



Ref: SECT: STOC: 71 - 16

07<sup>th</sup> November, 2016

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

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

Dear Sir / Madam,

**Sub: Outcome of the Board Meeting - reg:-**

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

This is to inform you that the Board of Directors of the Company at their meeting held on 07<sup>th</sup> November, 2016 approved that:

The Retail, Bakery, Agri and VetCa verticals (including their respective assets and liabilities) of the Company shall be transferred on a going concern basis as a slump sale to M/s. Heritage Foods Retail Limited (HFRL), a wholly owned subsidiary of M/s. Heritage Foods Limited (HFL). Heritage Foods Retail Limited shall discharge the consideration of Rs.135 Crores (One Hundred and Thirty Five Crores) by way of issue of 1,40,00,000 (Once Crore Forty Lakhs) equity shares, at face value of Rs.10/- each with a premium of Rs.86.43/- to the Company.

The Retail, Agri and Bakery verticals of M/s. Heritage Foods Retail Limited shall be transferred to Future Retail Limited by way of demerger as per the provisions of Sections 391 to 394 read with Sections 100 to 103 of the Companies Act, 1956 and Section 52 of the Companies Act, 2013 and other applicable provisions of the Companies Act, 1956 and Companies Act, 2013 (as may be applicable).

In consideration for the demerger of Retail Business of HFRL into FRL in terms of the Scheme and based on share entitlement report issued by M/s S.R. Batliboi & Co. LLP, Independent Chartered Accountants and fairness opinion provided by M/s Keynote Corporate Services Limited, a Category I Merchant Banker, FRL will issue an aggregate of 1,78,47,420 (Once Crore Seventy Eight Lakhs Forty Seven Thousand Four Hundred and Twenty) equity shares of Rs. 2/- (Rupees Two) each, fully paid up to the equity shareholders of HFRL as on the Record Date (as of now HFL) on a proportionate basis.

On and from the Effective Date, and with effect from the Demerger Appointed Date and after giving effect to Part II and Part III of the Scheme, the issued, subscribed and paid-up equity share capital of the Demerged Company (i.e. Heritage Foods Retail Limited, a wholly owned subsidiary company) shall be reduced.



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





All the above process (i.e. the slump sale of the Retail, Agri, Bakery and VetCa divisions to Heritage Foods Retail Limited and demerger of the Retail, Agri and Bakery verticals from Heritage Foods Retail Limited to Future Retail Limited) shall be completed in a composite scheme of arrangement to be filed at the High Court of Hyderabad and High Court of Mumbai for necessary approvals.

The proposed arrangement would inter alia achieve the following objectives:

- i. facilitate each business to be effectively integrated for achieving growth for each of the verticals independently;
- ii. enhance management focus and operational flexibility;
- iii. facilitate investment by strategic players;
- iv. create a platform to enhance financial flexibility to pursue growth;
- v. consolidation of the Retail operations of FRL and HFRL;
- vi. unlocking of value; and
- vii. synergies expected to bring in cost savings in the marketing, selling and distribution expenses for FRL

The shareholders of HFRL (i.e. HFL) have agreed to share with FRL an upside on the realization out of the shares of FRL, subject to certain terms and conditions as provided in Annexure to this letter.

The information pursuant to Regulation 30 of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 read with SEBI Circular No. CIR/CFD/CMD/4/2015 dated 9<sup>th</sup> September, 2016 will be submitted separately.

The Board meeting commenced at 3:30 pm and closed at 4:25 pm.

Kindly take note of the same on record.

Thanking you,

Yours Faithfully,

**For HERITAGE FOODS LIMITED**

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



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**Annexure**

On sale of Equity Shares of Future Retail Limited ('FRL') by shareholders of HFRL (i.e. HFL), HFL has agreed for an upside sharing arrangement with FRL as follows:

- (a) If the sale proceeds are between Rs. 400 crores to Rs. 500 crores, the sharing amount will be 50% of the sale proceeds received above Rs. 400 crores;
- (b) If the sale proceeds are in excess of Rs. 500 crores, the sharing amount will be 75% of the sale proceeds received above Rs. 500 crores in addition to the amount shared as per clause (a) above.



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