



Ref: SECT: STOC: 32 - 13

24th June, 2013

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: **Submission of Unqualified Audit Report (Standalone & Consolidate) along with the Form - A for the year ended March 31, 2013**

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

With reference to subject, please find enclosed herewith the Auditor's Report (Standalone & Consolidated) along with Form-A as per the SEBI guidelines for the year ended March 31, 2013, furnished pursuant to the provisions the Listing Agreement.

This is for your information and record.

Thanking you,

Yours Faithfully,
For **HERITAGE FOODS (INDIA) LTD**


UMAKANTA BARIK
Company Secretary



HERITAGE FOODS (INDIA) LTD.

AN ISO: 22000 CERTIFIED COMPANY

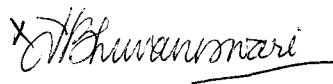

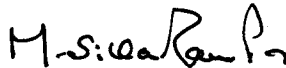


Regd. Off: 6-3-541/C, Panjagutta, Hyderabad - 500 082. Andhra Pradesh, INDIA. Tel.: +91-40-23391221, 23391222 Fax: 30685458 website : www.heritagefoods.co.in





FORM-A

Submission of Annual Audit Report (Standalone & Consolidated) as per Clause 31 of the Listing Agreement for the Financial Year 31st March 2013.

1	Name of the Company		Heritage Foods (India) Ltd
2	Annual Financial Statements for the year ended		31 st March,2013
3	Type of Audit Observation		Un-qualified
4	Frequency of Observation		N.A
5	Name	Designation	Signature
	Smt .N.Bhuvaneswari	Vice-Chairperson & Managing Director	
	Sri. A.Prabhakara Naidu	Vice-president -F&A	
	Sri. M. Sivaram Prasad	Partner M/s.Raju & Prasad Statutory Auditors	 
	Sri D.Seetharamaiah	Chairman Audit Committee	

INDEPENDENT AUDITORS' REPORT

To
The Members of
HERITAGE FOODS (INDIA) LIMITED.

Report on the Financial Statements:

We have audited the accompanying financial statements of **M/s Heritage Foods (India) Limited**, which comprise the Balance Sheet as at March 31, 2013, and the Statement of Profit and loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements:

Management is responsible for the preparation of these 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 Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956. This responsibility includes the design, implementation and maintenance of internal control 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 financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. 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 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 control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, 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.



Opinion:

In our opinion and to the best of our information and according to the explanations given to us, the 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:

- a) In the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2013;
- b) In the case of the Statement of Profit and Loss, of the profit for the year ended on that date; and
- c) In the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

Report on other legal and Regulatory Requirements:

1. As required by the Companies (Auditors' Report) Order, 2003 , as amended by the companies (Auditor' Report) Order 2004, issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
2. As required by section 227(3) of the Act, we report that:
 - a) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
 - b) In our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books
 - c) The Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement dealt with by this Report are in agreement with the books of accounts.
 - d) In our opinion, the Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement comply with the Accounting Standards referred to in subsection (3C) of section 211 of the Companies Act, 1956;
 - e) On the basis of written representations received from the directors as on March 31, 2013, and taken on record by the Board of Directors, none of the directors are disqualified as on March 31, 2013, from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.



- f) Since the Central Government has not issued any notification as to the rate at which the cess is to be paid under section 441A of the Companies Act, 1956 nor has it issued any Rules under the said section, prescribing the manner in which such cess is to be paid, no cess is due and payable by the Company.

Date: 30-05-2013
Place: Hyderabad

For Raju and Prasad
Chartered Accountants
(FRN 003475S)

M. Sivaram Prasad

M. Sivaram Prasad
Partner
M No: 018943



Annexure to the Auditors' report

The Annexure referred to in our Report of even date to the members of Heritage Foods (India) Limited on the accounts of the company for the year ended 31st March, 2013.

i.

- a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
- b) These fixed assets have been physically verified by the management during the year and discrepancies noticed on such verification have been properly dealt with in the books of account. In our opinion, the frequency of verification is reasonable having regard to the size of the company and the nature of the assets.
- c) No substantial part of fixed assets has been disposed off during the year.

ii.

- a) The inventory has been physically verified during the year by the management. In our opinion, the frequency of verification is reasonable.
- b) The procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the company and the nature of its business.
- c) The company is maintaining proper records of inventory. The discrepancies noticed on verification between the physical stocks and the book records were not material.

iii.

- a) The company has not granted any loans, secured or unsecured, to companies, firms or other parties covered in the register maintained under section 301 of the companies act 1956 or to companies under the same management as defined in section 370(1-B) of the companies act, 1956. Consequently, clauses (iii) (b), (iii) (c) and (iii)(d) are not applicable.
- e) The company had taken unsecured loan from a company, covered in the register maintained under section 301 of the companies act 1956. The maximum amount involved during the year was Rs. 1crore and the year-end balance of loan is Nil.
- f) In our opinion, the rate of interest and other terms and conditions on which loan taken from the above company are not, prima facie, prejudicial to the interest of the company



- g) As per the agreed terms, no repayment of loan was required during the F.Y 2012-13. The Company has been regular in the payment of interest.
- iv. In our opinion and according to the information and explanations given to us, considering the size of the company and nature of business of various divisions of the company with regard to purchase of inventory and fixed assets and with regard to sale of goods and services, the internal control system commensurate with the size of the company and nature of its business. During the course of our audit, we have not observed any continuing failure to correct major weaknesses in internal control system.
- v.
- a) According to the information and explanations given to us, we are of the opinion that the transactions that need to be entered into the register maintained under section 301 of the Companies Act, 1956 have been so entered.
- b) In our opinion and according to the information and explanations given to us, the transactions made in pursuance of contracts or arrangements entered in the register maintained under section 301 of the Companies Act, 1956 and exceeding value of rupees five lakhs in respect of any party during the year, have been made at prices which are reasonable, having regard to prevailing market prices at the relevant time.
- vi. The company has not accepted deposits from the public governed by section 58A and 58AA of the Companies Act, 1956 for the year under reference.
- vii. In our opinion, the company has an adequate internal audit system commensurate with the size and nature of its business.
- viii. The Central Government has prescribed maintenance of Cost records under section 209 (1) (d) of the Companies Act, 1956, in respect of its products manufactured during the year. We are of the opinion that, prima facie, the prescribed accounts and records are properly prepared and maintained. We have not, however, carried out detailed examination of the same.



ix.

- a) The Company is regular in depositing undisputed statutory dues with the appropriate authorities including Provident Fund, Investor Education and Protections Fund, Employees State Insurance, Income Tax, Sales Tax, Wealth Tax and Other Statutory dues applicable to it. There are no undisputed statutory dues outstanding for more than six months as on 31.3.2013.
- b) According to the information and explanations given to us following are the disputed dues relating to income tax, wealth tax, cess and sales tax, which have not been deposited as at 31st march, 2013:

Name of the Statue	Nature of the Dispute	Amount (Rs. In Lakhs)	Period to which the amounts relate (F.Y)	Forum where the disputes is pending.
The A.P.G.S.T ACT 1957	General sales tax	7.41	2001 to 2003	Commercial Tax Officer.
The A.P.G.S.T ACT 1957	General sales tax	83.76	2001-02	Writ petition filed with H.C (WP No: 3814/2013).
AP VAT ACT	Input tax credit disallowance	127.06	2007-08	A.P.S.T.A.T (Tribunal)
The C.S.T ACT	General sales tax	37.34	2002-03	A.P.S.T.A.T (Tribunal)
AP C.S.T ACT	Filing Of C Forms	1.42	1998-99	Appeal Pending before AP H.C (W.P No: 3818 /2013).
Central Excise Tariff Act, 1985	Exemption Claim Vide Tariff No:21069099	0.62	2012-13	Pending at Asst. Commissioner of Excise.
AP VAT ACT	Stamp Duty	8.76	2012-13	Commercial Tax Officer.

- x. The company does not have any accumulated losses as at the end of the financial year under reference and the company has not incurred cash loss in the financial year under reference and in the financial year immediately preceeding such financial year.



- xi. The Company has not defaulted in the repayment of its dues to financial institutions or banks.
- xii. The company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
- xiii. In our opinion, the company is not a chit fund or nidhi / mutual benefit fund / society. Therefore the provisions of clause 4 (xiii) of the companies (Auditors' Report) Order, 2003 are not applicable to the company.
- xiv. In our opinion, the company is not dealing in or trading in shares, securities, debentures and other investments. Investments have been held by the company in its own name.
- xv. The company has not given any guarantee for loans taken by others from banks or financial institutions.
- xvi. In our opinion, the term loans taken by the Company were applied for the purpose for which they were taken.
- xvii. In our opinion and according to explanations and information given to us, funds raised on short-term basis have not been used for long term investment.
- xviii. According to the information and explanation given to us, during the year the company has not made any preferential allotment of equity shares/warrants to parties and companies covered in the register maintained under section 301 of the companies act, 1956.
- xix. The company has not issued any debentures
- xx. The company, during the year, has not raised money by public issues.
- xxi. According to explanations and information given to us no material frauds on or by the company has been noticed during the year.

Place: Hyderabad
Date: 30-05-2013

For Raju & Prasad
Chartered Accountants
(FRN: 003475S)

M. Sivaram Prasad

M. Sivaram Prasad
Partner
M No: 018943



Auditors' Report on Consolidated Financial Statements

To
The Board of Directors,
M/s. **HERITAGE FOODS (INDIA) LIMITED**
Hyderabad.

We have audited the attached Consolidated Balance Sheet of **HERITAGE FOODS (INDIA) LIMITED** and its subsidiaries as at 31st March, 2013 and the consolidated statement of Profit and Loss and the consolidated Cash flow Statement for the year then ended on that Date annexed thereto. These consolidated financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

Management's Responsibility for the Financial Statements:

Management is responsible for the preparation of these 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 Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956. This responsibility includes the design, implementation and maintenance of internal control 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 financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. 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 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 control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, 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.



Opinion:

We report that the consolidated financial statements have been prepared by the company's management in accordance with the requirements of Accounting Standards 21 "consolidated Financial Statements" {accounting standards (AS) 23,"accounting for investments in associates in consolidated financial statements" and accounting standard (AS) 27,"financial reporting of interest in joint ventures"} ,issued by the institute of Chartered accountants of India.

In our opinion and to the best of our information and according to the explanations given to us, the accompanying consolidated financial statements give a true and fair view in conformity with the accounting policies generally accepted in India:

- a) In the case of the Consolidated Balance Sheet, of the state of affairs of the Company as at March 31, 2013;
- b) In the case of the Consolidated Statement of Profit and Loss, of the profit for the year ended on that date; and
- c) In the case of the Consolidated Cash Flow Statement, of the cash flows for the year ended on that date.

Place : Hyderabad
Date : 30-05-2013

For Raju & Prasad
Chartered Accountants
(FRN: 003475S)

M. Sivaram Prasad

M. Sivaram Prasad
Partner
M No. 018943

