10th Annual Report 2017-18

Heritage Nutrivet Limited

(Formerly Known as Heritage Foods Retail Limited)

Board of Directors

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

Registered Office

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

Statutory Auditors

M/s. Walker Chandiok & Co LLP,

7th Floor, Block III, White House,
Kundan Bagh, Begumpet,
Hyderabad – 500016

Bankers

HDFC Bank Limited,

Lakadikapool Branch,

Hyderabad, Andhra Pradesh.

NOTICE

Members of Heritage Nutrivet Limited (Formerly Known as Heritage Foods Retail Limited) are hereby given notice of the 10th Annual General Meeting of the Company, the schedule of which and the business to be transacted therein, are given below:

Day and Date	:	Thursday, 23rd August, 2018
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, 2018, 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 Dr. M. Sambasiva Rao, who retires by rotation and being eligible, offers himself for re-appointment.

3. Ratification of Appointment of the 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 pursuant to the provisions of the section 139 and other applicable provisions, if any of the Companies Act, 2013 and Rules framed thereunder or any re enactment thereof, as amended from time to time, consent is accorded to ratify the reappointment of M/s. Walker Chandiok & Co LLP, 7th Floor, Block III, White House, Kundan Bagh, Begumpet, Hyderabad–500016, (FRN:001076N/N500013), as auditors of the Company, who was appointed at the EGM held on 31st October 2017 to hold office conclusion of 14th Annual General Meeting of the Company, at a remuneration to be fixed by the Board of Directors of the Company."

By Order of the Board

For HERITAGE NUTRIVET LIMITED

N. BRAHMANI
MANAGING DIRECTOR
DIN: 02338940

Place: Hyderabad
Date: 17th May, 2018

DIRECTORS REPORT

Dear Members,

Your Directors have pleasure in presenting the 10th Annual Report of the Company together with the Audited Accounts of the Company for the financial year ended March 31, 2018.

Financial Results

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

(Rs. In Lakhs)

Particulars	Year ended 31st March 2018	Year ended 31st March 2017
Turnover	**6,759.12**	**2,439.43**
Loss before tax from continuing operations	(30.47)	(257.41)
Tax expense Reversal of taxes of earlier years	(34.94)	-
Current tax expense	5.20	102.56
Deferred tax expense/(benefit)	(17.02)	67.13
Profit/ (loss) for the year from continuing operations	**(16.29)**	**(427.10)**
Discontinued operations Profit before tax from discontinued operations	-	347.02
Tax expense of discontinued operations	-	(83.00)
Profit for the year from discontinued operations	**-**	**430.02**
Profit for the year	**16.29**	**2.92**

Operational highlights

During the year under review, the Company earned total income of 6759.12 Lakhs and expenses are 6,789.59 Lakhs. The Net Profit/(Loss) after tax was 16.29 Lakhs

Effectiveness of the Composite Scheme of Arrangement

The Hon'ble National Company Law Tribunal (NCLT) Bench at Hyderabad & Mumbai approved the Composite Scheme of arrangement amongst Heritage Foods Ltd (HFL), Heritage Foods Retail Limited (HFRL) and Future Retail Ltd (FRL) on 03/05/2017 and 11/05/2017 respectively.

Share Capital

The Share Capital of the Company is Rs: 2,37,15,770/- divided into 23,71,577 Equity Shares of Rs.10 each.

The Company have issued and allotted 1,40,00,000 equity shares of Rs.10 each with a premium of Rs.86.43 to the holding company. After the said allotment the Paid-up Capital has gone upto 14,16,56,000. The Board of Directors of the Company approved that as per the Part-IV of the Composite Scheme of Arrangement the share capital of the Company has to be reduced to Rs.50,00,000 divided into 5,00,000 equity shares of Rs.10 each.

During the year, the Company has issued 10,96,983 equity shares of Rs.10 each with a premium of Rs.86.43/- and issued 7,74,594 equity shares of Rs.10 each with a premium of Rs.80.37/- as determined by a registered value per equity share, on right basis in compliance with the provisions of the Act, 2013 and rules made there under to the Holding Company namely, Heritage Foods Limited.

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, as amended from time to time an extract of annual return in **MGT-9** for the financial year 2017-18 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 2017-18, Six (6) Meetings of the Board of Directors of the Company were held on September 27, 2017, November 03, 2017, December 23, 2017, December 27, 2017, January 31, 2018, and March 20, 2018.

Directors

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:

Smt. P Sarada, (M No: 21717, CP No:8735), Practicing Company Secretary, was appointed to conduct the Secretarial Audit of the Company for the financial year 2017-18, as required under Section 204 of the Companies Act, 2013 and Rules made thereunder. The secretarial audit report for financial year 2017-18 issued by Smt. P Sarada, (M No: 21717, CP No: 8735), 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 Smt. P Sarada, (M No: 21717, CP No: 8735), Practicing Company Secretary, as Secretarial Auditor of the Company for the financial year 2018-19 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. Walker Chandiok & Co LLP, Hyderabad, Statutory Auditors of the Company, hold office till the conclusion of 14th Annual General Meeting of the Company.

As per the Section 139 of the Companies Act 2013 M/s. Walker Chandiok & Co LLP, 7th Floor, Block III, White House, Kundan Bagh, Begumpet, Hyderabad–500016, (FRN:001076N/N500013), as auditors of the Company, who was appointed at the EGM held on 31st October 2017 to hold office conclusion of 14th Annual General Meeting of the Company.

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.

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. 5,00,000
Unsecured Loans: Rs. NIL
Current/Non- Current Investments: NIL
Guarantees: NIL
Securities Extended: NIL

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

There are no material changes since 31st March 2018 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, 2018, 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, 2018 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. BRAHMANI	**M. SAMBASIVA RAO**
MANAGING DIRECTOR	DIRECTOR
DIN: 02338940	DIN: 01887410

Place: Hyderabad
Date: 17th May, 2018

Annexure - I

Form No. MGT-9
EXTRACT OF ANNUAL RETURN
As on the financial year ended on 31st March, 2018
[Pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1)
Of the Companies (Management and Administration) Rules 2014]

I. REGISTRATION AND OTHER DETAILS:

(i) CIN : U15400TG2008PLC062054
(ii) Registration Date : 01.12.2008
(iii) Name of the Company : HERITAGE NUTRIVET LIMITED
(iv) Category /sub-Category of the Company : Company Limited by Shares/Indian Non-Government Company
(v) Address of the Registered office and Contact details : #6-3-541/C, Panjagutta, Hyderabad – 500082
(vi) Whether Listed Company : NO
(vii) Name, Address and contact details of Registrar and Transfer Agent, if any : NA

II. PRINCIPAL BUSINESS ACITVITIES OF THE COMPANY

All the business activities contributing 10% or more of the total turnover of the company shall be stated:

Sl. No	Name and Description of Main Product/Services	NIC Code of the Service	% to total turnover of the Company
1.	Cattle Feeds & suppliments	10801	100%

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES:

S. No	Name and Address of the Company	CIN/GLN	Holding/Subsidiary/Associate	% of Shares hold	Applicable Section
1.	Heritage Foods Limited	L15209TG1992PLC014332	Holding Company	99.975%	Sec.2 (46)

IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

(i) Category-wise Shareholding

Category of Shareholders	No. of Shares held at the beginning of the year 01.04.2017				No. of Shares held at the end of the year 31.03.2018				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) Indian									
(a) Individual / HUF	0.00	600	0.00	0.12	0.00	600	0.00	0.02	(0.095)
(b) Central Govt	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
(c) State Govt(s)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
(d) Bodies Corporate	0.00	4,99,400	4,99,400	99.88	0.00	23,70,977	23,71,577	99.975	0.095
(e) Banks/FI	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
(f) Any other	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Sub total (A) (1):-	**0.00**	**5,00,000**	**5,00,000**	**100.00**	**0.00**	**23,71,577**	**23,71,577**	**100**	**0.00**
(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**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**
Total shareholding of Promoter (A) = (A)(1)+(A)(2)	**0.00**	**5,00,000**	**5,00,000**	**100.00**	**0.00**	**23,71,577**	**23,71,577**	**100**	**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	0.00	0.00	0.00	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**	**5,00,000**	**5,00,000**	**100.00**	**0.00**	**23,71,577**	**23,71,577**	**100**	**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**	**5,00,000**	**5,00,000**	**100.00**	**0.00**	**23,71,577**	**23,71,577**	**100**	**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 01.04.2017			Shareholding at the end of the year 31.03.2018			
		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	% Change in shareholding during the year
1.	Heritage Foods Limited	4,99,400	99.88	-	23,70,977	99.975	-	-
2.	N. Brahmani	100	0.02	-	100	0.004	-	-
3.	N. Bhuvaneswari	100	0.02	-	100	0.004	-	-
4.	N. Lokesh	100	0.02	-	100	0.004	-	-
5.	D. Seetharamaiah	100	0.02	-	100	0.004	-	-
6.	Dr. M. Sambasiva Rao	100	0.02	-	100	0.004	-	-
7.	K. Rajesh	100	0.02	-	100	0.004	-	-

**The Six individual Shareholders are having 600 shares as a beneficial holder on behalf of Holding Company.*

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

Sl. No	HERITAGE FOODS LIMITED	Shareholding at the beginning of the year 01.04.2017		Cumulative Shareholding during the year 31.03.2018	
		No. of Shares	% of total Shares of the Company	No. of Shares	% of total Shares of the Company
	At the beginning of the year 01.04.2017	4,99,400	99.88	4,99,400	21.06
	Date wise Increase/Decrease in promoters Shareholding during the year specifying the reasons for increase/decrease (e.g.allotment/transfer/bonus/sweat equity etc)	15.07.2017 1096983 Shares Purchased		1096983	46.25
		27.12.2017 774594 Shares Purchased		774594	32.66
	At the end of the Year 31.03.2018	-	-	2370977	99.975

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 (01.04.2017 to 31.03.2018)	
		No. of Shares at the Beginning (01.04.2017)	% of total Shares of the Company				No. of Shares	% of total Shares of the Company
1	Heritage Foods Limited	4,99,400	99.88	-	-	-	2370977	99.975

(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. Bhuvaneswari	100	0.02	100	0.004
2	N. Lokesh	100	0.02	100	0.004
3	D. Seetharamaiah	100	0.02	100	0.004
4	Dr. M. Sambasiva Rao	100	0.02	100	0.004
5	N. Brahmani	100	0.02	100	0.004
6	K Rajesh	100	0.02	100	0.004

**The five individual Shareholders are having 600 shares as a beneficial holder on behalf of Holding Company.*

(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 (ii) Interest due but not paid	6,00,00,000	105,781,905	NIL	16,57,81,905

(iii) Interest accrued but not due				
Total (i+ii+iii)	NIL	NIL	NIL	NIL
Change in Indebtedness during the financial year • Addition • Reduction	- 1,00,00,000	- 105,781,905	- NIL	- NIL
Net Change	NIL	NIL	NIL	NIL
Indebtedness at the end of the financial year (i) Principal Amount (ii) Interest due but not paid (iii) Interest accrued but not due	5,00,00,000	NIL	NIL	5,00,00,000
Total (i+ii+iii)	5,00,00,000	NIL	NIL	NIL

*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:

Sl. No	Particulars of Remuneration	Managing Director	Total Amount
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	NIL
2.	Stock Option	NIL	NIL
3.	Sweat Equity	NIL	NIL
4.	Commission - As % of profit - Others, specify	NIL	NIL
5.	Others, please specify	60,000	60,000
	Total (A)	**60,000**	**60,000**
	Ceiling as per the Act	NA	NA

B. Remuneration to other Directors:

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	170,000	170,000
	Commission	NA	NA
	Others, please specify	NA	NA
	Total (2)	170,000	170,000
	Total (B)= (1+2)	170,000	170,000
	Total Managerial Remuneration (A+B)	**170,000**	**170,000**
	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					

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Heritage Nutrivet Limited (formerly known as Heritage Foods Retail Limited)
Balance Sheet as at 31 March 2018
(All amounts in ₹ lakhs, except share data and where otherwise stated)

	Notes	As at		
		31 March 2018	**31 March 2017**	**1 April 2016**
ASSETS				
Non-current assets				
(a) Property, plant and equipment	6	1,674.68	1,608.41	-
(b) Capital work in progress		-	5.63	-
(c) Financial assets				
(i) Loans	11	17.68	17.68	-
(d) Other non-current assets	7	72.85	1.71	-
Total non-current assets		**1,765.21**	**1,633.43**	**-**
Current assets				
(a) Inventories	8	453.77	620.45	-
(b) Financial Assets				
(i) Trade receivables	9	548.71	429.96	-
(ii) Cash and cash equivalents	10	16.21	105.91	2.94
(iii) Loans	11	1.25	0.49	-
(c) Current tax assets (net)		12.15	-	-
(d) Other current assets	7	145.67	227.24	-
Total current assets		**1,177.76**	**1,384.05**	**2.94**
Total assets		**2,942.97**	**3,017.48**	**2.94**
EQUITY AND LIABILITIES				
Equity				
(a) Equity share capital	12	237.16	50.00	16.56
(b) Other equity	13	1,388.67	(248.32)	(14.09)
Total equity		**1,625.83**	**(198.32)**	**2.47**
Liabilities				
Non-current liabilities				
(a) Financial liabilities				
(i) Borrowings	14	400.00	1,557.82	-
(b) Provisions	16	15.91	7.36	-
(c) Deferred tax liabilities (net)	17	50.11	67.13	-
Total non-current liabilities		**466.02**	**1,632.31**	**-**
Current liabilities				
(a) Financial liabilities				
(i) Borrowings	14	191.21	-	-
(ii) Trade payables	19	366.85	938.07	-
(iii) Other financial liabilities	15	247.77	520.62	0.47
(b) Other current liabilities	18	31.42	15.85	-
(c) Provisions	16	13.87	6.39	-
(d) Current tax liabilities (net)		-	102.56	-
Total current liabilities		**851.12**	**1,583.49**	**0.47**
Total equity and liabilities		**2,942.97**	**3,017.48**	**2.94**

The accompanying notes referred to above form an integral part of the financial statements.
This is the Balance sheet referred to in our report of even date.

For **Walker Chandiok & Co LLP**
Chartered Accountants

per **Sanjay Kumar Jain**
Partner

Place: Hyderabad
Date: 17 May 2018

For and on behalf of Board of Directors of
Heritage Nutrivet Limited

N Brahmani
Managing Director
DIN: 02338940

Place: Hyderabad
Date: 17 May 2018

M Sambasiva Rao
Director
DIN: 01887410

Place: Hyderabad
Date: 17 May 2018

Heritage Nutrivet Limited (formerly known as Heritage Foods Retail Limited)
Statement of Profit and Loss for the year ended 31 March 2018
(All amounts in ₹ lakhs, except share data and where otherwise stated)

	Notes	For the year ended 31 March 2018	For the year ended 31 March 2017
Revenue from operations	20	6,742.57	851.20
Revenue from transactions with discontinued operations		-	1,588.23
Other income	21	16.55	-
Total income		**6,759.12**	**2,439.43**
Expenses			
Cost of materials consumed	22	3,325.43	68.03
Purchase of stock-in-trade		2,065.09	2,132.84
Purchase transactions with discontinued operations		-	1.87
Changes in inventories of finished goods and stock-in-trade	23	(64.41)	(24.67)
Employee benefit expenses	24	362.04	105.73
Finance costs	25	93.30	1.75
Depreciation expense	6	76.21	2.92
Other expenses	26	931.93	408.37
Total expenses		**6,789.59**	**2,696.84**
Loss before tax from continuing operations		**(30.47)**	**(257.41)**
Tax expense	27		
Reversal of taxes of earlier years		(34.94)	-
Current tax expense		5.20	102.56
Deferred tax expense/(benefit)		(17.02)	67.13
Profit/ (loss) for the year from continuing operations		**16.29**	**(427.10)**
Discontinued operations			
Profit before tax from discontinued operations		-	347.02
Tax expense of discontinued operations		-	(83.00)
Profit for the year from discontinued operations		**-**	**430.02**
Profit for the year		**16.29**	**2.92**
Other comprehensive income ("OCI")		-	-
Total comprehensive income for the year		**16.29**	**2.92**
Earnings per equity share (EPES) for continuing operations	28		
Basic and Diluted EPES		1.10	(7.12)
EPES for discontinued operations			
Basic and Diluted EPES		-	7.17
EPES for continuing and discontinued operations			
Basic and Diluted EPES		1.1	0.05

The accompanying notes form an integral part of the financial statements.
This is the Statement of Profit and Loss referred
to in our report of even date.

For **Walker Chandiok & Co LLP**
Chartered Accountants

per **Sanjay Kumar Jain**
Partner

Place: Hyderabad
Date: 17 May 2018

For and on behalf of Board of Directors of
Heritage Nutrivet Limited

N Brahmani
Managing Director
DIN: 02338940

Place: Hyderabad
Date: 17 May 2018

M Sambasiva Rao
Director
DIN: 01887410

Place: Hyderabad
Date: 17 May 2018

Heritage Nutrivet Limited (formerly known as Heritage Foods Retail Limited)
Cash Flow Statement for the year ended 31 March 2018
(All amounts in ₹ lakhs, except share data and where otherwise stated)

	For the year ended	
	31 March 2018	**31 March 2017**
Cash flow from operating activities		
Loss before tax from continuing operations	**(30.47)**	**(257.41)**
Adjustments:		
Depreciation expense	76.21	2.92
Net gain on disposal of property, plant and equipment	(0.60)	-
Finance costs	93.30	1.75
Provision towards doubtful trade receivables	50.40	297.47
Inventory written off	90.15	-
Interest income	(15.28)	-
Change in employee provisions, net	16.03	13.75
Operating cash flows before working capital changes	**279.74**	**58.48**
Increase in trade receivables	(169.15)	(367.24)
(Increase)/Decrease in financial and other assets	63.30	(232.93)
Increase in financial and other liabilities	57.23	1,836.21
Increase/ (decrease) in trade payables	(571.22)	462.49
(Increase)/Decrease in inventories	76.53	(1,265.24)
Cash used in operating activities	**(263.57)**	**491.77**
Income-taxes paid	(92.48)	-
Net cash generated from/ (used in) operating activities of continuing operations	**(356.05)**	**491.77**
Net cash generated from operating activities of discontinued operations	**-**	**960.51**
Net cash generated from/ (used in) operating activities (A)	**(356.05)**	**1,452.28**
Cash flows from investing activities		
Purchase of property, plant and equipment	(493.56)	(1,140.79)
Proceeds from sale of property, plant and equipment	23.18	-
Interest income received	15.28	-
Net cash used in investing activities of continuing operations	**(455.10)**	**(1,140.79)**
Net cash used in investing activities of discontinued operations	**-**	**(837.83)**
Net cash used in investing activities (B)	**(455.10)**	**(1,978.62)**
Cash flows from financing activities		
Proceeds from long-term borrowings	700.00	519.24
Repayment of long-term borrowings	(100.00)	-
Proceeds from short term borrowings, net	191.21	-
Interest paid	(69.76)	(25.09)
Net cash generated from financing activities of continuing operations	**721.45**	**494.15**
Net cash used in financing activities of discontinued operations	**-**	**(122.68)**
Net cash generated from financing activities (C)	**721.45**	**371.47**
Net decrease in cash and cash equivalents during the year (A + B + C)	**(89.70)**	**(154.87)**
Cash and cash equivalents at the beginning of the year	105.91	2.94
Cash and cash equivalents transferred on account of discontinued operations (refer note 32)	-	257.84
Cash and cash equivalents at the end of the year (Note 1)	**16.21**	**105.91**

Heritage Nutrivet Limited (formerly known as Heritage Foods Retail Limited)
Cash Flow Statement for the year ended 31 March 2018
(All amounts in ₹ lakhs, except share data and where otherwise stated)

	As at	
	31 March 2018	**31 March 2017**
Note 1:		
Cash and cash equivalents includes		
Cash on hand	0.19	1.06
Balances with banks in current accounts	16.02	104.85
	16.21	**105.91**

This is the Cash Flow Statement referred to in our report of even date.

For **Walker Chandiok & Co LLP**
Chartered Accountants

per **Sanjay Kumar Jain**
Partner

Place: Hyderabad
Date: 17 May 2018

For and on behalf of Board of Directors of
Heritage Nutrivet Limited

N Brahmani
Managing Director
DIN: 02338940

Place: Hyderabad
Date: 17 May 2018

M Sambasiva Rao
Director
DIN: 01887410

Place: Hyderabad
Date: 17 May 2018

Heritage Nutrivet Limited (formerly known as Heritage Foods Retail Limited)
Statement of Changes in Equity for the year ended 31 March 2018
(All amounts in ₹ lakhs, except share data and where otherwise stated)

A Equity Share Capital

	Notes	Number of shares	Amount
As at 1 April 2016		**165,600**	**16.56**
Changes in equity share capital	12	334,400	33.44
As at 31 March 2017		**500,000**	**50.00**
Changes in equity share capital	12	1,871,577	187.16
As at 31 March 2018		**2,371,577**	**237.16**

B Other Equity (refer note 13)

	Reserves and Surplus					
	Securities premium reserve	**Capital reserve**	**Equity contribution from Holding Company**	**Retained earnings**	**OCI**	**Total**
Balance as at 1 April 2016	**-**	**-**	**-**	(14.09)	-	**(14.09)**
Profit for the year	-	-	-	2.92	-	**2.92**
On account of slump sale pursuant to the scheme (refer note 32)	12,100.00	(50.98)	-	-	-	**12,049.02**
On account of demerger pursuant to the scheme (refer note 32)	-	(13,684.85)	-	-	-	**(13,684.85)**
Utilisation of security premium pursuant to the scheme (refer note 32)	(12,100.00)	12,100.00	-	-	-	**-**
Reduction of share capital pursuant to the scheme (refer note 32)	-	1,366.56	-	-	-	**1,366.56**
Subsidy amount of discontinued operations	-	32.12	-	-	-	**32.12**
Balance as at 31 March 2017	**-**	**(237.15)**	**-**	**(11.17)**	**-**	**(248.32)**
Profit for the year	-	-	-	16.29	-	**16.29**
Security premium on equity shares issued during the year	1,570.66	-	-	-	-	**1,570.66**
Subsidy amount of discontinued operations	-	(34.39)	-	-	-	**(34.39)**
Equity contribution from Holding Company	-	-	84.43	-	-	**84.43**
Balance as at 31 March 2018	**1,570.66**	**(271.54)**	**84.43**	**5.12**	**-**	**1,388.67**

This is the Statement of Changes in Equity referred to in our report of even date.

For **Walker Chandiok & Co LLP**
Chartered Accountants

per **Sanjay Kumar Jain**
Partner

Place: Hyderabad
Date: 17 May 2018

For and on behalf of Board of Directors of
Heritage Nutrivet Limited

N Brahmani
Managing Director
DIN: 02338940

Place: Hyderabad
Date: 17 May 2018

M Sambasiva Rao
Director
DIN: 01887410

Place: Hyderabad
Date: 17 May 2018

1. Corporate information

The financial statements of "Heritage Nutrivet Limited" ("the Company" or "HNL") are for the year ended 31 March 2018.The company is a public company domiciled in India and is incorporated under the provisions of the Companies Act applicable in India. The registered office of the Company is located at #6-3-541/C, Punjagutta, Hyderabad - 500082.

The Company changed its name from Heritage Foods Retail Limited to Heritage Nutrivet Limited with effect from 14 November 2017.

Heritage Nutrivet Limited is engaged in manufacturing of cattle feed business.

The financial statements were approved for issue in accordance with a resolution of the directors on 17 May 2018.

2. Significant accounting policies - Basis of preparation

The financial statements of the Company has been prepared and presented in accordance with all the material aspects of the Indian Accounting Standards ('Ind AS') as notified under section 133 of the Companies Act 2013 read with the Companies (Indian Accounting Standards) Rules 2015 (by Ministry of Corporate Affairs ('MCA')). The Company has uniformly applied the accounting policies during the periods presented.

In Accordance with the notification issued by the Ministry of Corporate Affairs, the Company has adopted Indian Accounting Standards (Referred to as "Ind AS") notified under the Companies (Indian Accounting Standards) Rules, 2015 with effect from 1 April 2017. Previous periods have been restated to Ind AS. In accordance with Ind AS 101 First-time Adoption of Indian Accounting Standard, the Company has presented a reconciliation from the presentation of Financial Statements under Accounting Standards notified under the Companies (Accounting Standards) Rules, 2006 ("Previous GAAP") to Ind AS of Shareholders' equity as at 31 March 2017 and 1 April 2016 and of the profit for the year ended 31 March 2017 (refer note 35).

The financial statements have been prepared on a going concern basis under historical cost, except for the following:

- certain financial assets and liabilities are measured at amortised cost depending on the classification; and
- employee defined benefit assets/ (liability) are recognised as the net total of the fair value of plan assets, plus actuarial losses, less actuarial gains and the present value of the defined benefit obligation.

The financial statements are presented in ₹ and all values are rounded to the nearest lakhs, except when otherwise indicated.

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.

3. Summary of significant accounting policies

a. Current versus non-current classification

The Company presents assets and liabilities in the balance sheet based on current/ non-current classification.

An asset is treated as current when it is:

- Expected to be realised or intended to be sold or consumed in normal operating cycle
- Held primarily for the purpose of trading
- Expected to be realised within twelve months after the reporting period, or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in normal operating cycle
- It is held primarily for the purpose of trading
- It is due to be settled within twelve months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

All other liabilities are classified as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

The operating cycle is the time between the acquisition of assets for processing and their realisation in cash and cash equivalents. The Company has identified twelve months as its operating cycle.

b. Foreign currencies

The Company's financial statements are presented in INR, which is also its functional currency**.**

Transactions in foreign currency are initially recorded at exchange rates prevailing on the date of transactions. Monetary items denominated in foreign currencies (such as cash, receivables, payables etc.) outstanding at the end of reporting period, are translated at the functional currency spots rate of exchange at the reporting date. Exchange differences arising on settlement or translation of monetary items are recognised in profit or loss.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions.

Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined. The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of the gain or loss on the change in fair value of the item i.e., translation differences on items whose fair value gain or loss is recognised in OCI or profit or loss are also recognised in OCI or profit or loss, respectively.

Any gains or losses arising due to differences in exchange rates at the time of translation or settlement are accounted for in the Statement of Profit & Loss either under the head foreign exchange fluctuation or interest cost, as the case may be, except those relating to long-term foreign currency monetary items.

c. Fair value measurement

The Company measures financial instruments at fair value at each balance sheet date.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible by the Company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 - Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

The Company's management determines the policies and procedures for both recurring fair value measurement, and for non-recurring measurement.

At each reporting date, the management analyses the movements in the values of assets and liabilities which are required to be re-measured or re-assessed as per the Company's accounting policies. For this analysis, the management verifies the major inputs applied in the latest valuation by agreeing the information in the valuation computation to contracts and other relevant documents.

For the purpose of fair value disclosures, the Company has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

d. Revenue recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured, regardless of when the payment is being made. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duties collected on behalf of the government. The Company has concluded that it is the principal in all of its revenue arrangements since it is the primary obligor in all the revenue arrangements as it has pricing latitude and is also exposed to inventory and credit risks.

Sale of goods

Revenue is recognised when the significant risks and rewards of ownership have been transferred to the customer, recovery of the consideration is probable, the associated costs and possible return of goods can be estimated reliably, there is no continuing management involvement with the goods, and the amount of revenue can be measured reliably. Revenue is measured at the fair value of the consideration received or receivable, net of returns and allowances, trade discounts and volume rebates.

The timing of the transfer of risks and rewards varies depending on the individual terms of the sales agreement.

Interest Income

For all debt instruments measured at amortised cost, interest income is recorded using the effective interest rate (EIR). EIR is the rate that exactly discounts the estimated future cash payments or receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the gross carrying amount of the financial asset or to the amortised cost of a financial liability. When calculating the effective interest rate, the Company estimates the expected cash flows by considering all the contractual terms of the financial instrument (for example, prepayment, extension, call and similar options) but does not consider the expected credit losses. Interest income is included under other income in the statement of profit and loss.

e. Taxes

Current income tax

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date.

Current income tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Current tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Deferred tax

Deferred tax is provided using the liability method Balance Sheet approach on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax liabilities are recognised for all taxable temporary differences, except when the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised, except when the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Deferred tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

Minimum Alternate Tax (MAT) credit is recognised as an asset only when and to the extent it is reasonably certain that the Company will pay normal income tax during the specified period. Such asset is reviewed at each Balance Sheet date and the carrying amount of the MAT credit asset is written down to the extent there is no longer a convincing evidence to the effect that the Company will pay normal income tax during the specified period.

f. Property, plant and equipment (PPE)

Capital Work in progress, 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), the cost of replacing the part of plant and equipment and 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. When significant parts of plant and equipment are required to be replaced at intervals, the Company depreciates them separately based on their specific useful lives. Likewise, when a major inspection is performed, its cost is recognised in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognised in profit or loss as incurred. The present value of the expected cost for the decommissioning of an asset after its use is included in the cost of the respective asset if the recognition criteria for a provision are met.

Spare parts are capitalized when they meet the definition of PPE, i.e., when the company intends to use these during more than a period of 12 months.

Depreciation is provided on the basis of straight line method at the useful life and in the manner prescribed in Schedule II of the Companies Act, 2013 except in respect of the following assets, based on technical assessment made by technical expert and management estimate, useful life is different from than those described in Schedule II. Management believes that these estimated useful lives are realistic and reflect fair approximation of the period over which the assets are likely to be used.

i) Furniture and Fixtures: Depreciation on Furniture and Fixtures is provided on the basis of straight line method based on the useful life of 5 years.
ii) Office Equipment : Depreciation on Office Equipment is provided on the basis of straight line method based on the useful life ranging from 3 to 5 years.
iii) Vehicles: Depreciation on vehicles is provided on the basis of straight line method based on the useful life of 10 years.

The useful life provided for different asset classes under schedule II of the Companies Act, 2013 are as follows:

Asset class	**Useful life (years)**
Furniture and Fixtures	10
Vehicles	8
Office Equipment	5

Depreciation on assets which are commissioned during the year is charged on pro -rata basis from the date of commissioning. The company depreciates general spares over the life of the spare from the date it is available for use.

An item of property, plant and equipment and any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Gains or losses arising from de-recognition of a tangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the statement of profit or loss when the asset is derecognised.

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

g. Leases

The determination of whether an arrangement is (or contains) a lease is based on the substance of the arrangement at the inception of the lease. The arrangement is, or contains, a lease if fulfilment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset or assets, even if that right is not explicitly specified in an arrangement.

A lease is classified at the inception date as a finance lease or an operating lease. A lease that transfers substantially all the risks and rewards incidental to ownership to the Company is classified as a finance lease.

Operating Leases - Company as a lessee

Lease rentals are recognized as expense on a straight line basis with reference to lease terms in the Statement of Profit and Loss except where

(i) Another systematic basis is more representative of the time pattern of the benefit derived from the asset taken or given on lease; or
(ii) The payments to the lessor are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases

Contingent rentals are recognised as expenses in the periods in which they are incurred.

h. Inventories

All inventories except for stores and spares and packing material, are valued at lower of cost and net realisable value.

- **Raw material** - Cost or net realisable value ("NRV") whichever is lower. However these items are considered to be realisable at cost if the finished products, in which they shall be used, are expected to be sold at or above cost. Cost has been ascertained on weighted average cost method.
- **Finished goods** - Cost or NRV whichever is lower - Cost has been ascertained on weighted average cost method.
- **Stores and spares** - At cost - Cost has been ascertained on FIFO basis.
- **Stock-in-trade** - Cost or NRV whichever is lower - Cost has been ascertained on weighted average basis.
- **Packing material** - At Cost - Cost has been ascertained on FIFO basis.

Cost of inventories comprises following

- Raw material, stores and spares and packaging material: Cost includes purchase price, import duties and other taxes excluding taxes those are subsequently recoverable from the concerned authorities, freight inwards and other expenditure incurred in bringing such inventories to their present location and condition.
- Finished goods: Cost comprises cost of direct material, direct labour and appropriate proportion of variable and fixed overhead expenditure, the latter being allocated on the basis of normal operating capacity, but excluding borrowing costs.
- Stock-in-trade: cost includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition.

Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

i. Impairment of non-financial assets

The Company assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's fair value less costs of disposal and its value in use. Recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets.

When the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

Impairment losses, including impairment on inventories, are recognised in the statement of profit and loss.
For assets excluding goodwill, an assessment is made at each reporting date to determine whether there is an indication that previously recognised impairment losses no longer exist or have decreased. If such indication exists, the Company estimates the asset's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset

does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years.

j. Provision and contingencies

Provisions

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, 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.

When the Company expects some or all of a provision to be reimbursed, reimbursement is recognised as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented in the statement of profit and loss net of any reimbursement.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

Contingencies

Contingent liabilities is identified and disclosed with respect to following:

- a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity; or

- a present obligation that arises from past events but is not recognised because:
  - it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation; or
  - the amount of the obligation cannot be measured with sufficient reliability**.**

Contingent assets are neither recognized nor disclosed, unless inflow of economic benefits is probable. However, when realization of income is virtually certain, related asset is recognized.

k. Employee benefits

Short term benefits

Short term employee benefits are accounted for in the period during which the services have been rendered.

Post-employment benefits and other long term employee 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. If the contribution payable to the scheme for service received before the balance sheet date exceeds the contribution already paid, the deficit payable to the scheme is recognized as a liability after deducting the contribution already paid. If the contribution already paid exceeds the contribution due for services received before the balance sheet date, then excess is recognized as an asset to the extent that the pre-payment will lead to a reduction in future payment.

Gratuity: The Company operates a defined benefit gratuity plan, which requires contributions to be made to a separately administered fund. The cost of providing benefits under the defined benefit plan is determined using the projected unit credit method.

Remeasurements, comprising mainly of actuarial gains and losses, are recognised immediately in the balance sheet with a corresponding debit or credit to retained earnings through OCI in the period in which they occur. Remeasurements are not reclassified to profit or loss in subsequent periods.

Leave Encashment: The Company operates a long term leave encashment plan. 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 completely in profit and loss account as per Ind AS - 19 "Employee Benefits".

I. Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Financial assets

Initial recognition and measurement

All financial assets are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset.

Subsequent measurement

For purposes of subsequent measurement, financial assets are classified in four categories:
- Debt instruments at amortised cost
- Debt instruments at fair value through other comprehensive income (FVTOCI)
- Debt instruments, derivatives and equity instruments at fair value through profit or loss (FVTPL)
- Equity instruments measured at fair value through other comprehensive income (FVTOCI)

Debt instruments at amortised cost

A ‘debt instrument’ is measured at the amortised cost if both the following conditions are met:
a) The asset is held within a business model, whose objective is to hold assets for collecting contractual cash flows, and
b) Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance income in the profit or loss. The losses arising from impairment are recognised in the profit or loss.

De-recognition

A financial asset is primarily derecognised when:
- The rights to receive cash flows from the asset have expired, or
- The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a ‘pass-through’ arrangement; and either (a) the company has transferred substantially all the risks and rewards of the asset, or (b) the company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the company continues to recognise the transferred asset to the extent of the company’s continuing involvement. In that case, the company also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the company has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the company could be required to repay.

Impairment of financial assets

In accordance with Ind AS 109, the company applies expected credit loss (ECL) model for measurement and recognition of impairment loss on the following financial assets and credit risk exposure:

- Financial assets that are debt instruments, and are measured at amortised cost e.g., loans, deposits, trade receivables and bank balances.
- Financial guarantee contracts which are not measured as at FVTPL

The company follows 'simplified approach' for recognition of impairment loss allowance on trade receivables that do not contain a significant financing component.

The application of simplified approach does not require the Company to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition.

For recognition of impairment loss on other financial assets and risk exposure, the company determines that whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12-month ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If, in a subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the entity reverts to recognising impairment loss allowance based on 12-month ECL.

Lifetime ECL are the expected credit losses resulting from all possible default events over the expected life of a financial instrument. The 12-month ECL is a portion of the lifetime ECL which results from default events that are possible within 12 months after the reporting date.

ECL is the difference between all contractual cash flows that are due to the company in accordance with the contract and all the cash flows that the entity expects to receive (i.e., all cash shortfalls), discounted at the original EIR. When estimating the cash flows, an entity is required to consider

- All contractual terms of the financial instrument (including prepayment, extension, call and similar options) over the expected life of the financial instrument. However, in rare cases when the expected life of the financial instrument cannot be estimated reliably, then the entity is required to use the remaining contractual term of the financial instrument
- Cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms

ECL impairment loss allowance (or reversal) recognized during the period is recognized as income/ expense in the statement of profit and loss (P&L). This amount is reflected under the head 'other expenses' in the P&L. The balance sheet presentation for various financial instruments is described below:

- Financial assets measured as at amortised cost: ECL is presented as an allowance, i.e., as an integral part of the measurement of those assets in the balance sheet. The allowance reduces the net carrying amount. Until the asset meets write-off criteria, the company does not reduce impairment allowance from the gross carrying amount.
- Financial guarantee contracts: ECL is presented as a provision in the balance sheet, i.e. as a liability.

Financial liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings or payables, as appropriate.
All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Company's financial liabilities include trade and other payables and borrowings.

Subsequent measurement

The measurement of financial liabilities depends on their classification, as described below:

Borrowings

After initial recognition, interest-bearing borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit and loss.

Trade and other payables

These amounts represent liabilities for goods and services provided to the Company prior to the end of financial year which are unpaid. The amounts are unsecured and are usually paid as per agreed terms. Trade and other payables are presented as current liabilities unless payment is not due within 12 months after the reporting period. They are recognised initially at their fair value and subsequently measured at amortised cost using the effective interest method.

De-recognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the de-recognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit or loss.

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

m. Earnings per share

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders 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.

n. Cash flow statement

The cash flow statement is prepared as per the Indirect Method. Cash Flow Statements present 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.

o. Cash and cash equivalents

Cash and cash equivalent in the balance sheet comprise cash at banks and on hand, which are subject to an insignificant risk of changes in value.

4. Key accounting estimates, judgements and assumptions

The preparation of the Company's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below.

a. Impairment of non-financial asset

Impairment exists when the carrying value of an asset exceeds its recoverable amount, which is the higher of its fair value less costs of disposal and its value in use. The fair value less costs of disposal calculation is based on available data from binding sales transactions, conducted at arm's length, for similar assets or observable market prices less incremental costs for disposing of the asset. The value in use calculation is based on a DCF model. The cash flows are derived from the budget for the next five years and do not include restructuring activities that the Company is not yet committed to or significant future investments that will enhance the asset's performance being tested. The recoverable amount is sensitive to the discount rate used for the DCF model as well as the expected future cash-inflows and the growth rate used for extrapolation purposes.

b. Taxes

Significant judgments are involved in estimating budgeted profits for the purpose of paying advance tax and determining the provision for income taxes.

c. Defined benefit plans and other long term benefit plan

The cost and present value of the defined benefit gratuity plan and leave encashment (other long term benefit plan) are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation and other long term benefits are highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

d. Useful lives of various assets

Management reviews the useful lives of depreciable assets at each reporting date, based on the expected utility of the assets to the Company.

e. Fair value measurement of financial instruments

When the fair values of financial assets and financial liabilities recorded in the balance sheet cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques including the DCF model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values.

5. Standards issued but not effective

The amendments to standards that are issued, but not yet effective are disclosed below. The Company intends to adopt these standards, if applicable, when they become effective.

The Ministry of Corporate Affairs ('MCA') has issued the Companies (Indian Accounting Standards) Amendment Rules, 2017 and Companies (Indian Accounting Standards) Amendment Rules, 2018 amending the following standard:

a. Ind AS 115, Revenue from Contracts with Customers

Ind AS 115 was issued on 28 March 2018 and establishes a five-step model to account for revenue arising from contracts with customers. The core principle of the new standard is that an entity should recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. Further, the new standard requires enhances disclosures about the nature, amount, timing and uncertainty of revenue and cash flows arising from the entity's contracts with customers.

The new revenue standard will supersede all current revenue recognition requirements under Ind AS. Either a full retrospective application or a modified retrospective application is required for annual period beginning on or after 1 April 2018.

The Company plans to adopt the new standard on the required effective date using modified retrospective application method. In most of the contracts with customers, sale of goods is generally expected to be the only performance obligation. Hence adoption of Ind AS 115 is not expected to have any major impact on the Company revenue and profit or loss.

b. Amendments to Ind AS 12, Recognition of Deferred Tax Assets for Unrealised Losses

The amendments clarify that an entity needs to consider whether tax law restricts the sources of taxable profits against which it may make deductions on the reversal of that deductible temporary difference. Furthermore, the amendments provide guidance on how an entity should determine future taxable profits and explain the circumstances in which taxable profit may include the recovery of some assets for more than their carrying amount.

Entities are required to apply the amendments retrospectively. However, on initial application of the amendments, the change in the opening equity of the earliest comparative period may be recognized in opening retained earnings (or in another component of equity, as appropriate), without allocating the change between opening retained earnings and other components of equity. Entities applying this relief must disclose that fact.

These amendments are effective for annual periods beginning on or after 1 April 2018. These amendments are not expected to have any impact on the Company as the Company has no deductible temporary differences or assets that in the scope of the amendment.

(All amounts in ₹ lakhs, except share data and where otherwise stated)

6. Property, plant and equipment

	Freehold land	Buildings	Leasehold improvements	Plant and equipment	Furniture and fixtures	Office Equipment	Leasehold Office Equipment	Vehicles	Total
Cost as at 1 April 2016	-	-	-	-	-	-	-	-	**-**
Additions during the year	-	783.14	70.64	1,251.34	40.22	157.04	-	0.62	**2,303.00**
Additions pursuant to scheme (refer note 32)	338.46	1,703.00	1,678.58	7,937.39	2,005.61	1,906.60	192.17	11.13	**15,772.94**
Disposals/retirements during the year	-	-	(50.82)	(81.33)	(38.16)	(66.50)	-	(0.06)	**(236.87)**
Transfers pursuant to scheme (refer note 32)	(163.83)	(1,703.00)	(1,698.40)	(8,471.28)	(2,001.92)	(1,986.08)	(192.17)	(11.06)	**(16,227.74)**
Balance as at 31 March 2017	**174.63**	**783.14**	**-**	**636.12**	**5.75**	**11.06**	**-**	**0.63**	**1,611.33**
Additions during the year	-	10.15	-	130.18	7.92	17.49	-	-	**165.74**
Disposals/retirements during the year	-	-	-	(23.80)	-	(0.88)	-	-	**(24.68)**
Balance as at 31 March 2018	**174.63**	**793.29**	**-**	**742.50**	**13.67**	**27.67**	**-**	**0.63**	**1,752.39**
Accumulated depreciation									
Up to 1 April 2016	-	-	-	-	-	-	-	-	**-**
Depreciation for the year	-	23.52	48.20	293.96	53.57	77.10	12.50	0.56	**509.41**
On additions pursuant to the scheme (refer note 32)	-	475.71	1,126.12	2,932.67	872.26	1,325.09	38.28	1.86	**6,771.99**
Adjustment for disposals/retirements	-	-	(46.15)	(53.58)	(21.64)	(60.66)	-	-	**(182.03)**
On transfers pursuant to the scheme (refer note 32)	-	(498.41)	(1,143.46)	(3,355.03)	(964.56)	(1,341.04)	(55.49)	(2.46)	**(7,360.45)**
Impairment loss for the year	-	-	15.29	183.46	60.48	-	4.71	0.06	**264.00**
Balance as at 31 March 2017	**-**	**0.82**	**-**	**1.48**	**0.11**	**0.49**	**-**	**0.02**	**2.92**
Charge for the year	-	25.04	-	46.14	1.12	3.85	-	0.06	**76.21**
Adjustment for disposals/retirements	-	-	-	(1.01)		(0.41)	-	-	**(1.42)**
Balance as at 31 March 2018	**-**	**25.86**	**-**	**46.61**	**1.23**	**3.93**	**-**	**0.08**	**77.71**
Net book value as at 1 April 2016	-	-	-	-	-	-	-	-	-
Net book value as at 31 March 2017	174.63	782.32	-	634.64	5.64	10.57	-	0.61	1,608.41
Net book value as at 31 March 2018	**174.63**	**767.43**	**-**	**695.89**	**12.44**	**23.74**	**-**	**0.55**	**1,674.68**

Notes:
(i) For details of assets pledged as security, refer Note 14(a).
(ii) Freehold land includes land valued at ₹174.63 (31 March 2017 : ₹174.63, 1 April 2016 : Nil) pending registration in the name of the Company. Such land was transferred to the Company under the composite scheme of arrangement. Refer note 32 for details.

(All amounts in ₹ lakhs, except share data and where otherwise stated)

7. Other assets

	31 March 2018	31 March 2017	1 April 2016
Non-current			
- Considered good			
Capital advances	19.83	1.71	-
Prepaid expenses	53.02	-	-
	72.85	**1.71**	**-**
Current			
- Considered good			
Advances to material and service providers	111.71	189.74	-
Prepaid expenses	18.13	3.11	-
Others	15.83	34.39	-
	145.67	**227.24**	**-**

No advances are due from directors or other officers of the Company either severally or jointly with any other person or amounts due by firms or private companies respectively in which any director is a partner or a director or a member. Refer note 33 for dues from related parties.

8. Inventories

	31 March 2018	31 March 2017	1 April 2016
(refer note 2(h))			
Raw material	305.61	579.56	-
Finished goods	81.23	18.63	-
Stock-in-trade (including goods in transit of ₹4.91 (31 March 2017: Nil,1 April 2016: Nil)	7.85	6.04	-
Packing material	36.19	16.22	-
Stores and spares	22.89	-	-
	453.77	**620.45**	**-**

9. Trade receivables

	31 March 2018	31 March 2017	1 April 2016
(Unsecured)			
- Considered good	548.71	429.96	-
- Considered doubtful	365.87	315.47	-
	914.58	**745.43**	**-**
Less: Allowance for doubtful debts	(365.87)	(315.47)	-
	548.71	**429.96**	**-**

No trade receivables are due from directors or other officers of the Company either severally or jointly with any other person or amounts due by firms or private companies respectively in which any director is a partner or a director or a member. Refer note 33 for dues from related parties.

10. Cash and Bank balances

	31 March 2018	31 March 2017	1 April 2016
Cash and cash equivalents			
Balances with banks in current accounts	16.02	104.85	2.85
Cash on hand	0.19	1.06	0.09
	16.21	**105.91**	**2.94**

11. Loans

	31 March 2018	31 March 2017	1 April 2016
(Unsecured, considered good)			
Non-current			
Security deposits	17.68	17.68	-
	17.68	**17.68**	**-**
Current			
Security deposits	0.10	0.35	-
Loans to employees	1.15	0.14	-
	1.25	**0.49**	**-**

(All amounts in ₹ lakhs, except share data and where otherwise stated)

12. Equity share capital

i. Authorised share capital

	31 March 2018		31 March 2017		1 April 2016	
	Number	Amount	Number	Amount	Number	Amount
Equity shares of ₹10 each	**15,000,000**	**1,500.00**	**15,000,000**	**1,500.00**	**15,000,000**	**1,500.00**

ii. Issued, subscribed and fully paid up

	31 March 2018		31 March 2017		1 April 2016	
	Number	Amount	Number	Amount	Number	Amount
Equity shares of ₹10 each	2,371,577	237.16	500,000	50.00	165,600	16.56
	2,371,577	**237.16**	**500,000**	**50.00**	**165,600**	**16.56**

iii. Reconciliation of number of equity shares outstanding at the beginning and at the end of the year

	31 March 2018		31 March 2017		1 April 2016	
	Number	Amount	Number	Amount	Number	Amount
Equity shares						
Balance at the beginning of the year	500,000	50.00	165,600	16.56	165,600	16.56
Add: Issued during the year	1,871,577	187.16	-	-	-	-
Add: Issued pursuant to scheme (refer note 32)	-	-	14,000,000	1,400.00	-	-
Less: Reduced pursuant to scheme (refer note 32)	-	-	(13,665,600)	(1,366.56)	-	-
Balance at the end of the year	**2,371,577**	**237.16**	**500,000**	**50.00**	**165,600**	**16.56**

iv. Rights, preferences and restrictions attached to equity shares

The Company has a single class of equity shares. Accordingly, all equity shares rank equally with regard to dividends and share in the Company's residual assets. 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.

On winding up of the Company, the holders of equity shares shall be entitled to receive the residual assets of the Company, remaining after distribution of all preferential amounts, in proportion to the number of equity shares held.

v. Details of shareholders holding more than 5% equity shares in the Company

	31 March 2018		31 March 2017		1 April 2016	
Name of the equity shareholders	Number	% holding	Number	% holding	Number	% holding
Heritage Foods Limited (Holding Company)	2,370,977	99.97%	499,400	99.88%	165,000	99.64%

vi. During the five previous financial years ended 31 March 2018, no shares have been bought back and no bonus shares have been issued. During the year ended 31 March 2017, 14,000,000 number of equity shares were allotted as fully paid up pursuant to composite scheme of arrangement without payment being received in cash . Refer note 32 for details.

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(All amounts in ₹ lakhs, except share data and where otherwise stated)

13. Other equity

	31 March 2018	31 March 2017	1 April 2016
Reserve and surplus			
Securities premium reserve	1,570.66	-	-
Capital reserve	(271.54)	(237.15)	-
Equity contribution from Holding Company	84.43	-	-
Retained earnings	5.12	(11.17)	(14.09)
Other comprehensive income	-	-	-
	1,388.67	**(248.32)**	**(14.09)**

Nature and purpose of reserves

Securities premium reserve
Securities premium reserve is used to record the premium on issue of equity shares. The reserve is utilised in accordance with the provisions of the Companies Act, 2013 ("the Act").

Capital reserve
Capital reserve was created on sale of retail division to Future Retail Limited in accordance with the composite scheme of arrangement (refer note 32 for details).

14. Borrowings

	31 March 2018	31 March 2017	1 April 2016
Non-current			
(Secured)			
Term loans			
From banks	400.00	500.00	-
(Unsecured)			
Loans from related parties	-	1,057.82	-
	400.00	**1,557.82**	**-**

(a) Terms and conditions of borrowings and nature of security

(i) Term loan amounting to ₹500 (31 March 2017: ₹600; 1 April 2016: Nil) is secured by first pari passu charge on all fixed assets of Hindupur cattle feed plant and by second charge on all current assets of the Company. The interest rate is equivalent to one year MCLR+0.45% per annum. The loan is repayable in 24 equal quarterly installments commenced from June 2017 and ending in March 2023. The loan is guaranteed by the Holding Company (refer note 33 for details).

	31 March 2018	31 March 2017	1 April 2016
Current			
(Secured)			
Working capital loan from bank	191.21	-	-
	191.21	**-**	**-**

(a) Terms and conditions of loan and nature of security
Working capital loan represents cash credit facility availed from the bank and is secured by first charge on current and future assets of the Company. The interest rate is equivalent to MCLR + spread per annum, as agreed from time to time. The loan is repayable on demand. The loan is guaranteed by the Holding Company (refer note 33 for details).

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(All amounts in ₹ lakhs, except share data and where otherwise stated)

15. Other financial liabilities

	31 March 2018	31 March 2017	1 April 2016
Current			
Current maturities of long-term borrowings (refer note 14(a))	100.00	100.00	-
Capital creditors	28.83	344.84	-
Freight payables	27.77	6.27	-
Employee related payables	23.50	18.29	-
Interest accrued on borrowings	1.50	-	-
Retention money	11.51	25.82	-
Other payables	54.66	25.40	0.47
	247.77	**520.62**	**0.47**

16. Provisions

	31 March 2018	31 March 2017	1 April 2016
Non-current			
Compensated absences	15.91	7.36	-
	15.91	**7.36**	**-**
Current			
Gratuity	3.24	-	-
Compensated absences	10.63	6.39	-
	13.87	**6.39**	**-**

17. Deferred tax liabilities (net)

	31 March 2018	31 March 2017	1 April 2016
Deferred tax liabilities arising on account of :			
Property, plant and equipment	156.35	67.13	-
Deferred tax assets arising on account of :			
Minimum Alternate Tax (MAT) credit	5.20	-	-
Employee benefits	6.83	-	-
Provision for trade receivables	94.21	-	-
Deferred tax liabilities (net)	**50.11**	**67.13**	**-**

Movement in deferred tax liabilities (net)

	Property, plant and equipment	Provision for employee benefits	MAT credit	Provision for trade receivables	Total
As at 31 March 2017	**67.13**	**-**	**-**	**-**	**67.13**
Charged/ (credited)					
- to statement of profit and loss	89.22	(6.83)	(5.20)	(94.21)	**(17.02)**
As at 31 March 2018	**156.35**	**(6.83)**	**(5.20)**	**(94.21)**	**50.11**

18. Other liabilities

	31 March 2018	31 March 2017	1 April 2016
Current			
Advances from customers	23.46	-	-
Payable to statutory authorities	7.96	15.85	-
	31.42	**15.85**	**-**

19. Trade payables

	31 March 2018	31 March 2017	1 April 2016
Dues to micro and small enterprises	-	-	-
Others	366.85	938.07	-
	366.85	**938.07**	**-**

(a) There are no micro and small enterprises, as defined under the provisions of the Micro, Small and Medium Enterprises Development Act, 2006 to whom the Company owes dues as at the reporting date (31 March 2017: Nil, 1 April 2016: Nil). The micro and small enterprises have been identified by management on the basis of information available with the Company and have been relied upon by the auditors.

(All amounts in ₹ lakhs, except share data and where otherwise stated)

20. Revenue from operations

	31 March 2018	31 March 2017
Sale of products	6,736.11	851.20
Other operating revenues	6.46	-
	6,742.57	**851.20**

21. Other income

	31 March 2018	31 March 2017
Interest income	15.28	-
Net gain on disposal of property, plant and equipment	0.60	-
Other non-operating income	0.67	-
	16.55	**-**

22. Cost of materials consumed*

	31 March 2018	31 March 2017
Raw material and packing material at the beginning of the year	595.78	-
Add: Increase pursuant to scheme (refer note 32)	-	167.40
Add: Purchases made during the year	3,161.60	631.82
Less: Inventory written off	(90.15)	-
Less: Decrease pursuant to scheme (refer note 32)	-	(135.41)
Less: Raw material and packing material at the end of the year	(341.80)	(595.78)
	3,325.43	**68.03**

*Disclosed based on derived figures, rather than actual records of issue.

23. Changes in inventories of finished goods and stock-in-trade

	31 March 2018	31 March 2017
Opening balance		
- Finished goods	18.63	-
- Stock-in-trade	6.04	-
	24.67	**-**
Closing balance		
- Finished goods	81.23	18.63
- Stock-in-trade	7.85	6.04
	89.08	**24.67**
	(64.41)	**(24.67)**

24. Employee benefit expenses

	31 March 2018	31 March 2017
Salaries, wages and bonus	324.36	96.01
Contribution to provident and other funds (refer note a below)	20.48	5.79
Staff welfare expenses	17.20	3.93
	362.04	**105.73**

(a) The amount recognized as an expense towards contribution to provident fund and employee state insurance scheme for the year ended 31 March 2018 amounts to ₹17.24 (31 March 2017: ₹5.79).

25. Finance costs

	31 March 2018	31 March 2017
Interest on borrowings measured at amortized cost	66.44	1.75
Interest on income tax	7.35	-
Other borrowing costs	19.51	-
	93.30	**1.75**

(All amounts in ₹ lakhs, except share data and where otherwise stated)

26. Other expenses

	31 March 2018	31 March 2017
Consumption of stores and spares	75.00	7.11
Power and fuel	113.46	10.05
Rent	2.79	0.88
Repairs and maintenance		
- Plant and equipment	2.55	-
- Others	2.16	0.14
Insurance	3.31	0.53
Rates and taxes, excluding taxes on income	13.99	2.48
Freight outwards	369.33	18.61
Communication	9.15	1.96
Office maintenance	1.31	0.24
Travelling and conveyance	30.02	14.24
Legal and professional fees	15.15	3.24
Payment to auditors (refer note (i) below)	5.94	0.98
Provision towards doubtful trade receivables	50.40	297.47
Bank charges	3.24	0.55
Sales promotion expenses including sales commission	101.69	43.37
Inventory written off	90.15	-
Security charges	10.57	3.48
Printing and stationery	6.40	2.62
Miscellaneous expenses	25.32	0.42
	931.93	**408.37**

(i) Details of payments to auditors :

	31 March 2018	31 March 2017
As auditor:		
- Audit fee, including tax audit	5.00	0.98
In other capacities:		
- Certification fees	0.16	-
- Reimbursement of expenses	0.42	-

27. Income tax

The major components of income tax expense and the reconciliation between expected tax expense based on the domestic effective tax rate of the Company at 34.608% (31 March 2017: 34.608%) and the reported tax expense in the statement of profit and loss is as follows:

	31 March 2018	31 March 2017
Income tax expense/ (benefit) reported in the statement of profit and loss		
Tax expense comprises of:		
Current income tax	5.20	19.56
Deferred tax expense/(benefit)	(17.02)	67.13
	(11.82)	**86.69**
Income tax expense/ (benefit) attributable to:		
- Continuing operations	(11.82)	169.69
- Discontinued operations	-	(83.00)
	(11.82)	**86.69**

Reconciliation of tax expense and the accounting profit multiplied by India's tax rate

	31 March 2018	31 March 2017
Loss before tax from continuing operations	(30.47)	(257.41)
Profit before tax from discontinued operations	-	347.02
Profit/ (loss) for the year	**(30.47)**	**89.61**
Tax at the Indian tax rate (34.608%)	(10.55)	31.01
Tax effect of amounts which are not deductible (taxable) in calculating taxable income:		
Other adjustments	(1.27)	55.68
Income tax expense/ (benefit)	**(11.82)**	**86.69**

(All amounts in ₹ lakhs, except share data and where otherwise stated)

28. Earnings per share (EPS)

	31 March 2018	31 March 2017
Attributable to owners of the Company		
- Profit/ (loss) from continuing operations	16.29	(427.10)
- Profit from discontinued operations	-	430.02
Profit for the year	**16.29**	**2.92**
Weighted average number of equity shares outstanding during the year	1,485,142	5,998,933
Earnings per equity share ("EPES") (in absolute ₹ terms):		
Nominal value per equity share	10.00	10.00
Basic and Diluted EPES from continuing operations	1.10	(7.12)
Basic and Diluted EPES from discontinued operations	-	7.17
Basic and Diluted EPES from continuing and discontinued operations	1.10	0.05

The Company did not had any potential dilutive equity shares as on 31 March 2018 and 31 March 2017.

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(All amounts in ₹ lakhs, except share data and where otherwise stated)

29. Categories of Financial instruments and their fair values

The carrying amount of all financial assets and financial liabilities appearing in the financial statements are reasonable approximation of their fair values.

Categories of financial instruments

	31 March 2018			31 March 2017			1 April 2016		
	FVTPL	**FVTOCI**	**Amortised cost**	**FVTPL**	**FVTOCI**	**Amortised cost**	**FVTPL**	**FVTOCI**	**Amortised cost**
Financial assets									
Trade receivables	-	-	548.71	-	-	429.96	-	-	-
Cash and cash equivalents	-	-	16.21	-	-	105.91	-	-	2.94
Loans	-	-	18.93	-	-	18.17	-	-	-
	-	**-**	**583.85**	**-**	**-**	**554.04**	**-**	**-**	**2.94**

	31 March 2018			31 March 2017			1 April 2016		
	FVTPL	**FVTOCI**	**Amortised cost**	**FVTPL**	**FVTOCI**	**Amortised cost**	**FVTPL**	**FVTOCI**	**Amortised cost**
Financial liabilities									
Borrowings	-	-	691.21	-	-	1,657.82	-	-	-
Trade payables	-	-	366.85	-	-	938.07	-	-	-
Other financial liabilities	-	-	147.77	-	-	420.62	-	-	0.47
	-	**-**	**1,205.83**	**-**	**-**	**3,016.51**	**-**	**-**	**0.47**

The fair value of the financial assets and financial liabilities are included at an amount at which the instruments could be exchanged in a current transaction between the willing parties, other than in a forced or liquidation sale.

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(All amounts in ₹ lakhs, except share data and where otherwise stated)

30. Financial risk management objectives and policies

Financial Risk Management Framework
The Board of Directors is responsible for developing and monitoring the Company's risk management policies.

The Company's principal financial liabilities comprises of borrowings, trade payables and other financial liabilities. The main purpose of these financial liabilities is to finance the Company's operations. The Company's principal financial assets include loans, trade receivables and cash and cash equivalents that the Company derives directly from its operations.

The Company is exposed primarily to Credit Risk, Liquidity Risk and Market risk (fluctuations in interest rates), which may adversely impact the fair value of its financial instruments. The Company assesses the unpredictability of the financial environment and seeks to mitigate potential adverse effects on the financial performance of the Company.

A. Credit risk
Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. Credit risk encompasses of both, the direct risk of default and the risk of deterioration of creditworthiness as well as concentration of risks. Credit risk arises primarily from financial assets such as trade receivables, balances with banks and loans.

Credit risk is controlled by analyzing credit limits and creditworthiness of customers on a continuous basis to whom the credit has been granted after obtaining necessary approvals for credit. Financial instruments that are subject to concentrations of credit risk principally consist of trade receivables, cash and cash equivalents and loans. None of the financial instruments of the Company result in material concentration of credit risk.

Exposure to credit risk
The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk was ₹583.85, ₹554.04 and ₹2.94 as of 31 March 2018, 31 March 2017 and 1 April 2016 respectively, being the total of the carrying amount of financial assets.

Financial assets that are neither past due nor impaired
None of the Company's cash equivalents were impaired as at 31 March 2018.

Financial assets that are past due but not impaired
The Company's credit period for customers generally ranges from 0 - 30 days. The aging of trade receivables that are past due but not impaired is given below:

	31 March 2018	31 March 2017	1 April 2016
Past due not impaired:			
0 - 180 days	541.89	429.96	-
More than 180 days	6.82	-	-
	548.71	**429.96**	**-**

Ind AS requires expected credit losses to be measured through a loss allowance. The Company assesses at each date of Balance Sheet whether a financial asset or a group of financial assets are impaired. Expected credit losses are measured at an amount equal to the 12 month expected credit losses or at an amount equal to the life time expected credit losses if the credit risk on the financial asset has increased significantly since initial recognition. The Company has used a practical expedient by computing the expected credit loss allowance for trade receivables based on a provision matrix. The provision matrix takes into account historical credit loss experience and is adjusted for forward-looking information.

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(All amounts in ₹ lakhs, except share data and where otherwise stated)

30. Financial instruments risk management (continued)

B. Liquidity risk

Liquidity risk refers to the risk that the Company cannot meet its financial obligations. The objective of liquidity risk management is to maintain sufficient liquidity and ensure that funds are available for use as per requirements. The Company manages liquidity risk by maintaining banking facilities, by continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of financial assets and liabilities.

The table below summarises the maturity profile of the Company's financial liabilities based on contractual undiscounted payments:

31 March 2018	On demand	Up to 1 year	More than 1 year	Total
Borrowings	191.21	100.00	400.00	**691.21**
Trade payables	-	366.85	-	**366.85**
Other financial liabilities	-	147.77	-	**147.77**
	191.21	**614.62**	**400.00**	**1,205.83**

31 March 2017	On demand	Up to 1 year	More than 1 year	Total
Borrowings	-	100.00	1,557.82	**1,657.82**
Trade payables	-	938.07	-	**938.07**
Other financial liabilities	-	420.62	-	**420.62**
	-	**1,458.69**	**1,557.82**	**3,016.51**

1 April 2016	On demand	Up to 1 year	More than 1 year	Total
Borrowings	-	-	-	**-**
Trade payables	-	-	-	**-**
Other financial liabilities	-	0.47	-	**0.47**
	-	**0.47**	**-**	**0.47**

C. Market risk:

Market risk is the risk of loss of future earnings, fair values or future cash flows that may result from adverse changes in market rates and prices. Market risk is attributable to all market risk-sensitive financial instruments and all short-term and long-term borrowings. Market risk comprises three types of risk: interest rate risk, currency risk and other price risks.

i. Interest risk:

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to the risk of changes in market interest rates relates primarily to the Company's long-term obligations with floating interest rates.

For the years ended 31 March 2018 and 31 March 2017, every 50 basis point decrease in the floating interest rate component applicable to the Company's borrowings would have decrease the loss by approximately ₹3.71 and ₹0.41 respectively. A 50 basis point increase in floating interest rate would have led to an equal but opposite effect.

ii. The Company is not exposed to any other type of market risk as on 31 March 2018 and 31 March 2017.

31. Capital risk management

For the purpose of the Company's capital management, capital includes issued equity capital, share premium and all other equity reserves attributable to the equity holders. The primary objective of the Company's capital management is to maximise the shareholder's value.

The Company manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. To maintain or adjust the capital structure, the Company may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. The Company monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt. The Company's policy is to keep the gearing ratio between 10% and 25%. The Company includes within net debt, borrowings from banks, less cash and cash equivalents.

	31 March 2018
Borrowings from banks (note 14)	400.00
Less: Cash and cash equivalents (note 10)	(16.21)
Net debt	**383.79**
Total equity	1,625.83
Capital and net debt	2,009.62
Net debt to equity ratio (%)	**19.10%**

In order to achieve this overall objective, the Company's capital management, amongst other things, aims to ensure that it meets financial covenants attached to the borrowings from banks that define capital structure requirements. Breaches in meeting the financial covenants would permit the bankers to immediately call back the borrowings. There have been no breaches in the financial covenants of borrowings during the current year.

No changes were made in the objectives, policies or processes for managing capital during the year ended 31 March 2018. As the Company has started its manufacturing operations only from month of March 2017 therefore comparative information as on 31 March 2017 and 1 April 2016 has been not furnished. There has been no significant operations in the Company prior to 31 March 2017, except during the period from sale appointed date to the effective date. Refer note 32 for details.

32. Discontinued operations

(i) Composite Scheme of Arrangement among the Company, Heritage Nutrivet Limited *(formerly known as Heritage Foods Retail Limited)*, Future Retail Limited and their respective shareholders and creditors:

(a) The National Company Law Tribunal ("NCLT") for the state of Telangana and Andhra Pradesh has approved the Composite Scheme of Arrangement ("the scheme") between the Heritage Foods Limited ("Transferor Company" or "HFL"), the Company (wholly owned subsidiary of HFL) ("Transferee Company" or "Demerged Company" or "HNL"), Future Retail Limited ("Resulting Company" or "FRL") and their respective shareholders and creditors vide its order dated 3 May 2017. Based on the internal evaluation, management of the Company determined that the Scheme duly approved by the NCLT is generally considered as an order of law. Therefore, the accounting treatment prescribed under the Scheme overrides the accounting principles prescribed under Ind AS. Accordingly, the accounting treatment provided under the scheme has been considered to effect such arrangement in the books of account.

(ii) The composite scheme of arrangement has been implemented by HFL and HNL as below:

(a) HFL transferred its 'Retail undertaking' (comprising Retail, Agri and Bakery business segments) and 'VetCa undertaking' (comprising VetCa business segment) by way of Slump Sale to the Company with effect from the slump sale appointed date (i.e. Commencement of business on 1 November 2016) for a lump sum consideration. From the slump sale appointed date and to the effective date, HFL was carrying on the business of 'Retail Undertaking' and 'VetCa Undertaking' on the behalf of the transferee company.

(b) HNL demerged the 'Retail undertaking' to FRL with effect from the demerger appointed date (i.e. Close of business on 31 March 2017) and reduced its share capital through cancellation of shares held by its existing shareholders by utilising security premium account.

(iii) In accordance with the scheme, the accounting treatment given in the financial statements is as follows:

(a) The Company received net assets of ₹13,449.02 (Assets of ₹20,538.94 and Liabilities of ₹7,089.92) as at commencement of business on 1 November 2016 of 'Retail undertaking' and 'VetCa undertaking' from HFL for a lump sum consideration of ₹13,500, which was discharged by the Company by way of allotment of 1,40,00,000 equity shares at ₹96.43 per share having face value of ₹10 each. The Company has accounted the transaction by crediting equity share capital account by ₹1,400 and security premium account by ₹12,100. The difference of ₹50.98 between the value of consideration and net value of assets and liabilities has been accounted under Capital reserve. The business transactions of 'Retail Undertaking' and 'VetCa Undertaking' from 1 November 2016 to 31 March 2017 have been reported in the financial statements of the Company.

(b) The Company transferred net assets of ₹13,684.85 (Assets of ₹19,571.22 and Liabilities of ₹5,886.37) as at close of business on 31 March 2017 of Retail undertaking to FRL with a resulting net adjustment of ₹13,684.85 being debited to capital reserve. The retail undertaking was transferred for a consideration of 17,847,420 equity shares of FRL having face value of ₹2 per share agreed to be allotted by FRL to the shareholders of the Company i.e. HFL.

(iv) In books of the Company, the equity share capital of ₹1,366.56 and security premium of ₹12,100 have been adjusted against the capital reserve for reduction of share capital.

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(All amounts in ₹ lakhs, except share data and where otherwise stated)

32. Discontinued operations (continued)

(v) (a) The financial performance presented below is for five months period ended 31 March 2017 (i.e. from slump sale appointed date to the effective date):

	Amount
Revenue	37,705.43
Expenses	37,358.41
Profit before tax from discontinued operations	**347.02**
Tax expense	(83.00)
Profit from discontinued operations	**430.02**

(b) The cash flow information for five months period ended 31 March 2017 (i.e. from slump sale appointed date to the effective date):

	Amount
Net cash flow generated from operating activities	960.51
Net cash flow used in investing activities	(837.83)
Net cash flow used in financing activities	(122.68)
Net increase/(decrease) in cash generated from discontinued operations	**-**

(vi) Details of carrying value of assets and liabilities transferred as on 31 March 2017 are as follows:

	Amount
Assets	
Other Intangible assets	54.37
Property, plant and equipment	8,867.29
Capital work-in- progress	240.70
Loans	2,319.46
Inventories	5,827.69
Other assets	76.71
Trade receivables	1,583.00
Cash and cash equivalents	602.00
Total assets	**19,571.22**
Liabilities	
Borrowings	80.51
Trade payables	3,277.41
Deferred tax liability	336.58
Provisions and other liabilities	2,191.87
Total Liabilities	**5,886.37**
Net assets transferred	**13,684.85**

(vii) The Company has eliminated the inter-segment transactions against the discontinued operations in the financial statements.

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(All amounts in ₹ lakhs, except share data and where otherwise stated)

33. Related party disclosures

(a) **Names of the related parties and nature of relationship**

Names of related parties	Nature of relationship
Heritage Foods Limited	Holding Company
N Bhuvaneswari N Brahmani M Sambasiva Rao	Key Managerial Personnel

(b) **Transactions with related parties**

		For the year ended	
		31 March 2018	31 March 2017
(i)	**Heritage Food Limited**		
	Issue of equity shares	1,842.25	33.50
	Purchases	20.94	1,737.28
	Financial guarantee expense	14.53	-
	Sales	3,996.13	1,653.54
	Loan taken	-	1,057.82
	Lease rental expense	1.42	-
(ii)	**N Bhuvaneswari**		
	Short-term employee benefits	0.59	-
(iii)	**N Brahmani**		
	Short-term employee benefits	0.71	-
(iv)	**M Sambasiva Rao**		
	Short-term employee benefits	0.71	-

(c) **Balances receivable/(payable)**

		As at		
		31 March 2018	31 March 2017	1 April 2016
(i)	**Heritage Food Limited**			
	Trade payable	(1.42)	-	-
	Trade receivable	275.63	-	-
	Loan payable	-	(1,057.82)	-

Notes:

(a) Outstanding balances at the year-end are unsecured and interest free and settlement occurs in cash. There have been no guarantees provided or received for any related party receivables or payables. For the year ended 31 March 2018, the Company has not recorded any impairment of receivables relating to amounts owed by the Holding Company (31 March 2017: Nil, 1 April 2016: Nil). This assessment is undertaken each financial year through examining the financial position of the related parties and the market in which such parties operates.

(b) During the year ended 31 March 2018, the Holding Company has given a guarantee to a bank towards a loan of ₹2,450 taken by the Company.

34. Segment reporting

The management has assessed the identification of reportable segments in accordance with the requirements of In AS 108 ‘Operating Segment’ and believes that the Company has only one reportable segment namely “Cattle feed”.

(a) **Revenue from customers**

The Company has one customer who has contributed more than 10% to the Company's revenue from operations during the current and previous year. The revenue from such major customer during the year is ₹3,996.13 (31 March 2017: ₹1,653.54). The entire revenue from operations is attributable to customers based within India.

(b) **Non-current assets**

The entire non-current assets of the Company as at 31 March 2018, 31 March 2017 and 1 April 2016 are located in India. Non-current assets for this purpose consists of property, plant and equipment and capital work in progress.

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35. First time adoption of Ind AS

With effect from 1 April 2017, the Company is required to prepare its financial statements under the Indian Accounting Standards ('Ind AS') prescribed under section 133 of the Companies Act, 2013 read together with rule 3 of the Companies (Indian Accounting Standards) Rules, 2015, as amended.

These financial statements, for the year ended 31 March 2018, are the first the Company has prepared in accordance with Ind AS. For periods up to and including the year ended 31 March 2017, the Company prepared its financial statements in accordance with accounting standards notified under section 133 of the Companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rules, 2014 (Previous GAAP).

Accordingly, the Company has prepared financial statements which comply with Ind AS applicable for periods ending on 31 March 2018, together with the comparative period data as at and for the year ended 31 March 2017, as described in the summary of significant accounting policies. In preparing these financial statements, the Company's opening balance sheet was prepared as at 1 April 2016, the Company's date of transition to Ind AS. This note explains exemptions availed by the Company in restating its Previous GAAP financial statements, including the balance sheet as at 1 April 2016 and the financial statements as at and for the year ended 31 March 2017.

Mandatory exceptions

Ind AS 101 allows first-time adopters certain mandatory and voluntary exemptions from the retrospective application of certain requirements under Ind AS. The Company has applied the following exemptions:

(A) **Mandatory exceptions**

(a) The estimates at 1 April 2016 and at 31 March 2017 are consistent with those made for the same dates in accordance with Previous GAAP (after adjustments to reflect any differences in accounting policies), except for impairment of financial assets based on expected credit loss model, where Previous GAAP did not require any estimation.

(b) **Derecognition of financial assets**

The Company has applied the de-recognition requirements in Ind AS 109 prospectively for transactions occurring on or after the date of transition to Ind AS.

(c) **Classification and measurement of financial assets**

Financial instruments - loans to employees and security deposits

Ind AS 101 requires an entity to assess classification of financial assets on the basis of facts and circumstances existing as on the date of transition. Further, the standard permits measurement of financial assets accounted at amortised cost based on facts and circumstances existing at the date of transition if retrospective application is impracticable.

Financial assets such as loan to employees and security deposits have been classified and measured at amortised cost on the basis of the facts and circumstances that exist at the date of transition to Ind ASs. Since, it is impracticable for the Company to apply retrospectively the effective interest method in Ind AS 109, the fair value of the financial asset or the financial liability at the date of transition to Ind As by applying amortised cost method, has been considered as the new gross carrying amount of that financial asset or the financial liability at the date of transition to Ind AS.

(d) **Impairment of financial assets *(Trade receivables and other financial assets)***

At the date of transition to Ind AS, the Company has assessed whether there has been a significant increase in credit risk since the initial recognition of a financial instrument, which would require undue cost or effort. Therefore the Company has recognised a loss allowance at an amount equal to lifetime expected credit losses at each reporting date until that financial instrument is derecognised (unless that financial instrument is low credit risk at a reporting date).

(B) **Reconciliations**

As impact on total equity as on 31 March 2017 and 1 April 2016 and net profit for the year ended 31 March 2017 on account of transition to Ind AS is immaterial, therefore reconciliations as required under Ind AS 101 has been not presented.

(C) **Effect of transition to Ind AS on Cash Flow Statement for the year ended 31 March 2017**

Ind AS adjustments are either non cash adjustments or are regrouping among the cash flows from operating, investing and financing activities and has no impact on the net cash flow for the year ended 31 March 2017 as compared with the Previous GAAP.

This is the summary of significant accounting policies and other explanatory information referred to in our report of even date.

For **Walker Chandiok & Co LLP**
Chartered Accountants

per **Sanjay Kumar Jain**
Partner

Place: Hyderabad
Date: 17 May 2018

For and on behalf of Board of Directors of
Heritage Nutrivet Limited

N Brahmani
Managing Director
DIN: 02338940

Place: Hyderabad
Date: 17 May 2018

M Sambasiva Rao
Director
DIN: 01887410

Place: Hyderabad
Date: 17 May 2018