



17th Annual Report
2008-2009

HERITAGE FOODS (INDIA) LIMITED

AN ISO 22000 COMPANY

A symbol of trust and quality



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Bring Home Health and Happiness

Heritage has been a symbol for trust and quality to all its stakeholders viz Farmers, Suppliers, Customers, Shareholders and the Society as a whole since its inception.

Sri D Seetharamaiah, Chairman



Dear Shareholders

The year that has passed, has been one of the most challenging for the world economy. The unpredicted financial crisis led to the failure of large Financial Institutions in the West and shook the foundations of some of the strongest economies of the world. Consequently our country's economy also was adversely affected, resulting in fall of the G.D.P growth rate. For the year 2008-09 worldwide commodities were the worst affected in this meltdown. Though there are signs of little recovery, it is still too early to predict a full revival.

Despite the very difficult external economic environment, your company has shown remarkable performance in dairy and trends of recovery in retail business.

The gross income for the year grew by 27% to Rs.799.25 crores when compared to Rs.628.16/- crores of the previous year. The growth in the Dairy business is due to a healthy performance by the valued added product segments. The retail business portfolio now accounts for 25 % of the Company's gross income. During the year company incurred losses of Rs.35.07 crores due to the retail division and because of the economic slowdown in the country.

The strategic thrust placed on opening Heritage Parlors during the year under review has now started yielding the desired results. We had anticipated the paradigm shift in macro economic scenario and the burgeoning threat of organized retailers. Heritage Parlors will enable us to counter the potential threat from competitors. They will also increase the visibility of the Heritage brand in the retail market. Our own retail outlets enable us to interface directly with consumers and provide an ideal platform to showcase our entire range of products.

Through a concerted team effort, we could create around 400 Heritage Parlors in 2008-09. Our outlets have not only helped brand Heritage to become ubiquitous but also have managed to provide a very rewarding employment opportunity to hundreds of entrepreneurs across south India. During the current year, we have projected a goal of setting up 1,000

outlets. To achieve this challenging goal, we have identified certain potential locations such as Railways, Airports, Universities, Shopping Malls etc.

Consumers expect marketers to deliver products in their locations. To meet expectations of such demanding consumers, alignments of our Distribution of Fresh, Chilled, Frozen and Ambient products were already made certain improvement in our distribution network. Consequently, a major initiative was taken to enhance distribution network in smaller towns. Simultaneously, to augment fresh milk distribution in various markets of India, approximately 400 exclusive Milk Distributors have been appointed.

Over the years, your Company has reinforced its core strengths by building new competencies that efficiently serve the emerging needs of a fast paced economy. Supported by substantial investments in cutting edge technology, outstanding talent, your Company has created several trusted brands that enhance the quality of life of the discerning consumer. Deep farmer relationships and proven expertise in productivity enhancing agri interventions have added new dimensions to your Company's capability profile.

We respect and value our people. Our employees are our value creators whose efforts and bonds, we cherish. We create our environment in which our people are motivated to actualize their full potential. We provide the required support to them.

We at Heritage make all efforts to capitalize on the existing industrial opportunities. We strive our best to reach your expectations.

Thank you

D Seetharamaiah

Chairman

10 Years Financials

Consistent Growth

(Rs.in crores)

	2008-09	07-08	06-07	05-06	04-05	03-04	02-03	01-02	00-01	99-00
Turnover	792.56	588.03	346.33	292.07	266.13	234.49	192.83	165.07	141.49	106.92
Other Income	6.70	40.13	1.22	1.27	0.78	1.35	0.86	0.42	0.38	0.30
Total Income	799.26	628.16	347.56	293.34	266.91	235.84	193.68	165.49	141.87	107.23
Earnings before Depreciation, Interest and Tax (EBDIT)	3.43	23.66	12.17	25.23	20.91	31.60	27.86	20.10	14.48	11.24
Depreciation	17.22	10.55	6.78	4.80	4.01	3.94	4.50	2.49	2.29	1.93
Interest	14.58	12.43	1.84	0.40	0.60	0.28	0.13	0.38	1.24	1.24
Provision for Taxation (Including Deferred Tax & FBT)	6.58	(0.26)	1.82	6.39	6.14	9.75	8.33	6.12	2.85	1.95
Profit /(Loss) after Tax	(35.61)	0.94	1.72	13.64	10.16	17.62	14.91	11.11	8.10	6.13
Cash Profit/ (Loss)	(11.15)	11.49	8.50	18.44	14.17	21.57	19.41	13.60	10.39	8.05
Equity Dividend (%)	Nil	18.00	30.00	30.00	30.00	27.50	27.50	20.00	16.00	13.50
Dividend Payout (Including Tax on Dividend)	Nil	2.13	3.51	3.42	3.42	3.10	3.10	2.00	1.90	1.78
Equity Share Capital	11.53	11.53	9.99	9.99	9.99	9.99	9.99	10.78	10.80	10.80
Reserves and Surplus	69.24	104.17	59.31	62.50	52.65	45.84	34.53	24.14	19.97	13.83
Networth	80.77	115.70	69.30	72.49	62.64	55.83	44.52	34.92	30.69	24.51
Gross Fixed Assets	264.47	206.45	128.88	80.15	72.69	63.87	53.62	43.77	40.69	36.61
Net Fixed Assets	203.68	162.41	95.38	53.33	50.38	45.49	38.82	32.96	32.15	30.02

Key Indicators

	2008-09	07-08	06-07	05-06	04-05	03-04	02-03	01-02	00-01	99-00
Earnings per share - Rs.	(30.27)	0.92	1.73	13.65	10.17	17.64	14.93	10.29	7.50	5.67
Cash Earnings per share - Rs.	(9.67)	9.96	8.51	18.46	14.19	21.59	19.43	12.61	9.62	7.46
Book Value per share - Rs.	70.05	100.35	69.37	72.57	62.70	55.88	44.56	32.38	28.42	22.69
Debt* : Equity Ratio	1.50:1	0.96:1	0.79 : 1	0.00 : 1	0.00 : 1	0.01 : 1	0.01 : 1	0.14 : 1	0.19 : 1	0.27 : 1
EBDIT/Turnover %	0	0.04	0.04	8.64	7.86	13.48	14.45	12.18	10.23	10.51
Return on Networth %	(44.09)	0.74	2.48	18.81	16.22	31.57	33.49	31.82	26.39	24.99

* Long Term Debt

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Board of Directors:	Sri D Seetharamaiah	<i>Non Executive Independent Chairman</i>
	Sri N P Ramakrishna	<i>Independent Director</i>
	Dr N R Sivaswamy	<i>Independent Director</i>
	Dr A Appa Rao	<i>Independent Director</i>
	Dr V Nagaraja Naidu	<i>Non Executive Director</i>
	Smt N Bhuvanewari	<i>Vice Chairperson & Managing Director</i>
	Sri N Lokesh	<i>Executive Director</i>
	Sri K Kannan	<i>Additional Director (w.e.f. 30.07.09)</i>
Company Secretary:	CS Umakanta Barik	
Senior Management :	Dr M Sambasiva Rao	<i>President</i>
	CA A Prabhakara Naidu	<i>Sr.GM- Finance & Accounts</i>
	Sri K Durga Prasad Rao	<i>Chief Operating Officer-Dairy Division</i>
	Sri S Jagdish Krishnan	<i>Chief Operating Officer-Retail Division</i>
	Sri Anil Kumar Srivastava	<i>Chief Operating Officer-Agri Division</i>

Board Committees

Audit Committee

Sri D Seetharamaiah, Chairman
Dr N R Sivaswamy
Dr A Appa Rao
Dr V Nagaraja Naidu

Remuneration Committee

Sri D Seetharamaiah, Chairman
Dr N R Sivaswamy
Dr A Appa Rao
Sri N. Lokesh

Share Transfer & Shareholders/Investors' Grievance Redressal Committee

Sri D Seetharamaiah, Chairman
Dr A Appa Rao
Dr V Nagaraja Naidu
Smt N Bhuvanewari

Management Committee

Sri D Seetharamaiah, Chairman
Dr V Nagaraja Naidu
Smt N Bhuvanewari
Sri N. Lokesh

Registered Office	: 6-3-541/C, Panjagutta, Hyderabad-500082.
Statutory Auditors	: M/s. Raju & Prasad, Chartered Accountants 401, "DIAMOND HOUSE" Adj. Amrutha Hills, Panjagutta, Hyderabad - 500 082.
Bankers	: Bank of Baroda, Andhra Bank, ICICI Bank Limited.
Listed with	: Bombay Stock Exchange Limited, Mumbai, National Stock Exchange of India Limited.
Registrar and Transfer Agents	: M/s Karvy Computershare Private Limited. Plot no.17 to 24, Vittal Rao Nagar, Madhapur, Hyderabad - 500 081.
Website	: www.heritagefoods.co.in , www.freshat.in

Members of Heritage Foods (India) Limited are hereby given notice for the 17th Annual General Meeting of the Company, the schedule of which and the business to be transacted therein, are given below:

Day and Date : **Tuesday, 29th September, 2009**
 Time : **11.00 a.m.**
 Venue : **Auditorium Hall, 2nd Floor,
 Training Block,
 National Institute for Micro,
 Small and Medium Enterprises
 (formerly NISIET), Yousufguda,
 Hyderabad-45**

ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March 2009 and Profit and Loss Account for the year ended as on that date together with the Reports of the Directors' and the Auditors' thereon.
2. To appoint a Director in place of Dr A Appa Rao, who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint a Director in place of Dr V Nagaraja Naidu, who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint Auditors of the Company and to fix their remuneration.

SPECIAL BUSINESS

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

"RESOLVED THAT pursuant to the provisions of Sections 198, 269, 309, 310 and 311, Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956 (including any statutory modifications or re-enactment thereof, for the time being in force) and subject to such sanctions and approvals as may be necessary, consent of the members of the Company be and is hereby accorded to the re-appointment of Smt N Bhuvanewari, as Whole-Time Director of the Company under the designation "Vice Chairperson and Managing Director", for a further period of three years commencing from 1st April 2009 on the following remuneration as recommended by the remuneration Committee and approved by the Board of Director:

Salary : Rs. 3.50 lakhs (Rupees Three Lakh Fifty Thousand only) per month and fully maintained company car for official purpose.

Commission : 3% of Net Profit of the Company per annum computed as per the provisions of the Companies Act, 1956

RESOLVED FURTHER THAT the Board of Directors of the Company on the recommendation of the Remuneration Committee is hereby authorized to revise the said remuneration

during the currency of her tenure and the total cost to the Company on account of such revision for any year during the currency of her tenure is subject to the limits set out under section 198 and 309 of the Companies Act, 1956 read with schedule XIII thereto.

RESOLVED FURTHER THAT Smt.N Bhuvanewari, Vice-Chairperson and Managing Director shall also be eligible for the following perquisites/benefits, which shall not be included in the minimum remuneration specified below:

- a) Company's contribution towards pension scheme or Superannuation Fund together with provident fund not exceeding 25% of the salary wherein contribution towards provident fund shall not exceed 12% of the salary;
- b) Gratuity payable as per the rules of the company;
- c) Re-imbusement of actual Club fees;
- d) Books & Periodicals and outfit requirements amounting to Rs.10,000/- (Rupees Ten Thousand only) per month;
- e) Personal accident insurance premium & premium on mediclaim policy;
- f) Insurance of House-hold goods: Actual premium to be paid by the Company;
- g) Free telephone facility at residence and Mobile phone facility for official purpose;
- h) Medical expenses shall be reimbursed for the self and family subject to a ceiling of one month's salary in a year;
- i) Leave Travel concession shall be reimbursed to the extent of one month's salary for self and family;
- j) Encashment of un-availed leaves as per the rules of the company at the time of retirement/cessation of service;
- k) All other payments in the nature of perquisites and allowances agreed by the Board of Directors from time to time.

RESOLVED FURTHER THAT in case of losses or inadequacy of profits in any financial year during her tenure she will be eligible for a remuneration of Rs. 3.50 lakhs (Rupees Three Lakh Fifty Thousand only) per month as minimum salary and fully maintained company car.

RESOLVED FURTHER THAT Smt. N Bhuvanewari shall not be subject to retirement by rotation during her tenure as Vice Chairperson and Managing Director."

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

"RESOLVED THAT in supercession of the resolution at item no.7 passed at the 13th Annual General Meeting of shareholders of the Company held on 15th July 2005 and pursuant to the provisions of Clause 49 of the Listing Agreement with the Stock Exchanges in India and applicable



provisions of the Companies Act, 1956 and Rules thereof, the approval of the members of the Company be and is hereby accorded for payment of Rs. 10,000 (Rupees Ten Thousand only) as sitting fees plus travelling and other conveyance for each meeting of the Board of Directors attended by the Non-Executive Directors of the Company .

FURTHER RESOLVED THAT in supercession to the resolution at item no.7 passed at the 13th Annual General Meeting of shareholders of the Company held on 15th July 2005 and pursuant to the provisions of Clause 49 of the Listing Agreement with the Stock Exchanges in India, the approval of the members of the Company be and is hereby accorded for payment of Rs. 5000 (Rupees Five Thousand only) as sitting fees plus travelling and other conveyance for each meeting of the Committee of the Board of Directors, attended by the Non-Executive Directors of the Company."

- To consider and, if thought fit, to pass with or without modification, the following Resolution as an **Ordinary Resolution:**

Resolved that Sri. K. Kannan, who was appointed as an Additional Director by the Board with effect from 30th July, 2009 and who holds office as per Section 260 of the Companies Act, 1956 upto the conclusion of this Annual General Meeting in respect of whom the company has received notices in writing along with a deposit of Rs. 500/- for notices, from some Members proposing him as a candidate for the office of director under the provisions of Section 257 of the Companies Act, 1956 and who is eligible for appointment to the office of director, be and is hereby appointed as a Non-Executive Director of the company and liable to retirement by rotation."

By Order of the Board
For **HERITAGE FOODS (INDIA) LIMITED**

Registered Office:
6-3-541/C, Punjagutta,
Hyderabad – 500 082

Date : July 30, 2009

UMAKANTA BARIK
Company Secretary

NOTES:

- The Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956 in respect of item no 5, 6 & 7 as set out in the Notice is annexed hereto.**
- A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE ON POLL INSTEAD OF HIMSELF/HERSELF AND SUCH PROXY NEED NOT BE A MEMBER OF THE COMPANY. THE PROXIES TO BE EFFECTIVE, SHOULD BE DULY STAMPED, COMPLETED, SIGNED AND DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY OR ITS REGISTRAR AND SHARE TRANSFER AGENT NOT LESS THAN FORTY EIGHT HOURS BEFORE THE COMMENCEMENT OF MEETING.**
- MEMBERS/PROXIES SHOULD PRODUCE AT THE ENTRANCE OF THE VENUE DULY FILLED ATTENDANCE SLIP FOR ATTENDING THE MEETING.**
- MEMBERS MAY PLEASE NOTE THAT A RESOLUTION WILL BE DEEMED TO HAVE BEEN PASSED AS SPECIAL RESOLUTION IF THE VOTES CAST IN FAVOUR ARE AT LEAST THREE TIMES THAN THE VOTES CAST AGAINST AND IN CASE OF ORDINARY RESOLUTION THE VOTES CAST IN FAVOUR SHOULD BE MORE THAN THE VOTES CAST AGAINST AND WOULD BE DEEMED TO HAVE BEEN PASSED AT THE ANNUAL GENERAL MEETING REFERRED TO ABOVE.**
- M/s Karvy Computershare Private Limited (Karvy) is the Registrar and Share Transfer Agent for physical shares of the Company. Karvy is also the depository interface of the Company with National Securities Depository Limited (NSDL) and Central Depository Services India Limited (CDSL).
- The Register of Members and the Transfer Books of the Company will remain closed from 25th to 29th September 2009 (both days inclusive).

- Pursuant to provisions of sub-section (5) of Section 205A the Companies Act, 1956 the dividend, which remain unclaimed for a period of 7 years will be transferred by the Company to the Investor Education and Protection Fund (IEPF) established by the Central Government pursuant to Section 205C of the Companies Act, 1956. The Company has already transferred unclaimed amounts of dividends declared upto the financial year 2000-2001 to the General Revenue Account / Investor Education and Protection Fund of the Central Government as required under section 205A and 205C of the Companies Act, 1956.

Information in respect of such unclaimed dividend and the last date for claiming the same are given below:-

Financial year ended	Date of declaration of Dividend	Last date for claiming unpaid Dividend
2001-02	22-08-2002	21-08-2009
2002-03	30-07-2003	29-07-2010
2003-04	29-07-2004	28-07-2011
2004-05	15-07-2005	14-07-2012
2005-06	31-07-2006	30-07-2013
2006-07	22-08-2007	21-08-2014
2007-08	26-09-2008	25-09-2015

Shareholders, who have not so far encashed the dividend warrant(s) are requested to seek issue of duplicate warrant(s) by writing to the Company's Registrar and Transfer Agents, M/s Karvy Computershare Private Limited immediately. Shareholders are requested to note that no claims lie against the Company or the said fund in respect of any amounts which were unclaimed and unpaid for a period of seven years from the date that they first became due for payment and no payment shall be made in respect of any such claims.

8. Non-resident Indian shareholders are requested to inform M/s Karvy Computershare Private Limited immediately:
 - i). The change in the residential status on return to India for permanent settlement; and
 - ii). The particulars of Bank Account maintained in India with complete name, branch, account type, account number and address of the bank, if not furnished earlier.
9. Corporate Members intending to send their authorized representatives are requested to send a duly certified copy of the Board Resolution authorizing their representatives to attend and vote at the Annual General Meeting.
10. Shareholders, holding shares in physical form, are requested to notify immediately change of address, if any, to the Company's Registrar & Share Transfer Agent, **M/s. Karvy Computershare Private Limited, Plot no.17 to 24, Vittal Rao Nagar, Madhapur, Hyderabad - 500 081.**
11. Consequent upon the introduction of Section 109A of the Companies Act, 1956, shareholders are entitled to make nomination in respect of shares held by them in physical form. Shareholders desirous of making nominations are requested to send their request in Form No. 2B in duplicate to the company.
12. The Register of Directors' shareholdings shall be open for inspection to any member of the Company during the period beginning 14 days before the date of Company's Annual General Meeting and ending 3 days after the date of its conclusion. The said register shall also remain open and accessible during the Annual General Meeting to any person having right to attend the meeting.
13. Members seeking any information relating to the Accounts may write to the Company at 6-3-541/C, Punjagutta, Hyderabad - 500082, for attention of Mr. Umakanta Barik, Company Secretary at the earliest.
14. All the documents referred to in the Notice will be available to the members at the Registered office of the company between 10.30 A.M to 12.30 P.M on all working days from the date hereof up to the date of the Meeting.
15. At the ensuing Annual General Meeting, Dr V Nagaraja Naidu and Dr A Appa Rao retire by rotation and being eligible offer themselves for re-appointment and the Board of Directors re-appointed Smt.N Bhuvanewari as Vice Chairperson and Managing Director for a period of three years with effect from 1st April 2009. The Board of Directors appointed Sri K Kannan as an Additional Director. The information or details pertaining to these directors are provided in terms of Clause 49 of the Listing Agreement with the Stock Exchanges.

Explanatory Statement pursuant to Section 173 (2) of the Companies Act, 1956

Item No.5

As per the terms of appointment, the term of Smt. N Bhuvanewari, Vice Chairperson and Managing Director of the Company expired on 31st March, 2009. The Board of Directors at their meeting held on 30th March 2009 has recommended for re-appointment of Smt.N.Bhuvanewari as the Vice Chairperson and Managing Director of the Company with effect from 1st April 2009 for a period of three years upon the recommendation of the Remuneration Committee of the Directors and subject to the approval of the Members of the Company. The said appointment and remuneration are within the stipulations of Section 198, 269, 309 and 310 of the Act and Schedule XIII thereto. Members of the Company are requested to pass the above resolution as a Special Resolution. Information as required under Scheduled XIII in respect of the appointee is furnished hereto.

The Directors recommend the resolution for your approval. None of the Directors of the Company, except Smt. N Bhuvanewari and Sri.N.Lokesh are interested in the resolution.

Item No. 6

The members of the company at their meeting held on 15th July 2005 has approved for the payment of sitting fees to the Non-Executive directors for attending the meetings of the Board and Committee thereof. Now the Board of Directors at their meeting held on 30th July 2009, recommended the enhancement of the sitting fees of the Board Meeting from Rs.5000/- to Rs.10,000/- and Committee Meetings from Rs.2500/- to Rs.5000/-since the sitting fees are fixed four years back needs revision.

In view of the revised Clause 49 of the Listing Agreement, the approval of the Members is required for revision of sitting fees to Non-Executive Directors of the Company. The Board recommends the approval of the resolution set out in Item No. 6 of the Notice convening the Meeting.

Sri D Seetharamaiah, Sri N P Ramakrishna, Dr N R Sivaswamy, Dr A Appa Rao, Dr V Nagaraja Naidu and Sri K Kannan Directors of the Company are considered as interested in the resolution.

Item No. 7

Sri K Kannan, who has been appointed as an Additional Director under Section 260 of the Companies Act, 1956 effective from 30th July 2009 holds office up to the conclusion of the 17th Annual General Meeting of the Company as per the provisions under Article 96 of the Articles of Association and is eligible for re-appointment. In terms of section 257 of the Companies Act, 1956, the company has received notices in writing from some members along with a deposit of Rs.500/- for each notice, signifying their intention to propose Sri K Kannan for the office of the Director.

Sri K Kannan has a vast experience in the fields of Finance and Banking. The Board is of the opinion that the association of Sri K Kannan as a Director on the Board would be of immense help to the Company's operation, expansion and diversification programs.

STATEMENT OF INFORMATION GIVEN TO THE SHAREHOLDERS PURSUANT TO SCHEDULE XIII OF THE COMPANIES ACT, 1956:

I. General Information:

- | | |
|---|---|
| (1) Nature of industry | a. Procurement, processing, packaging and distribution of Milk & Milk Products (Dairy Division)
b. Food Retailing (Retail Division)
c. Custom Farming (Agri Division) |
| (2) Date or expected date of commencement of commercial production: | a. Dairy Division – 26-04-1993
b. Retail Division – 29-11-2006
c. Agri Division – 10-03-2008 |
| (3) In case of new companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus: Not applicable | |
| (4) Financial performance based on given indicators: | |

(Rs. in lakhs)

Financial parameters	2003-04	2004-05	2005-06	2006-07	2007-08	2008-09
Turnover (Rs. in lakhs)	23449	26613	29207	34633	58803	79255
Net Profit as computed under Section 198 (Rs. in lakhs)	2906	1760	2167	436	(3483)	(2776)
Net Profit as per Profit and Loss Account (Rs. in lakhs)	1762	1016	1364	173	94	(3496)
Amount of Dividend Paid (including dividend tax) (Rs. in lakhs)	310	342	342	351	213	Nil
Rate of Dividend declared	27.5%	30%	30%	30%	18%	Nil

- (5) Export performance and net foreign exchange collaborations: Nil
 (6) Foreign investments or collaborators, if any: Nil

II. Information about the appointee:

(1) Background details:

Smt.N Bhuvanewari, aged 47 years, is a graduate in Arts and has about 15 years Industry experience. She is also director in Heritage Finlease Limited, Heritage Foods Retail Limited and several other Private Limited companies.

(2) Past remuneration: Rs. 3.50 Lakhs per month.

(3) Recognition or awards: Nil

(4) Job profile and his/ her suitability:

Smt. N Bhuvanewari is responsible to discharge the duties entrusted by the Board of Directors from time to time, which may include for day-to-day management and administration of the Company

(5) Remuneration proposed:

As set out in the resolution No. 5 as approved by the Remuneration Committee.

(6) Comparative remuneration profile with respect to industry, size of the company, profile of the position and person (in case of expatriates the relevant details would be with respect to the country of his origin):

Taking into consideration the size of the Company, the profile of Smt. N Bhuvanewari, Vice Chairperson and Managing Director, the responsibilities shouldered by her, the aforesaid remuneration package is commensurate with the remuneration package paid to managerial position in other companies.

(7) Pecuniary relationship directly or indirectly with the company, or relationship with the managerial personnel, if any: