



19<sup>th</sup> Annual Report  
2010-2011

**HERITAGE FOODS (INDIA) LIMITED**

AN ISO 22000 COMPANY



*Bring Home Health & Happiness*



First prize received on conservation of energy in Dairy Sector from the Ministry of Energy, Govt. of India.



ISO 14001 -2004 Certificate

## Sri D Seetharamaiah, Chairman



Dear Shareholders

The growing economic strength of modern India, along with the knowledge cultures, vibrance and enduring spirit of tradition can create wonders when they come together. In India there is dynamic, fascinating, diverse and a vibrant market for Milk and Milk products. This is a beginning of our journey together and I feel good about what we can do to fulfill the dreams of thousands for a better quality of life. Of Course there will be challenges for the Company during the year but, I look to the future with confidence.

During the tough economic environment, we focused our efforts on gaining the knowledge and capabilities to build tomorrow's enterprises. So, we are working to minimize waste, the consumption of energy and fresh water as well as preserve the natural habitat. In recognition of our efforts, the Ministry of Energy, Govt. of India had awarded first prize on conservation of energy in Dairy sector during the year. This is the second time we have received the prize from Govt. of India in a consecutive period of last three years. Your Company was able to demonstrate the full potential of its assets, management capability high quality of products and access to Indian markets by achieving the turnover, gross and net profits. This is attributed to volume growth and better margin in the core business.

Our own retail outlets enable us to interface directly with consumers and provide an ideal platform to showcase our entire range of products. Our outlets have not only helped brand Heritage to become ubiquitous but also have managed to provide a very rewarding employment opportunity to hundreds of entrepreneurs across south India. During the current year, we have projected a goal of setting up more number of Heritage parlours.

During the year under reference the gross turnover was grew by 22% to ₹ 1101.25 crores when compared to ₹ 903.31 crores of the previous year. The company has achieved the growth in the Dairy business and a healthy performance by the value added product segments in Dairy division. The retail business portfolio now accounts for 21.08 % of the Company's gross income. The profit after tax and exceptional item for the year was ₹ 1.12 Crores, when compared to ₹ 5.72 crores profit of the previous year.

We are happy to announce a dividend of ₹ 1.20 per equity (12%) on equity shares of ₹ 10/- each. (The dividends are payable on the equity shares outstanding as on record date and are subject to approval by the shareholders.)

We respect and value our customers. Our employees are our value creators whose efforts and bonds, we cherish. We create Best work environment, in which our employees are motivated to actualize their full potential. We provide the required support to them.

I am grateful to the Board of Directors for their unstinted support and guidance. I also take this opportunity to express my gratitude to all our stakeholders, who have reposed trust in us and extended their constant support.

Thank you  
**D Seetharamaiah**  
Chairman

# 10 Years Financials

(₹ in Crores)

	2010-11	2009-10	08-09	07-08	06-07	05-06	04-05	03-04	02-03	01-02
Turnover	1096.08	900.38	796.03	588.03	346.33	292.07	266.13	234.49	192.83	165.07
Other Income	5.17	2.93	3.23	40.13	1.22	1.27	0.78	1.35	0.86	0.42
Total Income	1101.25	903.31	799.26	628.16	347.56	293.34	266.91	235.84	193.68	165.49
Earnings before Depreciation, Interest and Tax (EBDIT)	39.26	47.03	3.43	23.66	12.17	25.23	20.91	31.60	27.86	20.10
Depreciation	19.94	19.64	17.22	10.55	6.78	4.80	4.01	3.94	4.50	2.49
Interest	15.97	16.67	14.58	12.43	1.84	0.40	0.60	0.28	0.13	0.38
Provision for Taxation (Including Deferred Tax & FBT)	1.84	4.98	6.58	(0.26)	1.82	6.39	6.14	9.75	8.33	6.12
Profit /(Loss) after Tax	1.12	5.60	(35.61)	0.94	1.72	13.64	10.16	17.62	14.91	11.11
Cash Profit/ (Loss)	23.29	30.35	(11.15)	11.49	8.51	18.44	14.17	21.57	19.41	13.60
Equity Dividend (%)	12.00	18.00	Nil	18.00	30.00	30.00	30.00	27.50	27.50	20.00
Dividend Payout (Including Tax on Dividend)	1.61	2.42	Nil	2.13	3.51	3.42	3.42	3.10	3.10	2.00
Equity Share Capital	11.53	11.53	11.53	11.53	9.99	9.99	9.99	9.99	9.99	10.78
Reserves and Surplus	75.01	75.35	69.24	104.17	59.31	62.50	52.65	45.84	34.53	24.14
Networth	86.53	86.87	80.77	115.70	69.30	72.49	62.64	55.83	44.52	34.92
Gross Fixed Assets	317.50	294.24	264.47	206.45	128.88	80.15	72.69	63.87	53.62	43.77
Net Fixed Assets	221.72	215.24	203.68	162.41	95.38	53.33	50.38	45.49	38.82	32.96

## Key Indicators

	2010-11	2009-10	08-09	07-08	06-07	05-06	04-05	03-04	02-03	01-02
Earnings per share - ₹.	0.97	4.85	(30.89)	0.92	1.73	13.65	10.17	17.64	14.93	10.29
Cash Earnings per share - ₹.	20.20	26.32	(9.67)	9.96	8.51	18.46	14.19	21.59	19.43	12.61
Book Value per share - ₹.	75.06	75.35	70.05	100.35	69.37	72.57	62.70	55.88	44.56	32.38
Debt* : Equity Ratio	1.15:1	1.34:1	1.50:1	0.96:1	0.79:1	0.00:1	0.00:1	0.01:1	0.01:1	0.14:1
EBDIT/Turnover %	3.58	5.22	0.43	4.02	3.51	8.63	7.86	13.48	14.45	12.18
Net Profit Margin %	0.10	0.62	(4.47)	0.16	0.50	4.65	3.81	7.47	7.70	6.71
Return on Networth %	1.29	6.45	(44.09)	0.81	2.48	18.81	16.22	31.56	33.49	31.82

\* Long Term Debt

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## Important Communication to Members

The Ministry of Corporate Affairs has taken a **“Green Initiative in the Corporate Governance”** by allowing paperless compliances by the companies and has issued circulars stating that service of notice/ documents including Annual Report can be send by e-mail to the members. To support this green initiative of the Government in full measure, members who have not registered their e-mail addresses, so far, are requested to register their e-mail addresses.

**Board of Directors:**

Sri D Seetharamaiah	<i>Non Executive Independent Chairman</i>
Sri N P Ramakrishna	<i>Independent Director</i>
Dr N R Sivaswamy	<i>Independent Director</i>
Dr A Appa Rao	<i>Independent Director</i>
Dr V Nagaraja Naidu	<i>Non Executive Director</i>
Sri K Kannan	<i>Independent Director</i>
Smt N Bhuvaneswari	<i>Vice Chairperson &amp; Managing Director</i>
Sri N Lokesh	<i>Executive Director</i>

**Company Secretary:**

CS Umakanta Barik

**Senior Management :**

Dr M Sambasiva Rao	<i>President</i>
CA A Prabhakara Naidu	<i>Sr.GM- Finance &amp; Accounts</i>
Sri K Durga Prasad Rao	<i>Chief Operating Officer-Dairy Division</i>
Sri S Jagdish Krishnan	<i>Chief Operating Officer-Retail &amp; Bakery Divisions</i>
Sri Anil Kumar Srivastava	<i>Chief Operating Officer-Agri Division</i>

**Board Committees****Audit Committee**

Sri D Seetharamaiah, Chairman  
Dr N R Sivaswamy  
Dr V Nagaraja Naidu  
Sri K Kannan

**Remuneration Committee**

Sri D Seetharamaiah, Chairman  
Dr N R Sivaswamy  
Dr A Appa Rao  
Sri N Lokesh

**Share Transfer & Shareholders/Investors' Grievance Redressal Committee**

Sri D Seetharamaiah, Chairman  
Dr A Appa Rao  
Dr V Nagaraja Naidu  
Smt N Bhuvaneswari

**Management Committee**

Sri D Seetharamaiah, Chairman  
Dr A Appa Rao  
Smt N Bhuvaneswari  
Sri N Lokesh

<b>Registered Office</b>	: 6-3-541/C, Panjagutta, Hyderabad - 500 082.
<b>Statutory Auditors</b>	: M/s. Raju & Prasad, Chartered Accountants 401, "DIAMOND HOUSE" Adj. Amrutha Hills, Panjagutta, Hyderabad - 500 082.
<b>Bankers</b>	: Bank of Baroda, Andhra Bank, ICICI Bank Limited.
<b>Listed with</b>	: Bombay Stock Exchange Limited, Mumbai, National Stock Exchange of India Limited, Mumbai.
<b>Registrar and Transfer Agents</b>	: M/s Karvy Computershare Private Limited. Plot no.17 to 24, Vittal Rao Nagar, Madhapur, Hyderabad - 500 081.
<b>Website</b>	: <a href="http://www.heritagefoods.co.in">www.heritagefoods.co.in</a> , <a href="http://www.freshat.in">www.freshat.in</a>

Members of Heritage Foods (India) Limited are hereby given notice for the 19<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	<b>Thursday 29<sup>th</sup> September, 2011</b>
Time	<b>11.00 a.m.</b>
Venue	<b>Auditorium Hall, 2<sup>nd</sup> Floor, Training Block, National Institute for Micro, Small and Medium Enterprises (formerly NISIET), Yousufguda, HYDERABAD – 500 045</b>

#### ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Balance Sheet as at 31<sup>st</sup> March, 2011 and Profit and Loss Account for the year ended as on that date together with the Reports of the Directors' and the Auditors' thereon.
2. To declare dividend for the year.
3. To appoint a Director in place of Dr. N.R. Siva Swamy, who retires by rotation and being eligible, offer himself for re-appointment.
4. To resolve not to fill the vacancy for the time being in the Board caused by the retirement of Sri K. Kannan who retire by rotation and doesn't seek for re-appointment.
5. To appoint Auditors of the Company and to fix their remuneration.

#### SPECIAL BUSINESS

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

**"RESOLVED THAT** pursuant to the provisions of Section 314(1)(b) of the Companies Act, 1956 read with Director's Relatives (Office or Place of Profit) Rules, 2011 as amended from time to time and other applicable provisions if any of the Companies Act, 1956, consent of the Company be and is hereby accorded to Smt. N. Brahmani, W/o of Sri. N. Lokesh, Executive Director of the Company to hold an office or place of profit as Vice President - Business Development of the company with effect from 01<sup>st</sup> June, 2011 on the following terms and conditions :

- a) Remuneration shall not exceed ₹ 19,500 per month.
- b) During her tenure, she will be governed by the Rules and Regulations of the Company as may be applicable to the employees of the Company from time to time including change in designation and responsibilities.
- c) The revision of remuneration will be effective only after obtaining all necessary approvals in this regard.

**"RESOLVED FURTHER THAT** the Board be and is hereby authorized to do all such acts, deeds and things as may be necessary to give effect to the resolution and to settle any questions, difficulties or doubts that may arise in this regard."

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

**"RESOLVED THAT** pursuant to the provisions of Sections 198, 269, 309, 310, 311, Schedule XIII as amended from time to time and other applicable provisions, if any, of the Companies Act, 1956 (including any statutory modifications or re-enactment thereof, for the time being in force) and subject to such sanctions and approvals as may be necessary, consent of the members of the Company be and is hereby accorded for the re-appointment of Sri. N. Lokesh, as a Whole-Time Director of the Company designated as "Executive Director", for a period of three years commencing from 1<sup>st</sup> July 2011 on the following terms and conditions as recommended by the remuneration Committee and approved by the Board of Director:

**Gross Salary :** ₹ 3.35 lakhs (Rupees Three Lakhs Thirty Five Thousand Only) per month and fully maintained company car for official purpose.

**Commission :** 2% of Net Profit of the Company per annum computed as per the provisions of the Companies Act, 1956

**"RESOLVED FURTHER THAT** Sri. N. Lokesh, Executive Director shall also be eligible for the following perquisites/benefits, which shall not be included in the minimum remuneration as specified below:

- a) Company's contribution towards pension scheme or Superannuation Fund together with provident fund not exceeding 25% of the salary wherein contribution towards Provident Fund shall not exceed 12% of the salary;
- b) Gratuity payable as per the rules of the Company;
- c) Re-imbursement of actual Club fees;
- d) Books & Periodicals and outfit requirements not exceeding to ₹10, 000/- (Rupees Ten Thousand only) per month;
- e) Personal accident insurance premium & premium on mediclaim policy – as per the policy of the company;
- f) Insurance of House-hold goods: Actual premium to be paid by the Company;
- g) Free telephone facility at residence and Mobile phone facility for official purpose;
- h) Leave travel concession shall be reimbursed to the extent of one month's salary for self and family;
- i) Encashment of un-availed leaves as per the rules of the company at the time of retirement/cessation of service;
- j) All other payments in the nature of perquisites and allowances agreed by the Board of Directors from time to time.

**RESOLVED FURTHER THAT** in case of losses or inadequacy of profits in any financial year during his tenure he will be eligible for a remuneration of ₹ 3.35 lakhs (Rupees Three Lakhs Thirty Five Thousand only) per month as minimum remuneration and fully maintained company car.

**"RESOLVED FURTHER THAT** the Board of Directors of the Company on the recommendation of the Remuneration Committee is hereby authorized to revise the said remuneration during the currency of his tenure and the total cost to the Company on account of such revision for any year



during the currency of his tenure is subject to the limits set out under section 198 and 309 of the Companies Act, 1956 read with schedule XIII thereto."

**RESOLVED FURTHER THAT** Sri. N. Lokesh shall not be subject to retirement by rotation during his tenure as an Executive Director."

By Order of the Board  
For **HERITAGE FOODS (INDIA) LIMITED**

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

Date: 28<sup>th</sup> July, 2011

**UMAKANTA BARIK**  
Company Secretary

## NOTES:

1. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE ON POLL INSTEAD OF HIMSELF/HERSELF AND SUCH PROXY NEED NOT BE A MEMBER OF THE COMPANY. THE PROXIES TO BE EFFECTIVE, SHOULD BE DULY STAMPED, COMPLETED, SIGNED AND DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY OR ITS REGISTRAR AND SHARE TRANSFER AGENT NOT LESS THAN FORTY EIGHT HOURS BEFORE THE COMMENCEMENT OF MEETING.**
2. **MEMBERS/PROXIES SHOULD PRODUCE AT THE ENTRANCE OF THE VENUE DULY FILLED ATTENDANCE SLIP FOR ATTENDING THE MEETING.**
3. M/s Karvy Computershare Private Limited (Karvy) is the Registrar and Share Transfer Agent of the Company.
4. The Register of Members and the Transfer Books of the Company will remain closed from Monday 26<sup>th</sup> September, 2011 to Thursday 29<sup>th</sup> September, 2011 (both days inclusive).
5. The dividend as recommended by the Board of Directors for the year ended 31<sup>st</sup> March, 2011, when declared at the Annual General Meeting will be paid to the members whose names appear:
  - i) As Beneficial Owners as per list to be furnished by the Depositories in respect of the shares held in demat form; and
  - ii) As members on the Register of Members of the Company on record date after giving effect to all valid share transfers in physical form which would be received by the Company upto end of business hours on record date.
6. In order to provide protection against fraudulent encashment of the Dividend Warrants, shareholders holding shares in physical form are requested to intimate the company under the signature of the sole / first & joint holder, the following information to be incorporated on the Dividend Warrants:
  - (i) Name of the sole / first & joint holder and the Folio Number.
  - (ii) Particulars of Bank Account.

7. Pursuant to provisions of sub-section (5) of Section 205A the Companies Act, 1956 the dividend, which remain unclaimed / unpaid for a period of 7 years shall be transferred by the Company to the Investor Education and Protection Fund (IEPF) established by the Central Government pursuant to Section 205C of the Companies Act, 1956. The Company has already transferred unclaimed/unpaid amount of dividends declared upto the financial year 2002-03 to the Investor Education and Protection Fund of the Central Government as required under Section 205A and 205C of the Companies Act, 1956.

Information in respect of such unclaimed dividend and the last date for claiming the same are given below:-

Financial year ended	Date of declaration of Dividend	Last date for claiming unpaid Dividend
2003-04	29-07-2004	28-07-2011
2004-05	15-07-2005	14-07-2012
2005-06	31-07-2006	30-07-2013
2006-07	22-08-2007	21-08-2014
2007-08	26-09-2008	25-09-2015
2009-10	30-07-2010	29-07-2017

Shareholders, who have not so far encashed the dividend warrant(s) are requested to seek issue of duplicate warrant(s) by writing to the Company's Registrar and Transfer Agents, M/s Karvy Computershare Private Limited immediately. Shareholders are requested to note that no claims lie against the Company or the said fund in respect of any amounts which were unclaimed and unpaid for a period of seven years from the date that they first became due for payment and no payment shall be made in respect of any such claims.

8. Non-resident Indian shareholders are requested to inform M/s Karvy Computershare Private Limited immediately:
  - i). The change in the residential status on return to India for permanent settlement; and
  - ii). The particulars of Bank Account maintained in India if not furnished earlier.
9. Corporate Members intending to send their authorized representatives are requested to send a duly certified copy of the Board Resolution authorizing their representatives to attend and vote at the Annual General Meeting.
10. Shareholders, holding shares in physical form, are requested to notify immediately change of address, if any, to the Company's Registrar & Share Transfer Agent, M/s. Karvy Computershare Private Limited, Plot No.17 to 24, Vittal Rao Nagar, Madhapur, Hyderabad - 500 081.
11. The Register of Directors' shareholdings shall be open for inspection to any member of the Company during the period beginning 14 days before the date of Company's Annual General Meeting and ending 3 days after the date of its conclusion. The said register shall also remain open and accessible during the Annual General Meeting to any person having right to attend the meeting.



12. Members seeking any information relating to the Accounts may write to the Company at 6-3-541/C, Punjagutta, Hyderabad - 500 082, for attention of Company Secretary at the earliest.
13. All the documents referred to in the Notice will be available to the members at the registered office of the company between 10.30 A.M to 12.30 P.M on all working days from the date hereof upto the date of the Meeting.
14. At the ensuing Annual General Meeting, Dr. N. R. Siva Swamy and Sri K. Kannan retire by rotation and being eligible for re-appointment. Dr. N.R. Siva Swamy offers himself for re-appointment but Sri K. Kannan expressed his intention not to seek re-appointment. Sri. N. Lokesh re-appointed as Executive Director of the company for the period of 3 years with effect from 01-07-2011. The information or details pertaining to these directors are provided in terms of Clause 49 of the Listing Agreement with the Stock Exchanges.

## Explanatory Statement pursuant to Section 173 (2) of the Companies Act, 1956

### Item No.6

Smt. N. Brahmani, aged 23 years is working as Vice President – Business Development of the company with effect from 01<sup>st</sup> June, 2011, she is W/o Sri. N. Lokesh, Executive Director and daughter-in-law of Smt. N. Bhuvaneswari, Vice Chairperson & Managing Director of the company. Smt. N. Brahmani has completed Bachelor of Science, Electrical Engineering from the *Santa Clara University, Santa Clara, California, USA* and has Bachelor of Engineering, Electronics and Communication Engineering from Chaitanya Bharathi Institute of Technology, Hyderabad, India. She worked as an Investment Associate

in M/s.Vertex Venture Management Pte. Ltd., Singapore for a period of two years before joining the Company. The Board believes that the experience and knowledge of Smt. N. Brahmani is more useful for the company.

As per the Provisions of Section 314(1)(b) of the Companies Act, 1956 read with Director's Relatives (Office or Place of Profit) Rules, 2011 as amended from time to time and other applicable provisions if any of the Companies Act, 1956, for appointment of a Relative of a Director needs shareholders approval by way of Special Resolution. Hence your Directors recommend the resolution for approval.

None of the Directors of the Company, except Smt. N. Bhuvaneswari, Vice Chairperson & Managing Director and Sri. N. Lokesh, Executive Director are interested parties in the resolution.

### Item No.7

The term of appointment of Sri. N. Lokesh was completed as on 30<sup>th</sup> June 2011. The Board of Directors at their meeting held on 19<sup>th</sup> May 2011 has recommended for re-appointment of Sri. N. Lokesh as the Executive Director of the Company with effect from 1<sup>st</sup> July 2011 for a period of three years upon the recommendation of the Remuneration Committee and subject to the approval of the Members of the Company. The said appointment and remuneration are within the stipulations of Section 198, 269, 309, 310 and Schedule XIII of the Companies Act, 1956 as amended from time to time. Members of the Company are requested to pass the above resolution as a Special Resolution.

None of the Directors of the Company, except Smt. N. Bhuvaneswari and Sri.N.Lokesh are interested parties in this resolution.

## STATEMENT OF INFORMATION PURSUANT TO SCHEDULE XIII OF THE COMPANIES ACT, 1956:

### I. General Information:

- (1) Nature of Industry
  - a. Procurement, processing, packaging and distribution of Milk & Milk Products (Dairy Division)
  - b. Food & Grocery Retailing (Retail Division)
  - c. Custom Farming (Agri Division)
  - d. Manufacturing (Other than Bread) & Trading of Bakery Products (Bakery Division)
- (2) Date of commencement of commercial production
  - i. Dairy Division – 26-04-1993
  - ii. Retail Division – 29-11-2006
  - iii. Agri Division – 10-03-2008
  - iv. Bakery Division – 01-06-2009
- (3) In case of new Companies, expected date of commencement of activities as per project approved by Financial Institutions appearing in the prospectus: Not Applicable
- (4) Financial Performance based on given indicators:

Financial parameters	2006-07	2007-08	2008-09	2009-10	2010-11
Turnover (₹ in lakhs)	34633	58803	79255	90038	<b>109608</b>
Net Profit as per Profit and Loss Account (₹ in lakhs)	172	94	(3561)	560	<b>112</b>
Amount of Dividend Paid (excluding dividend tax) (₹ in lakhs)	299	182	Nil	207	<b>138</b>
Rate of Dividend declared	30%	18%	Nil	18%	<b>12%</b>

(5) Export performance and net foreign exchange collaborations: During the year company has exported the milk products of ₹ 216 lakhs and have a plan to export more quantity in the coming years.

(6) Foreign investments or collaborators, if any: NIL

## **II. Information about the Appointee:**

### **(1) Background:**

Sri Nara Lokesh, aged 29 years, is a Post-Graduate in Business Administration and Management from the Stanford University, USA and worked in World Bank in various Projects.

(2) **Past Remuneration:** ₹ 40.20 Lakhs per annum.

(3) **Recognition or Awards:** NIL

### **(4) Job Profile:**

Sri Nara Lokesh is responsible to discharge the duties entrusted by the Board of Directors from time to time, which may include initiating speedy and stable growth strategies for the organization in line with the vision and mission of the Company, diversification to various other potential businesses, day-to-day management and administration of the Company.

### **(5) Remuneration proposed:**

As set out in the resolution for the Item No. 07 of the Notice, the remuneration was recommended by the Remuneration Committee and approved by the Board of Directors.

### **(6) Comparative remuneration profile with respect to industry, size of the company, profile of the position and person (in case of expatriates the relevant details would be with respect to the country of his origin):**

Taking into consideration the size of the Company, the profile of Sri Nara Lokesh, the responsibilities shouldered by him, the aforesaid remuneration package is commensurate with the remuneration package paid to managerial position in other companies.

### **(7) Pecuniary relationship directly or indirectly with the company, or relationship with the managerial personnel, if any:**

Sri Nara Lokesh is son of Smt. N Bhuvaneswari, Vice Chairperson and Managing Director of the Company and he is holding 11,83,200 Equity shares of the Company.

## **III. Other information:**

(1) **Reasons of loss or inadequate profits:** The Company has been expanding the Retail Chain which is yet to reach the optimum level of operations and start up expenses of new stores have been charged to revenue as per the Accounting Standard (AS) 26. The Margin on the Dairy products are coming down due to increased cost of milk procured and drop in prices of fat.

(2) **Steps taken or proposed to be taken for improvement:** With proposal of marketing existing dairy products more

in consumer packs instead of bulk sales, introduction of more value added products besides overall increase in capacity utilization of the existing plants and increase of sales as well as margins and moreover scaling up of retail operations with strong support from back-end Agri division activities, the overall margins of the company would progress in the coming years.

## **IV. Disclosures:**

All the elements of remuneration package of the Directors have been given in the Report on Corporate Governance.

### **Pursuant to Clause 49 of the Listing Agreement with the Stock Exchanges, following information is 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:

- a) **Dr. N. R. Siva Swamy**, aged 74 years is LL.B., M.A. (Economics), M.A. (Public Administration) and Ph.D. in Economics from University of Wisconsin, Madison, USA and also a Fellowship holder of the Ford Foundation, U.S.A., and has over 46 years of experience in the field of Taxation, Finance, Commerce, Management and Administration. He was retired as the Chairman of Central Board of Direct Taxes. He is also a Director of Sri Sarvaraya Sugars Limited and Heritage International Limited. He is a member of the Audit Committee of the Board of Directors of Sri Sarvaraya Sugars Limited. He does not hold any shares in the Company as on 31<sup>st</sup> March 2011.
- b) **Sri. Nara Lokesh**, aged 29 years, has done his MBA from Stanford University, USA, and Bachelor of Science with specialization in Management Information Systems from Carnegie Mellon University, Pittsburgh. Mr. N. Lokesh involved in various World Bank Projects including, Government of Ethiopia's e-Governance Capacity Building, Government of South Sudan and Liberia's Public Sector, ICT and e- Governance Capacity Building, Global Development Marketplace, Global Support Center and Global Connectivity Solutions. He is also a Director of Heritage Finlease Limited, Heritage Foods Retail Limited, Heritage International Limited, Heritage Conpro Limited and he is also a director of other private companies. He holds 11,83,200 Equity shares in the Company as on 31<sup>st</sup> March 2011.

By Order of the Board  
For **HERITAGE FOODS (INDIA) LIMITED**

Registered Office:  
6-3-541/C, Panjagutta,  
Hyderabad – 500 082

Date: 28<sup>th</sup> July, 2011

**UMAKANTA BARIK**  
Company Secretary