

1st Annual Report
2017-18

**Heritage Novandie Foods
Private Limited**

NOTICE

Members of Heritage Novandie Foods Private Limited are hereby given notice for the 1st Annual General Meeting of the Company, the schedule of which and the business to be transacted therein, are given below:

Day and Date : 23rd August, 2018
Time : 2.00 p.m.
Venue : Registered Office: 6-3-541/C, Panjagutta,
Hyderabad – 500 082

ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March 2018 and Profit and Loss Account 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 Sri. N. Vishnuraju, who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint Auditors of the Company and to fix their remuneration.

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

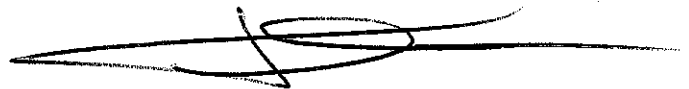
“RESOLVED THAT M/s. B S R & Associates LLP, Chartered Accountants Hyderabad, who retire at this meeting, being eligible and willing to act as Auditors, be and are hereby appointed as Auditors of the Company to hold office from the conclusion of this Meeting until the conclusion of the next Annual General 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 NOVANDIE FOODS PRIVATE LIMITED



N. Brahmani
Director
DIN: 02338940



Bertrand Jacques Philippe Carreau
Director
DIN: 07847262

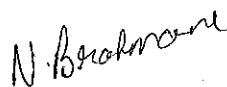
Place: Hyderabad
Date: 23rd May, 2018

Notes:

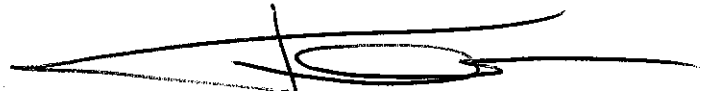
1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE ON POLL INSTEAD OF HIMSELF AND SUCH PROXY NEED NOT BE A MEMBER OF THE COMPANY. THE PROXIES TO BE EFFECTIVE, SHOULD BE DULY STAMPED, COMPLETED, SIGNED AND DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN FORTY EIGHT HOURS BEFORE THE COMMENCEMENT OF MEETING.
2. MEMBERS / PROXIES SHOULD PRODUCE AT THE ENTRANCE OF THE VENUE DULY FILLED ATTENDANCE SLIP FOR ATTENDING THE MEETING.
3. Members are requested to notify immediately any change in their address to the Company.
4. All communication relating to shares are to be addressed to the Company.
5. Members/proxies should bring the Attendance Slip duly filled in for attending the meeting.
6. The Ministry of Corporate Affairs has announced a "Green Initiative in Corporate Governance" thereby allowing paperless compliance through electronic mode. The Company supports this environment friendly initiative of the Government of India and proposes to send notices for General Meetings/Annual Reports/Other Shareholders Communication through electronic mode to the e-mail addresses which are registered with the Company for this purpose from time to time. For members who have not registered their e-mail addresses, physical copies of Annual Report 2017-18 are being sent by the permitted mode.

By Order of the Board

For HERITAGE NOVANDIE FOODS PRIVATE LIMITED



N. Brahmani
Director
DIN: 02338940



Bertrand Jacques Philippe Carreau
Director
DIN: 07847262

Place: Hyderabad
Date: 23rd May, 2018

DIRECTORS REPORT

Dear Members,

Your Directors have pleasure in presenting the 1st 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:

(Amt in Rupees)

Particulars	Year ended 31 st March 2018
Turnover	-
Profit/(Loss) before taxation	(16,32,703)
Less: Tax Expense	-
Profit/(Loss) after tax	(16,32,703)
Add: Balance B/F from the previous year	-
Balance Profit / (Loss) C/F to the next year	-

Operational highlights

During the year under review, the Company earned total income of NIL during the year and expenses are 16,32,703, The Profit/(Loss) after tax was (16,32,703).

Share Capital

The paidup capital of the Company is Rs: 20,00,000/- divided into 2,00,000 equity shares of Rs. 10/-.

During the year the company allotted the Equity Shares of 1,90,000 of Rs.10/- each.

Extract of Annual Return

As required pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014, an extract of annual return in **MGT-9** for the financial year 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, Three (3) Meetings of the Board of Directors of the Company were held on 11th December, 2017, 30th March, 2018 and 23rd May, 2018.

Directors

The First Directors of the Company are mentioned below:

1. Mrs. Nara Brahmani
2. Mr. Srivishnu Raju Nandyala
3. Mr. Bertrand Jacques Philippe Carreau
4. Mr. Gilles Hope Rapp

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. B S R & Associates LLP, Chartered Accountants Hyderabad, Statutory Auditors of the Company, hold office till the conclusion of the ensuing Annual General Meeting and are eligible for reappointment.

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

Particulars of Contracts or Arrangements with Related Parties

There are no material related party transactions during the year under review with the Promoters, Directors or Key Managerial Personnel.

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. NIL

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 the 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**

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:-

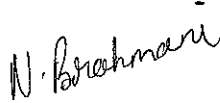
- a) In the preparation of the annual accounts for the year ended March 31, 2018, the applicable accounting standards have been followed and there are no material departures from the same;
- b) The Directors had selected such accounting policies and applied them consistently and made judgements and estimates 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

For HERITAGE NOVANDIE FOODS PRIVATE LIMITED



N. Brahmani
Director
DIN: 02338940



Bertrand Jacques Philippe Carreau
Director
DIN: 07847262

Place: Hyderabad
Date: 23rd May, 2018

B S R & Associates LLP

Chartered Accountants

Salarpuria Knowledge City
Orwell, 6th Floor, Unit-3
Sy. No. 83/1, Plot No. 2, Raidurg
Hyderabad-500081, India

Telephone : +91 40 7182 2000
Fax : +91 40 7182 2399

Independent Auditor's report

To the Members of Heritage Novandie Foods Private Limited

Report on the Audit of the Financial Statements

We have audited the accompanying financial statements of Heritage Novandie Foods Private Limited ("the Company"), which comprise the Balance Sheet as at 31 March 2018, the Statement of Profit and Loss, the Statement of Changes in Equity and the Statement of Cash Flows for the period from 28 November 2017 (date of incorporation) to 31 March 2018, and summary of the significant accounting policies and other explanatory information (collectively referred to as Financial Statements").

Management's Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements that give a true and fair view of the state of affairs, profit/loss (including other comprehensive income), changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) prescribed under Section 133 of the Act.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of internal controls relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit of the financial statements in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.



Independent Auditor's report on financial statements (continued)

Heritage Novandie Foods Private Limited

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

We are also responsible to conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in the auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify the opinion. Our conclusions are based on the audit evidence obtained up to the date of the auditor's report. However, future events or conditions may cause an entity to cease to continue as a going concern.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India of the state of affairs of the Company as at 31 March 2018, its loss, changes in equity and its cash flows for the period from 28 November 2017 (date of incorporation) to 31 March 2018.

Report on Other Legal and Regulatory Requirements

1. Reporting on matters specified in paragraphs 3 and 4 of the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of Section 143(11) of the Act is not applicable to the Company.
2. As required by Section 143(3) of the Act, we report that:
 - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
 - c) The Balance Sheet, the Statement of Profit and Loss, the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account.
 - d) In our opinion, the aforesaid financial statements comply with the Indian Accounting Standards prescribed under Section 133 of the Act.



Independent Auditor's report (continued)
Heritage Novandie Foods Private Limited

- e) On the basis of the written representations received from the directors as on 31 March 2018 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2018 from being appointed as a director in terms of Section 164(2) of the Act.
- f) The Company has been exempted from the requirement of its auditor reporting on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls (clause (i) of section 143(3)).
- g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company does not have any pending litigations which would impact its financial position.
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
 - iv. The disclosure requirement as envisaged in notification of the Government of India, in the Ministry of Finance, Department of Economic Affairs number S.O. 3407(E), dated the 8th November, 2016 was not applicable to the Company.

for B S R & Associates LLP

Chartered Accountants

Firm Registration Number: 116231W/W-100024



Sriram Mahalingam

Partner

Membership No.: 049642

Place: Hyderabad

Date: 23 May 2018

Heritage Novandie Foods Private Limited**Balance sheet**

(All amounts are in Indian Rupees except for share data or otherwise stated)

Particulars	Note	As at 31 March 2018
ASSETS		
Current assets		
Financial assets		
Cash and cash equivalents	2	13,28,799
Total current assets		13,28,799
Total assets		13,28,799
EQUITY AND LIABILITIES		
Equity		
Equity share capital	3	20,00,000
Other equity	4	(16,32,703)
Total equity		3,67,297
Liabilities		
Current liabilities		
Financial liabilities		
Other financial liabilities	5	9,55,802
Other current liabilities	6	5,700
Total current liabilities		9,61,502
Total equity and liabilities		13,28,799

Significant accounting policies

1

The accompanying notes are an integral part of the financial statements

As per our report of even date attached

for **B S R & Associates LLP**

Chartered Accountants

ICAI Firm Reg No: 116231W/W-100024

for and on behalf of the Board of Directors of

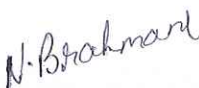
Heritage Novandie Foods Private Limited

CIN: U74999TG2017PTC120860

**Sriram Mahalingam**

Partner

Membership No: 049642

**Nara Brahmani**

Director

DIN: 2338940

**Bertrand Jacques Philippe Carreau**

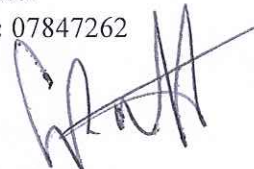
Director

DIN: 07847262

**Srivishnu Raju Nandyala**

Director

DIN: 00025063

**Gilles Hope Rapp**

Director

DIN: 07847263

Place: Hyderabad

Date: 23/05/2018

Heritage Novandie Foods Private Limited**Statement of profit and loss**

(All amounts are in Indian Rupees except for share data or otherwise stated)

Particulars	Note	For the period from 28 November 2017 to 31 March 2018
Revenue from operations		-
Other income		-
Total income		-
Expenses		
Cost of materials consumed		-
Employee benefits expense		-
Finance costs	7	456
Other expenses	8	16,32,247
Total expenses		16,32,703
Profit/(Loss) before Tax		(16,32,703)
Tax expense		
Current tax		-
Profit (Loss) for the year		(16,32,703)
Other comprehensive income		-
Total comprehensive income for the period		(16,32,703)
Earnings per share		
(Face value of Rs. 10 per equity share)		
Basic	9	(124.97)
Diluted	9	(124.97)

Significant accounting policies

The accompanying notes are an integral part of the financial statements

As per our report of even date attached

for **BSR & Associates LLP**
Chartered Accountants
ICAI Firm Reg No: 116231W/W-100024

for and on behalf of the Board of Directors of
Heritage Novandie Foods Private Limited
CIN: U74999TG2017PTC120860



Sriram Mahalingam
Partner
Membership No: 049642



Nara Brahmani
Director
DIN: 2338940



Bertrand Jacques Philippe Carreau
Director
DIN: 07847262



Srivishnu Raju Nandyala
Director
DIN: 00025063



Gilles Hope Rapp
Director
DIN: 07847263

Place: Hyderabad
Date: 23/05/2018

Heritage Novandie Foods Private Limited**Statement of cash flows**

(All amounts are in Indian Rupees except for share data or otherwise stated)

**For the period from
28 November 2017
to 31 March 2018****Particulars****Cash flow from operating activities :**

Loss before tax	(16,32,703)
Operating loss before working capital changes	(16,32,703)
Adjustments for:	
Other financial liabilities	9,55,802
Other current liabilities	5,700
Cash used in operations	(6,71,201)
Taxes paid	-
Net cash used in operating activities (a)	(6,71,201)

Cash flow from investing activities (b)**Cash flow from financing activities**

Proceeds from issue of equity share capital	20,00,000
Net cash from financing activities (c)	20,00,000

Net increase in cash and cash equivalents (a+b+c)

Cash and cash equivalents at the beginning of the period	-
Cash and cash equivalents at the end of the year	13,28,799

Components of cash and cash equivalents (Note 2)

Balance with banks:	
- In current account	13,28,799
	13,28,799

Note:

Cash flow statement has been prepared under the indirect method as set out in Ind AS - 7 specified under Section 133 of the Companies Act, 2013

The accompanying notes are an integral part of the financial statements
As per our report of even date attached

for **B S R & Associates LLP**
Chartered Accountants
ICAI Firm Reg No: 116231W/W-100024

for and on behalf of the Board of Directors of
Heritage Novandie Foods Private Limited
CIN: U74999TG2017PTC120860



Sriram Mahalingam
Partner
Membership No: 049642



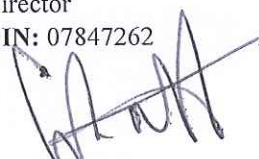
Nara Brahmani
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Director
DIN: 00025063



Bertrand Jacques Philippe Carreau
Director
DIN: 07847262



Gilles Hope Rapp
Director
DIN: 07847263

Place: Hyderabad
Date: 23/05/2018

Heritage Novandie Foods Private Limited**Statement of changes in equity**

(All amounts are in Indian Rupees except for share data or otherwise stated)

For the period ended 28 November 2017 to 31 March 2018:

Particulars	Equity share capital	Retained Earnings	Total
Balance at the commencement of the period	-	-	-
Shares issued during the period	20,00,000	-	20,00,000
Total comprehensive income for the period:			
Loss for the period	-	(16,32,703)	(16,32,703)
Other comprehensive income	-	-	-
Balance at the end of the year	20,00,000	(16,32,703)	3,67,297

The accompanying notes are an integral part of the financial statements

As per our report of even date attached

for **B S R & Associates LLP**

Chartered Accountants

ICAI Firm Reg No: 116231W/W-100024



Sriram Mahalingam

Partner

Membership No: 049642

for and on behalf of the Board of Directors of

Heritage Novandie Foods Private Limited

CIN: U74999TG2017PTC120860



Nara Brahmani

Director

DIN: 2338940



Bertrand Jacques Philippe Carreau

Director

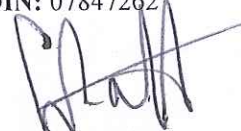
DIN: 07847262



Srivishnu Raju Nandyala

Director

DIN: 00025063



Gilles Hope Rapp

Director

DIN: 07847263

Place: Hyderabad

Date: 23/05/2018

Heritage Novandie Foods Private Limited

Notes to the financial statements for the period 28 November 2017 (date of incorporation) to 31 March 2018

(All amounts are in Indian Rupees except for share data or otherwise stated)

Note 2: Cash and cash equivalents

Balances with banks:

- in current account

As at
31 March 2018

13,28,799

13,28,799

Note 3: Equity share capital**Authorised:**

As at 31 March 2018

Equity share capital

Number of shares	Amount
10,00,000	1,00,00,000

Issued, subscribed and paid-up:

As at 31 March 2018

Equity share capital

Number of shares	Amount
2,00,000	20,00,000
2,00,000	20,00,000

Terms and rights attached to equity shares:

The Company has only one class of issued, subscribed and paid up equity shares having a par value of Rs.10 each per share. Each holder of equity shares is entitled to one vote per share. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

Reconciliation of number of shares outstanding at the beginning and end of the year :

As at 31 March 2018

Outstanding at the beginning of the period

Issued during the year

Balance as at the end of the year

Number of shares	Amount
-	-
2,00,000	20,00,000
2,00,000	20,00,000

Shareholders holding more than 5% shares in the company is set out below:

As at 31 March 2018

Equity shares

Heritage Foods Limited, India

Novandie SNC, France

Number of shares	% of shareholding
1,00,000	50%
1,00,000	50%
2,00,000	100%

Note 4: Other equity**Retained earnings:**

Opening balance

Loss for the year

Other comprehensive income

Closing balanceAs at
31 March 2018

-

(16,32,703)

-

(16,32,703)



Heritage Novandie Foods Private Limited**Notes to the financial statements for the period 28 November 2017 (date of incorporation) to 31 March 2018**

(All amounts are in Indian Rupees except for share data or otherwise stated)

	<u>As at</u> <u>31 March 2018</u>
Note 5: Other financial liabilities	
Expenses payable	9,55,802
	<u>9,55,802</u>
Note 6: Other current liabilities	
Statutory liabilities - TDS	5,700
	<u>5,700</u>
	<u>For the period from</u> <u>28 November 2017</u> <u>to 31 March 2018</u>
Note 7: Finance costs	
Interest on TDS	456
	<u>456</u>
Note 8: Other expenses	
Rates and taxes	2,22,795
Legal and professional charges	9,92,002
Printing and stationery	43,700
Bank charges	1,298
Travelling and expenses	18,452
Payment to auditors :	
Audit fee	2,95,000
Tax audit	59,000
	<u>16,32,247</u>
Note 9: Earnings per share	
Basic and diluted:	
Loss for the period	(16,32,703)
Number of equity shares:	
Balance at the commencement of the period	-
Weighted average number shares issued during the period (Annualised)	<u>13,065</u>
	<u>13,065</u>
Earnings per share	
(Face value of Rs. 10 per equity share)	
Basic	(124.97)
Diluted	(124.97)

Note 10: Deferred tax

The Company has not recognized the deferred tax asset on losses as there is no reasonable certainty with convincing evidence that there will future taxable profits against which such tax assets can be utilized.



Heritage Novandie Foods Private Limited

Notes to the financial statements for the period 28 November 2017 (date of incorporation) to 31 March 2018

(All amounts are in Indian Rupees except for share data or otherwise stated)

Note 11: Financial instruments – Fair values and risk management**A) Accounting classification and fair values:**

Carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy, are presented below. It does not include the fair value information for financial assets and financial liabilities not measured at fair value if the carrying amount is a reasonable approximation of fair value.

As at 31 March 2018:	Carrying amount		Fair value		
	Note	Amortised cost	Level 1	Level 2	Level 3
Assets:					
Cash and cash equivalents	2	13,28,799	-	-	-
Liabilities:					
Other financial liabilities	5	9,55,802	-	-	-

B) Financial risk management objectives and policies:

Since the Company is in first year of operations there are no significant risks on account of liquidity risk, credit risk and market risk.

Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

Exposure to liquidity risk

The following are the remaining contractual maturities of financial liabilities at the reporting date. The amounts are gross and undiscounted and exclude the impact of netting agreements.

As at 31 March 2018	Contractual cash flows				
	Carrying amount	Less than 1 year	1-2 years	2-5 years	More than 5 years
Non-derivative financial liabilities					
Other financial liabilities	9,55,802	9,55,802	-	-	-
	9,55,802	9,55,802	-	-	-

Note 12: Contingent liabilities and capital commitments

Estimated amount of contracts (net of advances) remaining to be executed on capital account and not provided for INR Nil. There are no contingent liabilities as at 31 March 2018.

Note 13: Segment reporting

The Company is in the business of manufacturing and marketing of milk products. This is the only activity performed and is thus the main source of risks and returns. The Company operates only in India and doesn't have operations in economic environments with different risks and returns. Hence it is considered to operating in single business and geographical Segment. Hence segment wise disclosure is not applicable.



Heritage Novandie Foods Private Limited

Notes to the financial statements for the period 28 November 2017 (date of incorporation) to 31 March 2018

(All amounts are in Indian Rupees except for share data or otherwise stated)

Note 14 : Dues to micro and small enterprises

The Ministry of Micro, Small and Medium Enterprises has issued an Office Memorandum dated 26 August 2008 which recommends that the Micro and Small Enterprises should mention in their correspondence with its customers the Entrepreneurs Memorandum Number as allocated after filing of the Memorandum. Accordingly, the disclosure in respect of the amounts payable to such enterprises as at 31 March 2018 has been made in the standalone financial statements based on information received and available with the Company. Further in view of the Management, the impact of interest, if any, that may be payable in accordance with the provisions of Micro, Small and Medium Enterprises Development Act, 2006 ('MSMED Act') is not expected to be material. The Company has not received any claim for interest from any supplier under the said MSMED Act.

Particulars	31 March, 2018
a) Principal amount remaining unpaid	-
b) Interest due thereon	-
c) Interest paid by the Company in term of section 16 of the Micro, Small and Medium Enterprises Development Act, 2006 along with the amount of the payment made to the suppliers beyond the appointed day during the year	-
d) Interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under Micro, Small and Medium Enterprises Development Act, 2006	-
e) Interest accrued and remaining unpaid	-
f) Further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise	-

Note 15: Related party transactions

Names of the related parties and nature of relationship:

Entities exercise significant influence:

Heritage Foods Limited	50% shareholder of the Company
Novandie SNC	50% shareholder of the Company

Nature of related party transactions:

For the period from
28 November 2017
to 31 March 2018

Capital contribution:

Heritage Foods Limited	10,00,000
Novandie SNC	10,00,000
	<u>20,00,000</u>

Reimbursement of expenses:

Heritage Foods Limited	
Incorporation and other expenses	6,69,903

As per our report of even date attached

for **B S R & Associates LLP**

Chartered Accountants

ICAI Firm Reg No: 116231W/W-100024


Sriram Mahalingam

Partner

Membership No: 049642

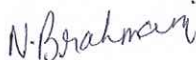
Place: Hyderabad

Date: 23./05/2018

for and on behalf of the Board of Directors of

Heritage Novandie Foods Private Limited

CIN: U74999TG2017PTC120860


Nara Brahmani

Director

DIN: 2338940


Srivishnu Raju Nandyala

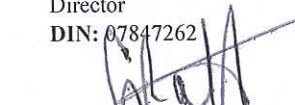
Director

DIN: 00025063


Bertrand Jacques Philippe Carreau

Director

DIN: 07847262


Gilles Hope Rapp

Director

DIN: 07847263

Corporate information:

Heritage Novandie Foods Private Limited (the Company) is a Private Limited Company incorporated in India having its registered office at Hyderabad, Telangana, India. The Company has been incorporated on 28 November 2017. The Company is a Joint Venture (JV) of Heritage Foods Limited, India and Novandie SNC, France with 50:50 shareholding and equal Board composition. The principal activity of the Company is manufacturing and trading of fruit and flavoured yoghurts, milk based pudding and desserts.

1. Significant Accounting Policies:

a) Statement of Compliance:

These financial statements are prepared in accordance with the Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 as amended by the Companies (Indian Accounting Standards) (Amendment) Rules, 2016, the relevant provisions of the Companies Act, 2013 ("the Act").

These are the Company's first financial statements after the date of incorporation and hence presentation of information for comparative period is not applicable to the Company.

b) Basis of preparation:

These financial statements have been prepared on historical cost basis. Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

c) Functional and presentation currency:

The financial statements are presented in Indian Rupees, which is the functional currency of the Company and the currency of the primary economic environment in which the Company operates.

d) Use of estimates and judgements:

The preparation of financial statements in conformity with IND AS requires management to make estimates, judgements and assumptions. These estimates, judgements and assumptions affect the application of accounting policies and the reported amounts of assets, liabilities, the disclosure of contingent assets and liabilities as at the date of financial statements and reported amounts of revenues and expenses during the period. Application of accounting policies that require critical accounting estimates involving complex and subjective judgements and the use of assumptions in these financial statements have been disclosed. Accounting estimates could change from period to period. Actual results could differ from those estimates. Appropriate changes are made to those estimates when management becomes aware of those estimates. Changes in estimates are reflected in the period in the changes are made, if material, their effects are disclosed in the notes to the financial statements.

e) Current and non-current classification

All assets and liabilities in the balance sheet are classified into current and non-current as required under Schedule III reporting framework.

Assets

An asset is classified as current when it satisfies any of the following criteria:

- i. It is expected to be realised in, or is intended for sale or consumption in, the company's normal operating cycle;



1. Significant accounting policies (continued)

- ii. It is held primarily for the purpose of being traded;
- iii. It is expected to be realised within 12 months after the reporting date; or
- iv. It is cash or cash equivalent unless it is restricted from being exchanged or used to settle a liability for at least 12 months after the reporting date.

Current assets include the current portion of non-current financial assets. All other assets are classified as non-current.

Liabilities

A liability is classified as current when it satisfies any of the following criteria:

- i. It is expected to be settled in the company's normal operating cycle;
- ii. It is held primarily for the purpose of being traded;
- iii. It is due to be settled within 12 months after the reporting date; or
- iv. The company does not have an unconditional right to defer settlement of the liability for at least 12 months after the reporting date. Terms of a liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

Current liabilities include current portion of non-current financial liabilities. All other liabilities are classified as non-current.

Operating cycle

The Company has ascertained its operating cycle as 12 months that is the time between the acquisition of assets for processing and their realisation in cash or cash equivalents.

f) Income taxes:

Income Tax expenses comprise current tax and deferred tax charge or credit.

Current Tax is measured on the basis of estimated taxable income for the current accounting period in accordance with the applicable tax rates and the provisions of the Income-tax Act, 1961 and other applicable tax laws.

Deferred tax is provided, on all temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes. Deferred tax assets and liabilities are measured at the tax rates that are expected to be applied to the temporary differences when they reverse, based on the laws that have been enacted or substantively enacted at the reporting date. Tax relating to items recognised directly in equity or OCI is recognised in equity or OCI and not in the Statement of Profit and Loss.

f) Income taxes (continued)

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realized simultaneously.

A deferred tax asset is recognized to the extent that it is probable that future taxable profits will be available against which the temporary difference can be utilised. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable.



1. Significant accounting policies (continued)

g) **Earnings per share:**

The basic Earnings per Share ("EPS") is computed by dividing the net profit/(loss) after tax for the year attributable to the equity shareholders by the weighted average number of equity shares outstanding during the year.

For the purpose of calculating diluted earnings per share, net profit/(loss) after tax for the year attributable to the equity shareholders and the weighted average number of equity shares outstanding during the year are adjusted for the effects of all dilutive potential equity shares.

h) **Cash and cash equivalents:**

For the purpose of presentation in the statement of cash flows, cash and cash equivalents includes cash on hand and bank balances.

i) **Financial Instruments:**

Financial assets and financial liabilities are recognised when a Company becomes a party to the contractual provisions of the instruments.

Initial Recognition:

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss and ancillary costs related to borrowings) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in Statement of Profit and Loss.

Classification and Subsequent Measurement: Financial Assets

The Company classifies financial assets as subsequently measured at amortised cost, fair value through other comprehensive income ("FVOCI") or fair value through profit or loss ("FVTPL") on the basis of following:

- a. the entity's business model for managing the financial assets and
- b. the contractual cash flow characteristics of the financial asset.

i) **Financial Instruments (continued)**

Amortised Cost:

A financial asset shall be classified and measured at amortised cost if both of the following conditions are met:

- a) the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows and
- b) the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Fair value through OCI:

A financial asset shall be classified and measured at fair value through OCI if both of the following conditions are met:

- a) the financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and



1. Significant accounting policies (continued)

- b) the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Fair value through profit or loss:

A financial asset shall be classified and measured at fair value through profit or loss unless it is measured at amortised cost or at fair value through OCI.

All recognised financial assets are subsequently measured in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

Classification and Subsequent Measurement: Financial liabilities:

Financial liabilities are classified as either financial liabilities at FVTPL or 'other financial liabilities'.

Financial liabilities at FVTPL:

Financial liabilities are classified as at FVTPL when the financial liability is held for trading or are designated upon initial recognition as FVTPL. Gains or Losses on liabilities held for trading are recognised in the Statement of Profit and Loss.

Other financial liabilities:

Other financial liabilities (including borrowings and trade and other payables) are subsequently measured at amortised cost using the effective interest method.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the net carrying amount on initial recognition.

Impairment of Financial Assets

Financial assets, other than those at FVTPL, are assessed for indicators of impairment at the end of each reporting period. The Company recognises a loss allowance for expected credit losses on financial asset. In case of trade receivables, the Company follows the simplified approach permitted by Ind AS 109 – Financial Instruments for recognition of impairment loss allowance. The application of simplified approach does not require the Company to track changes in credit risk. The Company calculates the expected credit losses on trade receivables using a provision matrix on the basis of its historical credit loss experience.

i) Financial Instruments (continued)

Derecognition of financial assets:

The Company derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party. If the Company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Company recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Company retains substantially all the risks and rewards of ownership of a transferred financial asset, the Company continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received. On derecognition of a financial asset in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognised in other comprehensive income and



1. Significant accounting policies (continued)

accumulated in equity is recognised in profit or loss if such gain or loss would have otherwise been recognised in profit or loss on disposal of that financial asset.

On derecognition of a financial asset other than in its entirety (e.g. when the Company retains an option to repurchase part of a transferred asset), the Company allocates the previous carrying amount of the financial asset between the part it continues to recognise under continuing involvement, and the part it no longer recognises on the basis of the carrying amount allocated to the part that is no longer recognised and the sum of the consideration received for the part no longer recognised and any cumulative gain or loss allocated to it that had been recognised in other comprehensive income is recognised in profit or loss if such gain or loss would have otherwise been recognised in profit or loss on disposal of that financial asset. A cumulative gain or loss that had been recognised in other comprehensive income is allocated between the part that continues to be recognised and the part that is no longer recognised on the basis of the relative fair values of those parts.

j) **Financial Risk Management:**

The Company principal financial assets include Cash and Cash equivalents and principal financial liabilities include other payables.

The Company is exposed to Market Risk, credit Risk and liquidity risk. The Company senior management oversees the management of these risks. The Company senior management is supported by a risk committee that advises on financial risk and the appropriate financial risk governance framework for the company.

k) **Contingent liabilities and Capital commitments**

A contingent liability is a possible obligation that arises from past events and the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the enterprise or a present obligation that arises from past events but is not recognized because it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation or a reliable estimate of the amount of the obligation cannot be made.

for **B S R & Associates LLP**
Chartered Accountants
ICAI Firm Reg No: 116231W/W-100024



Sriram Mahalingam
Partner
Membership No: 049642

for and on behalf of the Board of Directors of
Heritage Novandie Foods Private Limited
CIN: U74999TG2017PTC120860



Nara Brahmani
Director
DIN: 2338940



Srivishnu Raju Nandyala
Director
DIN: 00025063



Bertrand Jacques Philippe Carreau
Director
DIN: 07847262



Gilles Hope Rapp
Director
DIN: 07847263

Place: Hyderabad
Date: 23/05/2018