



9th Annual Report
2016-17

Heritage
Foods Retail Limited

Board of Directors

1. Sri. D. Seetharamaiah
2. Smt. N. Brahmani
3. Smt. N. Bhuvaneshwari
4. Dr. M. Sambasiva Rao

Registered Office

#6-3-541/C, Panjagutta, Hyderabad – 500082

Bankers

HDFC Bank Limited,
Lakadikapool Branch,
Hyderabad, Andhra Pradesh.



NOTICE

Members of Heritage Foods Retail Limited are hereby given notice for the 9th Annual General Meeting of the Company, the schedule of which and the business to be transacted therein, are given below:

Day and Date : Monday, 14th August, 2017
Time : 11.30 a.m.
Venue : Registered Office:
6-3-541/C, Panjagutta,
Hyderabad - 500082

ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March, 2017, Statement of Profit and Loss, Cash Flow Statement & notes thereof for the year ended as on that date and the Reports of the Directors' and the Auditors' thereon.
2. To appoint a Director in place of Smt. N Bhuvaneswari, who retires by rotation and being eligible, offers herself for re-appointment.
3. To appoint Auditors of the Company and to fix their remuneration.

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

“RESOLVED THAT M/s. Raju & Prasad, Chartered Accountants, Hyderabad, be and are hereby appointed as Auditors of the Company to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting of the Company, as per the provisions of Section 139 of the Companies Act 2013 at a remuneration to be fixed by the Board of Directors of the Company.”

SPECIAL BUSINESS

4. Borrowing powers of the Company

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



“RESOLVED THAT pursuant the provisions of Section 180(1)(c) and other applicable provisions, if any, of the Companies Act, 2013, and rules made thereof as amended from time to time and other applicable provisions of Articles of Association of the Company, the consent of Company be and is hereby accorded to the Board of Directors of the Company (hereinafter referred to as “the Board” which term shall be deemed to include any Committee thereof) for borrowing, from time to time, at their discretion for the purpose of the business of the Company, from any one or more banks, financial institutions and other persons, firms, bodies corporate, as it may consider fit, any sum or sums of monies, on such terms and conditions as the Board may deem fit notwithstanding that the money(ies) to be borrowed together with the money(ies) already borrowed by the Company (apart from temporary loan obtained or to be obtained from the Company’s Bankers in the ordinary course of business) may exceed the aggregate of the paid-up Capital of the Company and its free reserves, that is to say, reserves not set apart for any specific purpose, provided that the total amount so borrowed by the Board shall not at any time exceed Rs.100 Crores (Rupees Hundred Crores Only).”

“RESOLVED FURTHER THAT for the purpose of giving effect to this resolution, the Board be and is hereby authorized to do all such acts, deeds, matters and things as it may in its absolute discretion deem necessary, proper, or desirable and to settle any question, difficulty, doubt that may arise in respect of the borrowing(s) aforesaid and further to do all such acts, deeds and things and to execute all documents and writings as may be necessary, proper, desirable or expedient to give effect to this resolution.”

5. Mortgaging/Charging of the Properties of the Company

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

“RESOLVED THAT pursuant to Section 180(1)(a) and other applicable provisions, if any, of the Companies Act, 2013, and rules made thereof as amended from time to time and other applicable provisions of Articles of Association of the Company, the consent of the Company be and is hereby given to the Board of Directors of the Company (hereinafter referred to as “the Board” which term shall be deemed to include any Committee thereof) to create such charges, mortgages and hypothecations in addition to the existing charges, mortgages and hypothecations created by the Company, on such movable and immovable properties, both present and future, and in such manner as the Board may deem fit, together with power to take over the substantial assets of the Company in certain events in favour of banks/financial institutions, other investing agencies and trustees for the holders of debentures/bonds/other instruments to secure rupee/foreign currency loans and/or the issue of debentures whether partly/fully convertible or non-convertible and/or rupee/ foreign currency convertible bonds and/or bonds with share warrants attached (hereinafter collectively referred to as “Loans”) provided that the total amount of Loans together with interest thereon, additional interest, compound interest, liquidated damages, commitment charges, premia on pre-payment or on redemption, costs, charges, expenses and all other monies payable by the Company in respect of the said Loans, shall not, at any time exceed Rs.100 crores (Rupees Hundred Crores Only).”



RESOLVED FURTHER THAT the Board of Directors of the Company be and are hereby authorized and empowered to enter into, sign, seal and execute and deliver such arrangements, assignments, conveyances, covenants, contracts, deeds, writings and other instruments and to do all such acts, deeds, matters and things in the name and on behalf of the Company as the Board may consider expedient, usual, proper or desirable for creating mortgages / charges/ hypothecation on all or any of the immovable and moveable properties of the Company, both present and future, which may be beneficial and convenient to the Company”.

**By Order of the Board
For HERITAGE FOODS RETAIL LIMITED**

**N. BRAHMAMANI
MANAGING DIRECTOR
DIN: 02338940**

Place: Hyderabad
Date: 20th May, 2017

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 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 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. Members are requested to notify immediately any change in their address to the Company.
4. All communication relating to shares are to be addressed to the Company.
5. Members/proxies should bring the Attendance Slip duly filled in for attending the meeting.
6. The Ministry of Corporate Affairs has announced a “Green Initiative in Corporate Governance” thereby allowing paperless compliance through electronic mode. The Company supports this environment friendly initiative of the Government of India and proposes to send notices for General Meetings/Annual Reports/Other Shareholders Communication through electronic mode to the e-mail addresses which are registered with the Company for this purpose from time to time. For members who have not registered their e-mail addresses, physical copies of Annual Report 2016-17 are being sent by the permitted mode.



EXPLANATORY STATEMENT UNDER SECTION 102 OF THE COMPANIES ACT, 2013 IN RESPECT OF SPECIAL BUSINESS SET OUT IN THE NOTICE

Item No. 4 & 5

The consent of the members is sought in accordance with the provisions of Section 180(1)(c) of the Act, to enable the Board of Directors to borrow monies, provided that the total amount so borrowed by the Board shall not at any time exceed Rs.100 Crores (Rupees Hundred Crores).

The proposed borrowings of the Company may, if necessary, be secured by way of charge/ mortgage/hypothecation on the Company's assets in favour of the lenders/holders of securities/trustees for the holders of the said securities as mentioned in the Resolution under Item No.5. As the documents to be executed between the lenders/security holders/trustees for the holders of the said securities and the Company may contain provisions to take over substantial assets of the Company in certain events, it is necessary to pass a resolution under Section 180(1)(a) of the Act, for creation of charges/mortgages/hypothecations for an amount not exceeding Rs.100 Crores.

The above proposals are in the interest of the Company and the Directors recommend the Resolutions in Item Nos.4 and 5 of the Notice for approval by the members.

None of the Directors and their relatives are in any way concerned or interested in the said resolution.

The Directors recommend the aforesaid resolution for the approval by the members as Special Resolution.

**By Order of the Board
For HERITAGE FOODS RETAIL LIMITED**

**N. BRAHMAMI
MANAGING DIRECTOR
DIN: 02338940**

Place: Hyderabad
Date: 20th May, 2017

**DIRECTORS REPORT**

Dear Members,

Your Directors have pleasure in presenting the 9th Annual Report of the Company together with the Audited Accounts of the Company for the financial year ended March 31, 2017.

Financial Results

During the year under review, performance of your company as under:

(Rs. In Lakhs)

Particulars	Year ended 31st March 2017	Year ended 31st March 2016
Turnover	36948.76	-
Profit/(Loss) before taxation	89.61	(0.24)
Less: Tax Expense	86.69	-
Profit/(Loss) after tax	2.92	(0.24)
Add: Balance B/F from the previous year	(14.09)	(13.85)
Balance Profit / (Loss) C/F to the next year	2.92	(0.24)

Operational highlights

During the year under review, the Company earned total income of 37,103.14 Lakhs during the year and expenses are 37,013.53 Lakhs. The Profit/ (Loss) after tax was 2.92 Lakhs

Share Capital

To the effect of Composite Scheme of Arrangement the Company made the following changes in its paid up capital:

During the year, the Company has issued 1,40,00,000 equity shares of Rs.10 each with a premium of Rs.86.43 to the holding company to discharge the slump sale consideration and reduction of 1,36,65,600 equity share capital of the Company as reduced as per part IV of the Composite Scheme of Arrangement.

The paidup capital of the Company is Rs. 50,00,000/- divided into 5,00,000 equity shares of Rs. 10/- each after the reduction of the Share Capital.

Extract of Annual Return

As required pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014, an extract of annual return in **MGT-9** for the financial year 2016-17 has enclosed in **ANNEXURE I**

Equity Dividend

During the year under review, the Company has not declared any Interim/final Dividend.

Amounts Transferred to Reserves

The Board of the Company has decided not to transfer any amount to its reserves.



Number of Board Meetings

During the Financial Year 2016-17, Five (5) Meetings of the Board of Directors of the Company were held on 16th May, 2016, 15th July, 2016, 14th October, 2016, 7th November, 2016, 11th January, 2017.

Directors

During the year, Mr. N. Lokesh, Director of the Company has been resigned from the Directorship w.e.f 31st March, 2017.

In accordance with Articles of Association of the Company and provisions of Section 152 and other applicable provisions, if any, of the Companies Act, 2013, Dr. M. Sambasiva Rao, Director of the Company who retire by rotation and being eligible, offers himself for re-appointment.

Secretarial Auditor:

M/s. C.K. Burma & Co, Practicing Company Secretary (CP No:9566), was appointed to conduct the Secretarial Audit of the Company for the financial year 2016-17, as required under Section 204 of the Companies Act, 2013 and Rules made thereunder. The secretarial audit report for financial year 2016-17 issued by M/s. C.K. Burma & Co, 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. C.K. Burma & Co, Practicing Company Secretary, as Secretarial Auditor of the Company for the financial year 2017-18 as per the provisions of the Companies Act, 2013.

Information about the financial performance / financial position of the Subsidiaries / Associates / JV

The Company is not having any Subsidiary/Associate Company/JV any during the financial year under review.

Auditors

M/s. Raju & Prasad, Chartered Accountants, Hyderabad, Statutory Auditors of the Company, hold office till the conclusion of the ensuing Annual General Meeting and are eligible for reappointment.

As per the Section 139 of the Companies Act 2013 M/s. Raju & Prasad, Chartered Accountants, Hyderabad Statutory Auditors of the Company will be appointed from the conclusion of this annual General Meeting till the conclusion of the next Annual General Meeting the Company has received letter from them to the effect that their reappointment, if made, would be within the prescribed limits under section 141 of the Companies Act 2013 and rules made thereof.

**Particulars of Contracts or Arrangements with Related Parties**

There are no material related party transactions during the year under review with the Promoters, Directors or Key Managerial Personnel. Thus disclosure in the form AOC-2 is not required.

Business Review

The Hon'ble National Company Law Tribunal (NCLT) Bench at Hyderabad & Mumbai approved the Composite Scheme of arrangement amongst the Company, Heritage Foods Limited ("Transferor Company" or "HFL") and Heritage Foods Retail Limited ("Transferee Company" or "Demerged Company" or "HFRL") and Future Retail Limited ("Resulting Company" or "FRL") and their respective shareholders and creditors and Heritage Foods Ltd (HFL) and Future Retail Ltd (FRL) on 03/05/2017 and 11/05/2017 respectively. The order copy has filed with respective ROC on 19th May, 2017 to give effect the Composite Scheme. The four divisions (viz., Retail, Bakery, Agri & Vetca) of Heritage Foods Limited has merged with the business of the Company (slump sale appointed date) as a slump sale basis with a consideration of Rs.135 Crores. The Company issued 1,40,00,000 equity shares of Rs.10 each with a premium of Rs.86.43 to HFL to discharge the slump sale consideration. There after the three divisions (viz., Retail, Bakery & Agri) of the Company has demerged with the resulting Company i.e. FRL w.e.f. 31st March, 2017 (demerged appointed date) with a consideration of Rs.295 Crores. The FRL shall issue 1,78,47,420 equity shares of Rs.2 each with a premium of Rs.165.29 to the HFL being a shareholder of the Company.

Particulars of Loan, Guarantees and Investments under Section 186

The Company has duly complied with the provision of Section 186 of the Companies Act, 2013 and it has taken

Secured Loans: Rs. 6,00,00,000 Given by Andhra Bank
Unsecured Loans: Rs.10,57,82,000 Advance from Holding Company
Current/Non-Current Investments: Nil
Guarantees: Nil
Securities Extended: Nil

Material changes & commitments between the end of financial year and the date of the report

There are no material changes since 31st March 2017 and until the date of this report.

Conservation of Energy/Technology Absorption, Foreign Exchange Earnings and Outgo:

The information required to be given pursuant to Section 134 (3) (m) of the Companies Act, 2013, Particulars of Conservation of Energy/Technology absorption, Foreign Earnings: **Nil**

Particulars of Employees

Statement of Particulars of Employees, pursuant to the provisions of Section 197 of the Companies Act, 2013, read with Rule 5(2) (Appointment and Remuneration of Managerial Personnel) Rules, 2014, no employees comes under these provisions during the year under review.



Fixed deposits

During the year under review the Company has not accepted any fixed deposits from the public.

Directors Responsibility Statement

In conformity with the provisions under Section 134 (5) which is introduced by the Companies Act, 2013 your directors confirm that:-

- a) In the preparation of the annual accounts for the year ended March 31, 2017, the applicable accounting standards have been followed and there are no material departures from the same;
- b) The Directors had selected such accounting policies and applied them consistently and made judgements and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at March 31, 2017 and of the profit & loss of the Company for the year ended on that date;
- c) The Directors have taken proper and sufficient care for the 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 fraud and other irregularities;
- d) The Directors have prepared the annual accounts on a 'going concern' basis; and
- e) The Directors have laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and are operating effectively; and
- f) The Directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively.

Acknowledgment

The Directors express their sincere appreciation to the valued shareholders, bankers and clients for their support

By Order of the Board

N. BRAHMAMI
MANAGING DIRECTOR
DIN: 02338940

Dr. M. SAMBASIVA RAO
DIRECTOR
DIN: 01887410

Place: Hyderabad
Date: 20th May, 2017

(2) Foreign									
(a) NRIs Individuals	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
(b) Other Individuals	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
(c) Bodies Corporate	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
(d) Banks/FI	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Sub-total (A) (2)	0.00	165200	165200	99.76	0.00	5,00,000	5,00,000	100.00	0.00
Total shareholding of Promoter (A) = (A)(1)+(A)(2)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
B. Public Shareholding									
1. Institutions									
(a) Mutual Funds	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
(b) Banks/FI	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
(c) Central Govt	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
(d) State Govt(s)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
(e) Venture Capital Funds	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
(f) Insurance Companies	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
(g) FII	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
(h) Foreign Venture Capital Funds	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
(i) Others (specify)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Sub-total (B)(1)									0.00
(a) Bodies Corporate	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
(i) Indian	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
(b) Individuals	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
(i) Individual shareholders holding nominal share capital upto Rs. 1 Lakh	0.00	400	400	0.24	0.00	0.00	0.00	0.00	0.00
(ii) Individual shareholders holding nominal share capital in excess of Rs. 1 Lakh	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
(c) Others (Specify)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Sub-total (B)(2)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Total Public Shareholding (B)=(B)(1)+(B2)	0.00	400	400	0.24	0.00	5,00,000	5,00,000	100.00	0.00
C. Shares held by Custodian for GDRs & ADRs	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Grand Total (A+B+C)	0.00	165600	165600	100.00	0.00	5,00,000	5,00,000	100.00	0.00

*The Six individual Shareholders are having 600 shares as a beneficial holder.

(ii) Shareholding of Promoters

S. No	Shareholder's Name	Shareholding at the beginning of the Year 01.04.2016			Shareholding at the end of the year 31.03.2017			% Change in shareholding during the year
		No. of Shares	% of Total Shares of the Company	% of Shares Pledged /encumberred to total shares	No. of Shares	% of Total Shares of the Company	% of Shares Pledged /encumberred to total shares	
1.	Heritage Foods Limited	1,65,000	99.64	-	4,99,400	99.64	-	-
2.	N. Brahmani	100	0.06	-	100	0.06	-	-
3.	N. Bhuvanewari	100	0.06	-	100	0.06	-	-
4.	N. Lokesh	100	0.06	-	100	0.06	-	-
5.	D. Seetharamaiah	100	0.06	-	100	0.06	-	-
6.	Dr. M. Sambasiva Rao	100	0.06	-	100	0.06	-	-
7.	K. Rajesh	100	0.06	-	100	0.06	-	-

*The Six individual Shareholders are having 600 shares as a beneficial holder.

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

Sl. No		Shareholding at the beginning of the year 01.04.2016		Cumulative Shareholding during the year 31.03.2017	
		No. of Shares	% of total Shares of the Company	No. of Shares	% of total Shares of the Company
	At the beginning of the year 01.04.2016	1,65,200	100.00	5,00,000	100.00
	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 31.03.2017	1,65,200	100.00	5,00,000	100.00

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

Sl. No	Name	Shareholding		Date	Increase/Decrease in Shareholding	Reason	Cumulative Shareholding During the Year (01.04.2016 to 31.03.2017)	
		No. of Shares at the Beginning (01.04.2016)	% of total Shares of the Company				No. of Shares	% of total Shares of the Company
1	Heritage Foods Limited	1,65,000	99.64	-	-	-	5,00,000	100

(V) Shareholding of Directors and Key managerial Personnel:

Sl. No	Name	Shareholding at the beginning of the year		Cumulative Shareholding During the Year	
		No. of Shares	% of total Shares of the Company	No. of Shares	% of total Shares of the Company
1	N. Bhuvanewari	100	0.06	100	0.06
2	N. Lokesh	100	0.06	100	0.06
3	D. Seetharamaiah	100	0.06	100	0.06
4	Dr. M. Sambasiva Rao	100	0.06	100	0.06
5	N. Brahmani	100	0.06	100	0.06

*The five individual Shareholders are having 500 shares as a beneficial holder.

(V) INDEBTEDNESS**Indebtedness of the Company including interest outstanding/accrued but not due for payment**

	Secured Loans Excluding Deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
(i) Principal Amount	NIL	NIL	NIL	NIL
(ii) Interest due but not paid				
(iii) Interest accrued but not due				
Total (i+ii+iii)	NIL	NIL	NIL	NIL
Change in Indebtedness during the financial year				
• Addition	6,00,00,000	105,781,905	NIL	16,5781,905
• Reduction				
Net Change	NIL	NIL	NIL	NIL
Indebtedness at the end of the financial year				
(i) Principal Amount	6,00,00,000	105,781,905	NIL	16,5781,905
(ii) Interest due but not paid				
(iii) Interest accrued but not due				
Total (i+ii+iii)	6,00,00,000	105,781,905	NIL	16,5781,905

*The Short term advances convertible into equity shares from Holding Company.

(VI) REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Remuneration of Managing Director, Whole-time Director and/or Manager: **NIL**

Sl. No	Particulars of Remuneration	Managing Director	Total Amount
		N. Brahmani*	
1.	Gross Salary (a) Salary as per provisions contained in section 17(1) of the Income Tax Act, 1961. (b) Value of perquisites u/s 17(2) of the Income Tax Act, 1961 (c) Profits in lieu of salary	NIL	NIL

	under section 17(3) Income Tax Act, 1961		
2.	Stock Option	NIL	NIL
3.	Sweat Equity	NIL	NIL
4.	Commission - As % of profit - Others, specify	NIL	NIL
5.	Others, please specify	NIL	NIL
	Total (A)	NIL	NIL
	Ceiling as per the Act	NIL	NIL

*Smt. N. Brahmani, appointed as Managing Director without remuneration w.e.f 12th January, 2015.

B. Remuneration to other Directors: **NA**

Sl. No	Particulars of Remuneration		Total Amount
1	Independent Directors Fee for attending Board/Committee Meetings	NA	NA
	Commission	NA	NA
	Others, please specify	NA	NA
	Total (1)	NA	NA
2	Other Non-Executive Directors	NA	NA
	Independent Directors Fee for attending Board/Committee Meetings	NA	NA
	Commission	NA	NA
	Others, please specify	NA	NA
	Total (2)	NA	NA
	Total (B)= (1+2)	NA	NA
	Total Managerial Remuneration	NA	NA
	Overall Ceiling as per the Act	NA	NA

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

Sl. No	Particulars of Remuneration	Key Managerial Personnel		
				Total (Rs.)
1.	Gross Salary (a) Salary as per provisions contained in section 17(1) of the Income Tax Act, 1961. (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	NIL		
2.	Stock Option			
3.	Sweat Equity			
4.	Commission - As % of profit - Others, specify			
5.	Others, please specify			
	Total			

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)
A. COMPANY	NIL				
Penalty					
Punishment					
Compounding					
B. DIRECTORS					
Penalty					
Punishment					
Compounding					
C. OTHER OFFICERS IN DEFAULT					
Penalty					
Punishment					
Compounding					



C K BURMA & CO.
Company Secretaries

Form No. MR-3
Secretarial Audit Report

For the Financial year ended March 31, 2017

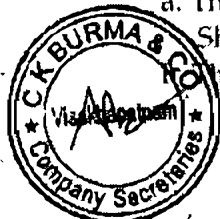
(For the period 1st April, 2016 to 31st March, 2017) [Pursuant to Section 204(1) of the Companies Act, 2013 and Rule No. 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,
The Board of Directors
M/s. HERITAGE FOODS RETAIL LIMITED
6-3-541/C, Punjagutta HYDERABAD, TG 500082 IN

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by HERITAGE FOODS RETAIL LIMITED, CIN: U15400TG2008PLC062054 having its Registered Office located at, 6-3-541/C, Punjagutta Hyderabad TG 500082 IN (hereinafter called the "Company"). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon. Based on my verification of the 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 and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the Company has, during the audit period ended on 31st March, 2017, complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by "The Company" for the period ended on 31st March, 2017 according to the provisions of:

- I. The Companies Act, 2013 (the Act) and the Rules made thereunder;
- II. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the Rules made thereunder; **Not Applicable**
- III. The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder; **Not Applicable**
- IV. Foreign Exchange Management Act, 1999 and the Rules and Regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings: **Not Applicable**
- V. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act') to the extent applicable to the Company :-
 - a. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011; **Not Applicable**
 - b. The Securities and Exchange Board of India (Prohibition of Insider Trading)





- Regulations, 1992; **Not Applicable**
- c. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009; **Not Applicable**
 - d. 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; **Not Applicable**
 - e. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; and **Not Applicable**
 - f. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998; **Not Applicable**
 - g. The Securities and Exchange Board of India (Listing Obligation & Disclosure Requirements) Regulations, 2015; and ;**Not Applicable**

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

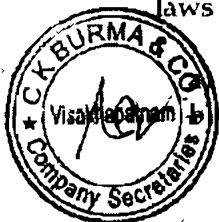
- i) Secretarial Standards issued by The Institute of Company Secretaries of India.
- ii) The Listing Agreements entered into by the Company with the BSE Limited, National Stock Exchange of India Limited. **Not Applicable**

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

- 2. I further report that the Company has, in my opinion, generally complied with the provisions of the Companies Act, 2013 and the Rules made under that Act as notified by Ministry of Corporate Affairs and the Memorandum and Articles of Association of the Company, with regard to:**

- a) maintenance of various statutory registers and documents and making necessary entries therein;
- b) forms, returns, documents and resolutions required to be filed with the Registrar of Companies and the Central Government;
- c) the Annual General Meeting held on 10th August 2016;
- d) minutes of proceedings of General meetings and of the Board meetings.
- e) constitution of the Board of Directors, appointment, retirement and reappointment of Directors including the Managing Director and Whole-time Directors;
- f) payment of remuneration to Directors including the Managing Director and Whole-time Directors: NA
- g) appointment and remuneration of Auditors;

- 3. I, 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:**



- Employees Provident Fund and Miscellaneous Provisions Act, 1952.
- Employees State Insurance Act, 1948



- c) The Payment of Wages Act, 1936
- d) Minimum Wages Act, 1948
- e) Andhra Pradesh Shops And Establishments Act, 1988
- f) The Water (Prevention and Control of Pollution) Act, 1974
- g) The Air (Prevention and Control of Pollution) Act, 1981

4. I further report that:

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors.

5. I further report that: based on the information received and records maintained 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.

6. I further report that: a Composite Scheme of Arrangement under Section 391 to 394 read with Sections 100-104 of the Companies Act, 1956 and Section 52 and /or Sections 230 to 232 and Section 66 of the Companies Act, 2013 and other applicable provisions of the Companies Act, 1956 and /or Companies Act, 2013, was implemented by the Companies ("Transferee or Demerged Company- Heritage Foods Retail Limited-HFRL", and "Transferor Company -Heritage Foods Limited - HFL" resulting into a new Company - Future Retail Limited- FRL" with the approval of "NATIONAL COMPANY LAW TRIBUNAL " Hyderabad for the State of Telangana and Andhra Pradesh and Mumbai for the state of Maharashtra vide its order on 3rd May, 2017 & 11th May,2017 respectively. The said scheme was effective from 19th May,2017 as the respective Companies file with Registrar of Companies ,Hyderabad & Mumbai on 19th May,2017 .

As per the Composite Scheme of Arrangement (a) The Retail, Bakery, Agri & Vetca verticals of the HFRL was transferred to this Company (HFRL) by way of Slump Sale on 1st November,2016(slump sale appointed date) and (b) the Retail, Bakery & Agri, verticals of this Company (HFRL) was transferred to the Resulting Company 'Future Retail Limited' FRL on 1st April,2017(Demerger appointed date).

Further as per the Scheme of Arrangement 'Heritage Foods Retail Limited'(HFRL) has allotted 14000000 nos of Equity shares to its Holding Company namely: 'Heritage Foods Limited'(HFL).





**C K BURMA & CO.
Company Secretaries**

Further as per part IV of the Composite Scheme of Arrangement, it has extinguished 13665600 number of Equity Shares of Rs. 10/- each held by M/s. Heritage Foods Limited, by way of adjustment against the share Capital and securities premium account.

Place : Hyderabad
Date : 20th May, 2017



For C K Burma & Co.
Company Secretaries,
Champak
(Champak K. Burma)
Proprietor
FCS: 8376
CP NO. 9566



C K BURMA & CO.
Company Secretaries

ANNEXURE- A TO SECRETARIAL AUDIT REPORT

To
The Members
Heritage Foods Retail Limited
Hyderabad

My, 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. My responsibility is to express an opinion on these secretarial records based on our audit.
- b) I 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. I believe that the processes and practices I followed provide a reasonable basis for my opinion.
- c) I have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
- d) Whenever required, I 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. My 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.

Place : Hyderabad
Date : 20th May, 2017



For C K Burma & Co.
Company Secretaries,

Champak
Champak K. Burma
Proprietor
FCS: 8376
CP NO. 9566

Independent Auditor's Report

To
The Members
Heritage Foods Retail Limited

Report on the Standalone Financial Statements

We have audited the accompanying standalone financial statements of Heritage Foods Retail Limited ('the Company'), which comprise the balance sheet as at 31 March 2017, 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.

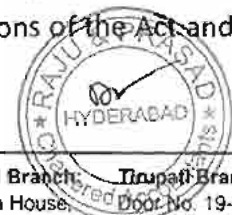
Management's Responsibility for the Standalone Financial Statements

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.



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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 2017 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.



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- (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 31 March 2017 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2017 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:
- the company does not have any pending litigations which would impact its financial position.
 - the Company did not have any material foreseeable losses on long-term contracts including derivative contracts.
 - there were no amounts required to be transferred to the Investor Education and Protection Fund by the Company.
 - the company has provided requisite disclosures in its standalone financial statements as to holdings as well as dealings in Specified Bank Notes during the period from 8 November, 2016 to 30 December 2016 and these are in accordance with the books of accounts maintained by the company.

Date: 20.05.2017
Place: Hyderabad



For Raju and Prasad
Chartered Accountants
FRN: 0034755

M. Siva Ram Prasad

M Siva Ram Prasad
Partner
M. No.: 018943

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Annexure - A to the Auditors' Report

The Annexure referred to in our Report of even date to the members of Heritage Foods Retail Limited on the accounts of the company for the year ended 31st March, 2017.

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 accounts. 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 immovable properties are held in the name of the company except land received pursuant to the Composite Scheme of Arrangement, which is under the process of getting transferred. (Refer Note No. 34)

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. Accordingly, the paragraph 3(iiii) of the order is not applicable.

iv. The company has neither granted any loans, nor have any investments, and not given any guarantees. Accordingly, the paragraph 3(iv) of the order is not applicable.

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. Accordingly, the paragraph 3(v) of the order is not applicable.

vi. The Company is not engaged in the production of the goods or providing services as prescribed by the Central Government under sec 148(1) of the Act, Maintenance of cost records is not applicable. Accordingly, the paragraph 3(vi) of the order is not applicable.

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 31.3.2017.

b) According to the information and explanations given to us, there is no amounts payable in respect of income tax, wealth tax, service tax, sales tax, customs duty and excise duty which have not been deposited on account of any disputes.

viii. The Company has not defaulted in repayment of dues to any bank as at the balance sheet date.



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RAJU & PRASAD
CHARTERED ACCOUNTANTS

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Ph : 040 - 23410404/05/06
Fax : 040 - 23410403
E-mail: hyderabad@rajuandprasad.com
rajuandprasad@gmail.com

- 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. The company has not provided any managerial remuneration. Accordingly, the paragraph 3(xi) of the order is not applicable.
- 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 give 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 directors which requires compliance under Section 192 of Companies Act, 2013. 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.

Date: 20.05.2017
Place: Hyderabad

For Raju and Prasad
Chartered Accountants
FRN: 0034755



M. Siva Ram Prasad

M Siva Ram Prasad
Partner
M. No.: 018943

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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 Retail Limited ("the Company") as of 31 March 2017 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

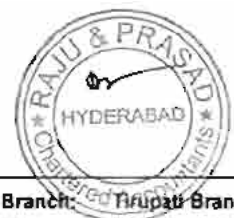
Management's Responsibility for Internal Financial Controls

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.



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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.

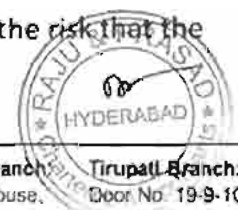
Meaning of Internal Financial Controls over Financial Reporting

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



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RAJU & PRASAD
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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 2017, 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

Date: 20.05.2017
Place: Hyderabad



M. Siva Ram Prasad
M Siva Ram Prasad
Partner
M. No.: 018943

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Heritage Foods Retail Limited
Balance Sheet as at March 31, 2017

(Rs.in lakhs)

Particulars	Note No	As at March 31, 2017	As at March 31, 2016
A. EQUITY AND LIABILITIES			
1. SHAREHOLDERS' FUNDS			
a. Share Capital	2	50.00	16.56
b. Reserves and Surplus	3	(282.71)	(14.09)
Sub-Total Shareholders' funds		(232.71)	2.47
2. NON-CURRENT LIABILITIES			
a. Long-term borrowings	4	1557.82	-
b. Deferred tax liabilities (Net)	5	67.13	-
Sub-Total Non-Current Liabilities		1624.95	-
3. CURRENT LIABILITIES			
a. Trade payables :	6		
(i) Total outstanding dues of micro enterprises and small enterprises		-	-
(ii) Total outstanding dues of creditors other than micro enterprises and small enterprises		939.07	-
b. Other current liabilities	7	536.46	0.47
c. Short-term provisions	8	115.22	-
Sub-Total Current Liabilities		1590.75	0.47
TOTAL EQUITY AND LIABILITIES		2982.99	2.94
B. ASSETS			
1. NON-CURRENT ASSETS			
a. Fixed assets			
i) Property Plant and Equipment	9	1608.30	-
ii) Intangible assets	9	-	-
iii) Capital work-in-progress	9	5.63	-
Total - a		1613.93	-
b. Long term loans and advances	10	19.39	-
Sub-Total Non-Current Assets		1633.32	-
2. CURRENT ASSETS			
a. Inventories	11	620.46	-
b. Trade receivables	12	429.96	-
c. Cash and Bank balances	13	105.91	2.94
d. Short-term loans and advances	10	190.23	-
e. Other current assets	14	3.11	-
Sub-Total Current Assets		1349.67	2.94
TOTAL ASSETS		2982.99	2.94

Significant Accounting Policies

1

Notes on Accounts

(2 to 41)

As per our report attached
For Raju & Prasad

For and on behalf of the Board

Chartered Accountants
(Firm No. 0034755)

M. Sivaram Prasad



M SIVARAM PRASAD
Partner

Membership No.018943

N Brahmuni

N BRAHMUNI
Managing Director
DIN: 02338940

M Sambasiva Rao

M SAMBASIVA RAO
Director
DIN: 01887410

Date: May 20, 2017

Place : Hyderabad



Heritage Foods Retail Limited

Statement of Profit and Loss for the year ended March 31, 2017

(Rs. In lakhs)

Particulars	Note No	Year Ended	
		March 31, 2017	March 31, 2016
1. Revenue from operations (Gross)	15	36,955.16	-
Less : Excise Duty		6.40	-
Revenue from operations (Net)		36,948.76	-
2. Other Income	16	154.38	-
3. TOTAL REVENUE (1 + 2)		37,103.14	-
4. EXPENSES:			
a. Cost of materials consumed	17	2,169.33	-
b. Purchase of Stock-in-Trade	18	27,279.37	-
c. Changes in inventories of finished goods, work-in- progress and Stock-in-Trade	19	(361.75)	-
d. Power and fuel		74.85	-
e. Employee benefits expense	20	2,663.50	-
f. Finance costs	21	8.04	-
g. Depreciation and amortization expense	22	528.76	-
h. Other expenses	23	4,651.43	0.24
TOTAL EXPENSES		37,013.53	0.24
5. Profit before exceptional and extraordinary items and tax (3-4)		89.61	(0.24)
6. Exceptional Items		0.00	-
7. Profit before extraordinary items and tax (5 -6)		89.61	(0.24)
8. Extraordinary Items		0.00	-
9. Profit before tax (7 - 8)		89.61	(0.24)
10. Tax expense:			
a. Current tax		101.47	-
b. Prior period tax		0.00	-
c. Deferred tax		(14.78)	-
11. Profit(Loss) after tax (9-10)		2.92	(0.24)
12. Earning per equity share of Rs.10/-each:			
a. Before Extraordinary items			
i. Basic		0.05	(0.14)
ii. Diluted		0.05	(0.14)
b. After Extraordinary items			
i. Basic		0.05	(0.14)
ii. Diluted		0.05	(0.14)

Significant Accounting Policies

1

Notes on Accounts

(2 to 41)

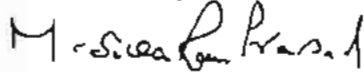
As per our report attached

For and on behalf of the Board

For Raju & Prasad

Chartered Accountants

(Firm No. 0034755)



M SIVARAM PRASAD

Partner

Membership No.018943



N BRAHMANI
Managing Director
DIN: 02338940

M SAMBASIVA RAO
Director
DIN: 01887410

Date: May 20, 2017

Place : Hyderabad



PARTICULARS	Year Ended March 31, 2017		Year Ended March 31, 2016	
	Rs.	Rs.	Rs.	Rs.
A. CASH FLOW FROM OPERATING ACTIVITIES				
Net Profit /(Loss) before tax and extra-ordinary items	89.61		(0.24)	
Non-cash adjustments:				
Depreciation / amortization	528.76			
Loss on Impairment of Assets	264.11			
Interest expense	8.04			
Subsidy transferred to P&L	(2.27)			
Interest Income	(1.09)			
Provision for Interest on income tax	0.00			
Provisions no longer required and Credit balances written back	(87.60)			
Provision for Unavailed Leave	13.75			
Bad Debts / Advances written off	0.10			
Provision for doubtful debts/ advances	321.37			
Operating cash flow before Working Capital Changes	1134.78		(0.24)	
Movements in working capital :				
Increase / (decrease) in trade payables	338.48			
Increase / (decrease) in long term provisions	38.71			
Increase / (decrease) in short term provisions	(179.10)			
Increase / (decrease) in other current liabilities	361.47		(0.05)	
Increase / (decrease) in other long term liabilities	1054.47			
Decrease/ (increase) in trade receivables	(182.07)			
Decrease/ (increase) in inventories	(938.12)			
Decrease / (increase) in long term loans and advances	(25.39)			
Decrease / (increase) in short term loans and advances	(157.44)			
Decrease / (increase) in other current assets	(2.17)			
Decrease / (increase) in other non-current assets	10.24			
Cash Generated from /(used in) operations	1453.85		(0.29)	
Net Cash flow from /(used) in Operating activities (A)		1453.85		(0.29)
B. CASH FLOW FROM INVESTING ACTIVITIES				
Purchase of Fixed Assets, including intangible assets, cwip and capital advances	(1998.70)			
Proceeds from sale of Fixed Assets	17.43			
Interest received	1.09			
Net Cash used in Investing Activities (B)		(1980.18)		
C. CASH FLOW FROM FINANCING ACTIVITIES				
Proceeds from long-term borrowings	420.80			
Repayment of long-term borrowings	(17.94)			
Interest paid	(31.39)			
Net Cash flow from /(Used) in Financing Activities (C)		371.47		
Net Increase /(decrease) in cash and cash equivalents (A+B+C)		(154.87)		(0.29)
Cash and Cash equivalents at the beginning of the year		2.94		3.23
Cash and cash equivalents adjustment pursuant to the Composite Scheme of Arrangement (Refer note no. 34)		257.84		0.00
Cash and Cash equivalents at the end of the year		105.91		(0.29)
Components of cash and cash equivalents				
Cash on hand		1.06		0.09
Balances with banks in current accounts		104.85		2.85
Total cash and cash equivalents		105.91		2.94

Note: The effect of Composite Scheme of Arrangement except cash and cash equivalents being non-cash transaction is excluded in the cashflow statement (Refer note no. 34)

Significant Accounting Policies in Note No. 1

Notes on accounts (2 to 41)

For and on behalf of the Board

As per our report attached

For Raju & Prasad

Chartered Accountants

M. Sivaram Prasad

M SIVARAM PRASAD

Partner

Membership No.018943

Date: May 20, 2017

Place : Hyderabad



N. Brahmani

N BRAHMANI
Managing Director
DIN: 02338940

M. Sambasiva Rao

M SAMBASIVA RAO
Director
DIN: 01887410



Heritage Foods Retail Limited

Significant Accounting Policies and Notes on Accounts

1. Significant Accounting Policies

1.1. Basis of Preparation of financial statements

The financial statements of the Company have been prepared under the historical cost convention and on accrual basis in accordance with Indian Generally Accepted Accounting Principles, applicable provisions of Companies Act, 2013, and as per the Accounting standards specified under section 133 of the Companies Act, 2013, as amended from time to time. 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.

Interest Income: Interest is recognized on a time proportion basis taking into account the amount outstanding and the applicable interest rate.

Incentives which are ascertainable are recognized as and when accrued.



Heritage Foods Retail Limited

1.5 Fixed Assets

Property, Plant and Equipment: Property, Plant and Equipment 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 (Property, Plant and Equipment 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: Depreciation on Property, Plant and Equipment 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 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.

Amortization: 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.



Heritage Foods Retail Limited

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 promoter's contribution is 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 yearend are translated at the contract rates, when covered by firm commitment forward cover contracts and at the yearend 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.



Heritage Foods Retail Limited

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.

1.14 Inventories

Inventories are valued as under

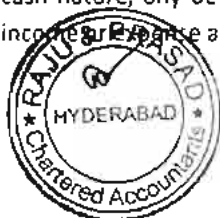
Sl.No.	Particulars	Valuation	Method
1	Raw Materials	Cost or net realizable value whichever is lower	Cost has been ascertained on FIFO basis
2	Finished Goods	Cost or net realizable value whichever is lower	Cost has been ascertained on FIFO basis
3	Stores, Spares and Consumables	at cost	Cost has been ascertained on FIFO basis
4	Work- in- progress	Cost or net realizable value whichever is lower	Cost has been ascertained on FIFO basis
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.



Heritage Foods Retail Limited

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 Retail, Agri, Bakery and Vet Care 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"

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Note 2 : Share Capital

Particulars	(Rs. in lakhs)	
	As at	As at
	March 31, 2017	March 31, 2016
a) Authorised Share Capital		
i) Equity Share Capital		
150,00,000 Equity Shares of Rs.10/- each	1500.00	1500.00
(Previous year : 150,00,000 Equity Shares of Rs.10/- each)		
Total	1500.00	1500.00

b) Issued, Subscribed and Paid-up Share Capital :

Equity Share Capital		
5,00,000 Equity Shares of Rs. 10/- each	50.00	16.56
(Previous year 165600 Equity Shares of Rs.10/- each)		

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

Particulars	March 31, 2017		March 31, 2016	
	Number of Shares	Amount (Rs.in lakhs)	Number of Shares	Amount (Rs.in lakhs)
	Shares Outstanding at the beginning of the year	165600	16.56	165600
Shares issued pursuant to Composite Scheme of Arrangement (Refer Note No. 34)	1400000	1400.00	-	-
Reduction of share capital pursuant to Composite Scheme of Arrangement (Refer Note No. 34)	13665600	1366.56	-	-
Shares outstanding at the end of the year	500000	50.00	165600	16.56

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 Rs.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.

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the share holders.

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

Name of Shareholder	March 31, 2017		March 31, 2016	
	No. of Shares held	% of holding	No. of Shares held	% of holding
	Equity Shares of Rs.10/- each fully paid Heritage Foods Limited	500000	100%	165000

Note 3: Reserves and Surplus

Particulars	(Rs.in lakhs)	
	As at	As at
	March 31, 2017	March 31, 2016
a) Capital Reserve		
Opening Balance	-	-
Add: Increase on Account of slump sale pursuant to the composite scheme of arrangement (Refer Note No.34)	(50.98)	-
Increase on Account of Demerger pursuant to the composite scheme of arrangement (Refer Note No.34)	(13,684.85)	-
Less: Utilization of Securities premium pursuant to the composite scheme of arrangement (Refer Note No.34)	12,100.00	-
Decrease on Account of reduction of share capital pursuant to the composite scheme of arrangement (Refer Note No.34)	1,366.56	-
Closing Balance	(269.27)	-
b) Capital Reserve (Deferred Government Grants)		
Opening Balance	0.00	-
Add: Subsidy Received during the year	-	-
Less: Transfer to Statement of Profit and Loss	2.27	-
Closing Balance	(2.27)	-
c) Securities Premium Reserve		
Opening Balance	-	-
Add: Increase on Account of slump sale pursuant to the composite scheme of arrangement (Refer Note No.34)	12,100.00	-
Less: Decrease on Account of reduction of share capital pursuant to the composite scheme of arrangement (Refer Note No.34)	12,100.00	-
Closing Balance	-	-
d) Surplus / (Deficit)		
Opening Balance	(14.09)	(13.85)
Add: Net Profit / (Net Loss) after tax transferred from Statement of Profit and Loss	2.92	(0.24)
Amount available for appropriations	(11.17)	(14.09)
Appropriations :		
Closing Balance	(11.17)	(14.09)
Total	(282.71)	(14.09)



NON-CURRENT LIABILITIES :					(Rs. in lakhs)	
Note 4: Long-Term Borrowings						
Particulars	Non-Current portion		Current Maturities			
	As at March 31, 2017	As at March 31, 2016	As at March 31, 2017	As at March 31, 2016		
a) Term Loans						
i) From banks (secured)						
- Indian rupee loans	500.00	-	100.00	-		
Total a)	500.00	-	100.00	-		
b) Loans and Advances from related parties						
Loans and Advances from Holding Company	1,057.82	-	-	-		
Total	1,557.82	-	100.00	-		

Installments falling due in respect of the above loans up to March 31, 2018 is Rs.100 lakhs (Installments falling due in respect of loans up to March 31, 2017 (Previous year: Nil) have been grouped under "Current maturities of long term borrowings" (Ref Note 7)

Term Loan from Banks (Secured) includes :

Type of Loan	Name of the Bank	Loan Outstanding As on		Loan Drawn	Rate of Interest	Security / Guarantee	Repayment Terms
		31.03.2017	31.03.2016				
a. Indian Rupee Loans from Banks							
1. Rupee Term Loan	Andhra Bank	600.00	-	600.00	One Year MCLR+0.45%	First pari passu charge on fixed assets of the Holding Company (both Present and future) along with other banks, extension of second pari passu charge on current assets of the Holding Company along with consortium banks	Repayable in 24 quarterly instalments commencing from June, 2017

Note 5: Deferred Tax Liability (Net)			(Rs. in lakhs)	
Particulars			As at	As at
			March 31, 2017	March 31, 2016
a) Deferred Tax Liability (Net):			67.13	-
			67.13	-

Note 6 Trade Payables			(Rs. in lakhs)	
Particulars			As at	As at
			March 31, 2017	March 31, 2016
Trade Payables :				
(i) Total outstanding dues of micro enterprises and small enterprises			-	-
(ii) Total outstanding dues of creditors other than micro enterprises and small enterprises			939.07	-
Total			939.07	-

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

As at	Principal amount outstanding	Interest outstanding	Interest amount	Interest paid by the company in terms of section 16 of the Act, 2006 and the amount of the payment made beyond the appointed day during the year;	Interest due and payable on delayed payments made during the year	The amount of interest accrued and remaining unpaid	Interest remaining due until such date when the interest dues are actually paid to the small enterprise (even if paid in succeeding years)
March 31, 2017	-	-	-	Nil	-	-	-
March 31, 2016	-	-	-	Nil	-	-	-

Particulars	(Rs. in lakhs)	
	As at March 31, 2017	As at March 31, 2016
Note 7 Other Current Liabilities		
Current maturities of long-term borrowings (Ref Note 4)		
Term Loans	100.00	0.00
Total	100.00	0.00
Other Payables:		
Employee Related payables:		
Capital Creditors	18.29	-
Statutory Payables	344.84	-
Security Deposits:	15.85	-
Freight Payables	25.81	-
Other payables	6.27	-
Total	25.40	0.47
Total	536.46	0.47

Note 8 Short Term Provisions			(Rs. in lakhs)	
Particulars			As at	As at
			March 31, 2017	March 31, 2016
Provision for employee benefits :				
Unavailed Leave			13.75	-
Other Provisions :				
Provision for Income Tax (Net of advance tax)			101.47	-
Total			115.22	-



NON-CURRENT ASSETS
Note 9 Fixed Assets

Particulars	Gross Block					Accumulated Depreciation / Amortization					Net Block		
	Balance as at 01.04.2016	Additions during the year through Stamp Duty	*Additions / other adjustments during the year	Deletions / Retirement during the year	Transferred during the year on Account of De merger	Balance as at 31.03.2017	Depreciation carried through slump Sale	Depreciable in charge for the period	Deletions / adjustments during the year	Deductions / adjustments during the year	# Impairment loss for the period	Balance as at 31.03.2017	Balance as at 01.04.2016
a. Property, Plant and Equipment													
i. Owned Assets :													
Land	-	338.46	-	-	152.83	174.63	-	-	-	-	-	174.63	-
Buildings	1,703.00	1,703.00	783.14	-	1,703.00	283.14	73.52	46.15	498.41	-	0.71	182.33	-
Improvements to leasehold property	-	1,978.59	70.54	50.82	1,998.40	-	42.21	53.89	1,143.46	15.29	0.09	(0.00)	-
Plant and Machinery	-	7,937.39	1,251.24	81.33	6,071.28	636.12	293.96	21.64	3,355.08	183.46	1.49	634.64	-
Furniture and Fixtures	-	2,008.61	40.22	18.16	2,001.92	5.75	52.57	21.64	964.56	60.53	0.31	8.59	-
Office Equipment (Owned)	-	1,906.60	137.64	66.50	1,966.08	11.06	77.10	60.60	1,341.04	-	0.54	10.52	-
Vehicles	-	11.13	0.62	0.06	11.06	0.62	-	-	2.46	-	0.02	0.69	-
Total - Owned Assets	-	15,580.77	2,302.99	235.87	16,035.38	1,611.32	696.91	181.97	7,304.97	239.15	3.02	1,601.30	-
ii. Leasehold Assets :													
Office Equipment (under finance lease)	-	192.17	-	-	192.17	-	12.50	0.06	55.49	4.77	-	-	-
Total - Leased Assets	-	192.17	-	-	192.17	-	12.50	0.06	55.49	4.77	-	-	-
Total - Tangible Assets	-	15,772.95	2,302.99	235.87	16,227.75	1,611.32	709.42	182.04	7,360.46	244.13	3.02	1,601.30	-
b. Intangible Assets (Owned)													
Computer Software	-	1,133.07	13.25	-	1,146.32	-	19.35	-	1,091.95	-	0.00	-	-
Total -b	-	1,133.07	13.25	-	1,146.32	-	19.35	-	1,091.95	-	0.00	-	-
Total (a+b)	-	16,906.02	2,316.24	235.87	17,378.07	1,611.32	728.76	182.04	8,452.42	244.13	3.02	1,601.30	-
Previous year	-	-	-	-	-	-	-	-	-	-	-	-	-
c. Capital Work-in-progress	-	545.58	1,996.59	240.70	2,316.24	5.63	-	-	-	-	-	5.63	-
Previous year	-	-	-	-	-	-	-	-	-	-	-	-	-

* As per Accounting Standard AS-16, during the year, borrowing cost of Rs. 8.93 lakhs (Previous year -Rs.Nil) has been capitalised to Plant & Machinery, Rs.11.74 lakhs (Previous year -Rs.Nil) to land. It is included in other adjustments.



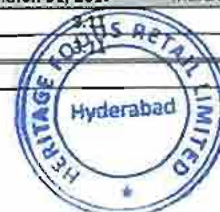
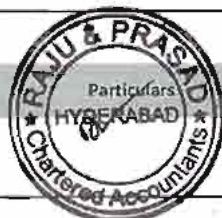
Note 10 Loans and Advances		(Rs.in lakhs)			
Particulars	Non - Current		Current		
	As at	As at	As at	As at	
	March 31, 2017	March 31, 2016	March 31, 2017	March 31, 2016	
a) Capital Advances					
Unsecured, considered good	1.71	-	-	-	
Total	1.71	-	-	-	
b) Security Deposits					
Unsecured, considered good	17.68	-	0.35	-	
Total	17.68	-	0.35	-	
c) Advances recoverable in cash or kind					
Unsecured, considered good	-	-	189.74	-	
Total	-	-	189.74	-	
d) Loans and Advances to related parties					
	-	-	-	-	
e) Other loans and advances:					
Loans and advances to employees	-	-	0.14	-	
Total	-	-	0.14	-	
Total (a+b+c+d+e)	19.39	-	190.23	-	

Note 11 Inventories		(Rs.in lakhs)	
Particulars	As at	As at	
	March 31, 2017	March 31, 2016	
<i>(Valued at lower of cost or net realisable value except Packing Material & stores and spares)</i>			
Raw Materials (Includes in-transit of Rs. Nil) (Previous year :Rs.Nil)	579.66	-	
Work-in-Progress	-	-	
Finished Goods	18.63	-	
Stock-in-Trade	6.04	-	
Packing Material (Valued at cost) (Includes in-transit of Nil) (Previous year: Rs. Nil)	16.22	-	
Stores and spares (valued at cost) (Includes in-transit Nil) (Previous year: Rs.Nil)	-	-	
Total	620.45	-	

Note 12 Trade Receivables		(Rs.in lakhs)	
Particulars	Current		
	As at	As at	
	March 31, 2017	March 31, 2016	
A. Trade receivables outstanding for a period exceeding six months from the date they are due for payment			
a) Unsecured, considered good	121.93	-	
b) Unsecured, considered doubtful	315.47	-	
Total (a+b)	437.40	-	
Less : Provision for bad and doubtful receivables	315.47	-	
Total - A	121.93	-	
B. Other trade receivables			
a) Unsecured, considered good	308.03	-	
b) Unsecured, considered doubtful	-	-	
Total (a+b)	308.03	-	
Less : Provision for bad and doubtful receivables	-	-	
Total - B	308.03	-	
Grand total (A+B)	429.96	-	

Note 13 Cash and Bank Balances		(Rs.in lakhs)	
Particulars	Current		
	As at	As at	
	March 31, 2017	March 31, 2016	
a) Balances with banks:			
In current accounts	104.85	2.85	
Deposits with original maturity of less than three months	-	-	
b) Cheques, drafts on hand	-	-	
c) Cash on hand	1.06	0.09	
Total Cash and Cash Equivalents	105.91	2.94	
Total Cash and Bank Balances	105.91	2.94	

Note 14 Other current assets		(Rs.in lakhs)	
Particulars	As at	As at	
	March 31, 2017	March 31, 2016	
Prepaid expenses	-	-	
Total	-	-	



Heritage Foods Retail Limited		(Rs. in lakhs)	
Note: 15 Revenue from operations		Year Ended	Year Ended
Particulars		March 31, 2017	March 31, 2016
Revenue from operations :			
A) Sale of Products			
i) Finished goods			
Domestic Sales		909.61	-
Export Sales		-	-
Total (i)		909.61	-
ii) Traded goods			
Domestic Sales		32,531.50	-
Export Sales		8.94	-
Total (ii)		32,540.44	-
Total			
Domestic Sales		33,441.12	-
Export Sales		8.94	-
Total - A (i+ii)		33,450.06	-
B) Sale of services			
Job work		38.29	-
C) Other operating revenues			
Scrap Sales		34.03	-
Others :			
i) Display & Visibility Income		302.23	-
ii) Promotional Income		1,972.54	-
iii) Concessionary income		158.02	-
iv) REC Credits		-	-
Total - C		3,466.82	-
Revenue from operations (gross) (A+B+C)		36,955.16	-
Less: Excise duty		6.40	-
Revenue from operations (net)		36,948.76	-
c. Details of products sold			
i) Finished goods sold			
a) Agri			
Fruits and Vegetables		851.52	-
b) Bakery			
Bakery products		5.88	-
c) Vetca			
Cattle Feed		52.21	-
Total (a+b+c)		909.61	-
ii) Traded goods sold			
a) Retail			
FMCG - Food		19553.40	-
FMCG - Non-Food		7699.70	-
Fruits and Vegetables		4182.85	-
Total		31435.95	-
b) Agri			
Fruits and Vegetables		-	-
Other Tradable goods		28.18	-
Total		28.18	-
c) Bakery			
Tradable goods		277.32	-
Total		277.32	-
d) Vetca			
Tradable goods		798.99	-
Total		798.99	-
Total (a+b-c+d)		32540.44	-
B) Details of sale of services			
a) Agri			
		38.29	-
Total (a+b)		38.29	-

Note: 16 Other Income		(Rs. in lakhs)	
Particulars		Year Ended	Year Ended
		March 31, 2017	March 31, 2016
a) Interest income on :			
Bank and other deposits		1.09	-
b) Subsidy transferred from Deferred Govt. grants		2.27	-
c) Lease rental income		43.31	-
d) Provisions no longer required/Credit Balances written back		86.45	-
e) Incentives (Includes Export Incentives)		0.01	-
f) Other non-operating income		21.20	-
Total		154.38	-



Note : 17 Cost of materials consumed		(Rs.in lakhs)	
Particulars	Year Ended March 31, 2017	Year Ended March 31, 2016	
a) Raw material :			
Inventory at the beginning of the year	-	-	
Add: Increase on Account of slump sale in pursuant to the composite scheme of arrangement (Refer note no. 34)	22.71	-	
Add: Purchases	2,565.52	-	
	1,583.23	-	
Less: Transfer On Account of demerger in pursuant to the composite scheme of arrangement (Refer note no. 34)	6.93	-	
Less: Inventory at the end of the year	579.56	-	
Raw Material consumed (a)	2,001.74	-	
b) Packing material :			
Inventory at the beginning of the year	144.69	-	
Add: Increase on Account of slump sale in pursuant to the composite scheme of arrangement (Refer note no. 34)	22.71	-	
Add: Purchases	167.60	-	
	312.29	-	
Less: Transfer On Account of demerger in pursuant to the composite scheme of arrangement (Refer note no. 34)	128.48	-	
Less: Inventory at the end of the year	16.22	-	
Packing Material Consumed (b)	167.59	-	
Cost of materials consumed (a+b)	2,169.33	-	
Details of Raw materials consumed			
a) Agri			
Fruits and Vegetables	1770.08	-	
Total	1770.08	-	
b) Bakery			
Bakery raw materials	176.12	-	
Total	176.12	-	
c) Vetca			
Vetca raw materials	55.54	-	
Total	55.54	-	
Total (a + b + c+d)	2001.74	-	

Note : 18 Purchase of Stock-in-Trade		(Rs.in lakhs)	
Particulars	Year Ended March 31, 2017	Year Ended March 31, 2016	
FMCG - Food	15,630.20	-	
FMCG - Non-Food	6,154.83	-	
Fruits and Vegetables	3,343.60	-	
Other Tradable Goods	2,150.74	-	
Total	27,279.37	-	
Details of purchase of Stock-in-Trade			
a) Retail			
FMCG - Food	15630.20	0.00	
FMCG - Non-Food	6154.83	0.00	
Fruits and Vegetables	3343.60	0.00	
Other Tradable goods	-	-	
Total	25128.63	0.00	
b) Agri			
Fruits and Vegetables	-	-	
Other Tradable goods	8.77	0.00	
Total	8.77	0.00	
c) Bakery			
Tradable goods	9.13	-	
Total	9.13	-	
d) Vetca			
Tradable goods	2132.83	0.00	
Total	2132.83	0.00	
Total (a + b + c+d)	27279.36	0.00	

Note : 19 Changes in Inventories of finished goods, work-in-progress and Stock-in-Trade		(Rs.in lakhs)	
Particulars	Year Ended March 31, 2017	Year Ended March 31, 2016	
A) Inventory at the end of the year :			
Work-in-progress	-	-	
Finished goods	48.38	-	
Stock-in-Trade	5,647.19	-	
Total - A	5,695.57	-	
B) Inventory at the beginning of the year :			
Work-in-progress	0.09	-	
Finished goods	24.68	-	
Stock-in-Trade	5,309.04	-	
Total - B	5,333.81	-	
Changes in Inventories of finished goods, work-in-progress and stock-in-trade (B-A)	(361.75)	-	



		(Rs. in lakhs)	
		Year Ended	Year Ended
Particulars		March 31, 2017	March 31, 2016
Note: 20 Employee benefit expense			
		2377.42	-
	Salaries, wages, bonus and allowances		
		166.52	-
	Provident and other funds		
		119.55	-
	Staff Welfare Expenses		
	Total	2663.50	-

		(Rs. in lakhs)	
		Year Ended	Year Ended
Particulars		March 31, 2017	March 31, 2016
Note: 21 Finance costs			
		8.04	-
	Interest Expense		
	Total	8.04	-

		(Rs. in lakhs)	
		Year Ended	Year Ended
Particulars		March 31, 2017	March 31, 2016
Note: 22 Depreciation and amortization expense			
		509.42	-
	Depreciation		
		19.35	-
	Amortization		
	Total	528.76	-

		(Rs. in lakhs)	
		Year Ended	Year Ended
Particulars		March 31, 2017	March 31, 2016
Note: 23 Other expenses			
		38.78	-
	Consumption of Stores ,spares and consumables		
		1,442.45	-
	Rent		
		21.91	-
	Bank Charges		
		21.43	-
	Insurance		
		76.17	-
	Travelling and conveyance		
		60.51	-
	Communication cost		
		255.05	-
	Safety and Security		
		31.91	-
	Printing and Stationery		
		18.36	-
	Office Maintenance		
		97.85	-
	House Keeping Expenses		
		0.04	-
	Books and periodicals		
		535.01	-
	Electricity Charges		
		60.51	-
	Rates and taxes		
		25.39	-
	Repairs and maintenance		
	Buildings		
		75.70	-
	Machinery		
		81.73	-
	Others		
		138.12	0.12
	Legal and Professional Charges		
		0.12	0.12
	Payment to Auditors :		
	As Auditor:		
	Audit Fee		
		0.58	-
	Tax Audit fee		
		0.29	-
	Limited Review		
		-	-
	In other capacity :		
	Taxation matters		
		-	-
	Certification fee		
		0.84	-
	Reimbursement of expenses		
		145.07	-
	Advertisement expenses		
		389.69	-
	Selling and Distribution expenses		
		144.92	-
	Warehouse and logistics		
		358.50	-
	Freight outwards		
		22.17	-
	Provision for bad and doubtful advances		
		0.10	-
	Bad and doubtful advances written off		
		299.20	-
	Provision for doubtful debts		
		37.41	-
	Loss on sale/discard of fixed assets (net)		
		264.13	-
	Impairment loss on fixed assets		
		1.54	-
	Recruitment and Training expenses		
		0.05	-
	Exchange differences (net) (other than considered as finance cost)		
		(1.10)	-
	Prior Period Items (net) *		
		7.02	-
	Miscellaneous expenses		
	Total	4,651.43	0.24
Prior period Items (net):			
	Debits relating to earlier years		
		-	-
	Credits relating to earlier years		
		(1.10)	-
	Total	2.10	-



Note: 24 Contingent liabilities and commitments (to the extent not provided for)			(Rs. in lakhs)	
	As at	As at		
	March 31, 2017	March 31, 2016		
A. Contingent Liabilities				
i. Claims against the company not acknowledged as debt:				
ii. Guarantees	NA	NA		
iii. Other money for which the company is contingently liable				
B. Commitments				
i. Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances)	NA	NA		
ii. Other commitments:				

Note: 25 As per the Accounting Standards AS-15 "Employee Benefits" the disclosures of the Employee benefits as defined in the Accounting Standard are given below			(Rs. in lakhs)	
Defined Contribution Plan:			Year Ended	Year Ended
Particulars			March 31, 2017	March 31, 2016
Employers Contribution to Provident Fund			125.34	-
Gratuity (Funded)				
In accordance with Accounting Standard - 15 Employee Benefits, the company has fully recognised the liability towards gratuity. The company also discharged the liability in full by creating the gratuity fund maintained by Life Insurance Corporation. Pursuant to the Composite Scheme of Arrangement, the liability as well as fund of Rs. 168.25 Lakh is transferred to the resulting company. (Refer note, 34)				

Defined Benefit Plan:						As per Actuarial Report dated 19.04.2017				(Rs. in lakhs)	
Earned Leave & Sick Leave (Unfunded):											
1. Assumptions:						Earned Leave				Sick Leave	
Particulars						As at	As at	As at	As at	As at	As at
						31-Mar-2017	31-Mar-2016	31-Mar-2017	31-Mar-2016	31-Mar-2017	31-Mar-2016
Discount Rate						7.40%	-	7.40%	-	-	-
Rate of increase in Compensation levels						5% p.a.	-	5% p.a.	-	-	-
Rate of Return on Plan Assets						-	-	-	-	-	-
Expected Average remaining working lives of employees (years)						28 yrs	-	24 yrs	-	-	-
2. Reconciliation of Defined benefit obligation											
Present Value of Obligation as at the beginning of the year						-	-	-	-	-	-
Acquisition adjustments as per composite scheme of Arrangement 01/11/2016 (Refer Note No.34)						262.65	-	80.31	-	-	-
Acquisition adjustments as per composite scheme of Arrangement 31/03/2017 (Refer Note No.34)						(129.57)	-	(46.52)	-	-	-
Interest Cost						2.91	-	(3.27)	-	-	-
Past Service Cost						-	-	-	-	-	-
Current Service Cost						8.67	-	(6.94)	-	-	-
Curtailment Cost / (Credit)						-	-	-	-	-	-
Settlement Cost / (Credit)						-	-	-	-	-	-
Benefits paid						(41.17)	-	(18.40)	-	-	-
Actuarial (gain)/ loss on obligations						6.68	-	(1.60)	-	-	-
Present Value of Obligation as at the end of the year						10.16	-	1.58	-	-	-
3. Actuarial Gain / Loss Recognised											
Actuarial (gain)/loss for the year - Obligation						(6.68)	-	1.60	-	-	-
Actuarial (gain)/loss for the year - Plan Assets						-	-	-	-	-	-
Total (gain) / loss for the year						6.68	-	(1.60)	-	-	-
Actuarial (gain) / loss recognized in the year						6.68	-	(1.60)	-	-	-
Unrecognized actuarial (gains) / losses at the end of year						-	-	-	-	-	-
4. The amounts to be recognised in Balance Sheet and Statement of Profit and Loss											
Present Value of Obligation as at the end of the year						10.16	-	1.58	-	-	-
Value of Plan Provisions as at the end of the year						-	-	-	-	-	-
Funded Status						(10.16)	-	(1.58)	-	-	-
Unrecognized Actuarial (gains) / losses						-	-	-	-	-	-
Net Asset / (Liability) Recognized in Balance Sheet						(10.16)	-	(3.58)	-	-	-
5. Expenses Recognized in the statement of Profit & Loss											
Current Service Cost						8.67	-	(6.94)	-	-	-
Past Service Cost						-	-	-	-	-	-
Interest Cost						1.91	-	(3.27)	-	-	-
Expected Return on Plan Assets						-	-	-	-	-	-
Curtailment Cost / (Credit)						-	-	-	-	-	-
Settlement Cost / (Credit)						-	-	-	-	-	-
Net actuarial (gain)/ loss recognized in the year						6.68	-	(1.60)	-	-	-
Expenses Recognized in the Statement of Profit & Loss						18.26	-	(11.81)	-	-	-

Amounts for the current and previous four financial years (for Earned Leave)						(Rs. in lakhs)				
Particulars						As at	As at	As at	As at	As at
						31-Mar-2017	31-Mar-2016	31-Mar-2015	31-Mar-2014	31-Mar-2013
Present value of defined benefit obligations						10.16	-	-	-	-
Deficit in the plan assets						(10.16)	-	-	-	-

Amounts for the current and previous four financial years (for Sick Leave)						(Rs. in lakhs)				
Particulars						As at	As at	As at	As at	As at
						31-Mar-2017	31-Mar-2016	31-Mar-2015	31-Mar-2014	31-Mar-2013
Present value of defined benefit obligations						1.58	-	-	-	-
Deficit in the plan assets						(3.58)	-	-	-	-



Note: 16 Segment reporting for the year ended March 31, 2017

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

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 seeds and job works. Bakery segment mainly deals with procurement, production and selling of bakery products. Vetca segment mainly deals with manufacturing and selling of cattle feed and feed supplements.

Particulars	As at March 31, 2017	As at March 31, 2016
Segment Revenue:		
Retail	35,033.29	-
Agri	2059.79	-
Bakery	457.97	-
Vetca	2439.42	-
Total	39990.48	-
Inter-segment-eliminations	3,041.72	-
Net Sales / Income from Operations	36948.76	-
Segment Results		
Profit / (Loss) before finance costs and tax		
Retail	450.49	-
Agri	(98.26)	-
Bakery	(0.01)	-
Vetca	(255.66)	-
Total	96.56	-
Less: Finance costs	8.04	-
Add: Interest income	1.09	-
Add: Net Unallocable Income / (Expenditure)	-	(0.24)
Profit / (Loss) before Extra-ordinary items and Tax	89.61	(0.24)
Less: Extra-ordinary items	-	-
Profit / (Loss) before Tax		
Less:		
a. Current tax	101.47	-
b. Prior period tax		-
c. Deferred tax	(14.78)	-
Net Profit / (Loss)	2.92	(0.24)
Segment Assets		
Retail	-	-
Agri	-	-
Bakery	-	-
Vetca	2877.08	-
Add: Unallocated Assets	-	-
Total Segment Assets	2877.08	-
Segment Liabilities		
Retail	-	-
Agri	-	-
Bakery	-	-
Vetca	2071.99	-
Add: Unallocated Liabilities	375.11	-
Total Segment Liabilities	2447.10	-
Capital Expenditure incurred during the year		
Retail	863.21	-
Agri	15.02	-
Bakery	6.88	-
Vetca	1431.04	-
Total Segment Capital Expenditure	2316.24	-
Add: Unallocated Capital Expenditure	-	-
Total Capital Expenditure	2316.24	-
Depreciation and Amortisation for the year		
Segment Depreciation		
Retail	394.15	-
Agri	97.74	-
Bakery	33.96	-
Vetca	2.92	-
Total Segment Depreciation and Amortisation	528.76	-
Add: Unallocated Depreciation	-	-
Total Depreciation and Amortisation	528.76	-
Significant Non Cash Expenditure (excluding depreciation and amortisation)	592.02	-



Note: 27 Related party disclosures as per AS-18 :

Relationships :

- i) Holding company and Fellow subsidiary
a) Heritage Foods Limited
b) Heritage Conpro Limited
- ii) Key Management Personnel :
a) N Bhuvaneshwari - Director
b) N Brahmant - Managing Director
c) M.Sambasiva Rao - Director

- iii) Relatives of Key Management Personnel and their enterprises
A) where transactions have not taken place
a) N Lokesh - Non-Executive Director

Name of the related party => Particulars	Heritage Foods Limited	Heritage Conpro Limited	N Bhuvaneshwari	N Brahmant	N Lokesh	M Sambasiva Rao
Description of the Relationship between the parties	Holding Company	Fellow Subsidiary	Director	Managing Director	Relative of Managing Director	Director
Description of the nature of transactions	a) Investment b) Advance received c) Purchases d) Sales	Nil	Nil	Managerial Services	Nil	Nil
Volume of the transactions either as an amount or as appropriate proportion	a) Share Capital: 50 Lakhs (Previous year: Rs.16.5 lakhs) b) Advance received: Rs. 10.57 Crs (Previous year: Nil) c) Purchases: Rs.1737.28 lakhs (Previous year: Nil) d) Sales: Rs.1653.54 Lakhs (Previous year: Nil)	Nil	Nil	Nil	Nil	Nil
Any other elements of the related party transactions in the financial statements	Slump Sale in pursuant to the Composite Scheme of Arrangement (Refer Note No. 34)	Nil	Nil	Nil	Nil	Nil
Guarantees and collaterals	Nil	Nil	Nil	Nil	Nil	Nil
The amounts or appropriate proportions of outstanding items pertaining to related parties at the Balance Sheet date	a) Outstanding advance amount payable Rs. 1057.82 lakhs (Previous year: Nil)	Nil	Nil	Nil	Nil	Nil
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
Provision for diminution in value of Investments	Nil	Nil	Nil	Nil	Nil	Nil



		Rs. in lakhs	
		As at March 31, 2017	As at March 31, 2016
28 Lease			
Leasables			
Non-cancellable Operating Leases:			
Operating lease expenses debited to statement of profit and loss is Rs. 1442.45 lakhs (Previous year : Rs. Nil) Total sub-lease payments received /receivable			
added to statement of profit and loss is Rs. Nil (Previous year : Rs. Nil)			
Outstanding lease obligations:			
Outstanding lease obligations : Nil (Previous Year Rs. Nil)			

		Year Ended March 31, 2017	Year Ended March 31, 2016
29 Earning per share (EPS)			
Calculation of weighted average number of equity shares of Rs.10/-each :			
Number of Equity Shares outstanding at the beginning of the year		165600	165600
add: Issue of Equity shares during the year (Refer Note No.41)		1400000	-
Number of Equity shares outstanding at the end of the year*		14165600	165600
Weighted average number of equity shares outstanding during the year		5998933	165600
Weighted average nominal value per share (Rs.)		10	10
Net Profit / (Loss) before tax		89.61	(0.24)
Net Profit / (Loss) after tax before extraordinary items		2.92	(0.24)
Net Profit / (Loss) after tax and extraordinary items		2.92	(0.24)
Basic and diluted Earnings per share (Before Extraordinary Items) of Rs.10 each (Rs.)		0.05	(0.14)
Basic and diluted Earnings per share (After Extraordinary items) of Rs.10 each (Rs.)		0.05	(0.14)
The weighted average number of equity shares has been calculated before capital reduction as per composite scheme of Arrangement			

		Rs. in lakhs	
Particulars		Year Ended March 31, 2017	Year Ended March 31, 2016
30 Value of imports calculated on CIF basis			
		Nil	Nil
31 Expenditure in Foreign Currency			
		Nil	Nil

		Rs. in lakhs	
Particulars		Year Ended March 31, 2017	Year Ended March 31, 2016
32 Earnings in Foreign Currency :			
Export of goods calculated on FOB basis *		8.94	-
Total		8.94	-

		Rs. in lakhs	
Particulars		2016-17	2015-16
33 Consumption of Materials:			
a) Raw Materials (Refer Note 17)	%	2016-17	%
i) Indigenous	100.00	2169.13	-
ii) Imported		-	-
b) Stores, spares and consumables (Refer Note 23)	%	2016-17	%
i) Indigenous	100.00	38.78	-
ii) Imported		-	-

Notes:

Note No :34 Composite Scheme of Arrangement

The National Company Law Tribunal ("NCLT") for the state of Telangana and Andhra Pradesh has approved the Composite Scheme of Arrangement between the Company ("Transferee Company" or "Demerged Company" or "HFL"), Heritage Foods Limited ("Transferor Company" or "HFL"), Future Retail Limited ("Resulting Company" or "FRL") and their respective shareholders vide its order dated May 03, 2017. The composite scheme of arrangement has been implemented by HFL and HFRL as below.

1. HFL transferred its 'Retail undertaking' (comprising Retail, Agri and Bakery business segments of HFL) and 'VetCa undertaking' (comprising VetCa business segment of HFL) by way of Slump Sale to the company with effect from the slump sale appointed date (i.e. Commencement of business on November 1, 2016).

2. From this date of slump sale appointed date and till effective date, the transferor company has been carrying on the business on the behalf of transferee company.

3. HFRL demerged the 'Retail undertaking' to FRL with effect from the demerger appointed date (i.e. Close of business on 31 March, 2017).

4. HFRL reduced the share capital through cancellation of shares of the company held by its existing shareholders by utilising Securities premium.

5. In accordance with the scheme, applicable accounting standards, and Generally Accepted Accounting Principles (GAAP), the accounting treatment of each of the above has been given in the financial statements as below.

A. The company has received and accounted net assets of Rs 13449.02 Lakhs (Assets of Rs 20538.94 Lakhs and Liabilities of Rs 7089.92 Lakhs) as at 01.11.2016 of Retail undertaking and VetCa undertaking of the transferor company for a consideration of Rs 13500 lakhs which is agreed to be discharged by way of allotment of 1,40,00,000 equity shares at Rs 96.43 per share having face value Rs 10 each and premium of Rs 86.43 per share has been accounted by crediting Rs 1400 Lakhs to the equity share capital and Rs 12100 Lakhs to the securities premium. The company is in the process of allotment of shares. The difference of Rs 50.98 Lakhs between the value of consideration and net value of assets and liabilities has been accounted as Capital reserve. The business transactions from 1st November 2016 to 31st March 2017 have been reported in the standalone financial statements of the company.

B. The company has transferred the net assets of Rs. 13684.84 Lakhs (Assets of Rs 19571.21 lakhs and Liabilities of Rs 5886.37 Lakhs) as at close of business on 31.03.2017 of Retail undertaking, with the resulting Net adjustment of Rs 13684.84 Lakhs debited to the capital reserve. Consideration for the same being 1,78,47,420 no. of equity shares of having a face value of Rs 2 per share are agreed to be allotted by FRL to the shareholders of the company i.e., HFL, and accounting treatment for the consideration is given in the books of HFL, the holding company.

C. The equity share capital of Rs 1166.56 lakhs and securities premium of Rs 12100 lakhs have been adjusted against the capital reserve for reduction of share capital.



Note No. 35 Disclosure as required by AS 24 Discontinuing operations

The Composite Scheme of Arrangement as referred in Note No. 34 is implemented by the company, 'Retail Undertaking' i.e., Retail, Agri and Bakery business segments are considered as discontinued operations. Carrying amounts of the total assets and liabilities of discontinued operations are as follows. Comparative information of discontinued segments is included in accordance with AS 24 Discontinued Operations.

(Rs. In lakhs)

Particulars	Continuing Operations		Discontinued Operations		Total	
	As at March 31, 2017	As at March 31, 2016	As at March 31, 2017	As at March 31, 2016	As at March 31, 2017	As at March 31, 2016
Assets :						
Fixed assets (Net)	1613.93	-	-	-	1613.93	-
Non-current investments	-	-	-	-	-	-
Long term loans and advances	19.39	-	-	-	19.39	-
Other non-current assets	0.00	-	-	-	0.00	-
Current Investments	0.00	-	-	-	0.00	-
Inventories	620.46	-	-	-	620.46	-
Trade receivables	429.96	-	-	-	429.96	-
Cash and Bank balances	103.79	2.94	-	-	103.79	2.94
Short-term loans and advances	190.23	-	-	-	190.23	-
Other current assets	3.11	-	-	-	3.11	-
Total Assets	2980.87	2.94	-	-	2980.87	2.94
Liabilities :						
Long Term Borrowings	500.00	-	-	-	500.00	-
Deferred Tax Liabilities	67.13	-	-	-	67.13	-
Other Long Term Liabilities	1057.82	-	-	-	1057.82	-
Long Term Provisions	-	-	-	-	-	-
Short Term Borrowings	-	-	-	-	-	-
Trade Payables	939.07	-	-	-	939.07	-
Other Current Liabilities	536.46	0.47	-	-	536.46	0.47
Short Term Provisions	115.22	-	-	-	115.22	-
Total Liabilities	3215.70	0.47	-	-	3215.70	0.47

The following statement shows the revenue and expenses of continuing and discontinued (demerged) operations

Particulars	Continuing Operations		Discontinued Operations		Total	
	2016-17	2015-16	2016-17	2015-16	2016-17	2015-16
Revenue from Operations (Net)	851.20	-	36097.56	-	36948.76	-
Segment Revenue	1588.23	-	1453.49	-	3041.72	-
Other Income	-	-	154.38	-	154.38	-
Total Revenue	2439.42	-	37705.43	-	37705.43	-
Expenses:						
Cost of Materials Consumed	68.03	-	2101.30	-	2169.33	-
Segment Purchase	1.87	-	3039.85	-	3041.72	-
Purchase of Stock-in-Trade	2122.83	-	25146.54	-	27269.37	-
Changes in Inventories of finished goods, work-in-progress and Stock-in-Trade	(15.22)	-	(346.53)	-	(361.75)	-
Power and fuel	3.81	-	71.04	-	74.85	-
Employee benefits expense	96.29	-	2567.21	-	2663.50	-
Depreciation and amortisation expense	2.92	-	525.84	-	528.76	-
Other expenses	404.56	0.24	4246.87	-	4651.43	0.24
Total Expenses Excluding finance cost	2695.08	0.24	37352.12	-	37005.48	0.24
Profit/(Loss) before finance cost and tax	(255.66)	(0.24)	353.31	-	97.65	(0.24)
Finance Cost	1.75	-	6.29	-	8.04	-
Profit/(Loss) before tax	(257.41)	(0.24)	347.02	-	89.61	(0.24)
Exceptional Items	-	-	-	-	0.00	-
Tax expenses	169.69	-	(83.00)	-	86.69	-
Profit/(Loss) after tax	(427.10)	(0.24)	430.02	-	2.92	(0.24)

The net cash flows attributable to the continuing and discontinued operations are as follows:

Particulars	Continuing Operations		Discontinued Operations		Total	
	2016-17	2015-16	2016-17	2015-16	2016-17	2015-16
Operating activities	712.41	(0.29)	741.44	-	1453.85	(0.29)
Investing activities	(1361.42)	-	(618.76)	-	(1980.18)	-
Financing activities	494.14	-	(122.68)	-	371.47	-
Net Cash Inflows/(outflows)	(154.87)	(0.29)	0.00	-	(154.87)	(0.29)



(Rs. In lakhs)

Note 36: Statement showing "Specified Bank Notes" held and transacted during the period from November 8, 2016 to December 30, 2016			
Particulars	Specified Bank Notes (INR 500 and INR 1000)	Other Denomination notes	Total
Closing Cash in hand as on 8.11.2016	135.91	43.20	179.11
(+) Permitted Receipts	-	3006.52	3006.52
(-) Permitted Payments	-	113.30	113.30
(-) Amount deposited in Banks	135.91	2720.10	2856.01
Closing cash in Hand as on 30.12.2016	-	216.31	216.31

Note: 37 Confirmation of balances for Trade Receivables / Payables, Loans and advances and others have been received from many parties. Wherever confirmation of balances have not been received, they are subject to adjustment and reconciliation, if any.

Note: 38 Details of Corporate Social Responsibility (CSR) expenditure :

a) Gross amount required to be spent by the company during the year : Rs. Nil (Previous year : Rs. Nil)

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*	Nil	Nil	Nil

Note: 39 The financial statements for the year ended March 31, 2017 are presented as per Schedule III of the Companies Act, 2013 as near as thereto.

Note: 40 Figures of previous year(s) have been regrouped/rearranged wherever necessary. The comparison of the results with previous year is subject to the accounting effect of the composite scheme of arrangement.

Note: 41 The amounts in the financial statements are presented in Indian Rupees in lakhs

As per our report attached

For Raju & Prasad

Chartered Accountants

(Firm No. 0034755)

M. Siva Prasad

M SIVARAM PRASAD

Partner

Membership No.018943

Date: May 20, 2017

Place : Hyderabad



For and on behalf of the Board

N. Brahmam

N BRAHMAM
Managing Director
DIN: 02338940

M. Sambasiva Rao

M SAMBASIVA RAO
Director
DIN: 01887410



PROXY FORM**HERITAGE FOODS RETAIL LIMITED**

CIN: U15400TG2008PLC062054

#6-3-541/C, Panjagutta, Hyderabad - 500 082, Telangana

Ph: +91-040-23391221/2, Fax: +91-040-30685458

**[Pursuant Section 105(6) of the Companies Act 2013 and Rule 19(3) of Companies
(Management and Administration) Rules, 2014**

Name of the Member(s):	
Registered address:	
Folio No./Client Id:	DP ID:
E-mail Id:	

I/We, being the member(s) having..... Shares of the above named Company, hereby appoint:

1.	Name :	Address :
	E-mail Id :	Signature :
or failing him/her		
2.	Name :	Address:
	E-mail Id :	Signature :
or failing him/her		
3.	Name :	Address:
	E-mail Id :	Signature :

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 9th Annual General Meeting of the Company to be held on Monday, 14th August, 2017 at 11.30 a.m. at #6-3-541/C, Panjagutta, Hyderabad – 500082 and at any adjournment thereof in respect of such resolutions as are indicated below:

Resolut ion number	Resolutions	Vote (Optional see Note 2) (Please mention no. of shares)		
		For	Against	Abstain
Ordinary Business:				
	Adoption of Financial Statement:			
1.	Adopt the Audited Balance Sheet as at 31 st March, 2017, Statement of Profit and Loss, Cash Flow Statement & notes thereof for the year ended as on that date and the Reports of the Directors'			
2.	To appoint a Director in place of Dr. M. Sambasiva Rao, who retires by rotation and being eligible, offers himself for re-			
3.	The appointment of auditors of the Company, and to fix their remuneration.			
4.	Borrowing powers of the Company			
5.	Mortgaging/Charging of the Properties of the Company			

Affix
Revenue
Stamp

Signed this _____ day of _____ 2017

Signature of Shareholder

Signature of Proxy holder(s)

Notes:

- 1. This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company not less than 48 hours before the commencement of the meeting.**
- 2. A Proxy need not be a member of the Company.**
3. A person can act as a proxy on behalf of members not exceeding fifty and holding in the aggregate not more than 10% of the total share capital of the Company carrying voting rights. A member holding more than 10% of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person or shareholder.
4. This is only optional. Please put a '✓' in the appropriate column against the resolutions indicated in the Box. If you leave the 'For' or 'Against' column blank against any or all the resolutions, your Proxy will be entitled to vote in the manner as he/she thinks appropriate.
5. Appointing a proxy does not prevent a member from attending the meeting in person if he so wishes.
6. In the case of joint holders, the signature of any one holder will be sufficient, but names of all the joint holders.

ATTENDANCE SLIP



HERITAGE FOODS RETAIL LIMITED
CIN: U15400TG2008PLC062054
#6-3-541/C, Panjagutta, Hyderabad - 500 082, Telangana
Ph: +91-040-23391221/2, Fax: +91-040-30685458

(Please fill this attendance slip and hand it over at the entrance of the Meeting Hall)

DP ID*	
Client ID*	

Folio Number	
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 9th Annual General Meeting of the Company to be held at #6-3-541/C, Panjagutta, Hyderabad – 500082 on Monday, the 14th August, 2017 at 11.30 a.m.

.....
Signature of the Shareholder /Authorized Representative/Proxy **

* Applicable for investors holding shares in electronic form

** **Strike out whichever is not applicable**