



# Report on Corporate Governance

The Directors of Heritage Foods Limited ("the Company") have pleasure in presenting the Company's Report on Corporate Governance for the Financial Year 2021-22 in pursuant to Regulation 34(3) read with Schedule V and other applicable provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('SEBI Listing Regulation').

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

Corporate Governance is to conduct business with a firm commitment to values, while meeting stakeholders' expectations. It is based on preserving core beliefs and ethical business conduct while maintaining a strong commitment to maximise long-term stakeholder value. Your Company carries on an ethically driven business process that is committed to ethical practices aimed at enhancing stakeholder value. As a good corporate citizen, your Company is dedicated towards following the best corporate governance practices built through conscience, fairness, transparency, accountability, building confidence of its various stakeholders, thereby paving the way for its enduring success.

Since its inception, your Company has taken conscious efforts to operate in a manner responsible to all stakeholders. Your Company has maintained the highest standards of corporate governance all through its operations. 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 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.

The Corporate Governance is ongoing process and your Company has always focused on good corporate governance, which is a key driver of its long term value creation and trust. Even in fiercely competitive business environment, the management and employees of your company are committed to uphold the core values of transparency, integrity, honesty and accountability

Your Company's Corporate Governance Framework ensures that the company makes timely disclosures, shares accurate information regarding its financial and business performance.

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

- Corporate Governance Standards should satisfy both letter and spirit 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 members' 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.

An effective Board is a pre-requisite of Good Corporate Governance practices. Well-Informed and Independent Board is essential to bring objectivity and transparency in the management and in the dealings of your Company. The Board of your company is committed to protect the long-term interests of all stakeholder(s), and considering this, it provides objective and prudent guidance to the management. As on March 31, 2022, the Board consists of seven (7) 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 has adopted a set of policies and Codes and ensure that the business of your company is carried out in line with its core value systems. 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 has adopted various codes and policies to carry out business 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
- Policy and procedure of inquiry in case of leak or suspected leak of UPSI
- Anti-Sexual Harassment – Safe work environment policy

**Appropriate Governance 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 members 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 Vice Chairperson & Managing Director (VC&MD) and Executive Director (ED) provide the 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:**

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 of Directors from time to time obtained a compliance report in respect to Corporate Legislation such as: Companies Act, 2013 and rules made thereunder and other applicable SEBI act and regulations and labour act and regulations. 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 road map for the Company's future growth.

## 2. BOARD OF DIRECTORS

### a) Composition and category of Directors

The Board of your company bears the ultimate responsibility for the organization and administration of your company. It is vital to have a well-balanced Board with a combination of Executive, Non-Executive and Independent, Woman Directors on the Board of the Company to ensure Board's independence and effective management. The Board Composition of your company is in conformity with the requirement of Section 149(4) of the Companies Act, 2013 ("the Act") and Regulation 17 of the SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015 as amended from time to time. As on March 31, 2022, the Board consists of Seven (7) 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. 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 excluding private limited companies, foreign companies and companies under Section 8 of the Companies Act, 2013 ("the Act") or Chairman of more than 5 Committees as specified in Regulation 26 of 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. For the purpose of determination of limit of the Board Committees, chairpersonship and membership of the Audit Committee and Stakeholders' Relationship Committee has been considered as per Regulation 26(1)(b) of SEBI Listing Regulations.



### **Roles, Responsibilities and Duties of the Board**

The duties of Board of Directors have been enumerated in Listing Regulations, Section 166 of the Companies Act, 2013 read with the rules and Schedule IV of the said Act. The Board has complete access to all the information within the Company. As a part of its function, the Board periodically reviews all the relevant information, which is required to be placed before it, pursuant to the SEBI Listing Regulations, and, in particular, reviews and approves financial statements, business plans, projects, strategies, annual budgets, projects and capital expenditure. The Board discharges all its responsibilities, functions, duties and obligations in timely and effective manner in accordance with applicable laws, keeping close watch on the business operations of the Company. The day to day affairs of the Company are managed by the Vice Chairperson & Managing Director and Executive Director assisted by the Senior Management team of the Company under the overall supervision of the Board.

### **Board Meeting Frequency and location:**

The Board meets at least once a quarter to review the quarterly results and other items of the agenda. Whenever necessary, additional meetings are held. Other Committee meetings are held based on the requirements but at least one meeting of each committee is held in a financial year. In the case of business exigencies or urgency of matters, resolutions are passed by circulation. Video conferencing facility is provided to the Directors who are not able to attend the meetings due to some emergencies. The location of the Board meetings is informed well in advance to all the Directors. Six (6) Board meetings were held during the year ended March 31, 2022 and the gap between two meetings did not exceeded one hundred and twenty days. The said meetings were held on: May 19, 2021, July 28, 2021, October 21, 2021, November 2, 2021, January 21, 2022, March 25, 2022.

### **Agenda and relevant information to Directors:**

The agenda for each Board / Committee meeting is circulated well in advance to the Directors. All material information is incorporated in the agenda facilitating meaningful and focused discussions in the meeting. Every Board / Committee Member is free to suggest items for inclusion in the agenda. Being a responsible environment friendly Company, agendas and other relevant documents / information to Board / Committee members are provided in secured electronic mode.

### **Board Meetings - Matters:**

All divisions / departments of the Company are advised to schedule their work plans in advance, particularly with

regard to matters requiring discussion / approval / decision of the Board meetings. All such matters are communicated to the Company Secretary in advance so that the same could be included in the Agenda for the Board / Committee meetings. Agendas for such meetings are finalized in discussion with the Vice-Chairperson & Managing Director of the Company.

### **Presentations by management:**

The Chief Financial Officer, Chief Executive Officer, Chief Operating Officer, Company Secretary and Internal Audit Head updates the Board on their related matters through presentations / Board notes. Such presentations and Board notes cover finance, sales, marketing, major business segments and operations of the Company, including business opportunities, business strategy and risk management practices, internal audit observations, regulatory changes and their probable impact on the operations of the Company.

### **Availability of information to Board Members**

The Board has unrestricted access to all Company related information including that of your employees. All the relevant information to be placed before the board as required under the SEBI Listing Regulations and Companies Act, 2013 is placed before the Board for its consideration regular updates provided to the Board include:

- Annual operating plans and budgets, capital budgets and any updates thereon
- 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/Committee minutes of the Subsidiary/ Associate Company/Joint Venture Company/ Controlled Trust
- General notices of interest received from Directors, if any
- Dividend including IEPF 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 just below the Board level, including appointment or removal of the Chief Financial Officer and Company Secretary, if any.

- Materially important Show cause, demand, penalty/ prosecution notices if any.
- Fatal or serious accidents, dangerous occurrences, any material significant effluent or pollution problems.
- Any materially relevant defaults in financial obligations to and by us or substantial non-payment for goods sold by the Company.
- 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 member services, such as non-payment of dividend and delays in share transfer etc.

#### **Minutes of the Meeting:**

The Company Secretary & Compliance Officer of the Company records the proceedings of the Meetings and circulates the draft Minutes to Board/Committee Members within 15 days of the Meeting. Suggestions of the Directors are properly incorporated in the Minutes. Final Minutes are recorded in the Minutes Book within 30 days of the Meeting. Certified copies of the signed minutes are sent to the Directors within 7 days of sign by the Chairperson of the Board/Committee meeting.

#### **Post Board Meeting Mechanism**

All the Proceedings of the Board Meetings are recorded as per the requirements of the Companies Act, 2013 and SEBI Listing Regulations. All the decisions taken by the Board and its Committees are promptly communicated to the concerned departments or divisions. All the Post Board Meeting filings on the Stock Exchange / Registrar

of Companies are done as per the requirement of the SEBI Listing Regulations and Companies Act, 2013 and rules made there under as amended from time to time. Action taken/status reports on decisions of the previous meeting(s) are followed-up and placed at the next meeting for information and further recommended actions, if any.

#### **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 Director 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 Committee evaluates the balance of skills, knowledge and experience on the Board and on the basis of such evaluation, prepare a description of the role and capabilities required of an independent director. The person recommended to the Board for appointment as an independent director shall have the capabilities identified in such description. The Board considers the Committee's recommendation, and takes appropriate decision.

#### **Meetings of Independent Directors**

Pursuant to Schedule IV of the Companies Act, 2013 & 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 i.e. on May 19, 2021.

#### **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 Board Meetings		Attendance at Last AGM on July 30, 2021
	Held	Attended	
<b>Independent Director</b>			
Mr. N. Srivishnu Raju	6	4	Yes
Mr. Rajesh Thakur Ahuja	6	6	Yes
Mrs. Aparna Surabhi	6	6	Yes
Mr. M.P. Vijay Kumar*	6	3	Not Applicable
<b>Non Executive Director</b>			
Dr. V. Nagaraja Naidu	6	6	Yes
<b>Whole-time Director</b>			
Mrs. N Bhuvaneshwari	6	6	Yes
Mrs. N Brahmani	6	6	Yes

\* Mr. M. P. Vijay Kumar has been appointed as a Non-Executive Independent director w.e.f 01.11.2021 for a period of 5 consecutive years

Video conferencing facilities and other audio visual means are provided to the Directors to participate in the meetings

## c) Name and 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)		Category of Directorship and name of the other listed Company(s) as on 31-03-2022
		Member	Chairperson	
<b>Non-Executive Independent Director</b>				
Mr. N. Srivishnu Raju	20	4	1	<ul style="list-style-type: none"> <li>Amara Raja Batteries Limited – Non Executive Independent Director</li> <li>Zydus Wellness Limited – Non Executive Independent Director</li> </ul>
Mr. Rajesh Thakur Ahuja	5	2	-	Nil
Mrs. Aparna Surabhi	5	1	1	Nil
Mr. M. P. Vijay Kumar	6^	3	1	<ul style="list-style-type: none"> <li>Thejo Engineering Limited - Non Executive Independent Director</li> <li>Geogit Financial Services Limited - Non Executive Independent Director</li> </ul>
<b>Non-Executive Director</b>				
Dr. V. Nagaraja Naidu	3	2	1	Nil
<b>Whole-time Director</b>				
Mrs. N Bhuvaneshwari	5	1	-	Nil
Mrs. N Brahmani	6	-	-	Nil

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

# In accordance with Regulation 26 of the Listing Regulations, Membership(s) / Chairmanship(s) of only Audit Committees and Stakeholders' Relationship Committees in all Public Limited Companies have been considered.

^ Includes the directorship in Life Insurance Corporation of India.

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

Six (6) Board meetings were held during the year ended March 31, 2022 and the gap between any of the two consecutive meetings was not exceeding one hundred and twenty days. The said meetings were held on: May 19, 2021, July 28, 2021, October 21, 2021, November 2, 2021, January 21, 2022 and March 25, 2022. The necessary quorum was present for all through out the meetings.

The tentative dates for Board meetings in the ensuing financial year are decided in advance and published as part of the Annual Report. The Chairperson of the Board and the Company Secretary & Compliance Officer, drafts the agenda for each meeting,

along with explanatory notes, in consultation with the Vice Chairperson & Managing Director and communicate 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, 2022, 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 each 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, he is holding 1,00,000 equity shares as on March 31, 2022.

**g) Familiarisation programmes for Board Members**

On being introduced onto the board of the company, every director is given an induction and is made aware about the organisations Vision, mission, Challenges, risk and opportunities. 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. By apprising the Board with up to date information about the organisation and its business, your company ensures that the Board is updated about the regular workings of the company.

**h) Skills/Expertise/Competencies of the Board of Directors**

The following is the list of core skills/expertise/competencies identified by the Board of Directors as required in the context of the Company's business(es) for it to function effectively and those available with the Board as a whole.

- i. Sales & Marketing: Experience in sales and marketing management based on understanding of the consumer & consumer goods industry, developing strategies to grow sales and market share, build brand equity awareness and enhance enterprise reputation.
- ii. General management / Governance and Compliance: Service on a company board to develop insights about maintaining board and management accountability, Strategic thinking, decision making, protecting member interests and observing appropriate governance practices. Ability to identify key risks to the organisation in a wide range of areas including legal and regulatory compliance and monitor risk and compliance management frameworks and systems.
- iii. Financial skills: Understanding the financial statements, financial controls, risk management, mergers and acquisition, etc. Management of the finance function of an enterprise, resulting in proficiency in complex financial management, capital allocation, and financial reporting processes, or experience in actively supervising a financial officer, accounting officer, controller, auditor or person performing similar functions
- iv. Technical and professional skills / Policy Development: Ability to identify key issues and opportunities for the Company within the Dairy industry and develop appropriate policies to define the parameters within which the organisation should operate and knowledge including legal and regulatory aspects.
- v. Operational Skill/ Strategy planning, Mergers and Acquisitions: Experience in operating and managing on dairy business. Ability to think strategically and identify and critically assess strategic opportunities and threats and develop effective strategies in the context of the strategic objectives of the Company's relevant policies and priorities. Leading growth through acquisitions and other business combinations, with the ability to assess 'build or buy' decisions, analyze the fit of a target with the Company's strategy and culture, accurately value transactions, and evaluate operational integration plan.
- vi. Leadership: Extended leadership experience for a significant enterprise, resulting in a practical understanding of organizations, processes, strategic planning, and risk management. Demonstrated strengths in developing talent, planning succession, and driving change and long-term growth. Oversee strategic human resource management including workforce planning, employee and industrial relations and oversee large scale organisational change.
- vii. Information Technology: A significant background in technology, resulting in knowledge of how to anticipate technological trends, generate disruptive



innovation, and extend or create new business models. Knowledge and experience in the strategic use and governance of information management and information technology within the organisation.

- viii. International Business: Knowledge of and experience in companies with operations outside of India. The Directors of your Company comprises of qualified individuals who collectively possess the above skills, competencies, and experience across diverse fields that enable them to make effective contributions to the Board and its Committees. Given below is a list of core skills, expertise and competencies of the individual Directors:

Director	Key Board Qualifications							
	Area of Expertise							
	Financial	Policy Development	Leadership	Information Technology	Strategy planning, Mergers and Acquisitions	Governance and Compliance	Sales & Marketing	International Business
Mr. N. Srivishnu Raju	√	-	√	√	√	√	√	√
Mr. Rajesh Thakur Ahuja	√	-	√	√	-	√	√	√
Mrs. Aparna Surabhi	√	√	√	√	√	√	-	-
Mr. M.P. Vijay Kumar	√	√	√	√	√	√	-	-
Dr. V. Nagaraja Naidu	√	√	√	-	√	√	√	-
Mrs. N Bhuvanewari	√	√	√	√	√	√	-	-
Mrs. N Brahmani	√	√	√	√	√	√	√	√

These skills/competencies are broad-based, encompassing several areas of expertise/experience. Each Director may possess varied combinations of skills/experience within the described set of parameters, and it is not necessary that all Directors possess all skills/experience listed therein.

**i) Declaration by Independent Directors**

All the Independent Directors of the Company have given declarations and confirmed that they meet the criteria of Independence as provided under Section 149(6) of the Act and Regulation 16(1)(b) of the Listing Regulations and that they are not aware of any circumstance or situation, which exist or may be reasonably anticipated, that could impair or impact their ability to discharge their duties with an objective independent judgment and without any external influence. They also declare that apart from receiving director's remuneration (sitting fees) they did not have any pecuniary relationship or transactions with the company, its promoter, its directors, senior management and they are not a material supplier, service provider or customer or a lessor or lessee of the company, which may affect their independence, and was not a substantial member of the company i.e. owning two percent or more of the block of voting shares.

**j) Reason for resignation of an Independent Director**

During the year under review none of the Independent Directors resigned from the Company.

**k) Policy for Prevention of Insider Trading**

The Company has adopted a Policy for Prohibition of Insider Trading ('Policy/Code') for Regulating, Monitoring and Reporting of Trades by Designated Persons' ("the Code") in accordance with the SEBI (Prohibition of Insider Trading) Regulations, 2015 (The PIT Regulations).

The Company is having in place the required IT infrastructure for maintaining Digital Structural Database and for monitoring the insider trading activities as per the applicable Regulations of SEBI (Prohibition of Insider Trading) Regulations, 2015.

The Policy is applicable to Promoters, Member of Promoter's Group, all Directors, designated persons and third parties such as auditors, consultants etc. who are expected to have access to unpublished price sensitive information relating to the Company. The trading window is closed from the first day of the every quarter and will open after the 48 hours of the declaration of financial results and occurrence of any material events as per the code. The Audit Committee of the company shall review compliance with the provisions of these regulations at least once in a financial year and shall verify that the systems for internal control are adequate and are operating effectively.

The Company has also formulated 'The Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information (UPSI)' in compliance with the PIT Regulations. The company also has a whistle-blower policy to make employees aware of such policy to enable employees to report instances of leak of UPSI and a separate procedure for enquiry in case of leak

of UPSI is also in place. The Code & policies are displayed on the Company's website viz. www.heritagefoods.in. All Directors and Senior Management of the Company have affirmed the compliance of all policies for the financial year ended March 31, 2022.

#### **l) Appointment and Tenure of Directors**

The Directors of the Company are appointed / reappointed by the Board on the recommendation of the Nomination and Remuneration Committee and approval of the members at the General Meetings. In accordance with the Articles of Association of the Company and provisions of the Act, Non-Executive Directors, except Independent Directors, of the Company, are liable to retire by rotation at the Annual General Meeting each year and, if eligible, offer themselves for re-appointment. Independent Directors are appointed as per the applicable provisions of the companies act, 2013 and rules made thereof and SEBI (Listing Obligations and Disclosure Requirements), Regulations 2015.

The Vice-Chairperson & Managing Director is not liable to retire by rotation but in compliance with Section 152(6) of the Companies Act, 2013 and rules made thereunder Executive Director of the Company is liable to retire by rotation.

During the year under review Mr. M. P. Vijay Kumar (DIN: 05170323) has been appointed as a Non-Executive Independent director w.e.f 01.11.2021 for a period of 5 consecutive years.

The approval of members through special resolution was taken on April 29, 2022 for Continuation of directorship of Dr. V. Nagaraja Naidu (DIN: 00003730) as a Non-Executive Director after attaining the age of 75 as per Regulation 17(1A) of SEBI (Listing Obligations and Disclosure Requirements), Regulations 2015.

#### **BOARD COMMITTEES**

The Board of Directors of the Company are having 6 (Six) Committees as on March 31, 2022 i.e.

- i. Audit Committee
- ii. Nomination & Remuneration Committee
- iii. Stakeholders Relationship Committee
- iv. Corporate Social Responsibility Committee
- v. Risk Management Committee
- vi. Management Committee

The quorum for committee meetings is as per the Companies Act and SEBI Listing Regulation. The Company Secretary of the company is acting as the Secretary in each Committee.

#### **m) Frequency and Length of Meeting of the Committees of the Board**

Each Committee meets as often as necessary subject to minimum number and frequency as stipulated in its charter or as prescribed in the Act and Listing Regulations. The agenda for the Committee meeting is shared with all the members of the Committee at least 7 days in advance.

### **3. AUDIT COMMITTEE**

#### **a) Brief description and term of reference:**

The Committee composition meets with requirements of Section 177 of the Companies Act, 2013 and Regulation 18 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended from time to time. Members of the Audit Committee possess financial accounting expertise/exposure.

#### **Terms of reference**

The terms of reference of the Audit Committee is in alignment with the provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended from time to time, are as follows:

- i. Oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
- ii. Recommendation for appointment, remuneration and terms of appointment of auditors;
- iii. Approval of payment to statutory auditors;
- iv. Reviewing with the management, the quarterly/ annual financial results/statements and auditor's report thereon before submission to the Board for approval; -
- v. Reviewing with the management, the statement of uses/application of funds raised through an issue, the statement of funds utilized for purposes other than those stated in offer documents/prospectus/ notice and the report submitted by the monitoring agency monitoring the utilization of proceeds of a public or rights issue, and making appropriate recommendations to the board to take up steps in the matter;
- vi. Reviewing and monitoring the auditor's independence and performance and effectiveness of audit process;
- vii. Approval or any subsequent modification of transactions of the Company with related parties;
- viii. Scrutiny of inter-corporate loans and investments;
- ix. Valuation of undertakings or assets of the Company, wherever it is necessary;

- x. Evaluation of internal financial controls and risk management systems;
- xi. Reviewing with the management, performance of statutory and internal auditors, adequacy of the internal control systems;
- xii. Reviewing the adequacy of internal audit function and discussion with the internal auditors of any significant findings and follow up thereon;
- xiii. Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board;
- xiv. Discussion with the statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
- xv. To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, members and creditors;
- xvi. Review the functioning of whistle blower mechanism;
- xvii. Monitoring the Compliances as per the provisions of SEBI (PIT) Regulations, 2015
- xviii. Approval of appointment of Chief Financial Officer;
- xix. Reviewing the utilization of loans and/or advances from/investment by the holding company in the subsidiary exceeding ₹ 1,000 million or 10% of the asset size of the subsidiary, whichever is lower including existing loans/advances/investments existing as on the date of coming into force of this provision
- xx. Consider and comment on rationale, cost-benefits and impact of schemes involving merger, demerger, amalgamation etc., on the listed entity and its shareholders.
- xxi. Such other matter as prescribed under Part-C of Schedule-II of SEBI Listing Regulation and from time to time be required under any statutory, contractual or other regulatory requirement
- xxii. Apart from the aforementioned terms of reference, the Audit Committee mandatorily monitors and provides 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. 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.

**b) Composition, name of the members and chairperson:**

Composition of the Committee as on March 31, 2022:

Name	Designation	Category
Mrs. Aparna Surabhi	Chairperson	Non Executive Independent Women Director
Mr. N.Srivishnu Raju	Member	Non Executive Independent Director
Mr. Rajesh Thakur Ahuja	Member	Non Executive Independent Director
Mr. M.P. Vijay Kumar*	Member	Non Executive Independent Director
Dr. V. Nagaraja Naidu	Member	Non Executive Director

\* Mr. M.P. Vijay Kumar has been appointed as a member of the Audit Committee w.e.f January 21, 2022.

**c) Meeting and attendance during the year:**

Five (5) meetings of Audit Committee were held during the financial year 2021-22, i.e. May 19 2021, July 28, 2021, October 21, 2021, January 21, 2022 and March 25, 2022. The attendance details of the Committee Meeting are as follows:-

Name	No. of Meetings	
	Held	Attended
Mrs. Aparna Surabhi	5	5
Mr. N. Srivishnu Raju	5	4
Mr. Rajesh Thakur Ahuja	5	5
Mr. M.P. Vijay Kumar*	5	1
Dr. V. Nagaraja Naidu	5	5

\* Mr. M.P. Vijay Kumar has been appointed as a member of the Audit Committee w.e.f January 21, 2022.

Mrs. N. Bhuvaneshwari, Vice Chairperson & Managing Director, Mrs. N. Brahmani, Executive Director, Dr. M. Sambasiva Rao, President, Mr. A. Prabhakara Naidu, Chief Financial Officer, Mr. Srideep Madhavan Nair Kesavan Chief Executive officer and Mr. J Samba Murthy, Chief Operating Officer of the Company are permanent invitees and Auditors are also invited to the Audit Committee Meeting, Mr. Umakanta Barik, Company Secretary & Compliance Officer is the Secretary to the Committee.

## 4. NOMINATION & REMUNERATION COMMITTEE

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

The terms of reference, constitution, powers, quorum and other matters in relation to the Nomination and Remuneration Committee are as per the Regulation 19 read with Part D of Schedule II of SEBI Listing Regulations, Section 178 of the Companies Act, 2013 as amended from time to time.

- i. Formulate the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board of Directors a policy relation to for remuneration for the directors, key managerial personnel and other employees;
- ii. Formulation of criteria for evaluation of performance of Independent Directors and the Board of Directors;
- iii. Devising a policy on diversity of board of Directors;
- iv. Identifying persons who are qualified to become of Directors and who may be appointed in senior management in accordance with the criteria laid down and recommend to the Board of Directors their appointment and removal;
- v. Whether to extend or continue the term of appointment of the independent director, on the basis of the report of performance evaluation of Independent Directors;
- vi. Recommend to the Board, all remuneration, in whatever form payable to senior management
- vii. Evaluate the balance of skills, knowledge and experience on the Board and on the basis of such evaluation, prepare a description of the role and capabilities required of an independent director. For the purpose of identifying suitable candidates, the Committee may:
  - a) use the services of an external agencies, if required;
  - b) consider candidates from a wide range of backgrounds, having due regard to diversity; and
  - c) consider the time commitments of the candidates.
  - d) 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.

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

Name	Designation	Category
Mr. N Srivishnu Raju	Chairperson	Non-Executive Independent Director
Mr. Rajesh Thakur Ahuja	Member	Non-Executive Independent Director
Mrs. Aparna Surabhi	Member	Non-Executive Independent Woman Director
Mr. M.P. Vijay Kumar#	Member	Non-Executive Independent Director

# Mr. M.P. Vijay Kumar has been appointed as a member of the Nomination and Remuneration Committee w.e.f January 21, 2022.

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

The Nomination & Remuneration Committee held four meetings during the financial year 2021-22 i.e. on May 19, 2021, July 28, 2021 and October 21, 2021 and March, 25 2022. The attendance details of the Committee Meetings are as follows:

Name	No. of Meetings	
	Held	Attended
Mr. N Srivishnu Raju	4	3
Mr. Rajesh Thakur Ahuja	4	4
Mrs. Aparna Surabhi	4	4
Mr. M.P. Vijay Kumar#	4	1

# Mr. M.P. Vijay Kumar has been appointed as a member of the Nomination and Remuneration Committee w.e.f January 21, 2022.

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

### d) Performance evaluation criteria for - directors:

One of the key functions of the Committee is to monitor and review the board evaluation framework. Your Board is committed to assessing its own performance as a Board in order to identify its strengths and areas in which it may improve its functioning. 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, performance, 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 Chairperson. The Chairperson discusses the feedback at the Board Meeting.

## 5. STAKEHOLDERS RELATIONSHIP COMMITTEE

The Stakeholders Relationship Committee's (SRC) 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 as follows.

- i. Resolving the grievances of the security holders of the Company including complaints related to transfer/transmission of shares, non-receipt of annual report, non-receipt of declared dividends, issue of new/ duplicate certificates etc.
- ii. Review of measures taken for effective exercise of voting rights by members
- iii. Review of adherence to the service standards adopted by the Company in respect of various services being rendered by the Registrar and Share Transfer Agent
- iv. Review of various measures and initiatives taken by the listed entity for reducing the quantum of unclaimed dividends and ensuing timely receipt of dividend warrants/ annual reports/statutory notices by the members of the Company
- v. To approve, Sub- division, Consolidation and issue of new/ duplicate share certificates, whenever requested for by the members 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 & Compliance Officer of the company and same to be rectified by the Committee in subsequent meeting if any.

**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 & Compliance Officer acts as the Secretary for the Committee, who is designated as Compliance Officer in pursuant to SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 as amended from time to time.

**c) Details of the Complaints/request during Financial Year 2021-22 as follows:**

No of complaints/request received: 106

No of complaints/request resolved: 106

No of pending complaints/request : NIL

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

Name	Designation	Category
Dr. V Nagaraja Naidu	Chairperson	Non Executive Director
Mr. N. Srivishnu Raju	Member	Non Executive Independent Director
Mrs. N Bhuvaneshwari	Member	Executive Director
Mr. Rajesh Thakur Ahuja	Member	Non Executive Independent Director

Four (4) Stakeholders Relationship Committee meetings were held during the financial year 2021-22. These were held on May 19, 2021, July 28, 2021, October 21, 2021 and January 21, 2022. 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. N Srivishnu Raju	4	4
Mrs. N Bhuvaneshwari	4	4
Mr. Rajesh Thakur Ahuja	4	4

## 5(a). Risk Management Committee

In accordance with the provisions of Regulation 21 of the SEBI (LODR) Regulations and applicable provisions of the Companies Act, 2013, the Board constituted Risk Management Committee. The Committee's prime responsibility is to implement, review and monitor the risk management plan and policy of the Company. The Committee shall be aware of the significant risk exposures of the Company and assess whether Management is responding appropriately towards them in timely manner.

The Committee's constitution and terms of reference meet with the requirements of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Companies Act, 2013, as amended from time to time.

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

Name	Designation	Category
Mr. Rajesh Thakur Ahuja	Chairperson	Non Executive Independent Director
Mr. N. Srivishnu Raju	Member	Non Executive Independent Director
Mrs. N Bhuvaneswari	Member	Executive Director
Mrs. Aparna Surabhi	Member	Non Executive Independent Woman Director

Two (2) Risk Management committee meetings were held during the financial year 2021-22 on October 21, 2021 & March 25, 2022.

Risk Management committee Attendance:

Name	No. of Meetings	
	Held	Attended
Mr. Rajesh Thakur Ahuja	2	2
Mr. N. Srivishnu Raju	2	1
Mrs. N Bhuvaneswari	2	2
Mrs. Aparna Surabhi	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 & Compliance Officer of the Company is the Secretary to the Committee.

#### 5(b).Corporate Social Responsibility Committee (CSR)

The Corporate Social Responsibility Committee is constituted in pursuance to the Provision of Section 135 of the Companies Act, 2013 and the rules made there under as amended from time to time. The Committee's prime responsibility is to assist the Board in discharging its responsibilities by way of formulating and monitoring implementation of the framework of 'Corporate Social Responsibility policy' observe good practices 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 March 31, 2022:

Name	Designation	Category
Mr. Rajesh Thakur Ahuja	Chairperson	Non Executive Independent Director
Mr. N. Srivishnu Raju	Member	Non Executive Independent Director
Mrs. N. Bhuvaneswari	Member	Executive Director

The committee shall be overseeing the activities/ functioning with regards to Company's project/ works of implementing partners, 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.

Three (3) CSR Committee meetings were held during the financial year 2021-22. These were held on May 19, 2021, October 21, 2021 and March 25, 2022. The attendance details of the Committee Meeting are as follows:-

#### CSR Committee Attendance:

Name	No. of Meetings	
	Held	Attended
Mr. Rajesh Thakur Ahuja	3	3
Mr. N. Srivishnu Raju	3	2
Mrs. N. Bhuvaneswari	3	3

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 & Compliance Officer of the Company is the Secretary to the Committee.

#### 5(c). Management Committee

The terms of reference of the Management Committee is to consider and dispose off any day to day matters, with a view to ensure 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 and those items are not statutory require for the approval of the Board.

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

Name	Designation	Category
Mr. Aparna Surabhi	Chairperson	Non-Executive Independent Woman Director
Mr. N. Srivishnu Raju	Member	Non-Executive Independent Director
Mr. M.P. Vijay Kumar*	Member	Non-Executive Independent Director
Mrs. N. Bhuvaneswari	Member	Executive Director

# Mr. M.P. Vijay Kumar has been appointed as a member of the Management Committee w.e.f January 21, 2022.

Seven (7) Management Committee meetings were held during the financial year 2021-22. These were held on April 19, 2021, June 21, 2021, August 24, 2021, September 27, 2021, November 24, 2021, December 12, 2021 and February 23, 2022. The attendance details of the Committee Meeting are as follows:-

**Management Committee Attendance:**

Name	No. of Meetings	
	Held	Attended
Mrs. Aparna Surabhi	7	7
Mr. N. Srivishnu Raju	7	7
Mr. M.P. Vijay Kumar#	7	1
Mrs. N. Bhuvanewari	7	7

# Mr. M.P. Vijay Kumar has been appointed as a member of the Management Committee w.e.f. January 21, 2022

Mrs. N Brahmani, Executive Director, Dr. M. Sambasiva Rao, President, Mr. A. Prabhakara Naidu Chief Financial Officer, Mr. Srideep Madhavan Nair Kesavan, Chief Executive Officer and Mr. J Samba Murthy, Chief Operating Officer of the Company are permanent invitees to the Committee Meeting. Mr. Umakanta Barik Company Secretary & Compliance Officer is the Secretary to the Committee.

**6. 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 members 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

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

- i. **All elements of remuneration 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, 2022 is as follows:

(₹ in Millions)					
Name	Sitting Fees	Remuneration	Perquisites/ Perks	Performance / Annual Pay	Total
<b>Independent Directors</b>					
Mr. N Srivishnu Raju	0.53	-	-	-	0.53
Mr. Rajesh Thakur Ahuja	0.56	-	-	-	0.56
Mrs. Aparna Surabhi	0.56	-	-	-	0.56
Mr. M.P. Vijay Kumar#	0.15	-	-	-	0.15
<b>Non Executive Director</b>					
Dr. V Nagaraja Naidu	0.39	-	-	-	0.39
<b>Whole-time Directors</b>					
Mrs. N. Bhuvanewari	-	18.00	1.50	57.43	76.93
Mrs. N Brahmani	-	9.00	-	52.54	61.54

# Mr. M. P. Vijay Kumar appointed as a Non-Executive Independent director w.e.f 01.11.2021.

- ii. **Details of fixed component and performance linked incentives, along with the performance criteria:**

The Non-Executive Directors of the Company were paid only sitting fees and reimbursement of actual expenses for attending the Board/ Committee meetings. The performance criteria for two Executive Directors/Whole-time Directors entitled for Performance Linked Incentive as determined by the Nomination & Remuneration Committee, Board of Directors and approved by the members of the Company at their meeting held on March 12, 2019.

Board & Committee meeting(s), as approved by the Board & members, 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 are 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 are paid by way of Sitting Fees and reimbursement of actual expenses for attending the Board/ Committee Meeting. The Non-Executive Directors/ Independent Directors do not have any material pecuniary relationship or transactions with the Company. The performa appointment letter of the Non-Executive Director including the payment thereof is available on the website of the Company i.e. [https://www.heritagefoods.in/investors/Policy/Draft\\_Appointment\\_Letter\\_-\\_Non-Executive\\_Independent\\_Director.pdf](https://www.heritagefoods.in/investors/Policy/Draft_Appointment_Letter_-_Non-Executive_Independent_Director.pdf). The details of the amount paid to all Directors are disclosed in point no. 5(c)(i) of the Corporate Governance Report section in the Annual Report.

iii. **Service contracts, notice period, severance fees:**

The Company has entered service contract/issued appointment letter 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.

iv. **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 of face value of ₹ 5 each, Mrs. N Bhuvanewari and Mrs. N Brahmani, Executive/ Whole-time Directors of the Company are holding 1,06,61,652 and 2,03,200 equity shares of face value of ₹ 5 each of the Company respectively as on March 31, 2022.

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.

## 7. GENERAL BODY MEETINGS

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

For the financial year 2019-20 & 2020-21, the Company's Annual General Meeting was held through VC/OAVM pursuant to the Ministry of Corporate Affairs ("MCA") circular No. 20/2020 dated May 5, 2020 read together with circulars No. 14/2020 dated April 8, 2020 and No. 17/2020 dated April 13, 2020 and SEBI Circular No. SEBI/HO/CFD/CMD1/CIR/P/2020/ 79 dated May 12, 2020 and SEBI (Listing Obligation & Disclosure Requirement) Regulations, 2015 and the deemed venue was the Registered Office of the Company.

For the Financial year 2018-19 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	Special Resolution(s) Passed
March 31, 2021	July 30, 2020 at 10:30 am	Re-appointment of Mr. Rajesh Thakur Ahuja (DIN:00371406) as Non-Executive Independent Director of the company
March 31, 2020	August 28, 2020 at 10:30 am	NIL
March 31, 2019	August 30, 2019 at 10.30 am.	Re-appointment of Mr. N Srivishnu Raju (DIN:00025063) as Non-Executive Independent Director of the company

b) **Whether any special resolutions passed in the previous three annual general meeting:**

Yes, during the financial year 2018-19 & 2020-21 special resolutions were passed for re-appointment of Mr. N Srivishnu Raju (DIN: 00025063) as Non-Executive Independent Director of the company for a second term of five years and re-appointment of Mr. Rajesh Thakur Ahuja (DIN:00371406) as Non-Executive Independent Director of the company for a second term of five years respectively.

c) **Postal ballot:**

During the financial year 2021-22, members of the company have approved the resolution, stated in the below table by requisite majority, by means of Postal ballot, including Electronic Voting (e-voting). The Postal Ballot Notice dated October 21, 2021 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 Company had published a notice in the newspaper on October 26, 2021 in Financial Express (all edition) and Andhra Prabha (Hyderabad edition) in compliance with the provisions of the Companies Act, 2013 and Secretarial Standard – 2. The voting period commenced from at 09:00 A.M. on Tuesday, October 26, 2021 and ended at 05:00 P.M. on Wednesday, November, 24, 2021 (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 Friday, October 22, 2021.

The details of the voting pattern are given below:

Name of the Resolution	Type of Resolution	No. of Votes Polled	Votes Cast in favour			Votes Cast against	
			No. of Votes	%	No. of Votes	%	
To appoint Mr. M P Vijay Kumar (DIN : 051770323) as a Non-Executive Independent Director of the Company for a term of 5 (five) consecutive years w.e.f. 01.11.2021 to 31.10.2026	Ordinary	3,11,01,385	3,11,01,266	99.9996	119	0.0004	



During the financial year 2021-22, the approval of the members was also sought for the special resolution, stated in the below table by means of Postal ballot, including Electronic Voting (e-voting). The Postal Ballot Notice dated Friday, 25<sup>th</sup> March, 2022 was sent in electronic form to the members whose e-mail addresses were registered with the Company/respective Depository Participants. The resolution was approved by requisite majority on Friday, April 29, 2022.

The details of the voting pattern are given below:

Name of the Resolution	Type of Resolution	No. of Votes Polled	Votes Cast in favour		Votes Cast against	
			No. of Votes	%	No. of Votes	%
Continuation of directorship of Dr. V Nagaraja Naidu (DIN: 00003730), Non-Executive Director of the Company in terms of Regulation 17(1A) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) (Amendment) Regulations, 2018	Special	3,20,97,601	3,20,90,060	99.977	7,541	0.023

The Company had published a notice in the newspaper on March 31, 2022 in Financial Express (all edition) and Andhra Prabha (Hyderabad edition) in compliance with the provisions of the Companies Act, 2013 and Secretarial Standard – 2. The voting period commenced from at 09:00 A.M. on Thursday, March 31, 2022 and ended at 05:00 P.M. on Friday, April 29, 2022 (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, March 25, 2022.

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.

The scrutinizer completes his/her scrutiny and submits his/her report to the Vice-Chairperson & Managing Director of the Company, and the consolidated results of the voting are announced by the Vice-Chairperson & Managing Director / authorized officer. The results are also displayed on the Company website, www.heritagefoods.in, besides being communicated to the stock exchanges and registrar and share transfer agent.

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

The Board had appointed Mrs. Savita Jyoti (M No: 3738, CP No:1796) Partner of M/s. Savita Jyoti Associates, Hyderabad-500094, Telangana as the Scrutiniser for conducting both the above postal ballot processes in a fair and transparent manner and had engaged the services of M/s. KFin Technologies Limited as the agency for the purpose of providing e-voting facility. Mrs. Savita Jyoti, submitted her reports on the postal Ballot to the Vice-Chairperson and Managing Director on November 25, 2021 and April 30, 2022.

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 and read with MCA circulars, 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. Kfin Technologies Limited.

The postal ballot notices was sent by email to all the members who have registered their mail id. The Company also publishes a notice in the newspaper declaring the details and requirements as mandated by the Act and applicable rules.

## 8. Means of Communication

a) **Financial Results:**

The Quarterly/Half yearly/Annual Un-Audited/Audited Financial Results (Standalone & Consolidated) along with the Limited Review Report from Statutory Auditors are submitted to the Stock Exchanges and uploaded on the website of the Company as per the applicable provisions of the SEBI (LO&DR) Regulations, 2015 as amended from time to time.

The members are provided with the necessary information with notices sent for the Annual General Meeting / Extraordinary General Meeting. Any other information sought by members 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/Andhra Prabha, Hyderabad edition.

c) **Website:**

The Company's website i.e., www.heritagefoods.in contains a separate dedicated section 'Investor Relations' where members 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) as well as on the website of the Stock Exchanges where the shares of the Company are listed.

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](http://www.heritagefoods.in) and on the website of the Stock Exchanges where the shares of the Company are listed.

Annual Report: The Annual Report containing inter-alia Notice of the 30th Annual General Meeting, Audited Annual Accounts (Standalone & Consolidated), Board's 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.

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

NSE Electronic Application Processing System (NEAPS) (Scrip Code: HERITGFOOD): 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') (Scrip Code: 519552): 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 ID: H00059): 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

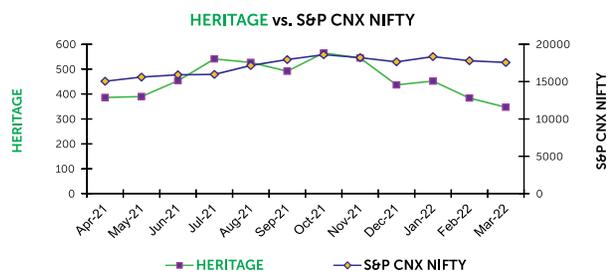
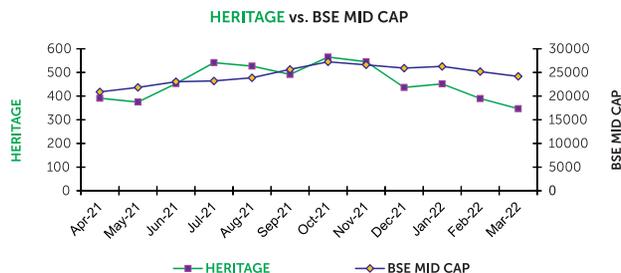
(a)	Company Identification No.(CIN)	L15209TG1992PLC014332
	Annual General Meeting - Date and Time	July 29, 2022, Friday, 10:00 a.m
	Venue	The Company will conduct the 30 <sup>th</sup> AGM for FY 2021-22 through VC/OAVM pursuant to Ministry of Corporate Affairs ("MCA") Circular No. 02/2022 dated May 5, 2022, read together with Circular No. 02/2021 dated January 13, 2021, Circular No. 20/2020 dated May 05, 2020, circulars No. 19/2021 dated December 08, 2021 and Circular No. 21/2021 dated December 14, 2021 (collectively referred to as "MCA Circulars") and SEBI Circular No. SEBI/HO/CFD/CMD2/CIR/P/2022/62 dated May 13, 2022 dated May 13, 2022. The deemed venue shall be the Registered Office of the Company.
(b)	Financial year	April 01 to March 31
	Financial Calendar	June 30, 2022 – Last week of July, 2022
	(tentative) Results for the quarter ending	September 30, 2022 – Last week of October, 2022 December 31, 2022 - Last week of January, 2023 March 31, 2023 - Last week of May, 2023 Annual General Meeting - July, 2023
	Date of Book Closure	Saturday, July 23, 2022 to Friday, July 29, 2022 (both days inclusive)
(c)	Dividend Payment date	The dividend, if declared, shall be paid/credited to the respective bank account of members on August 04, 2022 subject to deduction of applicable taxes. The dispatch of dividend warrants/demand drafts will be completed on same day.
(d)	Listing on Stock Exchanges	BSE Limited (BSE) Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai - 400 001 National Stock Exchange of India Limited (NSE) "Exchange Plaza", Bandra-Kurla Complex, Bandra (E), Mumbai – 400051
	Payment of Listing Fee	Annual listing fee for the year 2022-23 has been paid by the Company to BSE and NSE.
(e)	Stock / Scrip Code	BSE – 519552 NSE – HERITGFOOD (Shares of the Company are trading in demat form only as per the SEBI regulations)
	ISIN Number	INE978A01027



## (f) Market Price Data – high, low during each month of the financial year 2021-22

Month	NSE (in ₹ per share)		BSE (in ₹ per share)	
	HIGH	LOW	HIGH	LOW
Apr-21	386.20	292.50	391.00	293.95
May-21	390.00	324.00	375.00	324.10
Jun-21	453.60	335.35	452.90	335.55
Jul-21	541.00	425.35	541.50	425.45
Aug-21	527.00	425.55	526.90	424.80
Sep-21	491.65	427.50	491.65	428.40
Oct-21	565.00	446.05	446.10	523.90
Nov-21	544.80	395.10	395.90	427.55
Dec-21	436.70	391.60	391.55	409.15
Jan-22	451.95	366.05	365.60	379.95
Feb-22	383.90	287.45	287.70	308.70
Mar-22	347.00	298.25	298.45	319.80

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



h) During the year under review the shares 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:

KFin Technologies Limited

Karvy Selenium Tower B, 6th Floor, Plot 31-32, Gachibowli, Financial District.

Nanakramguda, Hyderabad – 500 032. Tel: +91-40-67161566, Toll Free No.: 1800-4258-998; Fax: +91-40-23114087

## j) Share transfer system:

SEBI vide its notification No. SEBI/LAD-NRO/GN/2018/24 dated June 08, 2019 notified that except in case of transmission or transposition of securities, requests for effecting transfer of securities shall not be processed unless the securities are held in dematerialized form with a depository and came into effect from April 01, 2019. The Board has delegated the authority for approving transmission, etc. of the Company's securities to the Vice Chairperson & Managing Director/Executive Director. A summary of transmission of securities of the Company so approved by the Vice Chairperson & Managing Director/ Executive Director are placed at every Stakeholder's Relationship Committee. The Company obtains from a Company Secretary in Practice 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.

k) Distribution of Shareholding as on March 31, 2022

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	10	1,82,93,444	39.43
2	Foreign	-	-	-
	<b>Total Shareholding of Promoter and Promoter Group</b>	<b>10</b>	<b>1,82,93,444</b>	<b>39.43</b>
(B)	Public Shareholding			
1	Institutions	40	81,23,886	17.51
2	Non-institutions	37,370	1,99,80,670	43.06
	<b>Total Public Shareholding</b>	<b>37,410</b>	<b>2,81,04,556</b>	<b>60.57</b>
(C)	Shares held by Custodians and against which Depository Receipts have been issued	-	-	-
1	Promoter and Promoter Group	10	1,82,93,444	39.43
2	Public	37,410	2,81,04,556	60.57
	<b>Total(A)+(B)+(C)</b>	<b>37,420*</b>	<b>4,63,98,000</b>	<b>100.00</b>

\* The number of share holders were arrived after clubbing the same PAN

Shareholding Pattern by Size as on March 31, 2022

Category (No. of Shares)	No. of Shareholders	No. of Shares	% of Total Shares
Up to 500	35,799	37,43,086	8.07
501 - 1000	834	12,31,688	2.65
1001 - 2000	396	11,35,529	2.45
2001 - 3000	98	4,83,316	1.04
3001 - 4000	71	5,06,380	1.09
4001 - 5000	54	5,05,990	1.09
5001 - 10000	78	11,50,271	2.48
10001 - Above	90	3,76,41,740	81.13
<b>TOTAL</b>	<b>37,420</b>	<b>4,63,98,000</b>	<b>100.00</b>

l) Dematerialization of shares and liquidity:

Total Shares in Demat and Physical form as on March 31, 2022.

Sl. No	Category	Total Shares	% To Equity
1	Physical	5,59,896	1.21
2	NSDL	4,11,49,965	88.69
3	CDSL	46,88,139	10.10
<b>Total</b>		<b>4,63,98,000</b>	<b>100.00</b>

Dematerialisation of Shares

98.79% of the Company's paid-up Equity share capital has been dematerialised as on March 31, 2022. 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	No. of shares Held	No. of Shares	% of Respective Shareholding
Promoters & Promoters Group	10	1,82,93,444	1,82,93,444	100.00%
Public	37,410	2,81,04,556	2,75,44,660	98.01%
<b>Total:</b>	<b>37,420</b>	<b>4,63,98,000</b>	<b>4,58,38,104</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 Commodities. During the year Company has not exported its products to any country.

o) Major Plant Locations:

**B. Kotha Kota**

Bering (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 Hobli  
Anekal Taluk Bengaluru South-562107  
Karnataka, India

**Bhattiprolu**

Vellaturu Raod, Bhattiprolu (V) & (M),  
Guntur. Dist-522 256, Andhra Pradesh, India

**Bobbili**

Mettavalasa (V), Growth Center, Bobbili,  
Vizianagaram Dist-535 558, Andhra Pradesh, India

**Chittoor**

Sundrajapuram (V),  
ER palli post, G.D Nellore (M),  
Chittoor Dist-517 125, Andhra Pradesh, India

**Gokul**

Kasipentala (V),  
Charndragiri (M), Chittoor Dist-517 101  
Andhra Pradesh, India

**Kalluru**

Koralagudam (V) Kalluru (M), Khammam Dist-507 209  
Telangana, India

**Manor**

Survey No. 13/1 & 13/2, Village – Durves, Near Manor,  
Palghar Taluk, Dist-Thane, Maharashtra-401403

**Narketpalli**

Cheruguttu (V), Narketpalli (M), Nalgonda Dist-508 254  
Telangana, India

**Pamaru**

Yendagandi (V), K. Gangavaram (M),  
East Godavari Dist-533 305, Andhra Pradesh, India

**Rai**

D No.497, Food Park, Phase 1,  
Sector-38, Industrial Estate – HSIDC,  
Rai, Sonapat Dist-131 029, Haryana, India

**Sangvi**

Milakt No. 892, AT/Post - Sangavi, Phaltan taluka,  
Satara Dist-415 523, Maharashtra, India

**Shameerpet**

Survey No 174,198, 203, Sampanbole Village,  
Shamirpet Mandal, Medchal Dt-500 078,  
Telangana, India

**Uppal**

C- 10 Raoad No 7, IDA Uppal, Hyderabad-500 039  
Telangana, India

**Vadamadurai**

MorePatti (V), Vadamadurai, Dindigul Dist-624 802  
Tamilnadu, India

p) Address for Correspondence

To Registrar and Share Transfer Agent

KFin Technologies Limited  
Kary Selenium Tower B, 6th Floor, Plot 31-32, Gachibowli,  
Financial District. Nanakramguda, Hyderabad – 500 032,  
Tel: +91-40-67161566  
Toll Free No.: 1800 309 4001  
Email id - einward.ris@kfintech.com  
Website: www.kfintech.com

To Heritage Foods Limited

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

q) Credit Rating:

The details of the credit rating are as follows:

- a) Credit rating obtained by the company: in respect to long term and short term debts
- b) Name of the credit rating agency: Credit Rating Information Services of India Limited (CRISIL)
  - i. Long term Rating: CRISIL A/Positive
  - ii. Short term Rating: CRISIL A1
- c) Date on which the credit rating was obtained: April 07, 2022 (valid up to December 31, 2022)
- d) Revision in the credit rating: No
- e) Reasons provided by the rating agency for a downward revision: NA

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

## 10. OTHER DISCLOSURES

**a) Disclosure in materiality significant related party transactions: Regulation 23 of the SEBI Listing Regulations and as defined under the Act**

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 Personnel, Subsidiaries or relatives, except for those disclosed in the Notes on Accounts, forming part of the Annual Report.

The policy on Related Party Transactions is hosted on the website of the Company under the web link : <https://www.heritagefoods.in/policy>

**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: [Schedule V (C) 10(b) to the SEBI Listing Regulations]**

There was no non-compliance during the last three years by the Company on any matter related to Capital Market. There were no penalties imposed nor strictures passed on the Company by Stock Exchanges, SEBI or any Statutory Authority.

**c) Details of establishment of vigil mechanism, whistle blower policy and affirmation that no personnel has been denied access to the audit committee: (Regulation 22 of the SEBI Listing Regulations)**

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, 2022.

No personnel have been denied access to the Audit Committee. The Whistle Blower Policy has been disclosed on the Company's website under the web link: <https://www.heritagefoods.in/policy>

**d) Details of compliance with mandatory requirements and adoption of the non-mandatory requirements: Schedule II Part E of the SEBI Listing Regulations**

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 does not have any regular Chairperson.

Communication to Members: Quarterly/ Half yearly/Annual Financial statements are published in the Newspapers, intimated to the Stock Exchanges and uploaded in the Company's website. Investors presentations on Quarterly/ Half-yearly/annual financial statements are uploaded on the Company's website and intimated to Stock Exchanges, where shares of the Company are listed and was sent to all the members of the Company through e-mail.

Audit Qualification: The Company is in the regime of unqualified financial statements (Standalone & Consolidated).

Reporting of Internal Auditors: The Internal Auditors make presentations to the Audit Committee on their reports on a regular basis. They are submitting the Internal Audit Report with observations, reviews, comments and recommendations through presentations which they have observed during their Audit along with follow up actions taken by the management.

**e) Policy for determining 'material' subsidiaries is disclosed: Regulation 24 of the SEBI Listing Regulations**

The Audit Committee reviews the Standalone & Consolidated financial statements of the Company and the investments made in the unlisted subsidiary company. The minutes of the Board Meetings along with a report on significant developments of the unlisted subsidiary company are periodically placed before the Board of Directors of the Company. The Company does not have any material unlisted subsidiary company. The Company has a policy of determining 'material' subsidiaries which is hosted on the website at <https://www.heritagefoods.in/policy>

**f) Web link where policy for dealing with related party transactions is disclosed:**

The URL of policy on dealing with related party transaction is <https://www.heritagefoods.in/policy>

**g) Disclosure for commodity price risks and commodity hedging activities:**

The Company is subject to the Commodity price risk due to fluctuation price of Dairy products. During the year Company has not exported any products of the Company.

**h) The Company has not made any preferential allotment or qualified institutions placement during the year under review.**

**i) A certificate obtained from Mrs. Savita Jyoti, Partner, M/s. Savita Jyoti Associates, Practicing Company Secretary (M. No: 3738, CP No: 1796), Hyderabad - 500094, Telangana stating that none of the directors on the Board of the Company have been debarred or disqualified from being appointed or continuing as directors of companies by SEBI/ Ministry of Corporate Affairs or any such statutory authority which forms part of the Annual Report [Annexure-3(ii) in the Boards Report]**



j) During the year there were no instances where Board had not accepted any recommendation of any Committee of the Board which is mandatorily required.

**k) Remuneration/Fees of Statutory Auditor:**

During the year under review your Company and its Subsidiary/Associate/ Joint Venture Company paid the following remuneration/ fees to the Statutory Auditor namely M/s. Walker Chandio & Co. LLP, Chartered Accountants (FRN 001076N/N500013).

(₹ in Million)

Particulars	Heritage Foods Limited	Heritage Nutrivet Limited	Skil Raigam (India) Limited	Heritage Novandie Foods Private Limited
Statutory Audit fee	5.07	0.60	0.09	0.59
Limited review fee	1.73	-	-	-
Certification fee	0.48	0.19	-	-
Tax audit fee	0.82	0.15	-	-
Taxation matters	0.19	-	-	-
Reimbursement of Expenses	0.15	0.08	-	-
<b>Total</b>	<b>8.44</b>	<b>1.02</b>	<b>0.09</b>	<b>0.59</b>

**l) Disclosures in relation to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 as amended from time to time:**

- No of complaints filed during the financial year: Nil
- No of complaints disposed of during the financial year: Nil
- No of complaints pending as on end of the financial year: Nil

**m) Disclosures regarding the appointment or reappointment of independent 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 reappointment on the passing of a Special Resolution by the members of the Company. Accordingly, all independent directors were appointed by the members 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.

The Company has issued formal letter of appointment to all the Independent Directors on their appointment inter-alia explaining their roles, responsibilities, code of conduct, their functions and duties as directors of the Company. The terms and conditions of the appointment of Independent Directors have been uploaded on the website of the Company and can be accessed at <https://www.heritagefoods.in/policy>

**n) Preservation of Documents**

The Company has adopted the policy on preservation of documents in accordance with Regulation 9 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015. The Documents Preservation Policy is available on the website of the Company at <https://www.heritagefoods.in/policy>

**o) Policy on Determination of Materiality of events and information for Disclosures: Regulation 30 of SEBI Listing Regulations:**

The Company has adopted a Policy on Determination of Materiality for Disclosures. The URL of policy is <https://www.heritagefoods.in/policy>

**p) Policy on Archival and Preservation of Documents: Regulation 9 of SEBI Listing Regulations**

The Company has adopted a Policy on Archival and Preservation of Documents. The URL of the policy is at <https://www.heritagefoods.in/policy>

**q) Code of Conduct: Regulation 17 of the SEBI Listing Regulations**

The members of the Board and Senior Management Personnel have affirmed compliance with the Code of Conduct applicable to them during the year ended March 31, 2022. The Annual Report of the Company contains a certificate by the Vice Chairperson and Managing Director, on the compliance declarations received from Independent Directors, Non-Executive Directors and Senior Management. The weblink is <https://www.heritagefoods.in/policy>

r) During FY 2021-22, information as mentioned in Part A of Schedule II of SEBI Listing Regulations, has been placed before the Board for its consideration. The Board periodically reviews the compliance reports of all laws applicable to the Company.

11. The Company has complied with all the requirements of Schedule V of Corporate Governance Report as stated under sub-para (2) to (10) of section (C) of Schedule V of the Securities Exchange Board of India (Listing obligation and Disclosure Requirements) Regulations, 2015.
12. During FY 2022, information as mentioned in Part E of Schedule II of the SEBI Listing Regulations, has been placed before the Board for its consideration.
13. 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 of Listing Regulations 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)	Yes

#### 14. CEO and CFO Certification

The Vice Chairperson & Managing Director, Chief Executive Officer and the Chief Financial Officer of the Company have 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, Chief Executive Officer and the Chief Financial Officer also provide 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 Vice Chairperson & Managing Director, Chief Executive Officer and the Chief Financial Officer is part of the Annual Report.

#### 15. Compliance Certificate from the Auditors

Certificate from Statutory Auditors of the Company M/s. Walker Chandiook & Co. LLP, Chartered Accountants (FRN:001076N/N500013), Hyderabad, Telangana 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.

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

During the year under review, the Company has transferred ₹ 22,30,704/- (Twenty Two Lakhs Thirty Thousand Seven Hundred and Four Only) towards the unclaimed/ unpaid dividend amount for the financial year 2013-14 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 24,234 equity shares belongs to 42 members of the company to the Investor Education and Protection fund Authority (IEPF) on November 29, 2021 of those members 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 to the financial year 2014-15 shall be transferred to the Investor Education and Protection Fund during the financial year 2022-23.

#### 17. 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 (UDIN: F003738D000299022) dated May 10, 2022 from Mrs. Savita Jyoti, Partner, M/s. Savita Jyoti Associates, Practicing Company Secretary (M.No.:3738, CP No.:1796), Hyderabad - 500094, Telangana, 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 (M.No:3738, CP No:1796), Hyderabad - 500094, Telangana, to conduct Secretarial Audit. The Secretarial Audit Report (UDIN:F003738D000298934) dated May 10, 2022 for the financial year ended March 31, 2022, is forming part of the Annual Report.

**18. No Disqualification Certificate From Practicing Company Secretary:**

Certificate from Ms. Savita Jyoti, Partner, M/s. Savita Jyoti Associates, Practicing Company Secretary (M.No:3738, CP No:1796), Hyderabad - 500094, Telangana, confirming that none of the Directors on the Board of the Company have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs, or any such other Statutory Authority, as stipulated under Regulation 34 of the Listing Regulations, is attached to this Report.

**19. Management Discussion and Analysis (MDA) :**

MDA forms part of the Directors' Report and is presented in the Annual Report under a separate heading.

**20. Any query on the Annual Report**

**Mr. Umakanta Barik**

Company Secretary & Compliance Officer  
Heritage Foods Limited,  
#6-3-541/C, Punjagutta, Hyderabad-500 082,  
Telangana, India. Tel: +91-40-23391221  
E-mail: hft@heritagefoods.in

**21. 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 on the Company website i.e. www.heritagefoods.in.

**22. Compliance with the corporate governance codes**

We have always believed in maximum fiscal transparency, and benchmarked our disclosures against a host of national and international guidelines and regulations. Some of the notable ones among them are as follows:

The SEBI (LO&DR) Regulations, 2015: The SEBI (LO&DR) Regulations, 2015 prescribe various corporate governance recommendations in line with the corporate governance committee constituted by SEBI. We comply with the corporate governance requirements under the SEBI (LO&DR) Regulations, 2015 and specifically to the requirements under Regulation 17 to 27 and clauses (b) to (i) of sub-regulation (2) of Regulation 46.

**Compliance with discretionary requirements**

The Company has also ensured the implementation of non-mandatory items such as :

- Unmodified audit opinions / reporting
- The internal auditor reporting directly to the audit committee.

**23. Disclosure of Accounting Treatment in preparation of Financial Statements**

The Company adopted Indian Accounting Standards ("Ind AS"), accordingly, the financial statements (Standalone & Consolidated) have been prepared in accordance with Ind AS as per the Companies (Indian Accounting Standards) Rules, 2015, as amended, and notified under Section 133 of the Act and other relevant provisions of the Act

**24. Certificate on Compliance with Code of Conduct**

In terms of Regulation 26 read with Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015,

I N Bhuvaneshwari, Vice Chairperson & Managing Director hereby confirm that all the Members of the Board and Senior Management Personnel of the Company have affirmed the compliance of the Company's Code of Conduct for the Board of Directors and Senior Management for the financial year 2021-22.

For and on behalf of  
**HERITAGE FOODS LIMITED**

# CEO & CFO Certification

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

To  
The Board of Directors,  
**Heritage Foods Limited**  
CIN:L15209TG1992PLC014332  
# 6-3-541/C, Panjagutta,  
Hyderabad-500082, Telangana

We, N Bhuvanewari, Vice-Chairperson and Managing Director, Srideep Madhavan Nair Kesavan, Chief Executive Officer and A. Prabhakara Naidu, Chief Financial Officer 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, 2022 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 violates the 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 and on behalf of  
**HERITAGE FOODS LIMITED**

Date : May 27, 2022  
Place: Hyderabad

**N. Bhuvanewari**  
Vice Chairperson &  
Managing Director

**Srideep Madhavan Nair Kesavan**  
Chief Executive Officer

**A. Prabhakara Naidu**  
Chief Financial Officer



# Independent Auditor's 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 16 May 2022.
2. We have examined the compliance of conditions of corporate governance by Heritage Foods Limited ('the Company') for the year ended on 31 March 2022, 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 2022.

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

8. 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

Firm Registration No. 001076N/N500013

**Sanjay Kumar Jain**

Partner

Membership No.: 207660

UDIN: 22207660AJRYPL8850

Place: Hyderabad

Date : May 27, 2022