

FUTURE RETAIL

Undertaking in relation to non-applicability of Para 9 of Annexure 1 of Circular No. CIR/CFD/CMD/16/2015 dated 30th November 2015 read with the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations in respect of Composite Scheme of Arrangement:

1. In connection with the Composite Scheme of Arrangement between Heritage Foods Limited ("Transferor Company" or "HFL"), Heritage Foods Retail Limited ("Transferee Company" or "Demerged Company" or "HFRL") and Future Retail Limited ("Resulting Company" or "the Company" or "FRL") and their respective Shareholders and Creditors ("the Scheme"), we undertake that the Scheme does not envisage any of the following cases referred to in Para 9 of Annexure 1 of Circular No. CIR/CFD/CMD/16/2015 dated 30th November, 2015:
 - a) Allotment of additional shares to Promoter / Promoter Group, Related Parties of Promoter / Promoter Group, Associates of Promoter / Promoter Group, Subsidiary/(s) of Promoter / Promoter Group of the listed entity; or
 - b) The Scheme involves the listed entity and any other entity involving Promoter / Promoter Group, Related Parties of Promoter / Promoter Group, Associates of Promoter / Promoter Group, Subsidiary/(s) of Promoter / Promoter Group; or
 - c) The parent listed entity, has acquired the equity shares of the subsidiary, by paying consideration in cash or in kind in the past to any of the shareholders of the subsidiary who may be Promoter / Promoter Group, Related Parties of Promoter / Promoter Group, Associates of Promoter / Promoter Group, Subsidiary/(s) of Promoter / Promoter Group of the parent listed entity company, and if that subsidiary is being merged with the parent listed company under the Scheme of arrangement.
2. The Scheme would inter-alia involve the following:
 - a) Slump Sale of Retail Business Undertaking (comprising of grocery & food retail business, agri sourcing, processing & marketing business and bakery business) and Veterinary Care Undertaking of HFL into HFRL;
 - b) Demerger of Retail Business Undertaking of HFRL into FRL; and
 - c) Reduction of capital of HFRL.
3. The Company hereby states that the conditions prescribed in Para 9 of Annexure 1 of Circular No. CIR/CFD/CMD/16/2015 dated 30th November 2015 are not applicable to the Scheme on the following grounds:



FUTURE RETAIL

- a) The Scheme does not envisage allotment of any additional shares to Promoter / Promoter Group, Related Parties of Promoter / Promoter Group, Associates of Promoter / Promoter Group, Subsidiary/(s) of Promoter / Promoter Group of the Company;
 - b) The Scheme does not involve any other entity involving Promoter / Promoter Group, Related Parties of Promoter / Promoter Group, Associates of Promoter / Promoter Group, Subsidiary/(s) of Promoter / Promoter Group of the Company;
 - c) The Scheme does not involve acquisition of equity shares of the subsidiary of the Company.
4. Accordingly, we undertake that the following requirements prescribed in Para 9 of Annexure 1 of Circular No. CIR/CFD/CMD/16/2015 date 30th November 2015 are not applicable to our Company in relation the Scheme filed by the Company:
- a) Requirement for voting by public shareholders through postal ballot and e-voting, after disclosure of all material facts in the explanatory statement sent to the shareholders in relation to such resolution; and
 - b) Requirement for the Scheme being acted upon only if the votes cast by the public shareholders in favor of the proposal are more than the number of votes cast by the public shareholders against it.

For Future Retail Limited

Virendra Samani

Virendra Samani

Dy. Company Secretary

Place : Mumbai

Date : 07th November, 2016



To,
The Board of Directors,
Future Retail Limited
Knowledge House, Shyam Nagar,
Off Jogeshwari - Vikhroli Link Road,
Jogeshwari (East),
Mumbai – 400 060

CERTIFICATE BY THE STATUTORY AUDITORS OF FUTURE RETAIL LIMITED

We, the statutory auditors of Future Retail Limited have examined the draft Composite Scheme of Arrangement between Heritage Foods Limited ("Transferor Company" or "HFL"), Heritage Foods Retail Limited ("Transferee Company" or "Demerged Company" or "HFRL") and Future Retail Limited ("Resulting Company" or "the Company" or "FRL") and their respective Shareholders and Creditors ("the Scheme") under Sections 391-394 read with Sections 100-103 of the Companies Act, 1956 and Section 52 of the Companies Act, 2013 and other applicable provisions of the Companies Act, 1956 / Companies Act, 2013.

On the basis of information and explanation given to us, we certify the attached undertaking issued by Future Retail Limited on the non-applicability, of the conditions prescribed in Para 9 of Annexure 1 of Circular No. CIR/CPD/CMD/16/2015 dated 30th November 2015 issued by Securities Exchange Board of India for the reasons stated below:

- a) The Scheme does not envisage allotment of any additional shares to Promoter / Promoter Group, Related Parties of Promoter / Promoter Group, Associates of Promoter / Promoter Group, Subsidiary/(s) of Promoter / Promoter Group of the Company.
- b) The Scheme does not involve any other entity involving Promoter / Promoter Group, Related Parties of Promoter / Promoter Group, Associates of Promoter / Promoter Group, Subsidiary/(s) of Promoter / Promoter Group of the Company.
- c) The Scheme does not involve acquisition of equity shares of the subsidiary of the Company.



Auditors' Responsibility

We conducted our examination in accordance with the 'Guidance Note on Audit Reports and Certificates for Special Purposes' issued by the Institute of Chartered Accountants of India. Our scope of work did not involve us performing any audit tests in the context of our examination. We have not performed an audit, the objective of which would be the expression of an opinion on the financial statements, specified elements, accounts or items thereof, for the purpose of this certificate. Accordingly, we do not express such opinion. Further our examination did not extend to any aspects of a legal or propriety nature in the aforesaid arrangement /scheme other than the matters referred to in the said certificate.

Restrictions on Use

This Certificate is issued at the request of the Future Retail Limited pursuant to the requirements of circulars issued under SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 for onward submission to National Stock Exchange and Bombay Stock Exchange. This Certificate should not be used for any other purpose without our prior written consent.

For **NGS & Co. LLP**

Chartered Accountants

Firm Registration No. 119850W

Ashok Trivedi

Partner

Membership No. 042472

Mumbai

November 07, 2016



RAJU & PRASAD
CHARTERED ACCOUNTANTS

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Adj. Amrutha Hills,
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rajuandprasad@gmail.com

To,
The Board of Directors,
Heritage Foods Limited
6-3-541, Punjagutta,
Hyderabad - 500 082

CERTIFICATE BY THE STATUTORY AUDITORS OF HERITAGE FOODS LIMITED

We, M/s Raju & Prasad Chartered Accountants (FRN No. 003475S) the statutory auditors of Heritage Foods Limited having its office at 401, Diamond House, Adj. to Amrutha Hills, Punjagutta, Hyderabad-500082, have examined the draft Composite Scheme of Arrangement among **Heritage Foods Limited** ("Transferor Company" or "HFL" or "the Company"), **Heritage Foods Retail Limited** ("Transferee Company" or "Demerged Company" or "HFRL") and **Future Retail Limited** ("Resulting Company" or "FRL") and their respective Shareholders and Creditors ("the Scheme") under Sections 391-394 read with Sections 100-103 of the Companies Act, 1956 and Section 52 of the Companies Act, 2013 and other applicable provisions of the Companies Act, 1956 / Companies Act, 2013.

On the basis of information and explanation given to us, we certify the attached undertaking issued by Heritage Foods Limited on the non-applicability, of the conditions prescribed in Para 9 of Annexure 1 of Circular No. CIR/CPD/CMD/16/2015 dated 30th November 2015 issued by Securities Exchange Board of India for the reasons stated below:

- a) This clause is not applicable as additional shares would not be allotted Promoter /Promoter Group, Related Parties of Promoter / Promoter Group, Associates of Promoter / Promoter Group, Subsidiary/(s) of Promoter / Promoter Group of the listed company since the shares are being allotted to the Heritage Foods Limited (Listed Company).
- b) This clause is not applicable as the scheme is envisaged between Company, its wholly owned subsidiary (Heritage Foods Retail Limited) and Future Retail Limited and scheme does not involve any other entity involving Promoter / Promoter Group, Related Parties of Promoter / Promoter Group, Associates of Promoter / Promoter Group, Subsidiary/(s) of Promoter / Promoter Group.
- c) This clause is not applicable as the scheme of arrangement does not envisage merger of any subsidiary company with the parent listed company.



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We conducted our examination in accordance with the 'Guidance Note on Audit Reports and Certificates for Special Purposes' issued by the Institute of Chartered Accountants of India. Our scope of work did not involve us performing any audit tests in the context of our examination. We have not performed an audit, the objective of which would be the expression of an opinion on the financial statements, specified elements, accounts or items thereof, for the purpose of this certificate. Accordingly, we do not express such opinion. Further our examination did not extend to any aspects of a legal or propriety nature in the aforesaid arrangement /scheme other than the matters referred to in the said certificate.

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For Raju and Prasad
Chartered Accountants
FRN: 0034755


J. Dileep Kumar
Partner
M No. 223943



Date: 07/11/2016
Place: Hyderabad

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