



20th Annual Report
2011-2012

HERITAGE FOODS (INDIA) LIMITED

AN ISO 22000 COMPANY

10 Years Financials

(₹ in Crores)

	2011-12	2010-11	2009-10	08-09	07-08	06-07	05-06	04-05	03-04	02-03
Turnover	1393.41	1096.08	900.38	796.02	588.03	346.33	292.07	266.13	234.49	192.83
Other Income	3.21	4.81	2.93	3.23	40.13	1.29	1.27	0.78	1.35	0.86
Total Income	1396.61	1100.89	903.31	799.25	628.16	347.62	293.34	266.91	235.84	193.68
Earnings before Depreciation, Interest and Tax (EBDIT)	52.58	38.85	47.03	3.43	23.66	12.17	25.23	20.91	31.60	27.86
Depreciation	21.19	19.94	19.64	17.22	10.55	6.78	4.80	4.01	3.94	4.50
Interest	17.82	15.97	16.67	14.58	12.43	1.84	0.40	0.60	0.28	0.13
Provision for Taxation (Including Deferred Tax & FBT)	4.24	1.83	4.98	6.58	(0.26)	1.82	6.39	6.14	9.75	8.33
Profit /(Loss) after Tax	9.33	1.12	5.60	(35.61)	0.94	1.72	13.64	10.16	17.62	14.91
Cash Profit/ (Loss)	34.76	22.88	30.35	(11.15)	11.49	8.51	18.44	14.17	21.57	19.41
Equity Dividend (%)	20.00	12.00	18.00	Nil	18.00	30.00	30.00	30.00	27.50	27.50
Dividend Payout (Including Tax on Dividend)	2.68	1.61	2.42	Nil	2.13	3.51	3.42	3.42	3.10	3.10
Equity Share Capital	11.53	11.53	11.53	11.53	11.53	9.99	9.99	9.99	9.99	9.99
Reserves and Surplus	81.60	75.01	75.35	69.24	104.17	59.31	62.50	52.65	45.84	34.53
Networth	93.13	86.53	86.87	80.77	115.70	69.30	72.49	62.64	55.83	44.52
Gross Fixed Assets	345.90	317.50	294.24	264.47	206.45	128.88	80.15	72.69	63.87	53.62
Net Fixed Assets	230.26	221.72	215.24	203.68	162.41	95.38	53.33	50.38	45.49	38.82

Key Indicators

	2011-12	2010-11	2009-10	08-09	07-08	06-07	05-06	04-05	03-04	02-03
Earnings per share - ₹.	8.10	0.97	4.85	(30.89)	0.92	1.73	13.65	10.17	17.64	14.93
Cash Earnings per share - ₹.	26.47	19.84	26.32	(9.67)	9.96	8.51	18.46	14.19	21.59	19.43
Book Value per share - ₹.	80.77	75.05	75.35	70.05	100.35	69.37	72.57	62.70	55.88	44.56
Debt* : Equity Ratio	0.99:1	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
EBDIT/Turnover %	3.77	3.52	5.22	0.43	4.02	3.51	8.63	7.86	13.48	14.45
Net Profit Margin %	0.67	0.10	0.62	(4.47)	0.16	0.50	4.65	3.81	7.47	7.70
Return on Networth %	10.00	1.29	6.45	(44.09)	0.81	2.48	18.81	16.22	31.56	33.49

* Long Term Debt

Sri D Seetharamaiah, Chairman



Dear Shareholders,

Financial Year 2011-12 has been a challenging year with unprecedented economic uncertainty and slowing down of economic growth across Asia. These events had a profound effect on demand and margin outlook for industrial and consumer products across the world. In many ways, we are still feeling the after-shocks of the financial meltdown of 2008 and 2009 with leading economies continuing to suffer from low growth and the resultant adverse impact on demand for most products and services. We have been successful in insulating and de-risking our portfolio of businesses by following a prudent operating discipline and further strengthening our rock solid foundation for investments in future growth engines.

Even under these tough times, Heritage delivered sustained operating and financial results from its core businesses. Heritage achieved a turnover of 1393.41 Crore when compared to Rs. 1096.08 crores of the previous year and a net profit of 9.33 Crore when compared to Rs1.12 Crore of the previous year. This was mainly achieved as a result of resilient demand for milk and milk products, repetition of demand in India.

Growth in organized retail business is reflective of the changing habits and increasing aspirations of millions of fellow Indians who seek modern conveniences without losing focus on value. In a short period and as a reflection of consumer preferences, Heritage now has leadership positions in food retailing in south India. The retail business portfolio now accounts for 22 % of the Company's gross income. During the current year, we have projected a goal of setting up more number of Heritage parlours.

We have strengthened our balance sheet and are focused on managing our costs and prudent use of capital. Our investment, cash balance and low net gearing ratio place us in a unique position for creating a foundation for growth. At Heritage, we have been and continue to remain focused on creating long term shareholder value.

We are happy to announce a final dividend of Rs. 2/- per equity (20%) on equity shares of Rs.10/- each. The dividends are payable on the equity shares outstanding as on record date and are subject to approval by the shareholders.

We are passionate towards investing in Heritage's future. I know that I am not alone in this passion and that over 3000 Heritage employees share this hunger for outperformance and growth. We are committed to doing so with integrity and humility and are steadfast in our endeavour in achieving our goals.

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

With best wishes,

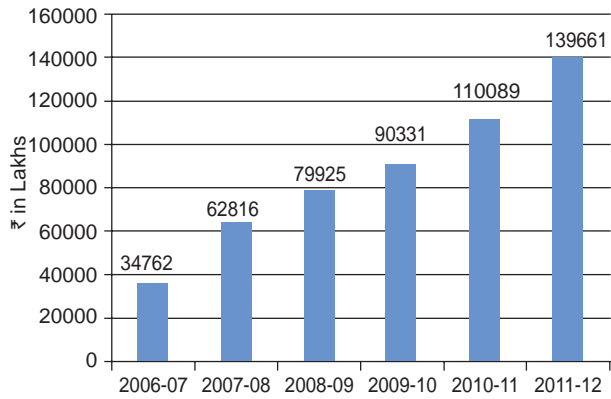
Sincerely,

D Seetharamaiah

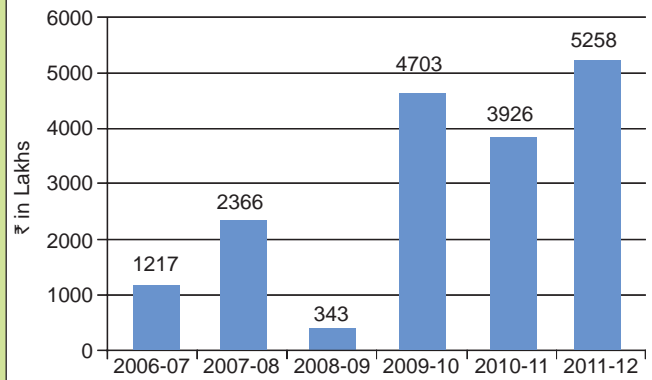
Chairman

Company Financial performance at a glance for the Financial Year 2011-12

Total Income

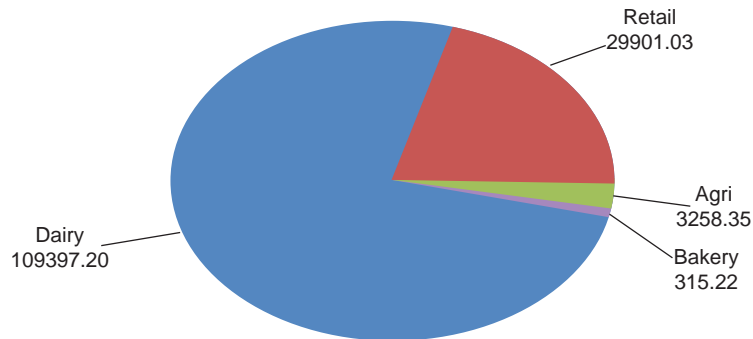


EBITDA

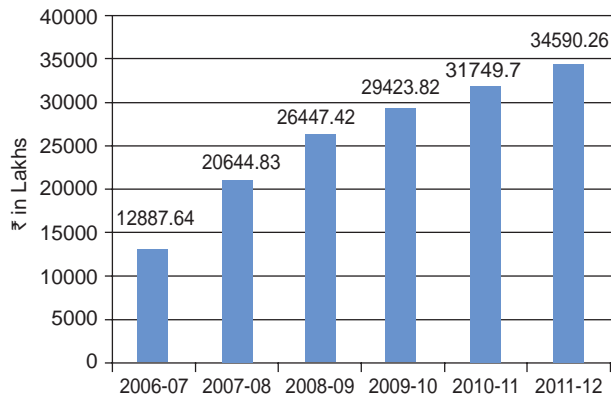


Segment wise Revenue

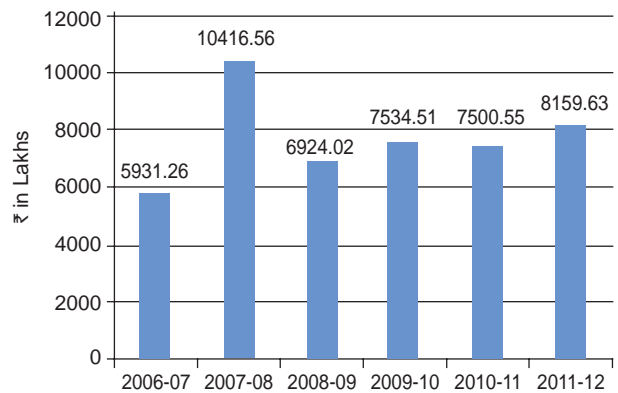
(₹ in Lakhs)



Gross Fixed Assets

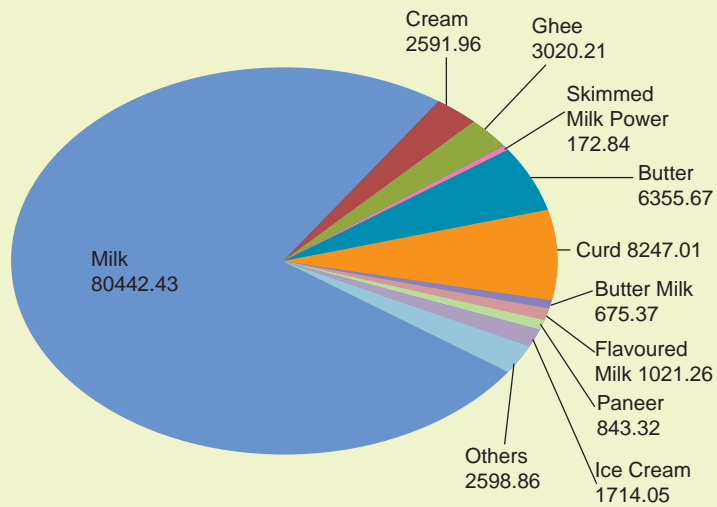


Reserves & Surplus

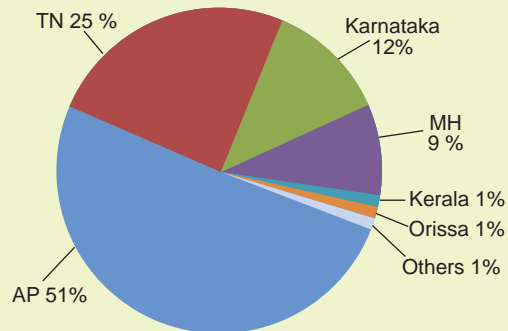


Dairy Division at a glance for the Financial Year 2011- 12

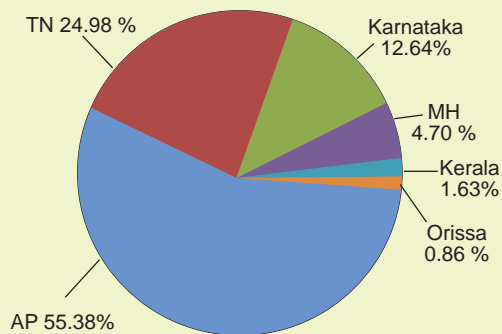
Product wise Dairy Turnover (₹. in Lakhs)



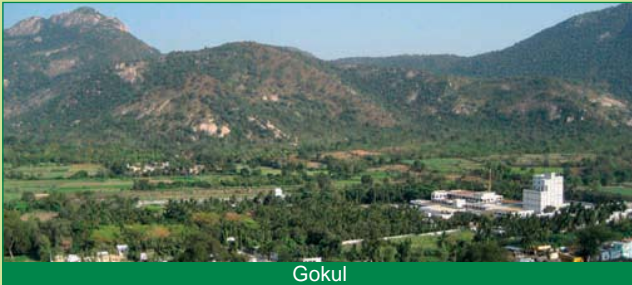
Market wise share of Revenue



Market wise share of Milk



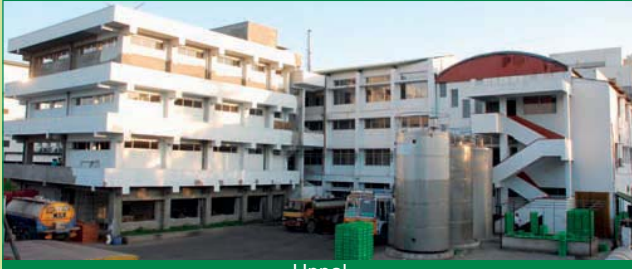
Packing Stations of Dairy Division



Gokul



Chittoor



Uppal



Narketpally



Bangalore



Bayyavaram



Pamarru



Battiprolu



B. Kothakota



Vadamadhurai



Bobbili



Sangvi



Kalluru





Bring Home Health & Happiness

<p>Milk</p>  <ul style="list-style-type: none"> • Toned • Double • Cow • Full Cream • Slim Milk 	<p>Curd</p>  <ul style="list-style-type: none"> • Curd Pouch • Toned Curd • Full Cream • Curd Bulk 	<p>Butter Milk</p>  <ul style="list-style-type: none"> • Butter Milk Pouch • Jeera Butter Milk • Garlic Butter Milk 	<p>Flavoured Milk</p> 	<p>UHT Milk (Tetra Pack)</p>  <ul style="list-style-type: none"> • Toned Milk • Slim Milk
<p>Dairy Whitener / Skimmed Milk Power</p>  <ul style="list-style-type: none"> • Skimmed Milk Powder • Dairy Whitener 	<p>Lassi</p>  <ul style="list-style-type: none"> • Sweet • Mango • Strawberry 	<p>Paneer</p> 	<p>Butter</p> 	<p>Cheese</p> 
<p>Ghee</p>  <ul style="list-style-type: none"> • Buffalo Ghee • Cow Ghee 	<p>Sweets</p>  <ul style="list-style-type: none"> • Doodh Peda • Milk Cake • Malai laddu • Soanpadi • Sunundalu 	<p>Ice Creams</p>  <ul style="list-style-type: none"> • Cups • Cones • Balls • Family Pack 	<p>Pickle Ketchup Jam</p> 	<p>Chilli Sauce</p>  <ul style="list-style-type: none"> • Green Chilli • Red Chilli
<p>Savories Eggs</p>  <ul style="list-style-type: none"> • Allu Bhujia • Bhujia Sev • Taste Nuts • Eggs 	<p>Honey Water Tea</p> 	<p>Sugar Atta Rice</p> 	<p>Fryums</p>  <ul style="list-style-type: none"> • Rice Papad • Wheat Rings • Onion Rings 	<p>Incense Sticks & Liquid Hand wash</p>  <ul style="list-style-type: none"> • Hand Wash Floral • Lime • Agarbathi Lavender • Sandalwood
<p>Fruits & Vegetables</p> 	<p>Bread</p> 	<p>Cookies</p>  <ul style="list-style-type: none"> • Osmania • Coconut • Butter • TuttiFruit 	<p>Pulses</p>  <ul style="list-style-type: none"> • Channa Dal • Moong Dal • Tur Dal • Urad Dal 	
<p>Spice Dry Fruits</p>  <ul style="list-style-type: none"> • Dhaniya • Jeera • Mustard • Almond • Badam • Cashew • Kismish 	<p>Spices (powder)</p>  <ul style="list-style-type: none"> • Dhaniya • Chilli • Turmeric 	<p>Other Products :</p> <ul style="list-style-type: none"> ♦ Face Tissue ♦ Maize Flakes ♦ Special Curd Chillies ♦ Rice Muruku ♦ Sabduna Vadium ♦ Alu Chips ♦ Garlic Rings ♦ Sago Flakes ♦ Sago Coins ♦ Sago Papad ♦ Salt Rings ♦ Japan Carkers ♦ Fry Puffs ♦ Bomby Pepper Papad ♦ Baby Papad ♦ Tomato Vadium Soya Chunks ♦ Soya Granules ♦ Rice Chutta Fry ♦ Salto Rings <p>We also Accept special Orders For supplies Contact Heritage Parlour Franchisee.. TOLL FREE NO. : 1-800-425-2931</p>		

If undelivered, Please return To :

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