Agri	5078.50	4489.22	9567.72	4331.99	4068.17	8400.16
d. Bakery	601.84	210.19	812.03	371.37	217.56	588.92
e. Renewable Energy	59.50	244.80	304.30	10.12	246.92	257.04
<b>Total</b>	<b>238058.33</b>	<b>7792.34</b>	<b>245850.67</b>	207296.65	6932.18	214228.83
Inter-segment-eliminations	-	7792.34	7792.34	-	6932.18	6932.18
Net Sales / Income from Operations	<b>238058.33</b>	-	<b>238058.33</b>	207296.65	-	207296.65

	As at March 31, 2016	As at March 31, 2015
<b>2. Segment Results</b>		
Profit / (Loss) before finance costs and tax		
a. Dairy	11532.19	6717.47
b. Retail	(1380.99)	(1107.36)
c. Agri	(135.78)	(125.47)
d. Bakery	(61.52)	(84.46)
e. Renewable Energy	126.17	70.53
<b>Total Segment Results</b>	<b>10080.07</b>	<b>5470.72</b>
Less: Finance costs	1545.89	1593.01
Add: Interest income	61.01	37.41
Add: Net Unallocable Income / (Expenditure)	3.06	(1.20)
Profit / (Loss) before Extra-ordinary items and Tax	8598.25	3913.91
Less: Extra-ordinary items	-	-
Profit / (Loss) before Tax	8598.25	3913.91
Less:		
a. Current tax	3086.50	1169.36
b. Prior period tax	(18.06)	(0.45)
c. Deferred tax	(13.34)	(76.02)
<b>Net Profit / (Loss)</b>	<b>5543.15</b>	<b>2821.03</b>
<b>3. Total Capital Employed</b>		
(Segment Assets - Segment Liabilities)		
a. Dairy	19573.68	18687.40
b. Retail	8632.26	8877.41
c. Agri	3211.28	3135.91
d. Bakery	1064.32	1075.13
e. Renewable Energy	2609.15	1588.95
Total Segment Capital Employed	35090.69	33364.81
Add: Unallocated Assets	1321.59	1272.23
Less: Unallocated Liabilities	1623.39	1049.83
<b>Total Capital Employed</b>	<b>34788.90</b>	<b>33587.21</b>
<b>4. Capital Expenditure incurred during the year</b>		
a. Dairy	3869.29	3865.69
b. Retail	1337.02	1588.94
c. Agri	38.55	36.35
d. Bakery	100.31	8.29
e. Renewable Energy	1402.39	-
Total Segment Capital Expenditure	6747.56	5499.27
Add: Unallocated Capital Expenditure	49.36	22.69
<b>Total Capital Expenditure</b>	<b>6796.92</b>	<b>5521.96</b>
<b>5. Depreciation and Amortisation for the year</b>		
Segment Depreciation		
a. Dairy	2021.84	1987.76
b. Retail	922.91	888.50
c. Agri	229.00	228.19
d. Bakery	80.90	82.08
e. Renewable Energy	81.92	81.05
Total Segment Depreciation and Amortisation	3336.57	3267.59
Add: Unallocated Depreciation	114.64	131.44
<b>Total Depreciation and Amortisation</b>	<b>3451.21</b>	<b>3399.03</b>
<b>6. Significant Non Cash Expenditure (excluding depreciation and amortisation)</b>	<b>830.43</b>	<b>398.82</b>



## Note: 34 Related party disclosures as per AS-18 :

### A. Relationships :

#### i) Subsidiary Companies

- Heritage Foods Retail Limited
- Heritage Conpro Limited

#### iii) Key Management Personnel :

- N Bhuvaneshwari  
Vice Chairperson & Managing Director
- N Brahmani  
Executive Director
- K Durga Prasada Rao  
Whole-time Director
- A Prabhakara Naidu  
Chief Financial Officer
- Umakanta Barik  
Company Secretary

#### ii) Associate :

- SKIL Raigam Power (India) Limited

#### iv) Other Related Parties :

- Heritage Farmers Welfare Trust
- Heritage Finlease Limited
- Heritage Employee Welfare Trust

#### v) Relatives of Key Management Personnel and their enterprises

##### A) where transactions have taken place

- NTR Memorial Trust
- N Lokesh - Non-Executive Director
- Sunkara Vasavi

##### B) where no transactions have taken place

- Nirvana Holdings Private Limited

Name of the related party ==> Particulars	N	N Bhuvaneshwari	N Lokesh	K Durga Prasada Rao	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	Heritage Employee Welfare Trust	Sunkara Vasavi
Description of the Relationship between the parties	Key Management Personnel (Vice Chairperson & Managing Director)	Key Management Personnel (Executive Director)	Relative of Key Management Personnel (Non-Executive Director)	Key Management Personnel (Whole-time Director) (part of the year)	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 Farmers Welfare Trust	Key Management Personnel of Heritage Employee Welfare Trust	Relative of Key Management Personnel of Heritage Foods Ltd
Description of the nature of transactions	a) Managerial Services b) Rental agreement	Managerial Services	Sitting Fee	Managerial Services	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	Contributions made by the Company	Lease Rentals

Name of the related party ==>	N	N Bhuaneswari	N Brahmani	N Lokesh	K Durga Prasada Rao	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	Heritage Employee Welfare Trust	Sunkara Vasavi
Particulars	Volume of the transactions either as an amount or as appropriate proportion	a) Managerial Remuneration of ₹ 102.00 lakhs (Previous year: ₹ 120 lakhs) b) PF contribution of ₹ 7.34 lakhs (Previous year: ₹ 8.64 lakhs) c) Perks ₹ 10.54 lakhs (Previous year: ₹ 10.68 lakhs) d) Leave Encashment of ₹ Nil (Previous year: ₹ Nil) e) Commission: ₹ 365.59 lakhs (Previous year: ₹ 88.77 lakhs) f) Office rent of ₹ 52.60 lakhs paid by Company (Previous year: ₹ 49.40 lakhs)	a) Managerial Remuneration of ₹ 57.83 lakhs (Previous year: ₹ 60 lakhs) b) PF contribution of ₹ 4.16 lakhs (Previous year: ₹ 4.32 lakhs) c) Perks : 5 lakhs (Previous year: 6.95 lakhs) d) Commission: ₹ 319.68 lakhs (Previous year: 108.61 lakhs)	Sitting Fee of ₹ 1.90 lakhs (Previous year: ₹ 1.50 lakhs)	a) Managerial Remuneration of ₹ 21 lakhs (Previous year: ₹ 24 lakhs) b) PF contribution of ₹ 1.51 lakhs (Previous year: 1.73 lakhs) c) Perks : lakhs (Previous year: lakhs) c) Perks : 6.75lakhs (Previous year: ₹ Nil)	a) Share Capital ₹ 20 lakhs (Previous year: ₹ 20 lakhs) b) Dividend Received ₹ 3.0 lakhs (Previous year: ₹ Nil) c) Cattle loans of ₹ 6606 lakhs (Previous year: ₹ 5769.47 lakhs) given by Heritage Finlease Limited to the milk producers are recovered by the Company and remitted subsequently to Heritage Finlease Ltd	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 : ₹ 39.05 lakhs (Previous Year : ₹ 34.85 lakhs) b) Perks: ₹ 0.15 lakhs (Previous year : ₹ 0.15 lakhs) c) PF Contribution of ₹ 2.11 lakhs (Previous Year: ₹ 1.89 lakhs)	a) Salary : ₹ 19.32 lakhs (Previous year : ₹ 17.24 lakhs) b) Perks: ₹ 0.15 lakhs (Previous year : ₹ 0.15 lakhs) c) PF Contribution of ₹ 1.05 lakhs (Previous Year: ₹ 0.94 lakhs)	Contributions by the Company during the year: ₹ 99.16 lakhs (Previous year: 69.63 lakhs)	Contributions by the Company during the year: ₹ 160.16 lakhs (Previous year: 103.04 lakhs)	Contributions by the Company during the year: ₹ 69.09 lakhs (Previous year: 48.69 lakhs)	Rent ₹ 3.14 lakhs (Previous Year: ₹ 2.88 lakhs)

Name of the related party ==>	N	N Brahmani	N Lokesh	K Durga Prasada Rao	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	Heritage Employee Welfare Trust	Sunkara Vasavi
Particulars	Managerial Remuneration was approved by Shareholders	Managerial Remuneration was approved by Shareholders		Managerial Remuneration was approved by Shareholders	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
Any other elements of the related party transactions in the financial statements Guarantees and collaterals	<p>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.</p> <p>The loan was repaid during the year, guarantee was discharged and security was released. (Previous year : The above securities was given for ₹ 100 lakhs).</p>													

Name of the related party ==>	N	N Brahmani	N Lokesh	K Durga Prasada Rao	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	Heritage Employee Welfare Trust	Sunkara Vasavi
Particulars		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. The loan was repaid during the year, guarantee was discharged and security was released. (Previous year : The above securities was given for ₹ 1500 lakhs).												

Name of the related party ==> Particulars	N Bhuvaneswari	N Brahmani	N Lokesh	K Durga Prasada Rao	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	Heritage Employee Welfare Trust	Sunkara Vasavi
The amounts or appropriate proportions of outstanding items pertaining to related parties at the Balance Sheet date	₹ 347.79 lakhs (Previous year: ₹ 76.62 lakhs)	₹ 321.23 lakhs (Previous year: ₹ 111.83 lakhs)	NIL	₹ Nil (Previous year: ₹ 1.88 lakhs)	₹ 201.82 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: ₹ 199.93 lakhs)	NIL	NIL	NIL	Nil (Previous year: ₹ 2.07 lakhs)	Nil (Previous year: ₹ 1.21 lakhs)	Nil	Contribution amount outstanding: ₹ 20.87 lakhs the same has been remitted subsequently (Previous year: ₹ 15.94 lakhs)	Contribution amount outstanding: ₹ 19.81 lakhs the same has been remitted subsequently (Previous year: ₹ 8.82 lakhs)	₹ 0.30 lakhs (Previous Year: ₹ 0.30 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
Provision for diminution in value of Investments	NIL	NIL	NIL	NIL	NIL	Nil (Previous Year: ₹ 13.80 lakhs)	Nil (Previous Year: ₹ 2.61 lakhs)	NIL				NIL	NIL	NIL

**Note: 35 Lease**

(₹ in lakhs)

Particulars	As at March 31, 2016	As at March 31, 2015
<b>a) Non-cancellable Operating Leases:</b>		
Data Processing Equipments obtained on non-cancellable operating lease		
The aggregate future minimum lease rentals payable:		
i) for a period not later than one year	23.23	44.65
ii) for a period later than one year and not later than five years	-	23.23
iii) for a period later than five years	-	-
Total operating lease expenses debited to statement of profit and loss is ₹ 3162.88 lakhs (Previous year : ₹ 2764.27 lakhs) Total sub-lease payments received /(receivable) credited to statement of profit and loss is ₹ Nil (Previous year : ₹ Nil)		
<b>b) Outstanding lease obligations:</b>		
<b>Finance lease obligations</b>		
Leasehold Office Equipment include Data Processing Equipment obtained on finance lease. The term of lease is for 5 years. The future minimum lease payments and their present values as at March 31, 2016 and as at March 31, 2015 are as follows.		

Particulars	Total Minimum Lease Payments Outstanding		Future Interest on outstanding Lease Payments		Present Value of minimum lease payments	
	as at March 31, 2016	as at March 31, 2015	as at March 31, 2016	as at March 31, 2015	as at March 31, 2016	as at March 31, 2015
i) Not later than one year	44.85	-	13.24	-	31.61	-
ii) Later than one year and not later than five years	134.54	-	19.26	-	115.28	-
iii) Later than five years		-	-	-	-	-
<b>Total</b>	<b>179.39</b>		<b>32.50</b>	-	<b>146.89</b>	-

**Note: 36 Earning per share (EPS)**

	Year Ended March 31, 2016	Year Ended March 31, 2015
<b>a) Calculation of weighted average number of equity shares of ₹ 10/-each :</b>		
Number of Equity Shares outstanding at the beginning of the year	23199000	23199000
Add: Issue of Equity shares during the year	-	-
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>b) Net Profit / (Loss) before tax</b>	<b>8598.25</b>	<b>3913.91</b>
<b>c) Net Profit / (Loss) after tax before extraordinary items</b>	<b>5543.15</b>	<b>2821.02</b>
<b>d) Net Profit / (Loss) after tax and extraordinary items</b>	<b>5543.15</b>	<b>2821.02</b>
<b>e) Basic and diluted Earnings per share (Before Extraordinary items) of ₹ 10 each (₹)</b>	<b>23.89</b>	<b>12.16</b>
<b>f) Basic and diluted Earnings per share (After Extraordinary items) of ₹ 10 each (₹)</b>	<b>23.89</b>	<b>12.16</b>



**Note: 37 Value of Imports calculated on CIF basis in respect of :**

(₹ in lakhs)

Particulars	Year Ended March 31, 2016	Year Ended March 31, 2015
Capital Goods	6.87	-
<b>Total</b>	<b>6.87</b>	<b>-</b>

**Note: 38 Expenditure in Foreign Currency on account of :**

(₹ in lakhs)

a) Interest	-	-
b) Foreign travel	0.81	2.32
c) Commission	4.43	-
<b>Total</b>	<b>5.24</b>	<b>2.32</b>

**Note: 39 Earnings in Foreign Currency :**

(₹ in lakhs)

Export of goods calculated on FOB basis *	1416.46	312.20
<b>Total</b>	<b>1416.46</b>	<b>312.20</b>

\* Exports to Nepal in INR during the year 2015-16 ₹ 46.50 lakhs (Prev.year ₹ 132.60 lakhs) is not included in Earnings in Foreign Currency

**Note: 40 Consumption of Materials:**

(₹ in lakhs)

a) Raw Materials (Refere Note 22)	%	2015 - 16	%	2014 - 15
i) Indigenous	100.00	141378.79	100.00	131393.51
ii) Imported		-		-
b) Stores, spares and consumables (Refer Note 28)				
i) Indigenous	100.00	1365.68	100.00	1124.15
ii) Imported		-		-

**Note: 41 Remittance in Foreign Currency on account of dividends :**

(₹ in lakhs)

a) Year to which the dividend relate	2015 - 16	2014 - 15
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, 2016		March 31, 2015	
	USD	INR	USD	INR
i) Forward :	-	-	-	-
ii) Option :	-	-	-	-
iii) Swap :	-	-	-	-

**b) Foreign currency exposures that are not hedged by derivatives :**

Particulars	March 31, 2016		March 31, 2015	
	Forreign Currency	INR (in lakhs)	Forreign Currency	INR (in lakhs)
Trade receivables	\$ 1.62 lakhs	107.45	\$ 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 Details of Corporate Social Responsibility (CSR) expenditure :**

a) Gross amount required to be spent by the company during the year : ₹ 99.16 lakhs (Previous year : ₹ 69.63 lakhs)

b) Amount spent during the year :

	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*	₹ 99.16 lakhs	Nil	₹ 99.16 lakhs

\* Contribution made to a Registered Trust named NTR Memorial Trust of ₹ 99.16 lakhs during the Financial Year 2015-16 (Previous year : ₹ 69.63 lakhs).

**Note: 45** The financial statements for the year ended March 31, 2016 are presented as per Schedule III of the Companies Act, 2013 as near as thereto.

**Note: 46** Previous year figures are regrouped / reclassified, wherever necessary.

**Note: 47** The amounts in the financial statements are presented in Indian Rupees in lakhs.

As per our report attached

For and on behalf of the Board

For **Raju & Prasad**  
Chartered Accountants  
FRN: 003475S

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

**N Brahmani**  
Executive Director  
DIN: 02338940

**I Dileep Kumar**  
Partner  
Membership No.223943

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

**Umakanta Barik**  
Company Secretary  
M.No.FCS 6317

Date : May 23, 2016  
Place : Hyderabad

# 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 (collectively referred to as "the Group") and its associate, comprising of the Consolidated Balance Sheet as at 31 March 2016, the Consolidated Statement of Profit and Loss, 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 is responsible for the preparation of the consolidated financial statements in terms of the requirements of the Companies Act, 2013 ("the Act") that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated 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 Companies Act, 2013 (hereinafter referred to as "the Act") read with Rule 7 of the Companies (Accounts) Rules, 2014. The Board of Directors of the Company are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; 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.

### Auditors' 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 there under.

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. 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 2016;
- 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 sub-section 3 of Section 143 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 31 March 2016 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its

subsidiary companies and its associate company, none of the Directors of the Group companies and associate company incorporated in India is disqualified as on 31 March 2016 from being appointed as a Director of that company in terms of sub-section 2 of Section 164 of the Act.

- (f) With respect to the adequacy of the internal financial controls over financial reporting of the Group and the operating effectiveness of such controls, refer to our separate report in "Annexure to the Audit Report"; and
- (g) 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. There were no pending litigations which would impact the consolidated financial position of the Group and its associate, except as listed in note no. 30 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 subsidiary companies incorporated in India.

For **Raju and Prasad**  
Chartered Accountants  
FRN: 003475S

Date : 23.05.2016  
Place : Hyderabad

**I Dileep Kumar**  
Partner  
M. No. 223943

## Annexure to the Auditors' Report

### Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

In conjunction with our audit of the consolidated financial statements of the Company as of and for the year ended 31 March 2016, we have audited the internal financial controls over financial reporting of Heritage Foods Limited ("the Holding Company"), its subsidiary companies and its associate company which are companies incorporated in India, as of that date.

### Management's Responsibility for Internal Financial Controls

The Respective Board of Directors of the Holding Company, its subsidiary companies and its associate company, which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ("ICAI"). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

### Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") issued by ICAI and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical

requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. 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.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

### Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

## Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

## Opinion

In our opinion, the Holding Company, its subsidiary companies and its associate company, which are

companies incorporated in India, have, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2016, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the ICAI.

For **Raju and Prasad**  
Chartered Accountants  
FRN: 003475S

Date : 23.05.2016  
Place : Hyderabad

**I Dileep Kumar**  
Partner  
M. No. 223943



# Consolidated Balance Sheet

As at March 31, 2016

₹ in lakhs

Particulars	Note No.	As at March 31, 2016	As at March 31, 2015
<b>A. EQUITY AND LIABILITIES</b>			
<b>1. SHAREHOLDERS' FUNDS</b>			
a. Share Capital	2	2319.90	2319.90
b. Reserves and Surplus	3	21670.36	16972.70
<b>Sub-Total Shareholders' funds</b>		<b>23990.26</b>	<b>19292.60</b>
<b>2. MINORITY INTEREST</b>		<b>1.57</b>	<b>1.61</b>
<b>3. NON-CURRENT LIABILITIES</b>			
a. Long-term borrowings	4	6584.71	5574.10
b. Deferred tax liabilities (Net)	5	1867.72	1881.06
c. Other Long term liabilities	6	1045.32	999.78
d. Long term provisions	7	551.54	156.51
<b>Sub-Total Non-Current Liabilities</b>		<b>10049.29</b>	<b>8611.45</b>
<b>4. CURRENT LIABILITIES</b>			
a. Short-term borrowings	8	3925.16	8673.49
b. Trade payables :	9		
(i) Total outstanding dues of micro enterprises and small enterprises		474.03	159.83
(ii) Total outstanding dues of creditors other than micro enterprises and small enterprises		7992.90	7592.87
c. Other current liabilities	10	9470.59	6777.75
d. Short-term provisions	11	1582.15	1466.27
<b>Sub-Total Current Liabilities</b>		<b>23444.83</b>	<b>24670.21</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>57485.95</b>	<b>52575.87</b>
<b>B. ASSETS</b>			
<b>1. NON-CURRENT ASSETS</b>			
a. Fixed assets			
i) Tangible assets	12	31038.44	27817.91
ii) Intangible assets	12	164.12	247.52
iii) Capital work-in-progress	12	958.79	899.68
<b>Total - a</b>		<b>32161.35</b>	<b>28965.11</b>
b. Non-current investments	13	79.85	80.24
c. Long term loans and advances	14	2371.52	2085.17
d. Other non-current assets	15	68.37	73.29
<b>Sub-Total Non-Current Assets</b>		<b>34681.09</b>	<b>31203.81</b>
<b>2. CURRENT ASSETS</b>			
a. Current Investments	13	1.65	1.10
b. Inventories	17	14491.11	13936.88
c. Trade receivables	18	2878.60	2423.58
d. Cash and Bank balances	19	4532.48	4078.09
e. Short-term loans and advances	14	680.88	775.79
f. Other current assets	16	220.14	156.62
<b>Sub-Total Current Assets</b>		<b>22804.86</b>	<b>21372.06</b>
<b>TOTAL ASSETS</b>		<b>57485.95</b>	<b>52575.87</b>
Significant Accounting Policies	1		
Notes on Accounts	(2 to 48)		

As per our report attached

For and on behalf of the Board

For **Raju & Prasad**

Chartered Accountants

FRN: 003475S

**N Bhuvaneswari**

Vice Chairperson &amp; Managing Director

DIN : 00003741

**N Brahmani**

Executive Director

DIN: 02338940

**I Dileep Kumar**

Partner

Membership No.223943

Date : May 23, 2016

Place : 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, 2016

		₹ in lakhs	
Particulars	Notes No.	Year Ended March 31, 2016	Year Ended March 31, 2015
<b>1. Revenue from operations (Gross)</b>	20	<b>238162.13</b>	207402.61
Less : Excise Duty		<b>103.80</b>	105.96
<b>Revenue from operations (Net)</b>		<b>238058.33</b>	207296.65
<b>2. Other Income</b>	21	<b>654.96</b>	717.83
<b>3. TOTAL REVENUE (1 +2)</b>		<b>238713.29</b>	208014.48
<b>4. EXPENSES:</b>			
a. Cost of materials consumed	22	<b>141378.79</b>	131393.51
b. Purchase of Stock-in-Trade	23	<b>49296.66</b>	42184.17
c. Changes in inventories of finished goods, work-in- progress and Stock-in-Trade	24	<b>(2808.46)</b>	(5079.25)
d. Power and fuel		<b>2943.24</b>	2766.16
e. Employee benefits expense	25	<b>13999.11</b>	11072.42
f. Finance costs	26	<b>1545.89</b>	1593.01
g. Depreciation and amortization expense	27	<b>3451.21</b>	3399.03
h. Other expenses	28	<b>20172.06</b>	16756.51
<b>TOTAL EXPENSES</b>		<b>229978.50</b>	204085.56
<b>5. Profit before exceptional and extraordinary items and tax (3-4)</b>		<b>8734.79</b>	3928.92
<b>6. Exceptional Items</b>	29	<b>136.95</b>	-
<b>7. Profit before extraordinary items and tax (5 -6)</b>		<b>8597.84</b>	3928.92
<b>8. Extraordinary Items</b>		-	-
<b>9. Profit before tax (7 - 8)</b>		<b>8597.84</b>	3928.92
<b>10. Tax expense:</b>			
a. Current tax		<b>3086.50</b>	1169.36
b. Prior period tax		<b>(18.06)</b>	(0.45)
c. Deferred tax		<b>(13.34)</b>	(76.02)
<b>11. Profit for the year (9-10) before minority interest and share of profit/(loss) of associates</b>		<b>5542.74</b>	2836.03
Less: Minority interest		<b>(0.04)</b>	(0.16)
Add: Share of profit / (loss) of associates		<b>(0.09)</b>	(0.28)
<b>Profit for the year (9-10) after minority interest and share of profit/(loss) of associates</b>		<b>5542.69</b>	2835.92
<b>12. Earning per equity share of ₹ 10/-each:</b>			
a. Before Extraordinary items			
i. Basic		<b>23.89</b>	12.22
ii. Diluted		<b>23.89</b>	12.22
b. After Extraordinary items			
i. Basic		<b>23.89</b>	12.22
ii. Diluted		<b>23.89</b>	12.22
Significant Accounting Policies	1		
Notes on Accounts	(2 to 48)		

As per our report attached

For and on behalf of the Board

For **Raju & Prasad**

Chartered Accountants

FRN: 0034755

**I Dileep Kumar**

Partner

Membership No.223943

Date : May 23, 2016

Place : 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

# Consolidated Cash Flow Statement

For the year ended March 31, 2016

₹ in lakhs

Particulars	Year Ended March 31, 2016	Year Ended March 31, 2015
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>		
Net Profit /(Loss) before tax and extra-ordinary items	8,597.84	3928.92
Non-cash adjustment to reconcile profit before tax to net cash flows		
Depreciation / amortization	3,451.21	3399.03
Loss on Impairment of Assets	51.56	15.58
Diminution in value of Investments	-	(15.17)
Interest expense	1,460.35	1495.05
Foreign exchange (gain)/loss, net	1.99	0.00
Subsidy transferred to P&L	(7.38)	(8.23)
Interest income	(61.01)	(37.41)
Provision for Wealth Tax	-	0.91
Provision for Interest on income tax	37.85	15.50
Provisions no longer required and Credit balances written back	(214.42)	(359.55)
Provision for Unavailed Leave	404.85	159.26
Bad Debts / Advances written off	55.95	22.58
Provision for doubtful debts/ advances	125.74	78.61
Dividend received	(3.06)	(0.04)
<b>Operating cash flow before Working Capital Changes</b>	<b>13,901.47</b>	<b>8695.04</b>
<b>Movements in working capital :</b>		
Increase / (decrease) in trade payables	928.66	1214.60
Increase / (decrease) in other current liabilities	2,054.60	(417.06)
Increase / (decrease) in other long term liabilities	45.55	65.39
Decrease/ (increase) in trade receivables	(576.48)	(833.85)
Decrease/ (increase) in inventories	(554.23)	(3081.49)
Decrease / (increase) in long term loans and advances	(321.52)	(179.76)
Decrease / (increase) in short term loans and advances	34.68	688.67
Decrease / (increase) in other current assets	(63.52)	(16.43)
Decrease / (increase) in other non-current assets	1.42	3.38
Cash Generated from /(used in) operations	15,450.63	6138.49
Direct taxes paid (net of refunds)	(2,962.39)	(979.06)
<b>Net Cash flow from/(used) in Operating activities before extra-ordinary items</b>	<b>12,488.24</b>	<b>5159.43</b>
Less: Extra-ordinary items	-	-
<b>Net Cash flow from /(used) in Operating activities (A)</b>	<b>12,488.24</b>	<b>5159.43</b>

# Consolidated Cash Flow Statement

For the year ended March 31, 2016

₹ in lakhs

Particulars	Year Ended March 31, 2016	Year Ended March 31, 2015
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchase of Fixed Assets, including intangible assets, cwip and capital advances	(6,837.72)	(5116.39)
Proceeds from sale of Fixed Assets	180.71	321.50
Purchase of Current / non-current investments	(0.25)	(0.25)
(Investment) in / redemption of Bank Deposits have original maturity more than three months	6.78	9.94
Interest received	61.01	37.41
Dividend received	3.06	0.04
<b>Net Cash used in Investing Activities (B)</b>	<b>(6,586.41)</b>	<b>(4747.75)</b>
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>		
Proceeds from long-term borrowings	3,171.75	3150.00
Repayment of long-term borrowings	(1,560.96)	(1411.63)
Short-term borrowings (net)	(4,748.33)	(151.70)
Interest paid	(1,466.97)	(1549.73)
Change in Unclaimed dividend	(11.65)	(10.72)
Dividend paid (including dividend tax)	(837.65)	(814.25)
<b>Net Cash flow from /(Used) in Financing Activities ( C )</b>	<b>(5,453.81)</b>	<b>(788.03)</b>
Net increase /(decrease) in cash and cash equivalents (A+B+C)	<b>448.02</b>	<b>(376.35)</b>
Cash and Cash equivalents at the beginning of the year	<b>4,003.93</b>	<b>4380.28</b>
Effect of foreign exchange gain /(loss)	<b>(1.99)</b>	<b>-</b>
Cash and Cash equivalents at the end of the year	<b>4449.96</b>	<b>4003.93</b>
<b>Components of cash and cash equivalents</b>		
Cash on hand	<b>265.58</b>	<b>275.17</b>
Cheques / drafts on hand	<b>-</b>	<b>31.95</b>
Balances with banks in current accounts	<b>4184.38</b>	<b>3696.81</b>
Total cash and cash equivalents	<b>4449.96</b>	<b>4003.93</b>
Significant accounting policies (1)		
Notes on accounts (2 to 48)		

As per our report attached

For and on behalf of the Board

For **Raju & Prasad**

Chartered Accountants  
FRN: 003475S

**I Dileep Kumar**

Partner  
Membership No.223943

Date : May 23, 2016  
Place : 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

# Consolidated 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:

i) 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.

- ii) 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.
- iii) 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.
- iv) Minority Interest's share of net assets of consolidated subsidiaries as on March 31, 2016 is identified and presented in the consolidated balance sheet separate from liabilities and the equity of the Company's shareholders.
- v) 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, 2016	Ownership interest / % voting power held as at March 31, 2015
<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.

Incentives which are ascertainable are recognised as and when accrued.

### 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.

### 1.13 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.

**Finance leases (Lessee):** A finance lease is a lease that transfers substantially all the risks and rewards incidental to ownership of an asset. The lower of the fair value of the assets and present value of the minimum lease rentals is capitalized as fixed assets with corresponding amount shown as lease liability. The principal component in the lease rental is adjusted against the lease liability and the interest component is charged to profit and loss account.

### 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.

### **1.17 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".

# Notes to the Consolidated Financial Statements

## Note 2 : Share Capital

(₹ in lakhs)

Particulars	As at March 31, 2016	As at March 31, 2015
<b>a) Authorised Share Capital</b>		
i) Equity Share Capital 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
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)	<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

## c) Reconciliation of number of equity shares outstanding and the amount of share capital

Particulars	March 31, 2016		March 31, 2015	
	Number of Shares	Amount (₹ in lakhs)	Number of Shares	Amount (₹ in lakhs)
Shares Outstanding at the beginning of the year	<b>23199000</b>	<b>2319.90</b>	23199000	2319.90
Shares issued during the year	-	-	-	-
Shares bought back during the year	-	-	-	-
Shares outstanding at the end of the year	<b>23199000</b>	<b>2319.90</b>	23199000	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 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 shareholders.

### e) Details of Shareholders holding more than 5% shares in the Company

Name of Shareholder	March 31, 2016		March 31, 2015	
	No. of Shares held	% of holding	No. of Shares held	% of holding
Equity Shares of ₹ 10/- each fully paid				
1. Nara Bhuvaneshwari	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. Megabid Finance & Investment Pvt Ltd	1223800	5.28	1223800	5.28
5. V Sudha Sarada	1191182	5.13	1271000	5.48

### f) Aggregate number of shares allotted for consideration other than cash during the period of five years immediately preceding the reporting date :

Particulars	March 31, 2016 No. of Shares	March 31, 2015 No. of Shares	March 31, 2014 No. of Shares	March 31, 2013 No. of Shares	March 31, 2012 No. of Shares
Equity Shares allotted as fully paid up as Sweat Equity	70000	70000	70000	70000	-
Equity Shares allotted as fully paid-up as Bonus shares for consideration other than cash	11599500	11599500	11599500	-	-

### Note 3: Reserves and Surplus

(₹ in lakhs)

Particulars	As at March 31, 2016	As at March 31, 2015
<b>a) Capital Reserve (Deferred Government Grants)</b>		
Opening Balance	59.51	67.74
Add: Subsidy Received during the year	-	-
Less: Transfer to Statement of Profit and Loss	7.38	8.23
<b>Closing Balance</b>	<b>52.13</b>	<b>59.51</b>
<b>b) Capital Redemption Reserve</b>		
Opening Balance	81.00	81.00
Add: Current year transfer	-	-
Less: Written back in current year	-	-
<b>Closing Balance</b>	<b>81.00</b>	<b>81.00</b>
<b>c) Securities Premium Reserve</b>		
Opening Balance	3784.14	3784.14
Add: Securities premium credited	-	-
Less: Security Premium utilized	-	-
<b>Closing Balance</b>	<b>3784.14</b>	<b>3784.14</b>
<b>d) Warrants Money Appropriated</b>		
Opening Balance	318.69	318.69
Add: Current year transfer	-	-
Less: Written back in current year	-	-
<b>Closing Balance</b>	<b>318.69</b>	<b>318.69</b>
<b>e) General Reserve</b>		
Opening Balance	6427.39	6000.71
Add: Transferred from Surplus	1000.00	1000.00
	7427.39	7000.71
Less: Depreciation and amortisation for the period prior to April 1, 2014 *	-	573.32
<b>Closing Balance</b>	<b>7427.39</b>	<b>6427.39</b>

\* 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 asset of ₹ 295.22 lakhs) is adjusted in the General Reserve.

<b>f) Surplus / (Deficit)</b>		
Opening Balance	<b>6301.97</b>	5303.70
Add: Net Profit / (Net Loss) after tax transferred from Statement of Profit and Loss	<b>5542.69</b>	2835.92
Amount available for appropriations	<b>11844.66</b>	8139.62
Appropriations :		
Transferred to General Reserve	<b>1000.00</b>	1000.00
Proposed Dividend amount per share ₹ 3.00 (Previous Year : ₹ 3.00 per share)	<b>695.97</b>	695.97
Tax on Proposed Dividend	<b>141.68</b>	141.68
<b>Closing Balance</b>	<b>10007.01</b>	6301.97
<b>Total</b>	<b>21670.36</b>	16972.70

## NON-CURRENT LIABILITIES :

### Note 4: Long-Term Borrowings

(₹ in lakhs)

Particulars	Non-Current		Current Maturities	
	As at March 31, 2016	As at March 31, 2015	As at March 31, 2016	As at March 31, 2015
<b>a) Term Loans</b>				
i) From banks (secured)				
- Indian rupee loans	<b>5604.45</b>	4686.25	<b>2038.49</b>	1431.25
- Foreign currency loans	-	-	-	-
ii) From others (secured)	-	-	-	36.32
<b>Total (a)</b>	<b>5604.45</b>	4686.25	<b>2038.49</b>	1467.57
<b>b) Deferred Payment liabilities</b>				
Sales tax deferment (secured)	<b>864.98</b>	887.85	<b>22.88</b>	25.23
<b>c) Loans and Advances from related parties</b>				
Loan (unsecured)	-	-	-	-
<b>d) Long term maturities of finance lease obligations</b>	<b>115.28</b>	-	<b>31.61</b>	-
<b>Total (a+b+c+d)</b>	<b>6584.71</b>	5574.10	<b>2092.98</b>	1492.80

Installments falling due in respect of the above loans upto March 31, 2017 is ₹ 2092.98 lakhs (Installments falling due in respect of loans upto March 31, 2016: (Prv year ₹ 1492.80 lakhs plus ₹ 68.17 lakhs paid during the year 2015-16 out of Term loan drawn during the year 2015-16 ) have been grouped under " Current maturities of long term borrowings " (Ref Note 10)



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
			31.03.2016	31.03.2015				
a.	Indian Rupee Loans from Banks							
1.	Rupee Term Loan	ICICI Bank	-	25.00	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
2.	Rupee Term Loan	ICICI Bank	270.83	487.50	1300.00	9.5% per annum (Previous year :9.5% per annum)	First pari passu charge on entire movable and immovable fixed assets of the Company, second pari pasu charge on entire current assets of the Company both present and future along with other term lenders	Repayable in 24 quarterly installments commencing from August, 2011
3.	Rupee Term Loan	ICICI Bank	750.00	1,375.00	2500.00	IBASE and spread per annum plus applicable interest tax or other statutory levy if any (Previous year: 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 )	First pari passu charge on entire movable and immovable fixed assets of the Company, second pari pasu charge on entire current assets of the Company both present and future along with other term lenders	Repayable in 16 quarterly installments commencing from December, 2012
4	Rupee Term Loan	ICICI Bank	840.00	1,080.00	1,200.00	IBASE and spread per annum plus 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 entire movable and immovable fixed assets of the Company, second pari pasu 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
			31.03.2016	31.03.2015				
5.	Rupee Term Loan	ICICI Bank	1,432.47	-	1432.47	IBASE and spread per annum plus applicable interest tax or other statutory levy if any (Previous year:Nil)	First pari passu charge on entire movable and immovable fixed assets of the Company, second pari pasu charge on entire current assets of the Company both present and future along with other term lenders	Repayable in 20 quarterly installments commencing from December, 2016
6.	Rupee Term Loan	Bank of Baroda	766.67	350.00	800.00	@base rate plus 0.75% (Previous year :@base rate plus 1.75%)	First pari passu charge on entire fixed assets of the Company, second pari passu charge on current assets of the Company along with other lenders	Repayable in 24 quarterly installments commencing from Jan, 2016
7.	Rupee Term Loan	Andhra Bank	1,275.00	1,500.00	1500.00	'@base rate plus 0.25% (Previous year :@base rate plus spread 2% plus term premium 0.25% )	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 along with consortium banks and Yes Bank	Repayable in 16 quarterly installments commencing from Sep, 2015
8.	Rupee Term Loan	Yes Bank	937.50	1,000.00	1000.00	@base rate plus 1.25% (Previous year :@base rate plus 1.25%)	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
9.	Rupee Term Loan	Yes Bank	649.87	300.00	700.00	@base rate plus 0.75% (Previous year :@base rate plus 0.75%)	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
10.	Rupee Term Loan	HDFC Bank	720.60	-	720.60	0.15% over the banks base rate (Previous year : Nil)	Hypothecation of movable assets wrt the Wind Power project being part funded by the bank	Repayable in 24 quarterly installments commencing from May, 2017
Total rupee loans from banks			7,642.94	6,117.50				
b)	Term loans from others(secured) includes :							
1.	Retail Finance (Auto- Loan)	BMW Financial Services	-	36.32	94.75	Current year: Nil (Previous Year :Interest at the rate of 9.89% per annum)	Hypothecation of Vehicle	Repayable in 30 monthly installments commencing from August, 2013
Total Rupee Term Loans (a+b)			7,642.94	6,153.82				

**Deferred Payment Liabilities**

Deferred Payment Liabilities represent sales tax collected under deferrment scheme which shall be repaid by 2014 in case of Gokul plant and by 2023 in case of Bayyavaram plant.

**Finance lease obligations :** Finance lease represent Data Processing Equipment obtained on finance lease. The lease obligations payable w.e.f Jul'2015 for a period of 5 years.

**Note 5: Deferred Tax Liability (Net)**

(₹ in lakhs)

Particulars	As at March 31, 2016	As at March 31, 2015
<b>a) Deferred Tax Liability :</b>		
Opening Deferred Tax Liability	2132.61	2444.99
Add: Deferred Tax Liability during the year on account of :		
Depreciation	238.52	(312.38)
(Previous year Net of deferred tax asset of ₹ 295.22 lakhs on account of depreciation - Ref Note 3)		
<b>Closing Deferred Tax Liability</b>	<b>2371.13</b>	2132.61
<b>b) Deferred Tax Asset :</b>		
Opening Deferred Tax Asset	251.55	192.69
Add: Deferred Tax Asset during the year on account of :		
Provision for unavailed leave & Bonus	251.86	58.86
<b>Closing Deferred Tax Asset</b>	<b>503.41</b>	251.55
<b>Net Deferred Tax Liability there on</b>	<b>1867.72</b>	1881.06
Major components of deferred tax arising on account of timing differences are:		
<b>a) Deferred Tax liabilities:</b>		
Depreciation	2371.13	2132.61
<b>b) Deferred Tax Asset:</b>		
Provision for unavailed leave & Bonus	503.41	251.55

**Note 6: Other Long-Term Liabilities**

(₹ in lakhs)

Particulars	As at March 31, 2016	As at March 31, 2015
<b>Others :</b>		
Security Deposits	1045.32	999.78
<b>Total</b>	<b>1045.32</b>	999.78

**Note 7: Long-Term Provisions**

(₹ in lakhs)

Particulars	Long - Term		Short Term	
	As at March 31, 2016	As at March 31, 2015	As at March 31, 2016	As at March 31, 2015
<b>Provision for employee benefits</b>				
Unavailed Leave	551.54	156.51	559.95	569.64
Gratuity	-	-	19.52	-
<b>Other Provisions</b>				
Proposed Dividend	-	-	695.97	695.97
Provision for tax on dividend	-	-	141.68	141.68
Provision for Income Tax (Net of advance tax)	-	-	165.03	58.98
<b>Total</b>	<b>551.54</b>	156.51	<b>1582.15</b>	1466.27

**CURRENT LIABILITIES :****Note 8: Short-Term Borrowings**

(₹ in lakhs)

Particulars	As at March 31, 2016	As at March 31, 2015
<b>Loan Repayable on demand:</b>		
a) Working Capital Loan from banks (secured)	<b>3925.16</b>	6185.62
b) Short -Term Loans from banks (secured)	-	2487.87
<b>Total</b>	<b>3925.16</b>	8673.49

**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
		31.03.2016	31.03.2015			
i) Bank of Baroda	Cash Credit	<b>885.82</b>	2,713.03	₹ 4000 lakhs with sublimit of ₹ 800 lakhs for Agri Division (Previous year : ₹ 4000 lakhs)	Base rate plus 0.75% (Previous Year: Base rate plus 2.25% )	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 to secure the working capital limits of Bank of Baroda, Andhra Bank and ICICI Bank Limited
ii) Andhra Bank	Open Cash Credit	<b>2,268.53</b>	1,455.17	₹ 2500 lakhs (Previous year : ₹ 2500 lakhs)	Base rate plus 0.25% (Previous Year: Base rate plus 2.25%)	Hypothecation of entire current assets of the Company both present and future including inventory and receivables by way of first pari passu charge along with other consortium banks. Extension of first pari passu charge on net fixed assets of the Company along with consortium banks and Yes Bank Limited
iii) ICICI Bank	Cash Credit	<b>770.81</b>	2,017.42	₹ 3500 lakhs with sublimit of WCDL- Rupee (Previous Year: ₹ 3500 lakhs (with sublimit of WCDL- Rupee)	IBASE and "spread" per annum subject to minimum rate of I Base plus 1.60% 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 2.50% 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 movable and immovable fixed assets of the Company.
<b>Total (i+ii+iii)</b>		<b>3,925.16</b>	6,185.62	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	
		31.03.2016	31.03.2015					
i. Kotak Mahindra Bank	Short Term Loan	-	1,422.12	Nil (Previous Year : ₹ 1500 lakhs )	Nil (Previous year :@11.5%)	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 installments on 25th day of 4th,5th and 6th months respectively (Maximum 180 days from the date of disbursement)	
ii. HDFC Bank	Short Term Loan	-	1,000.00	Nil (Previous Year : ₹ 1000 lakhs )	Nil (Previous year :@ base rate plus 0.75%)	Unsecured	Repayable in six months from the date of disbursement	
iii. Kotak Mahindra Bank	Over Draft	-	65.75	Nil (Previous Year : ₹ 100 lakhs)	Nil (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 (i+ii+iii)		-	2,487.87					
Total Short Term Borrowings (a+b)		3,925.16	8,673.49					

c) Aggregate amount of loan repayable on demand guaranteed by : (₹ in lakhs)		
Executive Director of the Company :	As at March 31, 2016	As at March 31, 2015
Loans outstanding amount	-	1487.87
Loans guaranteed	-	1600.00

Note 9 Trade Payables (₹ in lakhs)		
Particulars	As at March 31, 2016	As at March 31, 2015
<b>Trade Payables :</b>		
(i) Total outstanding dues of micro enterprises and small enterprises	474.03	159.83
(ii) Total outstanding dues of creditors other than micro enterprises and small enterprises	7992.90	7592.87
<b>Total</b>	<b>8466.93</b>	<b>7752.70</b>

**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 out standing	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)
<b>March 31, 2016</b>	<b>58.26</b>	<b>1.17</b>	<b>Nil</b>	<b>1.17</b>	<b>1.17</b>	<b>1.17</b>
March 31, 2015	8.78	1.55	Nil	1.55	1.55	1.55

**Note 10 Other Current Liabilities**

(₹ in lakhs)

Particulars	As at March 31, 2016	As at March 31, 2015
<b>Current maturities of long-term borrowings (Ref Note 4):</b>		
Term Loans	<b>2038.49</b>	1467.57
Finance Lease Obligations	<b>31.61</b>	-
Deferred payment liabilities	<b>22.88</b>	25.23
<b>Total</b>	<b>2092.98</b>	1492.80
Interest Accrued but not due on borrowings	<b>25.47</b>	38.77
Interest accrued and due on borrowings	-	-
Unpaid Dividends (Ref Note. 31)	<b>64.44</b>	52.80
<b>Other Payables :</b>		
Employee Related payables	<b>2164.29</b>	1158.51
Advance from Customers	<b>798.89</b>	607.22
Capital Creditors	<b>878.72</b>	404.14
Statutory Payables	<b>516.94</b>	515.32
Security Deposits	<b>328.87</b>	336.48
Freight Payables	<b>645.77</b>	574.35
Other payables	<b>1954.22</b>	1597.36
<b>Total</b>	<b>9470.59</b>	6777.75

**Note 11: Short Term Provisions**

(₹ in lakhs)

Particulars	As at March 31, 2016	As at March 31, 2015
<b>Provision for employee benefits :</b>		
Unavailed Leave	<b>559.95</b>	569.64
Gratuity	<b>19.52</b>	0.00
<b>Other Provisions :</b>		
Proposed Dividend	<b>695.97</b>	695.97
Provision for tax on proposed dividend	<b>141.68</b>	141.68
Provision for Income Tax (Net of advance tax)	<b>165.03</b>	58.98
<b>Total</b>	<b>1582.15</b>	1466.27



## NON-CURRENT ASSETS

### Note.12 Fixed Assets

Particulars	Gross Block			Accumulated Depreciation / Amortization					Net Block	
	Balance as at 01.04.2015	*Additions / other adjustments during the year	Deductions / Retirement during the year	Balance as at 31.03.2016	Depreciation charge for the year	Deductions / adjustments during the year	# Impairment loss for the year	** General Reserve	Balance as at 31.03.2016	Balance as at 01.04.2015
<b>a. Tangible Assets</b>										
<b>i. Owned Assets :</b>										
Land	1894.99	119.11	-	2014.10	-	-	-	-	2014.10	1894.99
Buildings	10309.46	762.21	1.14	11070.53	348.94	0.26	-	-	3362.41	7708.12
Improvements to leasehold property	1692.36	87.01	27.36	1752.01	214.18	18.10	-	-	1116.57	635.45
Plant and Machinery	25549.22	5162.65	1017.42	29694.45	2317.35	892.77	49.24	-	11525.30	18169.15
Furniture and Fixtures	2159.22	87.60	42.94	2203.88	147.63	30.30	0.09	-	951.15	1252.73
Office Equipment	2733.78	359.74	88.89	3004.63	253.97	80.87	2.22	-	2110.60	894.03
Vehicles	405.73	12.92	15.95	402.70	51.68	14.38	0.01	-	209.44	193.26
<b>Total - a</b>	44744.76	6591.24	1193.70	50142.30	3333.75	1036.68	51.56	-	19275.47	30866.83
<b>ii. Leasehold Assets :</b>										
Office Equipment (leasehold)	-	192.17	-	192.17	20.56	-	-	-	20.56	171.61
<b>Total - Leased Assets</b>	-	192.17	-	192.17	20.56	-	-	-	20.56	171.61
<b>Total - Tangible Assets</b>	44744.76	6783.41	1193.70	50334.47	3354.31	1036.68	51.56	-	19296.03	31038.44
<b>b. Intangible Assets</b>										
Computer Software	1489.21	13.50	-	1502.71	96.90	-	-	-	1338.59	164.12
<b>Total - b</b>	1489.21	13.50	-	1502.71	96.90	-	-	-	1338.59	164.12
<b>Total (a+b)</b>	46233.96	6796.92	1193.70	51837.18	3451.21	1036.68	51.56	-	20634.62	31202.56
Previous year	41963.25	5521.95	1251.23	46233.96	3399.03	929.73	15.58	868.54	18168.54	28065.43
<b>c. Capital Work-in-progress</b>	899.68	6856.03	6796.92	958.79					958.79	899.68
Previous year	1111.81	5309.82	5521.95	899.68						

\* As per Accounting Standard AS-16, during the year, borrowing cost of ₹ 30.25 lakhs (Previous year : ₹ 55.31 lakhs) has been capitalized to Plant & Machinery, ₹ 9.22 lakhs (Previous year: ₹ 32.03 lakhs) to Buildings and ₹ 0.11 lakhs ( Previous year : ₹ Nil ) to Office Equipment. It is included in other adjustments.

\*\* ( Previous Year: 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 Asset of ₹ 295.22 lakhs) is adjusted in the General Reserve).

#### Details of impairment losses :

Particulars	(₹ in lakhs)					
	2015-2016	2014-2015	2013-2014	2012-2013	2011-2012	
Balance as at the beginning of the year	52.48	36.90	5.87	5.53	0.42	
# Impairment loss during the year	51.56	15.58	32.49	0.34	5.11	
Reversal of accumulated impairment loss	-	-	1.46	-	-	
Balance as at the end of the year	104.04	52.48	36.90	5.87	5.53	

**Note 13 : Investments**

(₹ in lakhs)

Particulars	Non - Current		Current	
	As at March 31, 2016	As at March 31, 2015	As at March 31, 2016	As at March 31, 2015
<b>A. Trade Investments:</b>				
Other non-current investments	1.13	1.13	-	-
<b>B. Other Investments (Non-Traded):</b>				
I. Investment in Equity Instruments				
a) Subsidiaries	-	-	-	-
b) Associates	56.44	56.72	-	-
Less: Diminution in value of investments	-	-	-	-
Cost of investment in Associate	56.44	56.72	-	-
Less: Share of Loss	0.09	0.28	-	-
<b>Total -i (b)</b>	<b>56.35</b>	<b>56.44</b>	<b>-</b>	<b>-</b>
II. Investment in Government securities	2.37	2.67	1.65	1.10
III. Other non-current investments	20.00	20.00	-	-
<b>Total (B)</b>	<b>78.72</b>	<b>79.11</b>	<b>1.65</b>	<b>1.10</b>
<b>Total (A+B)</b>	<b>79.85</b>	<b>80.24</b>	<b>1.65</b>	<b>1.10</b>

(₹ in lakhs)

Particulars	Book Value		Market value	
	March 31, 2016	March 31, 2015	March 31, 2016	March 31, 2015
Aggregate of quoted investments	1.13	1.13	2.75	3.13
Aggregate of un-quoted investments	80.37	80.21		
<b>Total</b>	<b>81.49</b>	<b>81.34</b>		

(₹ in lakhs)

Name of the Body Corporate	Quoted / Unquoted	As at March 31, 2016	As at March 31, 2015
<b>A. Details of Trade Investments :</b>			
<b>Andhra Bank</b> 363 Equity Shares of ₹ 10/- each fully paid up (Previous year:363 Equity shares of ₹ 10/- each fully paid up)	Quoted	0.33	0.33
<b>Bank of Baroda</b> 1740 Equity shares of ₹ 2/- each at fully paid up (Previous year:1740 Equity shares of ₹ 2/- each fully paid up)	Quoted	0.80	0.80
<b>Total</b>		<b>1.13</b>	<b>1.13</b>

Particulars	Non - Current		Current	
	As at March 31, 2016	As at March 31, 2015	As at March 31, 2016	As at March 31, 2015
<b>B. Details of Other Investments (Non-Traded):</b>				
<b>Ib. Investment in Equity Shares of Associates :</b>				
Skil Raigam Power (India) Limited			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			1.58	1.30
			56.44	56.72
Less : Share of current loss			0.09	0.28
Carrying Value			56.35	56.44
* 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	4.02	3.77
<b>Total</b>			4.02	3.77
<b>III. Other investments in :</b>				
Heritage Finlease Limited 200000 Equity shares of ₹ 10/- each fully paid up (Previous year: 200000 Equity Shares of ₹ 10/- each fully paid up)		Unquoted	20.00	20.00
<b>Total</b>			20.00	20.00
<b>Total Other investments (Non-traded)</b>			80.37	80.21

## Note: 14 Loans and Advances

(₹ in lakhs)

Particulars	Non - Current		Current	
	As at March 31, 2016	As at March 31, 2015	As at March 31, 2016	As at March 31, 2015
<b>a) Capital Advances</b>				
Unsecured , considered good	44.40	79.57		
Doubtful	10.23	-		
	54.63	79.57		
Less: Provision for doubtful advances	10.23	-		
<b>Total</b>	44.40	79.57		
<b>b) Security Deposits</b>				
Unsecured , considered good	2194.16	1856.22	309.68	373.47
Doubtful	-	-	81.89	43.54
	2194.16	1856.22	391.57	417.00
Less: Provision for doubtful security deposit	-	-	81.89	43.54
<b>Total</b>	2194.16	1856.22	309.68	373.47
<b>c) Advances recoverable in cash or kind</b>				
Unsecured , considered good	-	-	341.47	338.09
Doubtful	-	-	17.05	31.41
	-	-	358.52	369.50
Less: Provision for doubtful advances	-	-	17.05	31.41
<b>Total</b>	-	-	341.47	338.09

Particulars	Non - Current		Current	
	As at March 31, 2016	As at March 31, 2015	As at March 31, 2016	As at March 31, 2015
<b>d) Advances to related parties</b>	-	-	-	-
<b>e) Other loans and advances</b>				
Unsecured , considered good				
Loans and advances to employees	5.90	22.32	26.94	61.57
Balances with Statutory / Government Authorities	127.06	127.06	2.79	2.66
Advances to subsidiaries	-	-	-	-
<b>Total</b>	<b>132.96</b>	<b>149.38</b>	<b>29.73</b>	<b>64.23</b>
<b>Total (a+b+c+d+e)</b>	<b>2371.52</b>	<b>2085.17</b>	<b>680.88</b>	<b>775.79</b>

**Loans and advances due by directors or other officers etc.**

(₹ in lakhs)

Particulars	Non - Current		Current	
	As at March 31, 2016	As at March 31, 2015	As at March 31, 2016	As at March 31, 2015
Loans and advances due by directors	-	-	-	-
Loans and advances to employees include dues from Other officers of the Company	4.69	16.47	11.77	20.92

**Note: 15 Other non-current assets**

(₹ in lakhs)

Particulars	Non - Current	
	As at March 31, 2016	As at March 31, 2015
<b>Others :</b>		
Unsecured, considered good unless stated otherwise		
Non-current bank balances (Ref Note 19)	50.82	55.11
Interest accrued on margin money and other deposits (Ref Note 19)	12.26	11.47
Prepaid expenses	5.29	6.71
<b>Total</b>	<b>68.37</b>	<b>73.29</b>

**Note: 16 Other current assets**

(₹ in lakhs)

Particulars	As at March 31, 2016	As at March 31, 2015
Unsecured, considered good unless stated otherwise		
Prepaid expenses	214.47	151.71
Interest accrued on margin money and other deposits	5.67	4.91
<b>Total</b>	<b>220.14</b>	<b>156.62</b>

## Note 17 : Inventories

(₹ in lakhs)

Particulars	As at March 31, 2016	As at March 31, 2015
(Valued at lower of cost or net realisable value except Packing Material & stores and spares)		
Raw Materials [(Includes in-transit of ₹ Nil) (Previous year : ₹ 155.54 lakhs)]	124.94	2339.16
Work-in-Progress	42.77	24.51
Finished Goods	8706.02	6330.19
Stock-in-Trade	4742.28	4327.93
Packing Material (Valued at cost) (Includes in-transit of ₹ 51.24 lakhs) (Previous year: Nil)	672.05	731.47
Stores and spares (valued at cost) (Includes in-transit of ₹ 27.08 lakhs) (Previous year: Nil)	203.05	183.62
<b>Total</b>	<b>14491.11</b>	<b>13936.88</b>

### Details of Inventory

(₹ in lakhs)

Particulars	As at March 31, 2016	As at March 31, 2015
<b>A. Inventory : Raw Materials</b>		
a) Dairy		
Milk	3.06	-
Skimmed milk powder	34.43	2220.98
Other materials	72.29	103.49
<b>Total</b>	<b>109.78</b>	<b>2324.47</b>
b) Bakery		
Bakery raw materials	15.16	14.69
<b>Total</b>	<b>15.16</b>	<b>14.69</b>
<b>Total (a + b)</b>	<b>124.94</b>	<b>2339.16</b>
<b>B. Inventory: Work-in-Progress</b>		
a) Dairy-in-process material	42.52	24.37
b) Bakery-in-process material	0.25	0.14
<b>Total</b>	<b>42.77</b>	<b>24.51</b>
<b>C. Inventory: Finished Goods</b>		
a) Dairy		
Milk	950.94	1024.09
Value Added Products	571.53	479.55
Fat Products	1280.36	2575.92
Skimmed milk powder	5876.98	2166.36
<b>Total</b>	<b>8679.81</b>	<b>6245.92</b>
b) Agri		
Fruits and vegetables	22.71	81.17
<b>Total</b>	<b>22.71</b>	<b>81.17</b>
c) Bakery		
Bakery products	3.20	3.10
<b>Total</b>	<b>3.20</b>	<b>3.10</b>
d) Renewable Energy	0.30	0.00
<b>Total (a +b+c+d)</b>	<b>8706.02</b>	<b>6330.19</b>

Particulars	As at March 31, 2016	As at March 31, 2015
<b>D. Inventory: Stock-in-Trade</b>		
a) Dairy		
Tradable goods	51.36	74.51
<b>Total</b>	51.36	74.51
b) Retail		
FMCG - Food	2424.57	1995.78
FMCG - Non-food	2201.84	2214.23
Fruits and vegetables	61.56	38.04
<b>Total</b>	4687.97	4248.05
c) Agri		
Fruits	-	-
Others	2.95	5.37
<b>Total</b>	2.95	5.37
d) Bakery		
FMCG - Food	-	-
<b>Total</b>	-	-
<b>Total (a + b + c + d)</b>	4742.28	4327.93

**Note: 18 Trade Receivables**

(₹ in lakhs)

Particulars	Current As at March 31, 2016	As at March 31, 2015
<b>A. Trade receivables outstanding for a period exceeding six months</b>		
from the date they are due for payment		
a) Unsecured, considered good	218.63	50.40
b) Unsecured, considered doubtful	90.84	70.96
<b>Total (a+b)</b>	309.47	121.36
Less : Provision for bad and doubtful receivables	90.84	70.96
<b>Total - A</b>	218.63	50.40
<b>B. Other trade receivables</b>		
a) Unsecured, considered good	2659.97	2373.18
b) Unsecured, considered doubtful	8.83	0.39
<b>Total (a+b)</b>	2668.80	2373.57
Less : Provision for bad and doubtful receivables	8.83	0.39
<b>Total - B</b>	2659.97	2373.18
<b>Grand total (A+B)</b>	2878.60	2423.58



## Note: 19 Cash and Bank Balances

(₹ in lakhs)

Particulars	Non - Current	As at March 31, 2015	Current	As at March 31, 2015
	As at March 31, 2016		As at March 31, 2016	
<b>i) Cash and Cash Equivalents :</b>				
a) Balances with banks:				
On current accounts			4184.38	3696.81
Deposits with original maturity of less than three months			-	-
b) Cheques, drafts on hand			-	31.95
c) Cash on hand			265.58	275.17
<b>Total Cash and Cash Equivalents</b>			4449.96	4003.93
<b>ii) Other Bank balances :</b>				
a) Earmarked balance with bank:				
- Unpaid dividend	-	-	64.44	52.80
- Other deposits	16.09	12.60	1.77	-
b) Margin money deposit	46.99	53.98	16.31	21.36
c) Deposits with original maturity for more than 12 months	-	-	-	-
<b>Total Other Bank balances</b>	63.08	66.58	82.52	74.16
<b>Total Cash and Bank Balances</b>	63.08	66.58	4532.48	4078.09

Non-current portion of other bank balances are included in other assets (Ref.Note 15)

## Note : 20 Revenue from operations

(₹ in lakhs)

Particulars	Year Ended March 31, 2016	Year Ended March 31, 2015
<b>Revenue from operations :</b>		
<b>A) Sale of Products</b>		
i) Finished goods		
Domestic Sales	172053.78	151786.34
Export Sales	544.46	356.57
<b>Total (i)</b>	172598.24	152142.91
ii) Traded goods		
Domestic Sales	59092.99	50589.64
Export Sales	918.50	88.23
<b>Total (ii)</b>	60011.49	50677.87
<b>Total</b>		
Domestic Sales	231146.77	202375.98
Export Sales	1462.96	444.80
<b>Total - A (i+ii)</b>	232609.73	202820.78
<b>B) Sale of services</b>		
Job work	389.39	633.31

Particulars	Year Ended March 31, 2016	Year Ended March 31, 2015
<b>C) Other operating revenues</b>		
Scrap Sales	75.29	97.03
Others :		
i) Display & Visibility Income	327.51	314.57
ii) Promotional Income	4462.72	3322.87
iii) Concessionary income	237.99	203.93
iv) REC Credits	59.50	10.12
<b>Total -c</b>	<b>5163.01</b>	<b>3948.52</b>
Revenue from operations (gross) (A+B+C)	238162.13	207402.61
Less: Excise duty	103.80	105.96
Revenue from operations (net)	238058.33	207296.65
<b>A) Details of products sold</b>		
i) Finished goods sold		
a) Dairy		
Milk	108961.64	107672.56
Value Added Products	37183.70	30670.00
Fat Products	23544.85	11602.63
Skimmed milk powder	660.27	76.41
<b>Total</b>	<b>170350.46</b>	<b>150021.60</b>
b) Agri		
Fruits and Vegetables	1701.85	1797.81
c) Bakery		
Bakery products	545.93	323.50
<b>Total (a+b+c)</b>	<b>172598.24</b>	<b>152142.91</b>
ii) Traded goods sold		
a) Dairy		
Tradable goods	3639.20	2757.93
<b>Total</b>	<b>3639.20</b>	<b>2757.93</b>
b) Retail		
FMCG - Food	33144.37	27558.37
FMCG - Non-Food	12487.75	11209.53
Fruits and Vegetables	7334.71	6584.88
<b>Total</b>	<b>52966.83</b>	<b>45352.78</b>
c) Agri		
Fruits and Vegetables	-	-
Other Tradable goods	3336.33	2507.43
<b>Total</b>	<b>3336.33</b>	<b>2507.43</b>
d) Bakery		
Tradable goods	69.13	59.74
<b>Total (a+b+c+d)</b>	<b>69.13</b>	<b>59.74</b>
<b>Total (a+b+c+d)</b>	<b>60011.49</b>	<b>50677.87</b>
<b>B) Details of sale of services</b>		
a) Dairy	349.81	607.38
b) Agri	39.58	25.93
<b>Total (a+b)</b>	<b>389.39</b>	<b>633.31</b>

Particulars	Year Ended March 31, 2016	Year Ended March 31, 2015
<b>C) Details of other operating revenues</b>		
a) Dairy	27.13	60.58
b) Retail	5074.69	3875.96
c) Agri	0.74	0.82
d) Bakery	0.95	1.04
e) Renewable Energy	59.50	10.12
<b>Total (a+b+c+d+e)</b>	<b>5163.01</b>	<b>3948.52</b>

### Note: 21 Other Income

(₹ in lakhs)

Particulars	Year Ended March 31, 2016	Year Ended March 31, 2015
a) Interest Income on :		
Bank and other deposits	29.62	29.12
Others	31.39	8.29
b) Dividend Income on :		
Long-term investments	3.06	0.04
c) Subsidy transferred from Deferred Govt.grants	7.38	8.23
d) Lease rental income	161.13	154.11
e) Provisions no longer required/Credit Balances written back	214.42	374.72
f) Incentives (Includes Export Incentives)	67.65	-
g) Profit on Sale of Assets (Net)	23.69	57.67
h) Other non-operating income	116.62	85.65
<b>Total</b>	<b>654.96</b>	<b>717.83</b>

### Note : 22 Cost of materials consumed

(₹ in lakhs)

Particulars	Year Ended March 31, 2016	Year Ended March 31, 2015
<b>a) Raw material :</b>		
Inventory at the beginning of the year	2339.16	4287.74
Add: Purchases	133384.40	123823.30
	135723.56	128111.04
Less: Inventory at the end of the year	124.93	2339.16
Raw Material consumed (a)	135598.63	125771.88
<b>b) Packing material :</b>		
Inventory at the beginning of the year	731.47	790.69
Add: Purchases	5720.74	5562.42
	6452.21	6353.10
Less: Inventory at the end of the year	672.05	731.47
Packing Material Consumed (b)	5780.16	5621.63
Cost of materials consumed (a+b)	141378.79	131393.51
<b>Details of Raw materials consumed</b>		
a) Dairy		
Raw Milk	127539.95	111783.37
Skimmed Milk Powder	3493.50	8906.87
Other Raw materials	1135.80	1696.47
<b>Total</b>	<b>132169.25</b>	<b>122386.71</b>

Particulars	Year Ended March 31, 2016	Year Ended March 31, 2015
b) Agri		
Fruits and Vegetables	3170.69	3201.70
<b>Total</b>	3170.69	3201.70
c) Bakery		
Bakery raw materials	258.69	183.47
<b>Total</b>	258.69	183.47
<b>Total (a + b + c)</b>	135598.63	125771.88

**Note : 23 Purchase of Stock-in-Trade**

(₹ in lakhs)

Particulars	Year Ended March 31, 2016	Year Ended March 31, 2015
FMCG - Food	28,194.95	21,902.47
FMCG - Non-Food	10,877.84	10,231.32
Fruits and Vegetables	3,736.67	4,975.30
Others	6487.20	5075.08
<b>Total</b>	49296.66	42184.17
<b>Details of purchase of Stock-in-Trade</b>		
a) Dairy		
Tradable Goods	1017.00	617.93
<b>Total</b>	1017.00	617.93
b) Retail		
FMCG - Food	28194.95	21902.47
FMCG - Non-Food	10877.84	10231.32
Fruits and Vegetables	3736.67	4975.30
Other Tradable goods	-	-
<b>Total</b>	42809.46	37109.09
c) Agri		
Fruits and Vegetables	-	-
Other Tradable goods	5376.14	4381.03
<b>Total</b>	5376.14	4381.03
d) Bakery		
Tradable Goods	94.06	76.12
<b>Total</b>		
<b>Total (a + b + c+d)</b>	49296.66	42184.17

**Note : 24 Changes in inventories of finished goods, work-in-progress and Stock-in-Trade**

(₹ in lakhs)

Particulars	Period Ended March 31, 2016	Period Ended March 31, 2015
<b>A) Inventory at the end of the year :</b>		
Work-in-progress	42.77	24.51
Finished goods	8706.02	6330.18
Stock-in-Trade	4742.29	4327.93
<b>Total - A</b>	13491.08	10682.62
<b>B) Inventory at the beginning 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 - B</b>	10682.62	5603.37
Changes in inventories of finished goods, work-in-progress and stock-in-trade (B-A)	(2808.46)	(5079.25)

### Note : 25 Employee benefit expense

(₹ in lakhs)

Particulars	Year Ended March 31, 2016	Year Ended March 31, 2015
Salaries, wages, bonus and allowances (Refer Note 32)	12803.25	10081.81
Contribution to Provident and other funds	610.43	542.80
Contribution to gratuity fund (Refer Note 32)	155.79	134.17
Staff Welfare Expenses	429.64	313.64
<b>Total</b>	<b>13999.11</b>	<b>11072.42</b>

### Note: 26 Finance costs

(₹ in lakhs)

Particulars	Year Ended March 31, 2016	Year Ended March 31, 2015
Interest Expense	1460.35	1495.05
Other borrowing cost	47.69	82.46
Applicable loss on foreign currency transaction and translation	-	-
Interest on income tax	37.85	15.50
<b>Total</b>	<b>1545.89</b>	<b>1593.01</b>

### Note: 27 Depreciaton and amortization expense

(₹ in lakhs)

Particulars	Year Ended March 31, 2016	Year Ended March 31, 2015
Depreciation on tangible assets	3354.37	3279.19
Amortization of Intangible assets	96.84	119.84
<b>Total</b>	<b>3451.21</b>	<b>3399.03</b>

### Note: 28 Other expenses

(₹ in lakhs)

Particulars	Year Ended March 31, 2016	Year Ended March 31, 2015
Consumption of Stores ,spares and consumables	1365.68	1124.15
Rent (Refer Note 35)	3162.88	2764.27
Bank Charges	156.85	165.23
Insurance	96.33	92.30
Travelling and conveyance	433.57	383.51
Communication cost	268.87	234.73
Safety and Security	720.10	539.38
Printing and Stationery	142.63	117.94
Office Maintenance	74.92	59.13
House Keeping Expenses	189.60	152.78
Books and periodicals	0.87	0.92
Electricity Charges	1158.11	871.39
Rates and taxes	277.66	205.41
Repairs and maintenance		
Buildings	69.82	63.12
Machinery	214.48	174.81
Others	514.11	508.77
Wheeling Charges	51.46	66.89
Operation & Maintenance Charges	22.46	21.20
Legal and Professional Charges	571.63	502.70
Payment to Auditors :		

Particulars	Year Ended March 31, 2016	Year Ended March 31, 2015
<b>As Auditor:</b>		
Audit Fee	16.21	15.90
Tax Audit fee	8.02	7.87
Limited Review	3.43	3.37
Corporate Governance	1.15	1.12
<b>In other capacity :</b>		
Taxation matters	9.06	3.89
Certification fee	3.21	4.28
Reimbursement of expenses	5.09	2.95
Advertisement expenses	487.95	264.55
Selling and Distribution expenses	1699.54	1248.68
Warehouse and logistics	293.06	280.84
Freight outwards	7562.15	6522.58
Directors' sitting fees	13.89	11.87
Provision for bad and doubtful advances	47.11	17.09
Bad Debts written off	42.82	9.81
Bad and doubtful advances written off	13.13	12.77
Provision for doubtful debts	78.63	61.52
Impairment loss on fixed assets	51.56	15.58
Recruitment and Training expenses	60.11	27.52
Contribution to Heritage Farmers Welfare Trust	160.16	103.04
Exchange differences (net)	3.75	1.17
Prior Period items *	(11.58)	1.33
Corporate Social Responsibility expenditure (Ref Note.45)	99.16	69.63
Miscellaneous expenses	32.42	20.52
<b>Total</b>	<b>20172.06</b>	<b>16756.51</b>
<b>*Prior period items:</b>		
Debits relating to earlier years	6.51	1.33
Credits relating to earlier years	18.09	-
<b>Total</b>	<b>(11.58)</b>	<b>1.33</b>
<b>Note : 29 Exceptional item :</b>		(₹ in lakhs)
<b>Particulars</b>	<b>As at March 31, 2016</b>	<b>As at March 31, 2015</b>
Exceptional items related to additional provision for bonus for the year 2014-15 as per the Payment of Bonus (Amendment Act),2015. (Previous year : Nil)	136.95	-



### Note: 30 Contingent liabilities and commitments (to the extent not provided for)

(₹ in lakhs)

Particulars	As at March 31, 2016	As at March 31, 2015
<b>A. Contingent Liabilities</b>		
i. Claims against the company not acknowledged as debt :		
a) Tax matters in appeal :		
Income Tax	332.32	475.68
Sales Tax	166.38	166.38
The Andhra Pradesh VAT Act *	128.86	201.89
Excise duty	13.26	-
b) Others	16.20	16.20
ii. Guarantees	230.24	373.99
iii. Other money for which the company is contingently liable :		
a) 'C' forms under collection		
(Against all the above ₹ 138.77 lakhs (Previous year : 171.21 lakhs ) was paid under protest)	694.63	379.30
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) Land is under dispute	15.69	-
<b>B. Commitments</b>		
i. Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances)	84.72	780.82
ii. Other commitments :		
- Export obligation upto the year 2022-23 against import of capital goods under EPCG scheme	3725.44	4280.49

### Note: 31 Investor Education and Protection Fund

(₹ in lakhs)

Particulars	As at March 31, 2016	As at March 31, 2015
Unclaimed Dividend		
Opening Balance	52.80	42.07
Less Claims during the year	1.10	0.64
Less: Transfer to IEPF	5.30	7.01
Add: Current year's unclaimed dividend	18.04	18.37
Closing Balance (Refer Note 10)	64.44	52.80
There is no amount outstanding to be credited to the Investor Education and Protection Fund		

**Note: 32 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, 2016	Year Ended March 31, 2015
Employers Contribution to Provident Fund	494.19	438.56

**Defined Benefit Plan :**

**Gratuity (Funded) : As per Actuarial Report dated 19.04.2016**

(₹ in lakhs)

Particulars	As at 31-Mar-2016	As at 31-Mar-2015
<b>1. Assumption</b>		
Discount Rate	7.90%	7.80%
Salary Escalation	5.00%	5.00%
Rate of Return on Plan Assets	9.00%	9.00%
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	540.33	405.76
Acquisition adjustments	-	-
Interest cost	42.15	36.52
Current Service Cost	107.00	95.56
Curtailment Cost / (Credit)	-	-
Settlement Cost / (Credit)	-	-
Benefit Paid	(87.59)	(40.86)
Actuarial (gain)/ loss on obligations	12.34	43.35
Present value of obligations as at end of year	614.22	540.33
<b>3. Table showing changes in the fair value of plan assets</b>		
Fair value of plan assets at beginning of year	550.80	486.84
Opening balance adjustment	2.00	(12.63)
Acquisition adjustments	-	-
Expected return on plan assets	3.70	41.26
Contributions	125.80	76.18
Benefits paid	(87.59)	(40.86)
Actuarial gain / (loss) on plan assets	-	-
Fair value of plan assets at end of year	594.70	550.80
<b>4. Table showing fair value of plan assets</b>		
Fair value of plan assets at beginning of year	550.80	486.84
Opening balance adjustment	2.00	(12.63)
Acquisition adjustments	-	-
Actual return on plan assets	3.70	41.26
Contributions	125.80	76.18
Benefits paid	(87.59)	(40.86)
Fair value of plan assets at the end of year	594.70	550.80
Funded Status	(19.52)	10.47
Excess of Actual over estimated return on plan assets	-	-
<b>5. Actuarial Gain / Loss recognised</b>		
Actuarial (gain)/ loss on obligations	(12.34)	(43.35)
Actuarial (gain)/ loss for the year -plan assets	-	-
Total (gain) / loss for the year	12.34	43.35
Actuarial (gain)/ loss recognised in the year	12.34	43.35

Particulars	As at 31-Mar-2016	As at 31-Mar-2015
<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	614.22	540.33
Fair value of plan assets as at the end of the year	594.70	550.80
Funded Status	(19.52)	10.47
Net asset/ (liability) recognised in balance sheet	(19.52)	10.47
<b>7. Expenses Recognised in the statement of profit and loss</b>		
Current Service Cost	107.00	95.56
Opening balance adjustment	(2.00)	-
Past Service Cost	-	-
Interest cost	42.15	36.52
Expected return on plan assets	(3.70)	(41.26)
Curtailment Cost / (Credit)	-	-
Settlement Cost / (Credit)	-	-
Net Acturial (gain) / loss recognised in the year	12.34	43.35
Expenses recognised in statement of profit and loss (Refer Note 25)	155.79	134.17

**Amounts for the current and previous four financial years (for Gratuity)**

Particulars	As at 31-Mar-2016	As at 31-Mar-2015	As at 31-Mar-2014	As at 31-Mar-2013	As at 31-Mar-2012
Present value of defined benefit obligations	614.22	540.33	405.76	369.92	271.00
Fair value of plan assets	594.70	550.80	486.84	382.06	280.21
Deficit /(Surplus) in the plan assets	19.52	(10.47)	(81.08)	(12.14)	(9.21)

**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 :**
**Earned Leave & Sick Leave(Unfunded):**

As per Actuarial Report dated 26.04.2016

(₹ in lakhs)

Particulars	Earned Leave		Sick Leave	
	As at 31-Mar-2016	As at 31-Mar-2015	As at 31-Mar-2016	As at 31-Mar-2015
<b>1 Assumptions</b>				
Discount Rate	7.90%	7.80%	7.90%	7.80%
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	24 Yrs	25 Yrs
<b>2. Reconciliation of Defined benefit obligation</b>				
Present Value of Obligation as at the beginning of the year	614.89	472.47	111.26	94.42
Acquisition adjustment	-	-	-	-
Interest Cost	47.96	42.52	8.68	8.50
Past Service Cost	-	-	-	-
Current Service Cost	309.40	142.42	75.93	16.84
Curtailment Cost / (Credit)	-	-	-	-
Settlement Cost / (Credit)	-	-	-	-
Benefits paid	(189.30)	(124.67)	(22.56)	(19.49)
Actuarial (gain)/ loss on obligations	141.34	82.14	13.88	10.99
Present Value of Obligation as at the end of the year	924.29	614.89	187.19	111.26

Particulars	Earned Leave		Sick Leave	
	As at 31-Mar-2016	As at 31-Mar-2015	As at 31-Mar-2016	As at 31-Mar-2015
<b>3. Actuarial Gain / Loss Recognised</b>				
Actuarial (gain)/loss for the year – Obligation	(141.34)	(82.14)	(13.88)	(10.99)
Actuarial gain/(loss) for the year - Plan Assets	-	-	-	-
Total (gain) / loss for the year	141.34	82.14	13.88	10.99
Actuarial (gain) / loss recognized in the year	141.34	82.14	13.88	10.99
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>				
Present Value of Obligation as at the end of the year	924.29	614.89	187.19	111.26
Value of Plan Provisions as at the end of the year	-	-	-	-
Funded Status	(924.29)	(614.89)	(187.19)	(111.26)
Unrecognized Actuarial (gains) / losses	-	-	-	-
Net Asset / (Liability) Recognized in Balance Sheet	(924.29)	(614.89)	(187.19)	(111.26)
<b>5. Expenses Recognized in the statement of Profit &amp; Loss</b>				
Current Service Cost	309.40	142.42	75.93	16.84
Past Service Cost	-	-	-	-
Interest Cost	47.96	42.52	8.68	8.50
Expected Return on Plan Assets	-	-	-	-
Curtailment Cost / (Credit)	-	-	-	-
Settlement Cost / (Credit)	-	-	-	-
Net actuarial (gain)/ loss recognized in the year	141.34	82.14	13.88	10.99
Expenses Recognized in the statement of Profit & Loss (Refer Note 25 - included in Salaries, wages ,bonus and allowances)	498.70	267.08	98.49	36.33

**Amounts for the current and previous four financial years (for Earned Leave)**

Particulars	As at 31-Mar-2016	As at 31-Mar-2015	As at 31-Mar-2014	As at 31-Mar-2013	As at 31-Mar-2012
Present value of defined benefit obligations	924.29	614.89	472.47	429.55	381.06
Deficit in the plan assets	(924.29)	(614.89)	(472.47)	(429.55)	(381.06)

**Amounts for the current and previous four financial years (for Sick Leave)**

Particulars	As at 31-Mar-2016	As at 31-Mar-2015	As at 31-Mar-2014	As at 31-Mar-2013	As at 31-Mar-2012
Present value of defined benefit obligations	187.19	111.26	94.42	84.43	62.44
Deficit in the plan assets	(187.19)	(111.26)	(94.42)	(84.43)	(62.44)

**Note:** Details of experience adjustments arising on plan liabilities have not been disclosed in the absence of relevant information

### Note: 33 Segment reporting for the year ended March 31, 2016

As per the Accounting Standard (AS- 17), the Company has identified Dairy, Retail, Agri, Bakery and Renewable Energy segments as reportable segments.

Dairy segment mainly deals with procuring milk ,processing and selling of milk, value added products, fat products, Skimmed milk powder ,Tradable goods and job work. Retail segment mainly deals with buying and selling of FMCG-Food, FMCG-Non-Food and Fruits and vegetables. Agri segment mainly deals with procuring , processing and selling of Fruits and Vegetables, Tradable goods and job works. Bakery segment mainly deals with procurement, production and selling of bakery products. Renewable Energy segment mainly deals with generating and supply of solar power and wind power to the Dairy segment for its captive consumption.

(₹ in lakhs)

Particulars	As at March 31, 2016			As at March 31, 2015		
	External Revenue	Inter-segment Revenue	Total	External Revenue	Inter-segment Revenue	Total
<b>1. Segment Revenue</b>						
i. Heritage Foods Ltd:						
a. Dairy	174276.95	2603.18	176880.13	153354.44	2231.27	155585.71
b. Retail	58041.54	244.95	58286.49	49228.74	168.26	49397.00
c. Agri	5078.50	4489.22	9567.72	4331.99	4068.17	8400.16
d. Bakery	601.84	210.19	812.03	371.37	217.56	588.92
e. Renewable Energy	59.50	244.80	304.30	10.12	246.92	257.04
ii. Heritage Foods Retail Limited	-	-	-	-	-	-
iii. Heritage Conrpo Limited	-	-	-	-	-	-
<b>Total Segment Revenue</b>	<b>238058.33</b>	<b>7792.34</b>	<b>245850.67</b>	207296.65	6932.18	214228.83
Inter-segment-eliminations		<b>7792.34</b>	<b>7792.34</b>		6932.18	6932.18
Net Sales / Income from Operations		-	<b>238058.33</b>		-	207296.65
<b>2. Segment Results</b>						
Profit / (Loss) before finance costs and tax						
i. Heritage Foods Limited						
a. Dairy			11532.19			6717.47
b. Retail			(1380.99)			(1107.36)
c. Agri			(135.78)			(125.47)
d. Bakery			(61.52)			(84.46)
e. Renewable Energy			126.17			70.53
ii. Heritage Foods Retail Limited			(0.24)			(0.76)
iii. Heritage Conrpo Limited			(0.17)			(0.63)
Total Segment Results			10079.66			5469.32
Less: i. Finance costs			1545.89			1593.01
Add: Interest income			61.01			37.41
Add/ (Less): Net Unallocable Income / (Expenditure)			3.06			15.21
Profit / (Loss) before Extra-ordinary items and Tax			8597.84			3928.92
Less: Extra-ordinary items			-			-
Profit / (Loss) before Tax			8597.84			3928.92
Less:						
a. Current tax			3086.50			1169.36
b. Prior peiod tax			(18.06)			(0.45)
c. Deferred tax			(13.34)			(76.02)
<b>Net Profit / (Loss)</b>			<b>5542.74</b>			2836.03

Particulars	As at March 31, 2016			As at March 31, 2015		
	External Revenue	Inter-segment Revenue	Total	External Revenue	Inter-segment Revenue	Total
<b>3. Total Capital Employed</b>						
(Segment Assets - Segment Liabilities)						
i. Heritage Foods Limited						
a. Dairy			19573.68			18687.40
b. Retail			8632.26			8877.41
c. Agri			3211.28			3135.91
d. Bakery			1064.32			1075.13
e. Renewable Energy			2609.15			1588.95
ii. Heritage Foods Retail Limited			(0.47)			(0.52)
iii. Heritage Conrpo Limited			(0.40)			(0.41)
<b>Total Segment Capital Employed</b>			35089.82			33363.88
Add: Unallocated Assets			1321.59			1272.23
Less: Unallocated Liabilities			1623.39			1049.83
<b>Total Capital Employed</b>			34788.02			33586.29
<b>4. Capital Expenditure incurred during the year</b>						
i. Heritage Foods Limited						
a. Dairy			3869.29			3865.69
b. Retail			1337.02			1588.94
c. Agri			38.55			36.35
d. Bakery			100.31			8.29
e. Renewable Energy			1402.39			-
ii. Heritage Foods Retail Limited			-			-
iii. Heritage Conrpo Limited			-			-
<b>Total Segment Capital Expenditure</b>			6747.56			5499.27
Add: Unallocated Capital Expenditure			49.36			22.69
<b>Total Capital Expenditure</b>			6796.92			5521.96
<b>5. Depreciation and Amortisation for the year</b>						
Segment Depreciation						
i. Heritage Foods Limited						
a. Dairy			2021.84			1987.76
b. Retail			922.91			888.50
c. Agri			229.00			228.19
d. Bakery			80.90			82.08
e. Renewable Energy			81.92			81.05
ii. Heritage Foods Retail Limited			-			-
iii. Heritage Conpro Limited			-			-
<b>Total Segment Depreciation and Amortisation</b>						3267.59
Add: Unallocated Depreciation			114.64			131.44
<b>Total Depreciation and Amortisation</b>			3451.21			3399.03
<b>6. Significant Non Cash Expenditure (excluding depreciation, amortisation and impairment)</b>			830.43			398.82

## Note: 34 Related party disclosures as per AS-18 :

### A. Relationships :

- i) **Subsidiary Companies**
- a) Heritage Foods Retail Limited
  - b) Heritage Conpro Limited
- iii) **Key Management Personnel :**
- a) N Bhuvaneshwari  
Vice Chairperson & Managing Director
  - b) N Brahmani  
Executive Director
  - c) K Durga Prasada Rao  
Whole-time Director
  - d) A Prabhakara Naidu  
Chief Financial Officer
  - e) Umakanta Barik  
Company Secretary
- iv) **Other Related Parties :**
- a) Heritage Farmers Welfare Trust
  - b) Heritage Finlease Limited
  - c) Heritage Employee Welfare Trust
- v) **Relatives of Key Management Personnel and their enterprises**
- A) where transactions have taken place**
- a) NTR Memorial Trust
  - b) N Lokesh - Non-Executive Director
  - c) Sunkara Vasavi
- B) where no transactions have taken place**
- a) Nirvana Holdings Private Limited

### ii) Associate :

- a) SKIL Raigam Power (India) Limited

Name of the related party ==>	N Bhuvaneshwari	N Brahmani	N Lokesh	K Durga Prasada Rao	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	Heritage Employee Welfare Trust	Sunkara Vasavi
<b>Particulars</b>														
Description of the Relationship between the parties	Key Management Personnel (Vice Chairperson & Managing Director)	Key Management Personnel (Executive Director)	Relative of Key Management Personnel (Non-Executive Director)	Key Management Personnel (Whole-time Director) (part of the year)	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	Key Management Personnel of Heritage Foods Ltd are Trustees of Heritage Employee Welfare Trust	Relative of Key Management Personnel of Heritage Foods Ltd are Trustees of Heritage Foods Ltd
Description of the nature of transactions	a) Managerial Services b) Rental agreement	Managerial Services	Sitting Fee	Managerial Services	a) Investment b) Cattle loan's 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	Contributions made by the Company	Lease Rentals



Name of the related party ==>	N Bhuvaneshwari	N Brahmani	N Lokesh	K Durga Prasada Rao	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	Heritage Employee Welfare Trust	Sunkara Vasavi
Volume of the transactions either as an amount or as appropriate proportion	a) Managerial Remuneration of ₹ 102.00 lakhs (Previous year: ₹ 120 lakhs) b) PF contribution of ₹ 7.34 lakhs (Previous year: ₹ 8.64 lakhs) c) Perks ₹ 10.54 lakhs (Previous year: ₹ 10.68 lakhs) d) Leave Encashment of ₹ Nil (Previous year: ₹ Nil) e) Commission: ₹ 365.59 lakhs (Previous year: ₹ 88.77 lakhs) f) Office rent of ₹ 52.60 lakhs paid by Company (Previous year: ₹ 49.40 lakhs)	a) Managerial Remuneration of ₹ 57.83 lakhs (Previous year: ₹ 60 lakhs) b) PF contribution of ₹ 4.16 lakhs (Previous year: ₹ 4.32 lakhs) c) Perks : 5 lakhs (Previous year: 6.95 lakhs) d) Commission: ₹ 319.68 lakhs (Previous year: 108.61 lakhs)	Sitting Fee of ₹ 1.90 lakhs (Previous year: ₹ 1.50 lakhs)	a) Managerial Remuneration of ₹ 21 lakhs (Previous year: ₹ 24 lakhs) b) PF contribution of ₹ 1.51 lakhs (Previous year: 1.73 lakhs) c) Perks : lakhs (Previous year: lakhs) c) Perks : 6.75 lakhs (Previous year: ₹ Nil)	a) Share Capital ₹ 20 lakhs (Previous year: ₹ 20 lakhs) b) Dividend Received ₹ 3.0 lakhs (Previous year: ₹ Nil) c) Cattle loans of ₹ 6606 lakhs (Previous year: 5769.47 lakhs) given by Heritage Finlease Limited to the milk producers are recovered by the Company and remitted subsequently to Heritage Finlease Ltd	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) b) Perks: ₹ 0.15 lakhs (Previous year: ₹ 0.15 lakhs) c) PF Contribution of ₹ 2.11 lakhs (Previous year: ₹ 1.89 lakhs)	a) Salary : ₹ 39.05 lakhs (Previous Year: ₹ 34.85 lakhs) b) Perks: ₹ 0.15 lakhs (Previous year: ₹ 0.15 lakhs) c) PF Contribution of ₹ 2.11 lakhs (Previous Year: ₹ 1.89 lakhs)	a) Salary : ₹ 19.32 lakhs (Previous year : ₹ 17.24 lakhs) b) Perks: ₹ 0.15 lakhs (Previous year : ₹ 0.15 lakhs) c) PF Contribution of ₹ 1.05 lakhs (Previous Year: ₹ 0.94 lakhs)	Contributions by the Company during the year: ₹ 99.16 lakhs (Previous year: 69.63 lakhs)	Contributions by the Company during the year: ₹ 160.16 lakhs (Previous year: 103.04 lakhs)	Contributions by the Company during the year: ₹ 69.09 lakhs (Previous year: 48.69 lakhs)	Rent ₹ 3.14 lakhs (Previous Year: ₹ 2.88 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		Managerial Remuneration was approved by Shareholders	NIL	NIL	NIL	NIL	NIL	Nil	NIL	NIL	NIL	NIL

Name of the related party ==>	N	N Bhuvaaneswari	N Brahmani	N Lokesh	K Durga Prasada Rao	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	Heritage Employee Welfare Trust	Sunkara Vasavi
Guarantees and collaterals			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. The loan was repaid during the year, guarantee was discharged and security was released. (Previous year : The above securities was given for ₹ 100 lakhs).												

Name of the related party ==>	N Bhuvaeswari	N Brahmani	N Lokesh	K Durga Prasada Rao	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	Heritage Employee Welfare Trust	Sunkara Vasavi
		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. The loan was repaid during the year, guarantee was discharged and security was released. (Previous year : The above securities was given for ₹ 1500 lakhs).												

Name of the related party ==>	N Bhuvaeswari	N Brahmani	N Lokesh	K Durga Prasada Rao	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	Heritage Employee Welfare Trust	Sunkara Vasavi
The amounts or appropriate proportions of outstanding items pertaining to related parties at the Balance Sheet date	₹ 347.79 lakhs (Previous year: ₹ 76.62 lakhs)	₹ 321.23 lakhs (Previous year: ₹ 111.83 lakhs)	NIL	₹ Nil (Previous year: ₹ 1.88 lakhs)	₹ 201.82 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: ₹ 199.93 lakhs)	NIL	NIL	NIL	Nil (Previous year: ₹ 2.07 lakhs)	Nil (Previous year: ₹ 1.21 lakhs)	Nil	Contribution amount outstanding: ₹ 20.87 lakhs the same has been remitted subsequently (Previous year: ₹ 15.94 lakhs)	Contribution amount outstanding: ₹ 19.81 lakhs the same has been remitted subsequently (Previous year: ₹ 8.82 lakhs)	₹ 0.30 lakhs (Previous Year: ₹ 0.30 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	NIL
Provision for diminution in value of Investments	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL

**Note: 35 Lease**

(₹ in lakhs)

Particulars	As at March 31, 2016	As at March 31, 2015
<b>a) Non-cancellable Operating Leases:</b>		
Data Processing Equipments obtained on non-cancellable operating lease		
<b>The aggregate future minimum lease rentals payable:</b>		
i) for a period not later than one year	23.23	44.65
ii) for a period later than one year and not later than five years	-	23.23
iii) for a period later than five years	-	-
Total operating lease expenses debited to statement of profit and loss is ₹ 3162.88 lakhs (Previous year : ₹ 2764.27 lakhs)		
Total sub-lease payments received /(receivable) credited to statement of profit and loss is ₹ Nil (Previous year : ₹ Nil)		
<b>b) Outstanding lease obligations:</b>		
<b>Finance lease obligations</b>		
Leasehold Office Equipment include Data Processing Equipment obtained on finance lease. The term of lease is for 5 years. The future minimum lease payments and their present values as at March 31, 2016 and as at March 31, 2015 are as follows.		

(₹ in lakhs)

Particulars	Total Minimum Lease Payments Outstanding		Future Interest on outstanding Lease payments		Present Value of minimum lease payments	
	as at March 31, 2016	as at March 31, 2015	as at March 31, 2016	as at March 31, 2015	as at March 31, 2016	as at March 31, 2015
i) Not later than one year	44.85	-	13.24	-	31.61	-
ii) Later than one year and not later than five years	134.54	-	19.26	-	115.28	-
iii) Later than five years	-	-	-	-	-	-
<b>Total</b>	<b>179.39</b>		<b>32.50</b>	-	<b>146.89</b>	-

**Note: 36 Earning per share (EPS)**

(₹ in lakhs)

	Year Ended March 31, 2016	Year Ended March 31, 2015
a) Calculation of weighted average number of equity shares of ₹ 10/-each :		
Number of Equity Shares outstanding at the beginning of the year	23199000	23199000
Add: Issue of Equity shares during the year	-	-
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	8597.84	3928.92
c) Net Profit / (Loss) after tax before extraordinary items	5542.69	2836.03
d) Net Profit / (Loss) after tax and extraordinary items	5542.69	2835.92
e) Basic and diluted Earnings per share (Before Extraordinary items) of ₹ 10 each (₹)	23.89	12.22
f) Basic and diluted Earnings per share (After Extraordinary items) of ₹ 10 each (₹)	23.89	12.22

**Note: 37 Value of Imports calculated on CIF basis in respect of :**

(₹ in lakhs)

Particulars	Year Ended March 31, 2016		Year Ended March 31, 2015	
	USD	INR	USD	INR
Capital Goods	-	6.87	-	-
<b>Total</b>	-	<b>6.87</b>	-	-

**Note: 38 Expenditure in Foreign Currency on account of :**

(₹ in lakhs)

a) Interest	-	-
b) Foreign travel	0.81	2.32
<b>Total</b>	<b>0.81</b>	<b>2.32</b>

**Note: 39 Earnings in Foreign Currency :**

(₹ in lakhs)

Export of goods calculated on FOB basis	1416.46	312.20
<b>Total</b>	<b>1416.46</b>	<b>312.20</b>

\* Exports to Nepal in INR during the year 2015-16 ₹ 46.50 lakhs (Prev.year ₹ 132.60 lakhs) is not included in Earnings in Foreign Currency

**Note: 40 Consumption of Materials:**

(₹ in lakhs)

Particulars	2015 - 16		2014 - 15	
	%	INR	%	INR
a) Raw Materials (Refer Note 22)				
i) Indigenous	100.00	141378.79	100.00	131393.51
ii) Imported	-	-	-	-
b) Stores, spares and consumables (Refer Note 28)				
i) Indigenous	100.00	1365.68	100.00	1124.15
ii) Imported	-	-	-	-

**Note: 41 Remittance in Foreign Currency on account of dividends :**

(₹ in lakhs)

Particulars	2015 - 16		2014 - 15	
	USD	INR	USD	INR
a) Year to which the dividend relate	-	-	-	-
b) Amount remitted in Foreign Currency	Nil	Nil	Nil	Nil
c) Number of non-resident shareholders to whom remittances were made	NA	NA	NA	NA
d) Number of shares on which remittances were made	NA	NA	NA	NA

**Note: 42 Disclosures in respect of derivative instruments :**
**a) Derivative instruments outstanding at the balance sheet date**

(₹ in lakhs)

Particulars	March 31, 2016		March 31, 2015	
	USD	INR	USD	INR
i) Forward :	-	-	-	-
ii) Option :	-	-	-	-
iii) Swap :	-	-	-	-

**b) Foreign currency exposures that are not hedged by derivatives :**

Particulars	March 31, 2016		March 31, 2015	
	Foreign Currency	INR (in lakhs)	Foreign Currency	INR (in lakhs)
Trade receivables	\$ 1.62 lakhs	107.45	\$ 2.14 lakhs	133.87

### 43. Disclosures mandated by Schedule III of the Companies Act'2013, by way of additional information.

Name of the Entities	2015 - 16			
	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)
<b>Parent:</b>				
Heritage Foods Limited	100.03%	23999.28	100.01%	5543.15
<b>Subsidiary:</b>				
Heritage Foods Retail Limited	0.01%	2.47	0.00%	(0.24)
Heritage Conpro Limited	0.03%	6.42	0.00%	(0.17)
	100.07%	24008.17	1.00	5542.74
Inter-company elimination & consolidation adjustments	(0.07%)	(16.34)		0.00
<b>Grand total</b>	<b>100.00%</b>	<b>23991.83</b>		<b>5542.74</b>
Minority interest in subsidiaries		1.57		(0.04)
Share in profit /(loss) of associates				(0.09)
Name of the Entities	2014 - 15			
	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)
<b>Parent:</b>				
Heritage Foods Limited	100.04%	19301.16	99.47%	2821.02
<b>Subsidiary:</b>				
Heritage Foods Retail Limited	0.01%	2.71	(0.03%)	(0.76)
Heritage Conpro Limited	0.03%	6.59	(0.02%)	(0.63)
	100.08%	19310.47	99.42%	2819.63
Inter-company elimination & consolidation adjustments	(0.08%)	(16.26)	0.58%	16.41
<b>Grand total</b>	<b>100.00%</b>	<b>19294.21</b>	<b>100.00%</b>	<b>2836.04</b>
Minority interest in subsidiaries		1.61		(0.16)
Share in profit /(loss) of associates				(0.28)

**Note: 44** 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: 45** Details of Corporate Social Responsibility (CSR) expenditure :

- Gross amount required to be spent by the company during the year : ₹ 99.16 lakhs (Previous year : 69.63 lakhs)
- Amount spent during the year :

	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*	₹ 99.16 lakhs	Nil	₹ 99.16 lakhs

\* Contribution made to a Registered Trust named NTR Memorial Trust of ₹ 99.16 lakhs during the Financial Year 2015-16 (Previous year : ₹ 69.63 lakhs).

**Note: 46** The financial statements for the year ended March 31, 2016 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

(Pursuant 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

(₹ in lakhs)

Part "A" Subsidiaries										As at				For the year ended			
Sl. No	Name of the Subsidiary	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	Reporting currency and Exchange rate as on the last day of the relevant financial year in the case of foreign subsidiaries	Share capital	Reserves & Surpluses	Total Assets	Total Liabilities	Invest-ments	Turn over	Profit / (Loss) before taxation	Provision for taxation	Profit / (Loss) after taxation	Proposed Dividend	% of share holding			
1	Heritage Foods Retail Limited (Subsidiary):																
As at /Year ended :																	
	31.03.2016			16.56	(14.09)	2.94	0.47	-	-	(0.24)	-	(0.24)	-	99.64			
	31.03.2015			16.56	(13.85)	3.23	0.52	-	-	(0.76)	-	(0.76)	-	99.64			
2	Heritage Conpro Limited (Subsidiary):																
As at /Year ended :																	
	31.03.2016			10.04	(3.62)	6.82	0.40	-	-	(0.17)	-	(0.17)	-	75.70			
	31.03.2015			10.04	(3.45)	7.00	0.41	-	-	(0.63)	-	(0.63)	-	75.70			

### Part "B" : Associates and Joint ventures

Statement pursuant to Sec 129 (3) of the Companies Act, 2013 related to Associate Companies and Joint Ventures

Sl. 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 attributable to share holding as per latest audited Balance sheet.	6. Profit/ (Loss) for the year	
							i. Considered in consolidation	ii. Not considered in Consolidation
1	Skill Raigam Power (India) Limited (Associate)	31.03.2016	650000	44.83	N.A	56.35	(0.09)	(0.11)
		31.03.2015	650000	44.83	N.A	56.44	(0.28)	(0.35)

As per our report attached

For and on behalf of the Board

**For Raju & Prasad**  
Chartered Accountants  
FRN: 003475S

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

**N Brahmani**  
Executive Director  
DIN: 02338940

**I Dileep Kumar**  
Partner  
Membership No.223943  
Date : May 23, 2016  
Place : Hyderabad

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

**Umakanta Barik**  
Company Secretary  
M.No.FCS 6317



## ATTENDANCE SLIP



### HERITAGE FOODS 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*	
------------	--

No. of Shares	
---------------	--

**Name & Address (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 24<sup>th</sup> Annual General Meeting of the Company to be held at National Institute for Micro, Small and Medium Enterprises, Yousufguda, and Hyderabad - 500045 on Friday, the August 19, 2016 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

**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 - Form No. MGT-11

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 24<sup>th</sup> Annual General Meeting of the Company to be held on Friday, the August 19, 2016 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	Resolutions	Vote (Optional see Notes) (Please mention no. of shares)		
		For	Against	Abstain
Ordinary Business:				
1.	Adoption of Financial Statement: a. The Audited Financial Statements of the Company for the Financial Year ended March 31, 2016, 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 March 31, 2016			
2.	To declare a dividend of ₹ 3.00/- per equity share (30%) on Equity Shares of ₹ 10/- each for the Financial Year Ended on March 31, 2016			
3.	To appoint a Director in place of Dr. V Nagaraja Naidu (DIN: 00003730) who retires by rotation and being eligible, offers himself for re-appointment.			
4.	To ratify the appointment of auditors of the Company, and to fix their remuneration.			
Special Business:				
5.	To Appoint Mr.Rajesh Thakur Ahuja (DIN: 00371406) Director as Non Executive Independent Director for a Period upto March 22, 2021.			
6.	To approve the Service of Notice etc., as per the Section 20 of the Companies Act, 2013			

Signed this \_\_\_\_\_ day of \_\_\_\_\_ 2016

Affix  
Revenue  
Stamp

Signature of Shareholder

Signature of Proxy holder(s)

#### Notes:

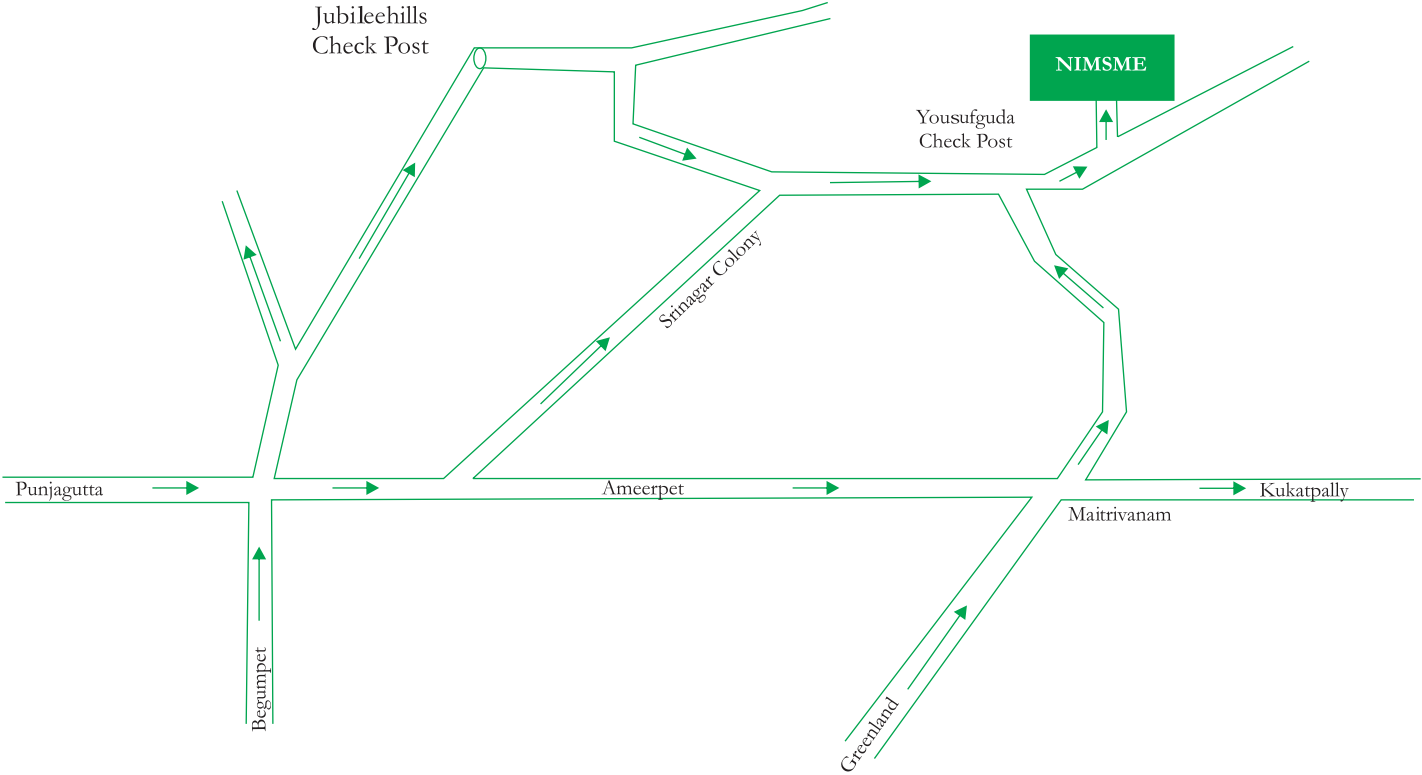
- This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company not less than 48 hours before the commencement of the meeting.**
- A Proxy need not be a member of the Company.**
- A person can act as a proxy on behalf of members not exceeding 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.
- This is only optional. Please put a '✓' in the appropriate column against the resolutions indicated in the Box. If you leave the 'For', 'Against', or 'Abstain' column blank against any or all the resolutions, your Proxy will be entitled to vote in the manner as he/she thinks appropriate.
- Appointing a proxy does not prevent a member from attending the meeting in person if he so wishes.
- In the case of joint holders, the signature of any one holder will be sufficient, but names of all the joint holders.

## Notes

## Notes



# Route Map of 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

Phone: 040-23391221/2





Email: [hfl@heritagefoods.in](mailto:hfl@heritagefoods.in)

Website: [www.heritagefoods.in](http://www.heritagefoods.in)



**FORM-A**

**Submission of Annual Audit Report (Standalone & Consolidated) as per Clause 31 of the Listing Agreement for the Financial Year 31<sup>st</sup> March 2015.**

1	Name of the Company		Heritage Foods Limited (Formerly Heritage Foods (India) Ltd)
2	Annual Financial Statements for the year ended		31 <sup>st</sup> March,2015
3	Type of Audit Observation		Un-qualified
4	Frequency of Observation		N.A
5	<b>Name</b>	<b>Designation</b>	<b>Signature</b>
	Sri D. Seetharamaiah	Chairman Audit Committee (DIN: 00005016)	
	Smt .N. Bhuvaneswari	Vice-Chairperson & Managing Director (DIN: 00003741)	
	Sri. A. Prabhakara Naidu	Chief Financial Officer (M. No: 200974)	
	Sri. Y. Bala Krishna Reddy	Partner M/s. Raju & Prasad Statutory Auditors (FRN: 003475S)	



**HERITAGE FOODS LIMITED**  
(Formerly known as M/s. Heritage Foods (India) Limited)  
CIN : L15209AP1992PLC014332  
AN ISO: 22000 CERTIFIED COMPANY

