



# REPORT ON CORPORATE GOVERNANCE

## 1. COMPANY'S PHILOSOPHY ON CODE OF CORPORATE GOVERNANCE

Corporate Governance is based on preserving core beliefs and ethical business conduct while maintaining a strong commitment to maximise long-term stakeholder value. Your Company is focused towards bringing transparency in all its dealings, adhering to well-defined corporate values and leveraging the corporate resources for long-term value creation.

Your Company is committed to moulding Corporate Governance practices in line with its core values, beliefs and ethics. Your Company believes in attainment of highest levels of transparency in all facets of its operations and maintains an unwavering focus on imbuing good Corporate Governance practices.

Your Company continues to strengthen its governance principles to generate long-term value for its various stakeholders on a sustainable basis thus ensuring ethical and responsible leadership both at the Board and at the Management levels.

Your Company's Corporate Governance Framework ensures that making timely disclosures and share accurate information regarding the financial and performance, as well as the leadership and governance of the Company.

Your Company's Corporate Governance Philosophy is based on the following principles:

- Corporate Governance Standards should satisfy both the spirit of the law and the letter of the law
- Ensure transparency and maintain a high level of disclosure
- Clearly distinguish between personal conveniences and corporate resources
- Communicate externally and truthfully, about how the Company is run internally as permitted by the statute.
- Have a simple and transparent corporate structure driven solely by business needs
- The Management is the trustee of the shareholders' capital and not the owner.

Transparency and accountability are the two basic requirements of Corporate Governance. Responsible Corporate conduct is integral to the way the Company do the business. The actions are governed by the values and principles which are reinforced at all levels in your Company. The code of business is reflected in the continued commitments to ethical business practices across the dealings.

Your Company firmly believes that Board independence is essential to bring objectivity and transparency in the management and in the dealings of your Company. As on March 31, 2019, the Board consists of seven members out of which two (2) are Executive/ Whole-time Women Directors, three (3) are Non-Executive Independent Directors, one (1) is Non-Executive Independent Woman Director and one (1) is Non-Executive Director.

## Ethics/Governance Policies:

Your Company strives to conduct the business and strengthen the relationship in a manner that is dignified, distinctive and responsible. Your Company adhere to ethical standards to ensure integrity, transparency, independence and accountability in dealing with stakeholders. Therefore, your Company have adopted various codes and policies to carry out duties in an ethical manner. Some of these codes and policies are:

- Code of Conduct & Ethics for Board & Senior Management
- Code of Conduct for Fair Disclosure of Unpublished Price Sensitive Information
- Code of Conduct to Regulate, Monitor & Report Trading by Insiders
- Whistle Blower Policy
- Policy on Materiality of Related Party Transactions
- Corporate Social Responsibility Policy
- Board Diversity and Nomination & Remuneration Policy
- Board Evaluation Framework
- Policy for Determining Material Subsidiaries
- Risk Management Policy
- Familiarisation Programme for Independent Directors
- Policy on Preservation of Documents
- Archival Policy
- Policy on Determination of Materiality of Events
- Business Responsibility Policy
- Dividend Distribution Policy

## Appropriate Management Structure with defined roles and responsibilities:

Your Company has put in place an internal management structure with defined roles and responsibilities of every constituent of the system. The Company's shareholders appoint the Board of Directors, which in turn governs the Company. The Board has constituted six Committees to discharge its responsibilities in an effective manner. The Company Secretary acts as the Secretary to all the Committees of the Board constituted under the Companies Act, 2013 and SEBI (Listing Obligations & Disclosure Requirements) Regulations 2015 as amended from time to time. The Chairperson and the Vice Chairperson & Managing Director (VC&MD) provide overall direction and guidance to the business. In the operations and functioning of the Company, the VC&MD is assisted by Executive Director and a core group of senior level executives.

## Board Leadership:

Your Company believes that an enlightened Board consciously creates a culture of leadership to provide a long-term vision and policy approach to improve the quality of governance. The Board's actions and decisions are aligned with the Company's best

interests. It is committed to the goal of sustainably elevating the Company's value creation. Your Company has defined guidelines and an established framework for the meetings of the Board and its Committees. These guidelines seek to systematise the decision-making process at the meeting of the Board and its Committees in an informed and efficient manner.

The Board critically evaluates your Company's strategic direction, management policies and their effectiveness. The agenda for the Board reviews include strategic review from each of the Board committees, a detailed analysis and review of annual strategic and operating plans and capital allocation and budgets. Additionally, the Board reviews related party transactions if any, possible risks and risk mitigation measures, financial reports from the Chief Financial Officer (CFO) and business reports from the division heads. Frequent and detailed interaction sets the agenda and provides the strategic roadmap for the Company's future growth.

## 2. BOARD OF DIRECTORS

### (a) Composition and category of Directors

The Board policy is to have an appropriate mix of executive, non-executive, independent and women directors to maintain the independence of the Board and separate its functions of governance and management. As on March 31, 2019, the Board consists of Seven (7) members, out of (2) are Executive/Whole-time Women Directors, three (3) are Non-Executive Independent Directors, one (1) is Non-Executive Independent Woman Director and one (1) is Non-Executive Director. The Board periodically evaluates the need for change in its composition and size.

None of the Independent Directors on the Board serve as an independent director in more than seven listed entities and none of the Directors on the Board is a member of more than 10 Committees and Chairman of more than 5 Committees as specified in SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015, across all the Companies in which he/she is a Director. The Directors have made the necessary disclosures regarding Committee positions during the period under review.

### Availability of information to Board Members

The Board has unrestricted access to all Company- related information including that of your employees. Regular updates provided to the Board include:

- Annual operating plans and budgets, capital budgets and updates
- Quarterly results of the operating divisions or business segments
- Quarterly/Annually report on Management Information System division wise
- Monthly summary report of Internal Audit observations division wise
- The Board minutes of the Subsidiaries/Associate Companies/Joint Venture Company
- The Board Minutes of Heritage Farmer Welfare Trust
- General notices of interest received from Directors, if any
- Dividend data

- Minutes of meetings of previous Board & Committee Meetings and abstracts of Circular Resolutions passed, (if any) etc.
- Information on recruitment and remuneration of senior officers below the Board level, including appointment or removal of the Chief Financial Officer and Company Secretary, if any
- Show cause, demand, prosecution notices and penalty notices, which are materially important.
- Fatal or serious accidents, dangerous occurrences, and issues related to material effluents or pollution problems.
- Any materially relevant defaults in financial obligations to and by us
- Any issue that involves possible public or product liability claims of a substantial nature
- Details of joint ventures or collaboration agreements, if any.
- Transactions that involve substantial payments toward goodwill, brand equity or Intellectual Property.
- Significant labour problems and their proposed solutions. Any significant development in Human Resources/ Industrial Relations front like signing of wage agreement, implementation of Voluntary Retirement Scheme etc.
- Sale of investments, subsidiaries, assets which are material in nature and not in normal course of business.
- Details of foreign exchange exposures and the steps taken by management to limit the risks of adverse exchange rate movement.
- Non-compliance with any regulatory, statutory or listing requirements, as well as shareholder services, such as non-payment of dividend and delays in share transfer etc.

### Selection of Independent Directors

Considering the requirement of skill sets on the Board, eminent people having an independent standing in their respective field/profession and who can effectively contribute to the Company's business and policy decisions are considered by the Nomination and Remuneration Committee for appointment as Independent Directors on the Board. The Committee, inter alia, considers qualification positive attributes, area of expertise and number of Directorships and Memberships held in various committees of other Companies by such persons in accordance with the Company's Policy for Selection of Directors and determining Directors' independence. The Board considers the Committee's recommendation, and takes appropriate decision.

### Meetings of Independent Directors

Pursuant to Schedule IV of the Companies Act, 2013 & the Rules made there under and SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 as amended from time to time, the independent directors of the Company shall hold at least one meeting in a year, without the attendance of non-independent directors and members of the Management. The meeting shall review the performance of non-independent directors and the Board as a whole; review the performance of the Chairperson of



the Board, taking into account the views of the executive directors and non-executive directors; assess the quality, quantity and timeliness of flow of information between the Management and the board that is necessary for it to effectively and reasonably perform its duties.

One meeting of Independent Directors was held during the year.

### Succession planning

The Nomination and Remuneration Committee works with the Board on the leadership succession plan, and also prepares contingency plans for succession in case of any exigencies.

### (b) Attendance of each Director at the meeting of the Board of Directors and last Annual General Meeting:

Name	No. of Meetings		Attendance at Last AGM
	Held	Attended	
<b>Independent Director</b>			
Mr. D Seetharamaiah	6	6	Yes
Mr. N Sri Vishnu Raju	6	6	No
Mr. Rajesh Thakur Ahuja	6	5	Yes
Mrs. Aparna Surabhi*	6	1	NA
<b>Non Executive Director</b>			
Dr. V Nagaraja Naidu	6	5	Yes
<b>Whole-time Director</b>			
Mrs. N Bhuvanewari	6	6	No
Mrs. N Brahmani	6	6	Yes

\* Mrs. Aparna Surabhi appointed as a Non-Executive Independent Woman Director w.e.f. 1<sup>st</sup> April, 2019

### (c) Number of other board of directors or committees in which a director is a member or chairperson:

Name	No. of other Directorships (Including Heritage Foods)	Committee memberships# (Including Heritage Foods)	
		Member	Chairman
<b>Independent Director</b>			
Mr. D Seetharamaiah	4	2	1
Mr. N Sri Vishnu Raju	20	2	1
Mr. Rajesh Thakur Ahuja	4	0	-
Mrs. Aparna Surabhi®	-	-	-
<b>Non Executive Director</b>			
Dr. V Nagaraja Naidu	3	1	1
<b>Whole-time Director</b>			
Mrs. N Bhuvanewari	9	1	-
Mrs. N Brahmani	10	-	-

\* The directorships held by directors as mentioned above, do not include directorships in Foreign Companies.

# In accordance with SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015, Memberships/ Chairmanships of only Audit Committee, Stakeholders Relationship Committee of all Public Limited Companies have been considered.

@ Mrs. Aparna Surabhi appointed as a Non-Executive Independent Woman Director w.e.f. 1<sup>st</sup> April, 2019

### (d) Number of meeting of the Board of directors held and dates on which held:

Six Board meetings were held during the year ended March 31, 2019. These were held on May 24, 2018, July 27, 2018, October 31, 2018, December 05, 2018, January 30, 2019 and March 25, 2019.

The tentative dates for Board meetings in the ensuing financial year are decided in advance and published as part of the Annual Report. The Non-executive Chairperson of the Board and the Company Secretary, draft the agenda for each meeting, along with explanatory notes, in consultation with the VC&MD, and distribute these in advance to the Directors. Every Board member can suggest the inclusion of additional items in the agenda. The Board meets at least once a quarter to review the quarterly results and other items on the agenda. Additional meetings are held when necessary.

### (e) Disclosure of relationship between directors inter-se:

As on March 31, 2019, the Board consists of Seven (7) members, out of which (2) are Executive/Whole-time Women Directors, three (3) are Non-Executive Independent Directors, one (1) is Non-Executive Independent Woman Director and one (1) is Non-Executive Director.

None of the Directors has relations with other except executive director/Whole-time director of the Company. Mrs. N Brahmani, Executive Director of the Company is the daughter-in-law of Mrs. N Bhuvanewari, Vice Chairperson cum Managing director of the Company.

### (f) Number of shares and convertible instruments held by non-executive directors:

None of the Non-executive directors of the Company are having shares and convertible instruments except Dr. V Nagaraja Naidu, Non-Executive Director of the Company is holding 1,00,000 equity shares.

### (g) Familiarisation programmes for Board Members

The Board members are provided with necessary documents/ brochures, reports and internal policies to enable them to familiarise with the Company's procedures and practices. Periodic presentations are made at the Board and its Committee Meetings, on business and performance updates of the Company and business strategy. Detailed presentations on the Company's business segments were made at the meetings of the Directors held during the year. Site visits to various plant locations are organized for the Directors to enable them to understand the operations of the Company. <https://www.heritagefoods.in/static/images/pdf/policies/Familiarisation-programme.pdf>

## BOARD COMMITTEES

As on March 31, 2019, the Board has 6 (Six) Committees i.e. Audit Committee, Nomination & Remuneration Committee, Stakeholders Relationship Committee, CSR Committee, Risk Management Committee and Management Committee.

The quorum for committee meetings is either two members or one-third of the members of the committee, whichever is higher.

### 3. AUDIT COMMITTEE

#### (a) Brief description of term of reference:

The Committee composition meets with requirements of Section 177 of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended from time to time. Members of the Audit Committee possess financial accounting expertise/exposure.

#### (b) Composition, name of the members and chairperson:

Composition of the Committee as on 31<sup>st</sup> March, 2019:

Name	Designation	Category
Mr. NSri Vishnu Raju	Chairperson	Non Executive Independent Director
Mr. D Seetharamaiah	Member	Non Executive Independent Director
Mr. Rajesh Thakur Ahuja	Member	Non Executive Independent Director
Dr. V Nagaraja Naidu	Member	Non Executive Director

The primary objective of the Audit Committee is to monitor and provide an effective supervision of the Management's financial reporting process, to ensure accurate and timely disclosures, with the highest levels of transparency, integrity and quality of financial reporting. The Audit Committee oversees the work carried out in the financial reporting process by the Management, the internal auditors and the statutory auditors, and notes the processes and safeguards employed by each of them. The committee has the ultimate authority and responsibility to select, evaluate and where appropriate, replace the statutory auditors in accordance with the law. All possible measures were taken by the committee to ensure the objectivity and independence of the statutory auditors.

#### (c) Meeting and attendance during the year:

Five meetings of Audit Committee were held during the financial year 2018-19, i.e. May 24, 2018, July 27, 2018, October 31, 2018, January 30, 2019 and March 25, 2019. The attendance details of the Committee Meeting are as follows:-

Name	No. of Meetings	
	Held	Attended
Mr. N Sri Vishnu Raju	5	5
Mr. D Seetharamaiah	5	5
Mr. Rajesh Thakur Ahuja	5	4
Dr. V Nagaraja Naidu	5	4

The terms of reference, Powers, Roles & responsibilities of the

Audit Committee are as stated in SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Section 177 of the Companies Act, 2013 and the rules made thereof as amended from time to time.

Dr. M Sambasiva Rao, President, Mr. A Prabhakara Naidu, Chief Financial Officer, Statutory Auditor and Lead Internal Auditor of the Company are permanent invitees to the Audit Committee Meeting, Mr. Umakanta Barik, Company Secretary is the Secretary to the Committee.

### 4. NOMINATION & REMUNERATION COMMITTEE

#### (a) Brief description of terms of reference:

The Committee's constitution and terms of reference are in compliance with provisions of the Section 178 of the Companies Act, 2013 & Rules made thereof and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended from time to time.

#### (b) Composition, name of members and chairperson:

Name	Designation	Category
Mr. N Sri Vishnu Raju	Chairperson	Non Executive Independent Director
Mr. D Seetharamaiah	Member	Non Executive Independent Director
Mr. Rajesh Thakur Ahuja	Member	Non Executive Independent Director

The committee shall review and discuss all matters pertaining to candidates and shall evaluate the candidates in accordance with a process that it sees fit, passing on the recommendations to the Board. The committee coordinates and oversees the annual self-evaluation of the Board and of individual directors. The Committee also review the performance and approve the revision of annual fixed salary & variable pay and promotions of all the Employees one level below the Board including the Functional Heads of the Company. The committee also regularly evaluate the usefulness of such performance parameters, and make necessary amendments.

#### (c) Meeting and attendance during the year:

The Nomination & Remuneration Committee held three meeting during the financial year 2018-19 on April 19, 2018, May 24, 2018 and January 30, 2019. The attendance details of the Committee Meeting are as follows:

Name	No. of Meetings	
	Held	Attended
Mr. N Sri Vishnu Raju	3	3
Mr. D Seetharamaiah	3	3
Mr. Rajesh Thakur Ahuja	3	3

Mrs. N Brahmani, Executive Director, Dr. M Sambasiva Rao, President of the Company are permanent invitees to the Committee Meeting, Mr. Umakanta Barik Company Secretary is the Secretary to the Committee.



**(d) Performance evaluation criteria for independent directors:**

One of the key functions of the Committee is to monitor and review the board evaluation framework. The Board works with the nomination and remuneration committee to lay down the evaluation criteria for the performance of executive / non-executive / independent directors. The questionnaire is a key part of the process of reviewing the functioning and effectiveness of the Board and for identifying possible paths for improvement. Each Board member is requested to evaluate the effectiveness of the Board dynamics and relationships, information flow, decision-making of the directors, relationship to stakeholders, company performance, company strategy, and the effectiveness of the whole Board and its various committees on a scale of one to five. Feedback on each director is encouraged to be provided as part of the questionnaire and shares the feedback with the Chairman. The Chairman discusses the feedback at the Board Meeting.

**5. REMUNERATION OF DIRECTORS**

The Nomination and Remuneration Committee determines and recommends to the Board the compensation payable to director(s). All Board-level compensation shall be approved by the shareholders and disclosed separately in the financial statements. Remuneration for the Vice-Chairperson & Managing Director and Executive Director consists of fixed component and variable component.

The compensation payable to the Independent/Non-Executive Directors is limited to sitting fees and reimbursement of actual conveyance, travelling and other expenses for attending the Board & Committee meeting(s), as approved by the Board & shareholders, as per the provisions of the Companies Act, 2013 and SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 as amended from time to time. The performance of the Independent Directors is reviewed by the Board on an annual basis.

**(a) All pecuniary relationship or transactions of the Non-Executive Directors**

There is no pecuniary relationship or transactions between the company and Non-Executive directors except the sitting fees they are getting for attending the board/committee meeting and dividend on shares held by him/her.

**(b) Criteria of making payments to Non-Executive Directors:**

The Non-executive Directors of the Company only getting the sitting fees for attending Board/Committee meeting and the reimbursement of expenses for attending for Board and Committee meetings.

**(c) Other disclosures with respect to remuneration:**

- (i) All elements of remuneration package of individual directors summarized under major groups such as salary, benefits, bonuses, stock options, pensions etc.:

The Details of remuneration paid/payable for the year ended March 31, 2019 is as follows:

(₹ in Lakhs)

Name	Sitting Fees	Re-muneration	Per-quisites/Perks	Com-mission	Total
<b>Independent Directors</b>					
Mr. D Seetharamaiah	3.90	-	-	-	<b>3.90</b>
Mr. N Sri Vishnu Raju	3.90	-	-	-	<b>3.90</b>
Mr. Rajesh Thakur Ahuja	2.40	-	-	-	<b>2.40</b>
Mrs. Aparna Surabhi*	0.20	-	-	-	<b>0.20</b>
<b>Non Executive Directors</b>					
Dr. V Nagaraja Naidu	2.20	-	-	-	<b>2.20</b>
<b>Whole-time Directors</b>					
Mrs. N Bhuvanewari	-	120.00	10.71	562.93	<b>693.64</b>
Mrs. N Brahmani	-	60.00	5.00	489.91	<b>554.91</b>

\* Mrs. Aparna Surabhi appointed as an Non-Executive Independent Woman Director w.e.f. 1<sup>st</sup> April, 2019.

**(ii) Service contracts, notice period, severance fees:**

The Company has entered service with executive directors having a 3 months notice period either side and there is no severance fees involved for any of its directors of the Company. The Company also has issued appointment letter to Non-Executive independent director as prescribed by the companies Act and applicable regulations.

**(iii) Stock option details, if any and whether issued at a discount as well as the period over which accrued and over which exercisable:**

The Company has not granted any stock option to any of its directors. Dr. V Nagaraja Naidu, Non-Executive Director of the Company is holding 1,00,000 equity shares, Mrs. N Bhuvanewari and Mrs. N Brahmani, Executive/ Whole-time Directors of the Company are holding 1,06,61,652 and 2,02,000 equity shares of the Company respectively as on March 31, 2019.

Besides dividend on equity shares, if any, held by the Directors and payments as mentioned above no other payments have been made nor have the Directors of the company entered into any transactions of pecuniary nature.

**6. (i) STAKEHOLDERS GRIEVANCE/ RELATIONSHIP COMMITTEE**

The Stakeholders Relationship Committee's composition and the terms of reference meet with the requirements of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and as specified in Section 178 of the Companies Act, 2013 & rules made thereof as amended from time to time. The terms of reference of the Stakeholders Relationship Committee include to approve, transfer and transmission of shares and to approve Sub- division, Consolidation and issue of new/duplicate share certificates, whenever requested for by the share holders of the company. The Committee authorised Vice Chairperson & Managing Director and Executive Director of the Company to sign the Memorandum of Share Transfer/Transmissions submitted by Registrar of Transfer

Agent and counter signed by Company Secretary of the company and same to be rectified by the Committee in subsequent meeting

**(a)** Name of non-executive director heading the committee:

Dr. V Nagaraja Naidu – Non-executive Director

**(b)** Name and designation of compliance officer:

Mr. Umakanta Barik, Company Secretary acts as the Secretary for the Committee who is designated as Compliance Officer pursuant to SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015.

**(c)** Details of the Complaints /request during Financial Year 2018-19 as follows:

Number of shareholders complaints/request received: 134

Number of complaints solved to the satisfaction to the shareholders: 134

Number of pending complaints: NIL

**Composition, name of members and chairperson:**

Name	Designation	Category
Dr. V Nagaraja Naidu	Chairperson	Non Executive Director
Mr. D Seetharamaiah	Member	Non Executive Independent Director
Mr. N Sri Vishnu Raju	Member	Non Executive Independent Director
Mrs. N Bhuvanewari	Member	Executive Director

Four Stakeholders Relationship Committee meetings were held during the financial year 2018-19. These were held on April 19, 2018, July 27, 2018, October 31, 2018 and January 30, 2019. The attendance details of the Committee Meeting are as follows:-

**Stakeholders Relationship Committee Attendance:**

Name	No. of Meetings	
	Held	Attended
Dr. V Nagaraja Naidu	4	4
Mr. D Seetharamaiah	4	4
Mr. N Sri Vishnu Raju	4	4
Mrs. N Bhuvanewari	4	4

All valid requests for share transfer received during the year have been acted upon and no such transfer is pending.

**(ii) CORPORATE SOCIAL RESPONSIBILITY COMMITTEE (CSR)**

The Committee's prime responsibility is to assist the Board in discharging its social responsibilities by way of formulating and monitoring implementation of the framework of 'Corporate Social Responsibility policy' observe practices of Corporate Governance at all levels, and to suggest remedial measures wherever necessary.

The Committee's constitution and terms of reference meet with the requirements of the Companies Act, 2013 and rules made thereof as amended from time to time

Composition of the Committee as on 31<sup>st</sup> March, 2019:

Name	Designation	Category
Mr. D Seetharamaiah	Chairperson	Non Executive Independent Director
Mr. N Sri Vishnu Raju	Member	Non Executive Independent Director
Mrs. N Bhuvanewari	Member	Executive Director

The committee shall be overseeing the activities/ functioning with regards to Company's project/ works of M/s. NTR Memorial Trust, Hyderabad, being an external agency for implementation of the CSR activities of the Company and identifying the areas of CSR activities, programs and execution of initiatives as per pre-defined guidelines/policy.

Two CSR Committee meetings was held during the financial year 2018-19 on June 21, 2018 and October 31, 2018. The attendance details of the Committee Meeting are as follows:-

**CSR Committee Attendance:**

Name	No. of Meetings	
	Held	Attended
Mr. D Seetharamaiah	2	2
Mr. N Sri Vishnu Raju	2	2
Mrs. N Bhuvanewari	2	2

Mrs. N Brahmani, Executive Director, Dr. M Sambasiva Rao, President and Mr. A Prabhakara Naidu Chief Financial Officer of the Company are permanent invitees to the Committee Meeting, Mr. Umakanta Barik Company Secretary is the Secretary to the Committee.

**(iii) RISK MANAGEMENT COMMITTEE**

The Committee's prime responsibility is to implement and monitor the risk management plan and policy of the Company. Framing of Risk Management Plan and Policy, Overseeing implementation of Risk Management Plan and Policy, Monitoring the process of risk management, Validating the process of risk management, Validating the procedure for Risk Minimisation, Periodically reviewing and evaluating the Risk Management Policy and practices with respect to risk assessment and Risk Management process, Performing such other functions as may be necessary or appropriate for the performance of its oversight function.

The Committee's constitution and terms of reference meet with the requirements of the Companies Act, 2013 and rules made thereof and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

**Composition, name of members and chairperson:**

Name	Designation	Category
Mr. Rajesh Thakur Ahuja	Chairperson	Non-Executive Independent Director
Mr. D Seetharamaiah	Member	Non-Executive Independent Director
Mr. N Sri Vishnu Raju	Member	Non-Executive Independent Director
Mrs. N Bhuvanewari	Member	Executive Director



One Risk Management committee meeting was held during the financial year 2018-19 on March 25, 2019.

The attendance detail of the committee meeting is as follows:

**Risk Management Committee Attendance:**

Name	No. of Meetings	
	Held	Attended
Mr. Rajesh Thakur Ahuja	1	1
Mr. D Seetharamaiah	1	1
Mr. N Sri Vishnu Raju	1	1
Mrs. N Bhuvanewari	1	1

Mrs. N Brahmani, Executive Director, Dr. M Sambasiva Rao, President and Mr. A Prabhakara Naidu Chief Financial Officer of the Company are permanent invitees to the Committee Meeting, Mr. Umakanta Barik Company Secretary is the Secretary to the Committee.

**(iv) MANAGEMENT COMMITTEE:**

The terms of reference of the Management Committee is to consider and dispose of any day to day matters, with a view to ensuring smooth operations and timely action/compliances. The Committee meets at frequent intervals and disposes matters which are of urgent in nature without having to wait for the next Board Meeting.

**Composition, name of members and chairperson:**

Name	Designation	Category
Mr. D Seetharamaiah	Chairperson	Non-Executive Independent Director
Mr. N Sri Vishnu Raju	Member	Non-Executive Independent Director
Mrs. N Bhuvanewari	Member	Executive Director

Five Management Committee meetings were held during the financial year 2018-19. These were held on April 19, 2018, June 21, 2018, September 28, 2018, November 29, 2018 and February 18, 2019. The attendance details of the Committee Meeting are as follows:-

**Management Committee Attendance:**

Name	No. of Meetings	
	Held	Attended
Mr. D Seetharamaiah	5	5
Mr. N Sri Vishnu Raju	5	5
Mrs. N Bhuvanewari	5	4

Mrs. N Brahmani, Executive Director, Dr. M Sambasiva Rao, President and Mr. A Prabhakara Naidu Chief Financial Officer of the Company are permanent invitees to the Committee Meeting, Mr. Umakanta Barik Company Secretary is the Secretary to the Committee.

**7. GENERAL BODY MEETINGS**

**(a) Location and time, where the last three annual general meeting held:**

During the preceding three years, the Company's Annual General Meetings were held at Auditorium Hall, 2nd Floor, National Institute for Micro, Small and Medium Enterprises, Yousufguda, Hyderabad-45. Details of date & time are as follows:

Financial year ended	Date and time
March 31, 2018	August 30, 2018 at 10.30 a.m.
March 31, 2017	August 23, 2017 at 11.00 a.m.
March 31, 2016	August 19, 2016 at 10.30 a.m.

**(b) Whether any special resolutions passed in the previous three annual general meeting: No**

**(c) Postal ballot**

During the year, members of the company have approved the resolutions, stated in the below table by requisite majority, by means of Postal ballot, including Electronic Voting (e-voting). The Postal Ballot Notice dated January 30, 2019 along with the Postal Ballot Form was sent in electronic form to the members whose e-mail addresses were registered with the Company/respective Depository Participants. The physical copies of the Postal Ballot Notice along with Postal Ballot Form are sent by courier along with self-addressed postage pre-paid Business Reply Envelope to all the members.

The Company had published a notice in the newspaper on February 8, 2019 in Financial Express and Visalaandhra in compliance with the provisions of the Companies Act, 2013 and Secretarial Standard – 2. The voting period commenced from at 9:00 a.m. on Friday, February 8, 2019 and ended at 5:00 p.m. on Saturday, March 9, 2019 (IST). The voting rights of members were reckoned on the paid-up value of shares registered in the name of member/beneficial owner (in case of electronic shareholding) as on Friday, February 1, 2019.

The details of the voting pattern are given below:

Resolution	Type of Resolution	No of Votes Polled	Votes Cast in favour		Votes Cast against	
			No of Votes	%	No of Votes	%
Re-appointment of Mr. D Seetharamaiah (DIN:00005016) as Non-Executive Independent Director for second term of 5 (five) consecutive years	Special	30932683	30320831	98.02	611852	1.98
Appointment of Mrs. Aparna Surabhi (DIN01641633) as an Non-Executive Independent Woman Director for a term of 5 (five) consecutive years	Ordinary	31120165	31119669	99.99	496	0.01
Re-Appointment of Mrs. N. Bhuvaneshwari (DIN:00003741) as Whole-time Director designated as Vice-Chair person and Managing Director (VC&MD) of the Company for further term of 5 (five) years w.e.f. April 1, 2019	Special	7461539	6849365	91.80	612174	8.20
Re-Appointment of Mrs. N Brahmani (DIN:02338940) as Whole-time Director designated as Executive Director of the Company for further term of 5 (five) years w.e.f. April 1, 2019	Special	7461542	6751014	90.48	710528	9.52

**(d) Person who conducted the postal ballot exercise:**

The Board had appointed Mr. K.V.S. Subramanyam, Partner of M/s. Ravi & Subramanyam (CP No: 4815) Practicing Company Secretary, Hyderabad-500 063, as Scrutiniser to conduct the postal ballot process in a fair and transparent manner and had engaged the services of Karvy Fintech Private Limited as the agency for the purpose of providing e-voting facility.

Mr. K.V.S. Subramanyam, Scrutiniser, had submitted his report on the postal Ballot to the Chairman on March 12, 2019.

**(e) Whether any special resolution is proposed to be conducted through postal ballot:**

There is no immediate proposal for passing any resolution through Postal Ballot.

**(f) Procedure for postal ballot:**

In compliance with Sections 108 and 110 and other applicable provisions of the Companies Act, 2013, read with the related Rules, the Company provides electronic voting (e-voting) facility, in addition to physical ballot, to all its members. For this purpose, the Company has engaged the services of M/s. Karvy Fintech Pvt. Ltd.

Postal ballot notices and forms are dispatched, along with postage-prepaid business reply envelopes to registered members/beneficiaries. The same notice is sent by email to members who have opted for receiving communication through the electronic mode. The Company also publishes a notice in the newspaper declaring the details and requirements as mandated by the Act and applicable rules.

Voting rights are reckoned on the paid-up value of the shares registered in the names of the members as on the cut-off date. Members who want to exercise their votes by physical postal ballot are requested to return the forms, duly completed and signed, to the scrutinizer on or before the close of the voting period. Those using the e-voting option are requested to vote before the close of business hours on the last date of e-voting.

The scrutinizer completes his scrutiny and submits his report to the Chairman, and the consolidated results of the voting are announced by the Chairman / authorized officer. The results are also displayed on the Company website, [www.heritagefoods.in](http://www.heritagefoods.in), besides being communicated to the stock exchanges and registrar and share transfer agent.

**8. Means of Communication**

**(a) Quarterly/Financial Results:**

The Quarterly/Half yearly/Annual Un-Audited/Audited Financial Results (Standalone & Consolidated) are published in English and Regional Language Newspapers. The shareholders are provided with the necessary information with notices sent for the Annual General Meeting / Extraordinary General Meeting. Any other information sought by shareholders is being provided on request.

**(b) News Paper where results normally published:**

The quarterly/annual Financial results are published in English newspaper namely i.e. Financial express all editions and vernacular language newspaper namely i.e. Vishalandhra Hyderabad edition.

**(c) Website:**

The Company's website i.e., [www.heritagefoods.in](http://www.heritagefoods.in) contains a separate dedicated section 'Investor Relations' where shareholders information is available. Full text of Annual Report is also available on the website in a user friendly and downloadable format as per the requirement of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 as amended from time to time.

**(d) News Releases, Presentations etc:**

The Quarterly results, Shareholding Patterns, Official News releases, analysis and information to investors, etc., are displayed on the company's website: [www.heritagefoods.in](http://www.heritagefoods.in)





**(e) Presentations to institutional investors/analysts:**

Detailed presentations are made to institutional investors and financial analysts on the Company's unaudited quarterly as well as audited annual financial results. These presentations are also uploaded on the Company's website www.heritagefoods.in

Annual Report: The Annual Report containing inter- alia Notice of the 27<sup>th</sup> Annual General Meeting, Audited Annual Accounts (Standalone & Consolidated), Directors' Report including Annexure thereto, Auditors Report, Management Discussion and Analysis, Report on Corporate Governance, Secretarial Audit Report and other important information is circulated to Members and others entitled thereto.

Chairman's Communiqué: The printed copy of the Chairman's speech is distributed to shareholders at Annual General Meeting venue.

Reminder to Investors: Reminders for unclaimed/ unpaid dividend and shares thereof are sent to shareholders as per records every year.

NSE Electronic Application Processing System (NEAPS): The NEAPS is a web-based application designed by National Stock Exchange of India Limited (NSE), Mumbai for Corporates. All periodical compliance filings like shareholding pattern, corporate governance report, media releases, among others are filed electronically on NEAPS.

BSE Corporate Compliance & Listing Centre (the 'Listing Centre'): BSE's Listing Centre is a web-based application designed for Corporates. All periodical compliance filings like shareholding pattern, corporate governance report, media releases, among others are also filed electronically on the Listing Centre.

SEBI Complaints Redress System (SCORES): The investor complaints are processed in a centralised web- based complaints redress system. The salient features of this system are: Centralised database of all complaints, online upload of Action Taken Reports (ATRs) by concerned companies and online viewing by investors of actions taken on the complaint and its current status.

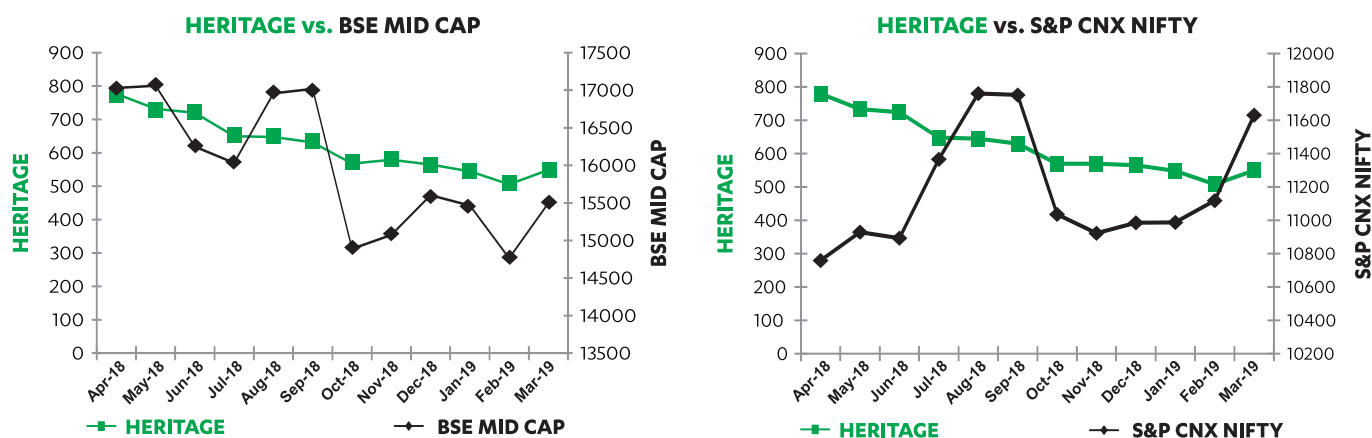
**9. GENERAL SHAREHOLDER INFORMATION**

<b>(a)</b>	Company Identification No. (CIN)	L15209TG1992PLC014332
	Annual General Meeting -Date andTime	August 30, 2019 at 10.30am
	Venue	Auditorium Hall, 2nd Floor, Training building, National Institute For Micro, Small And Medium Enterprises, Yousufguda, Hyderabad-45 Ph No. 040-23608317
<b>(b)</b>	Financial year	April 01 to March 31
	Financial Calendar (tentative) Results for the quarter ending	June 30, 2019 – Last week of July, 2019 September 30, 2019 – Last week of October, 2019 December 31, 2019 - Last week of January, 2020 March 31, 2020 - Last week of May, 2020 Annual General Meeting - August, 2020
	Date of Book Closure	Friday, August 23, 2019 to Friday, August 30, 2019 (both days inclusive)
	<b>(c)</b> Dividend Payment date	The dividend, if declared, shall be paid/credited to the respective bank account of shareholders / dividend warrant shall be dispatched on September 06, 2019
<b>(d)</b>	Listing on Stock Exchanges	<b>BSE Limited (BSE)</b> Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai 400 001
		<b>National Stock Exchange of India Limited (NSE)</b> “Exchange Plaza”, Bandra-Kurla Complex, Bandra (E), Mumbai 400051
	Payment of Listing Fee	Annual listing fee for the year 2019-20 has been paid by the Company to BSE and NSE.
<b>(e)</b>	Stock / Scrip Code	BSE – 519552 NSE – HERITGFOOD
	ISIN Number	INE978A01027

**(f) Market Price Data – high, low during each month of the financial year 2018-19**

Month	NSE (in ₹ per share)		BSE (in ₹ per share)	
	HIGH	LOW	HIGH	LOW
April, 2018	779.70	698.30	776.95	691.00
May, 2018	733.35	651.00	732.00	655.00
June, 2018	724.20	566.10	720.00	564.00
July, 2018	648.00	550.25	649.85	542.05
August, 2018	645.00	581.05	647.80	577.00
September, 2018	629.90	500.80	631.50	489.00
October, 2018	570.00	419.15	568.20	421.00
November, 2018	570.00	496.00	579.45	495.40
December, 2018	565.00	473.30	565.00	473.55
January, 2019	548.05	466.05	545.00	467.00
February, 2019	508.00	434.00	506.00	434.70
March, 2019	549.85	449.75	549.00	454.00

**(g) Performance in comparison to broad based indices – BSE MID CAP & NSE NIFTY**



**(h)** During the year under review the securities of your Company are not suspended from trading by any of the stock exchange where the shares are listed.

**(i) Registrar to an issue and share transfer agent:**

**Karvy Fintech Private Limited**

Karvy Selenium Tower B, 6th Floor  
Plot 31-32, Gachibowli, Financial District.  
Nanakramguda, Hyderabad – 500 032  
Tel: +91-40-67161566  
Toll Free No.: 1-800-4258-998; Fax: +91-40-23114087

**(j) Share transfer system:**

Transfers in physical form are registered by the Registrar and share Transfer Agents immediately on receipt of completed documents and certificates are issued within 7 days of date of lodgment of transfer. The Board has delegated the authority for approving transfer, transmission, etc. of the Company's securities to the Vice Chairperson & Managing Director/Executive Director. A summary of transfer/transmission of securities of the Company so approved by the Vice Chairperson & Managing Director/Executive Director is placed at every Stakeholder's Relationship Committee. The Company obtains from a Company Secretary in Practice half-yearly certificate of compliance with the share transfer formalities as required under Regulation 40(9) of SEBI (Listing Obligations & Disclosure Requirement) Regulations 2015 and files a copy of the said certificate with Stock Exchanges.

Shareholder having shares in physical shares: In terms of notification dated June 08, 2018 issued by Securities & Exchanges Board of India (SEBI) request for transfer of shares in physical form shall not be processed by Companies or Registrar w.e.f. April 01, 2019.



**(k) Distribution of Shareholding as on March 31, 2019**

Category Code	Category of Shareholder	Number of Share-holders	Total number of Shares	As a percentage of (A+B+C)
(A)	Shareholding of Promoters and Promoter Group			
1	Indian	13	18512942	39.90
2	Foreign	0	0	0
	Total Shareholding of Promoter and Promoter Group	13	18512942	39.90
(B)	Public Shareholding			
1	Institutions	79	8151883	17.57
2	Non-institutions	25383	19733175	42.53
	Total Public Shareholding	25462	27885058	60.10
(C)	Shares held by Custodians and against which Depository Receipts have been issued			
1	Promoter and Promoter Group	0	0	0
2	Public	0	0	0
<b>TOTAL(A)+(B)+(C)</b>		<b>25475</b>	<b>46398000</b>	<b>100.00</b>

**Shareholding Pattern by Size as on March 31, 2019**

Category (No. of Shares)	No. of Shareholders	No. of Shares	% of Total Shares
Up to 500	24,193	3658426	7.88
501 - 1000	650	961137	2.07
1001 - 2000	271	818689	1.76
2001 - 3000	84	410877	0.89
3001 - 4000	48	354667	0.76
4001 - 5000	44	409775	0.88
5001 - 10000	71	1085564	2.34
10001 - Above	114	38698865	83.41
<b>TOTAL</b>	<b>25475</b>	<b>46398000</b>	<b>100.00</b>

**(l) Dematerialization of shares and liquidity:**

Total Shares in Demat and Physical form as on March 31, 2019.

Sl. No	Category	No. of Holders	Total Shares	% To Equity
1	Physical	974	7,84,100	1.69
2	NSDL	14,775	4,04,89,637	87.27
3	CDSL	9,726	51,24,263	11.04
<b>Total</b>		<b>25475</b>	<b>46398000</b>	<b>100.00</b>

**Dematerialisation**

98.31% of the Company's paid-up Equity share capital has been dematerialised as on March 31, 2019. The total holdings of shares of promoters/PAC are in Demat form. The trading of the Equity shares of the company is permitted only in dematerialised form as per the notification issued by SEBI.

The Company has complied the Regulation 31(2) of SEBI (Listing Obligation & Disclosure Requirement) Regulation 2015, as follows:

Category of Shareholder	Total		Shares In Demat Form		
	No of Shareholders	Number of shares Held	No of Share-holders	No of Shares	% of Respective Shareholding
Promoters & Promoters Group	13	18512942	13	18512942	100%
Public	25462	27885058	24488	27100958	97.19%
<b>Total:</b>	<b>25475</b>	<b>46398000</b>	<b>24501</b>	<b>45613900</b>	

To enable us to serve our investors better, we request shareholders whose shares are in the physical mode to dematerialize their shares and update their bank accounts with the respective depository participants.

**(m)** The Company has not issued any ADRs/GDRs/Warrants or any convertible instruments during the year under review.

**(n)** Commodity price risk or foreign exchange risk and hedging activities:

The Company is subject to the Commodity price risk due to fluctuation price of Dairy products. During the year Company has exported very less amount of Dairy products all receivables are in US Dollars and it is subject to the foreign exchange risk. The risks are tracked and monitored on regular basis.

**(o) Major Plant Locations:**

**B. Kotha Kota**

Beerangi (V), Sankarapuram (Post), Kotha kota (M), Chittoor Dist-517370, Andhra Pradesh, India

**Bayyavaram**

Bayyavaram (V), Kasimakota (M), Visakhapatnam Dist.-531031, Andhra Pradesh, India

**Bengaluru**

Yadavanhalli (V) Neraluru Post, Attibele (Hoble) Anekal Taluk BengaluruSouth-562107, Karnataka, India

**Bhattiprolu**

Vellaturu Raod, Bhattiprolu(V)&(M), Guntur. Dist-522256, Andhra Pradesh, India

**Bobbili**

Mettavalasa (V), Growth Center, Bobbili, Vizianagaram Dist-535558, Andhra Pradesh, India

**Chittoor**

Sundararajapuram (V), ER palli post, G.D Nellore (M), Chittoor Dist-517125, Andhra Pradesh, India

**Gokul**

Kasipentala (V), Charndragiri (M), Chittoor Dist-517101 Andhra Pradesh, India

**Pamaruru**

Yendagandi (V), K.Gangavaram(M), East Godavari Dist-533305, Andhra Pradesh, India

**Rai**

D No.497, Food Park, Phase 1, Sector-38, Industrial Estate – HSII DC, Rai, Sonipat Dist-131029, Haryana, India

**Sangvi**

Milakt No. 892. AT/Post - Sangavi, Phaltan taluka, Satara Dist-415523, Maharashtra, India

**Khamanon Bhambri,**

Khamanon, Dist- Fatehgarh Sahib-141801, Punjab, India

**Vadamadurai**

MorePatti (V), Vadamadurai, Dindigul Dist-624802 Tamilnadu, India

**Kalluru**

Koralagudam (V) Kalluru (M), Khammam Dist-507209 Telangana, India

**Narketpalli**

Cheruguttu(V), Narketpalli(M), NalgondaDist-508254 Telangana, India

**Shameerpet**

Survey No 174,198, 203. Sampanbole Village Shamirpet Mandal, Medchal Dt-500078, Telangana, India

**Uppal**

C- 10 Raoad No 7, IDA Uppal, Hyderabad-500039, Telangana, India

**(p) Address for Correspondence**

**Investor Correspondence**

For Shares held in Physical form  
Karvy Fintech Private Limited  
Karvy Selenium Tower B, 6th Floor  
Plot 31-32, Gachibowli, Financial District.  
Nanakramguda, Hyderabad – 500 032  
Tel: +91-40-67161566  
Toll Free No.: 1-800-4258-998; Fax: +91-40-23001153  
Website: www.karvy.com

**Any query on the Annual Report**

Mr. Umakanta Barik  
Company Secretary  
Heritage Foods Limited, #6-3-541/C, Panjagutta,  
Hyderabad-500 082, Telangana, India,  
Tel: +91-40-23391221, e-mail: hfl@heritagefoods.in

**10. OTHER DISCLOSURES**

**(a)** Disclosure in materiality significant related party transactions:

During the period under review, there have been no materially significant related party transactions, monetary transactions or relationships between the Company and directors, the Management, Key Managerial Person, Subsidiaries or relatives, except for those disclosed in the Notes on Accounts, forming part of the Annual Report.

**(b)** Details of non compliance by the listed entity, penalties, strictures imposed on the listed entity by the stock exchange(s) or the board or any statutory authority, on any matter related to capital market, during the last three years:

No penalty has been imposed by any stock exchange or Securities and Exchange Board of India (SEBI), nor has there been any instance of non-compliance with any legal requirements, or on matters relating to the capital market over the last three years.

The Company has complied with all the mandatory requirements SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015.

**(c)** Details of establishment of vigil mechanism, whistle blower policy and affirmation that no personnel has been denied access to the audit committee:

The Board of Directors of the Company had adopted the Whistle Blower Policy. A mechanism has been established for employees to report concerns about unethical behaviour, actual or suspected fraud, or violation of Code of Conduct and Ethics. It also provides for adequate safeguards against the victimization of employees who avail of the mechanism



and allows direct access to the Chairperson of the Audit Committee in exceptional cases. The Audit Committee reviews periodically the functioning of whistle blower mechanism. There is no complaint received during the Financial Year ended March 31, 2019.

No personnel have been denied access to the Audit Committee. A copy of the Whistle Blower Policy is available in the company's website i.e. www.heritagefoods.in.

**(d)** Details of compliance with mandatory requirements and adoption of the non-mandatory requirements:

The Company has complied with all mandatory requirements SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 as amended from time to time. The Company has adopted following non-mandatory requirements SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015:

With regard to the discretionary requirements, the Company has adopted the clauses relating to the following:

**The Board:** The Company has Non-Executive Chairperson, separate persons were appointed for the post of Chairman and Managing Director.

**Communication to Shareholders:** Quarterly/ Half-yearly/Annual Financial statements are published in the News papers and uploaded in the Company's web site and intimated to the Stock Exchanges. Shareholders presentations on Quarterly/ Half-yearly/annual financial statements are uploaded in the Company's web site and intimated to Stock Exchanges and where shares of the Company are listed.

**Audit Qualification:** The Company is in the regime of unqualified financial statements.

**Reporting of Internal Auditor:** The Internal Auditor directly reports to the Audit Committee.

**(e)** Disclosures regarding the appointment or re-appointment of directors:

The Companies Act, 2013 and Rules made thereof as amended from time to time provides for the appointment of independent directors. Sub-section (10) of Section 149 of the Companies Act, 2013 provides that independent directors shall hold office for a term of up to five consecutive years on the board of a company; and shall be eligible for re-appointment on the passing of a Special Resolution by the shareholders of the Company. Accordingly, all independent directors were appointed by the shareholders at the general meeting as required under Section 149(10).

Further, Section 149(11) states that no independent director shall be eligible to serve on the Board for more than two consecutive terms of five years each. Section 149(13) states that the provisions of retirement by rotation as defined in Sub-sections (6) and (7) of Section 152 of the Act shall not apply to such independent directors.

**(f)** Remuneration/Fees of Statutory Auditor:

During the year under review your Company and its Subsidiary/Associate Company paid the following remuneration/fees to the Statutory Auditor namely M/s. Walker Chandiok & Co. LLP, Chartered Accountants (FRN 001076N/500013).

₹ in Lakhs

Particulars	Heritage Foods Ltd	Heritage Nutrivet Ltd	Skil Raigam India Pvt Ltd
Statutory Audit Fee	30.49	5.19	0.59
Tax Audit Fee	5.90	1.30	-
Limited Review Fee	17.70	-	-
Taxation Matters	1.18	1.81	-
Certification Fee	7.16	0.08	-
Reimbursement of Expenses	2.45	1.50	-

**11.** The Company has complied with the requirements of Schedule V of Corporate Governance Report sub-para (2) to (10) of the Securities Exchange Board of India (Listing obligation and Disclosure Requirements) Regulations, 2015,

**12.** The Disclosure of the compliance with corporate governance requirements specified in regulation 17 to 27 and clauses (b) to (i) of sub-regulation (2) of Regulation 46 are as follows:

Sr. No.	Particulars	Regulation	Compliance Status Yes/No/NA
1.	Board of Directors	17	Yes
2.	Audit Committee	18	Yes
3.	Nomination and Remuneration Committee	19	Yes
4.	Stakeholders Relationship Committee	20	Yes
5.	Risk Management Committee	21	Yes
6.	Vigil Mechanism	22	Yes
7.	Related Party Transaction	23	Yes
8.	Subsidiaries of the Company	24	Yes
9.	Obligations with respect to Independent Directors	25	Yes
10.	Obligations with respect to employees including Senior Management, Key Managerial Personnel, Directors and Promoters	26	Yes
11.	Other Corporate Governance requirements	27	Yes
12.	Website	46(2)(E) WR (L)	Yes

### Credit Rating:

During the year under review your Company has obtained the Credit Rating from CRISIL Limited which is as follows:

Long-Term Rating	CRISIL A/Stable (Upgraded from CRISIL A-/Positive)
Short-Term Rating	CRISIL A1 (Upgraded from CRISIL A2+)

Pursuant to Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("the Regulation") your Company has intimated to the stock exchanges where the share are listed.

### Transfer of unpaid/unclaimed amounts to Investor Education and Protection Fund

During the year under review, the Company has credited ₹ 6,16,354/- (Rupees Six Lakhs Sixteen Thousand Three Hundred Fifty Four Only) towards the unclaimed/unpaid dividend amount for the financial year 2010-11 to the Investor Education and Protection Fund (IEPF) pursuant to Section 124(5) of the Companies Act, 2013 [Section 205C (2) of the Companies Act, 1956] read with the Investor Education and Protection Fund (awareness and protection of Investors) Rules, 2001 as amended from time to time.

In compliance with the provisions of Section 124 of the Companies Act, 2013, the Company has transferred the 36,820 equity shares belongs to 54 shareholders of the company to the Investor Education and Protection fund Authority (IEPF) on November 27, 2018 of those shareholders who have not claimed the dividends for a continuous period of 7 years.

Pursuant to Section 124(5) of the Companies Act, 2013 [Section 205C (2) of the Companies Act, 1956] read with the Investor Education and Protection Fund (awareness and protection of Investors) Rules, 2001 as amended from time to time the unclaimed/unpaid dividend and the shares thereof pertaining for the financial year 2011-12 shall be transferred to the Investor Education and Protection Fund during the financial year 2019-20.

### CEO and CFO Certification

The Vice Chairperson & Managing Director and the Chief Financial Officer of the Company has given annual certification on financial reporting and internal controls to the Board in terms of Regulation 17(8) of the SEBI (Listing Obligation & Disclosure Requirements) Regulation, 2015. Vice Chairperson & Managing Director and the Chief Financial Officer also give quarterly certification on financial results while placing the financial results before the Board in terms of Regulation 33(2)(a) of the SEBI (Listing Obligation & Disclosure Requirements) Regulation, 2015. The annual certificate given by the Chairperson and Managing Director and the Chief Financial Officer is form part of the Annual Report.

### Secretarial Audit

A qualified practicing Company Secretary has carried out Secretarial Audit every quarter to reconcile the total admitted capital with National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) and physical share with the total issued and listed capital. The audit confirms that the total issued/ paid up capital is in

agreement with the aggregate total number of shares in physical form and the total number of dematerialised shares held with NSDL and CDSL.

In terms of the amended SEBI (Listing Obligation and Disclosure Requirements) Regulation, 2015 the Company has obtained the Secretarial Compliance certificate from Mrs. Savita Jyoti, Partner, M/s. Savita Jyoti Associates, Practicing Company Secretary (CP No:1796), Secunderabd - 500 094 which forms part of the Annual Report and the same was also intimated to the Stock Exchanges where the shares of the Company are listed.

As per Section 204 of the Companies Act, 2013 and the Rules made thereof, the Board of Directors of the Company appointed Mrs. Savita Jyoti, Partner, M/s. Savita Jyoti Associates, Practicing Company Secretary (CP No.1796), Secunderabd - 500 094 to conduct Secretarial Audit. The Secretarial Audit Report for the financial year ended March 31, 2019, is forming part of the Annual Report.

### Compliance Certificate from the Auditors

Certificate from Statutory Auditors of the Company M/s. Walker Chandiook & Co LLP, Chartered Accountants (FRN:001076N/N500013), Hyderabad confirming Compliance with the conditions of Corporate Governance as stipulated under SEBI (Listing Obligation & Disclosure Requirements) Regulations, 2015 is forming part of the Annual Report.

This Certificate has been forwarded to the Stock Exchanges where the Company Shares are listed.

### Any query on the Annual Report

Mr. Umakanta Barik  
Company Secretary  
Heritage Foods Limited,  
#6-3-541/C, Panjagutta,  
Hyderabad-500 082, Tel: +91-40-23391221  
Telangana, India  
e-mail: hfl@heritagefoods.in

### Code of Conduct

In compliance with SEBI (Listing Obligation & Disclosure Requirements) Regulation, 2015 and the Companies Act, 2013, the Company has framed and adopted a Code of Conduct and Ethics ('the Code'). The Code is applicable to the members of the Board, the executive officers and all employees of the Company and its subsidiaries. The Code is available in the Company website i.e. www.heritagefoods.in.

### Certificate on Compliance with Code of Conduct

I hereby confirm that the Company has obtained from all the members of the Board and Management Personnel, affirmation that they have complied with the Code of Conduct for the financial year 2018-19.

Hyderabad  
May 22, 2019

**(N. Bhuvanewari)**  
Chairperson and Managing Director  
(DIN: 00003741)



## CEO & CFO CERTIFICATION

(As per Regulation 17(8) of SEBI (LO&DR) Regulation, 2015)

To  
The Board of Directors,  
**Heritage Foods Limited**  
Hyderabad.

We, N Bhuvanewari, Vice-Chairperson and Managing Director and A Prabhakara Naidu, Chief Financial Officers of Heritage Foods Limited (“the Company”) to the best of our knowledge and belief certify that

- a. We have reviewed the Financial Statements and the Cash Flow Statements for the financial year ended March 31, 2019 and based on our knowledge and belief, we state that:
  - i. These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading.
  - ii. These statements together present a true and fair view of the Company’s affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- b. We further state that to the best of our knowledge and belief, there are no transactions entered into by the Company during the year, which are fraudulent, illegal or violative of Company’s code of conduct.
- c. We are responsible for establishing and maintaining internal controls and for evaluating the effectiveness of the same over the financial reporting of the Company and have disclosed to the Auditors and the Audit Committee, deficiencies in the design or operation of internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
- d. We have indicated, based on our most recent evaluation, wherever applicable, to the auditors and the Audit Committee
  - i. Significant changes, if any, in the internal controls over financial reporting during the year;
  - ii. Significant changes, if any, in the accounting policies made during the year and that the same has been disclosed in the notes to the financial statements; and
  - iii. Instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having significant role in the Company’s internal control system over financial reporting.

**For HERITAGE FOODS LIMITED**

Place: Hyderabad  
Date: May 22, 2019

**N. Bhuvanewari**  
Vice Chairperson & Managing Director  
(DIN: 00003741)

**A. Prabhakara Naidu**  
Chief Financial Officer  
(M No: FCA 200974)

# AUDITORS' CERTIFICATE ON CORPORATE GOVERNANCE

To  
The Members of

## HERITAGE FOODS LIMITED

1. This certificate is issued in accordance with the terms of our engagement letter dated 6 March 2019.
2. We have examined the compliance of conditions of corporate governance by Heritage Foods Limited ('the Company') for the year ended on 31 March 2019, as stipulated in Regulations 17 to 27, clauses (b) to (i) of Regulation 46(2), and paragraphs C, D and E of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations').

### Management's Responsibility

3. The compliance of conditions of corporate governance is the responsibility of the management. This responsibility includes the designing, implementing and maintaining operating effectiveness of internal control to ensure compliance with the conditions of corporate governance as stipulated in the Listing Regulations.

### Auditor's Responsibility

4. Pursuant to the requirements of the Listing Regulations, our responsibility is to express a reasonable assurance in the form of an opinion as to whether the Company has complied with the conditions of corporate governance as stated in paragraph 2 above. Our responsibility is limited to examining the procedures and implementation thereof, adopted by the Company for ensuring the compliance with the conditions of corporate governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.
5. We have examined the relevant records of the Company in accordance with the applicable Generally Accepted Auditing Standards in India, the Guidance Note on Certification of Corporate Governance issued by the Institute of Chartered Accountants of India ('ICAI'), and Guidance Note on Reports or Certificates for Special Purposes issued by the ICAI which requires that we comply with the ethical requirements of the Code of Ethics issued by the ICAI.
6. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements.

### Opinion

7. Based on the procedures performed by us and to the best of our information and according to the explanations provided to us, in our opinion, the Company has complied, in all material respects, with the conditions of corporate governance as stipulated in the Listing Regulations during the year ended 31 March 2019.

We state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

### Restriction on use

This certificate is issued solely for the purpose of complying with the aforesaid regulations and may not be suitable for any other purpose.

For **Walker Chandiok & Co LLP**

Chartered Accountants  
(FRN: 001076N/NS00013)  
(UDIN: 19207660AAAAAR9788)

**Sanjay Kumar Jain**

Partner  
M No. 207660

Place : Hyderabad

Date : May 22, 2019