



HERITAGE FOODS LIMITED

Regd. Office: # H. No.8-2-293/82/A/1286 Plot, 1286, Road No. 1, & 65,
Jubilee Hills, Hyderabad -500033, Telangana
CIN: L15209TG1992PLC014332
Tel:+91-40-23391221/2
E-mail: hfl@heritagefoods.in Visit us at: www.heritagefoods.in

CONTRACT OF EMPLOYMENT/LETTER OF APPOINTMENT

{Pursuant to the provisions of Sections 190,196,197,198 & 203 of the Companies Act, 2013 read with Schedule-V and the Rules made thereof and applicable provisions of SEBI(LO&DR) Regulation,2015 as amended from time to time}

Date:

Smt. N Bhuvaneswari

DIN: 00003741

Plot No.1310, Road No.65,

Jubilee Hills, Hyderabad – 500 033

Dear Madam

Sub: Re-appointment as Executive/Whole-time Director and Whole-time Key Managerial Personnel (KMP) designated as Vice-Chairperson and Managing Director (VC&MD)

I am pleased to inform you that upon the recommendation of the Nomination and Remuneration Committee meeting dated **January 29, 2024** and the Board of Directors meeting dated **January 29, 2024** (hereinafter referred as “the Board”) and Shareholders at their meeting through Postal ballot **dated March 14, 2024** of Company has approved your re-appointment as Executive/Whole-time Director and Whole-time Key Managerial Personnel (KMP) designated as Vice-Chairperson and Managing Director (VC&MD) of the Company. This letter of appointment sets out the terms and conditions covering your employment which is as follows:

i. Terms of employment

In accordance with the provisions of section 160,196,197,198 & 203 the Companies Act, 2013 and the Rules made there under read with Schedule V to the Act, and applicable provisions of SEBI (LO&DR) Regulation, 2015 as amended from time to time, You are re-appointed as Executive/Whole-time Director and Whole-time Key Managerial Personnel (KMP) designated as Vice-Chairperson and Managing Director (VC&MD) on the Board of Directors of Company for a period of 5 consecutive years with effect from 1st April, 2024.

The term “Whole-Time Director” should be construed as defined under the Companies Act, 2013 and SEBI (LO&DR) Regulation, 2015 as amended from time to time.

The Company has adopted the provisions with respect to appointment and tenure of Executive/Whole-Time Director which is in consistent with the Companies Act, 2013 and the Rules made there under read with Schedule V to the Act, and



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applicable provisions of SEBI (LO&DR) Regulation, 2015, as amended from time to time.

ii. Board Committees

The Board of Directors (the Board) may, if it deems fit, invite you for being appointed on one or more existing Board Committees or any such Committee that is set up in the future. Your appointment on such Committee(s) will be subject to the applicable regulations.

Currently, the Board has 6 (Six) committees i.e., Audit Committee, Nominations and Remuneration Committee, Stakeholders Relationship Committee, Corporate Social Responsibility Committee, Risk Management Committee and Management Committee.

You are currently Chairperson/Member in the following Committees of the Board with the following Designations:

S.no	Name of the Committee	Designation
1.	Stakeholder Relationship Committee	Member
2.	Corporate Social Responsibility Committee	Member
3.	Risk Management Committee	Member
4.	Management Committee	Chairperson

The Board is responsible for constituting, assigning, co-opting and fixing terms of service for committee members. The chairperson of the Board, in consultation with the Company Secretary and the committee Chairperson, determines the frequency and duration of the committee meetings. Normally, the Audit Committee meets four times a year and remaining committees shall meet whenever it is required as per the provisions of the Companies Act, 2013 and SEBI (LO&DR) Regulations, 2015 as amended from time to time.

Recommendations of the committees are submitted to the Board for approval. The quorum for meetings is as per the provisions of the Companies Act, 2013 and SEBI (LO & DR) Regulations, 2015 as amended from time to time.

iii. Time Commitment

As an Executive/Whole-time Director and Whole-time Key Managerial Personnel (KMP) designated as Vice-Chairperson and Managing Director (VC&MD) you are expected to bring objectivity and independence of view to the Board's discussions and to help provide the Board with effective leadership in relation to the Company's strategy, performance, and risk management as well as ensuring high standards of financial probity and corporate governance. The Board meets at least five times in a year.



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By accepting this appointment, you confirm that you are able to allocate whole of your time to meet the expectations from your role to the satisfaction of the Board and the Company.

iv. Professional Conduct

As an Executive/Whole-Time Director & Whole-time Key Managerial Person (KMP), you shall:

- uphold ethical standards of integrity and probity;
- act objectively and constructively while exercising your duties;
- exercise your responsibilities in a bona fide manner in the interest of the Company;
- devote sufficient time and attention to your professional obligations for informed and balanced decision-making;
- not allow any extraneous considerations that may vitiate your exercise of objective independent judgment in the paramount interest of the Company as a whole, while concurring in or dissenting from the collective judgment of the Board in its decision-making
- assist the Company in implementing the best corporate governance practices.

v. Role, Responsibilities and Duties

Your Role, Responsibilities and Duties will be those normally required of a Executive/Whole-time Director and Whole-time Key Managerial Personnel (KMP) designated as Vice-Chairperson and Managing Director (VC&MD) under the Companies Act, 2013 and the Rules made there under read with Schedule V to the Act and applicable provisions of SEBI (LO&DR) Regulation, 2015 as amended from time to time. There are certain duties prescribed for all Directors, both Executive and Non-Executive, which are fiduciary in nature and are as under:

- You shall act in accordance with the Company's Articles of Association.
- You shall act in good faith in order to promote the objects of the Company for the benefit of its members as a whole, and in the best interest of the Company.
- You shall ask, demand, sue for, recover and receive all sums of money, rents, debts, dues, goods, effects and things which now or at any time hereafter become due or owing, payable, delivered or belonging to the company and to give effectual receipts, releases and other discharges for the same.
- You shall appoint and sign warrants of authorities or vakalatnamas of any lawyer that may be required in connection with the company's business and to sign all necessary plaints, written statements, appeals, applications, petitions and affidavits and to affirm and declare and sign the same in any court or before any arbitrator or tribunal and with the previous consent of the Chairperson, to adjust, settle and compound any accounts, debts and claims by or against the company as may be approved by the Board of Directors from time to time.



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- You shall attend, vote and otherwise represent the company and take part in all meetings held in connection with any other company with which the company is concerned or in relation to any investments of the company and to sign proxies and authorities for the purpose of voting there at or for any other purpose connected therewith, including voting in all bankruptcy, insolvency and liquidation or other proceedings in which the company may be interested or concerned.
- You shall deploy and invest surplus funds of the company in financial and other assets, subject to such ceilings and conditions as may be specified by the Board of Directors from time to time;
- You shall insure and keep insured the company's premises, buildings, and all other properties and assets of the company movable or immovable and profits of the company against loss or damage by fire and other risks to such amount and for such period, as the Vice Chairperson & Managing Director may deem proper in the interest of the company.
- You shall discharge your duties with due and reasonable care, skill and diligence.
- You shall not involve yourself in a situation in which you may have a direct or indirect interest that conflicts, or possibly may conflict, with the interest of the Company. Please refer to Clause vii for full explanation on conflict of interest.
- You shall not achieve or attempt to achieve any undue gain or advantage either to yourself or to your relatives, partners or associates.
- You shall not assign your office and any assignment so made shall be void.
- And generally to do all acts, deeds and things as may be necessary for and on behalf of the company to all intents and purposes as may be deemed fit and proper by the Vice Chairperson & Managing Director.
- You may delegate such of your powers as can be delegated, to any executives / officers / employees of the company and subject to such limits as the Vice Chairperson & Managing Director may deem fit.

In addition to the above requirements applicable to all Directors, you will report to the Board of Directors of the company and is accountable for the key responsibilities as follows:

- Initiate speedy and stable growth strategies for the organization in line with the Vision and Mission of the company.
- Initiate strategies for backward and forward integration within the food industry.
- Initiate steps for diversification to various other potential businesses.
- Initiate steps in achieving the corporate goals of the organization in terms of values and profitability to all the stakeholders.
- Shall be responsible for safeguarding and effective utilization of the assets and improving the productivity.
- Responsible for compliance of various enactments applicable to the organization.



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- Shall be responsible to discharge the duties entrusted by the Board of Directors from time to time.
- Matters relating to financial management.

vi. **Status of Appointment**

You are the employee of the Company as per the legal and statutory applicable provisions, you are eligible for fitment in the Top Management Grade (TM-B), you are also eligible for PF, Gratuity & LTA as per the above said grade, the Code of Conduct of employee is also applicable to you and this letter shall constitute a contract of employment as the provisos of Section 190 of the Companies Act, 2013 as amended from time to time.

You shall be paid partly by way of Monthly Remuneration, Perquisites and Allowances and other benefits and partly by way of Annual Performance Pay, subject to the ceiling limits laid down in section 197 of the Companies Act, 2013 and in accordance with the provisions of schedule V to the Companies Act, 2013, as amended from time to time and as recommended by the Nomination & Remuneration Committee, Board of Directors and approved by Shareholders of the Company by way of special Resolution dated 14th March, 2024 as mentioned below;

Sl. No	Remuneration Components	Particulars
A	Salary	Rs.22.50 Lakhs (Rupees Twenty Two Lakhs Fifty Thousand only) per month
B	Benefits, Perquisites & Allowances	Contribution to provident fund, gratuity and leave encashment as per applicable policies of the Company.
		Furnished/unfurnished residential accommodation or house rent allowance of maximum of 50% of salary in lieu thereof. The expenditure incurred by the Company if any, on gas, electricity and water shall be valued as per the Income Tax Rules, 1962.
		Leave Travel Allowance for self and family, once in a financial year subject to ceiling of one month salary.
C	Facility/ Reimbursement of expenses for business purpose*	Expenses incurred for business related travelling, boarding and other expenses in India and abroad
		Club membership fees including admission and annual membership fees
		The Company shall provide fully maintained car
		Expenses incurred for telephone, other communication devices at the residence and mobile phone.
		Expenses towards Books & Periodicals along with online/offline subscription.
		Such other benefits, amenities and facilities as per the rules of the Company, as applicable and as may be permitted by the Board of Directors of the Company.



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D	Annual Performance Pay	Smt. N. Bhuvaneswari shall be entitled for Annual Performance Pay, however the Annual Performance Pay so paid plus her salary and benefits, perquisites & allowances etc. as referred above in sl no. 'A' and 'B' shall be 5% of the net profit of the Company in a financial year, calculated in accordance with Sec.197 & 198 of the Companies Act, 2013 and read with the Schedule V of the Companies Act, 2013 and ruled made thereof. Expenses incurred under sl no. 'C' above shall not be considered while calculating 5% as stated above.
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* Company may make payment directly to the concerned parties if required.

In case of losses or inadequacy of profits in any financial year during her tenure she shall be eligible for a minimum remuneration by way of salary, benefits, perquisites, allowances and facility/reimbursement of expenses as referred above in sl no. 'A' to 'C'.

vii. Conflict of Interest

It is accepted and acknowledged that you may have business interests other than those of the Company. As a condition to your appointment commencing, you are required to declare any such directorships, appointments and interests to the Board in writing in the prescribed form at the time of your appointment.

In the event that your circumstances seem likely to change and might give rise to a conflict of interest, this should be disclosed to both the Chairperson and the Secretary of the Company.

viii. Confidentiality

All information acquired during your appointment is confidential to the Company should not be released, either during your appointment or following termination (by whatever means) to third parties without prior clearance from the Company/Board unless required by law or by the rules of any stock exchanges or regulatory body. On reasonable request, you shall surrender any documents and other materials made available to you by the Company.

Directors are **prohibited** from dealing in the Company's shares during the period when the trading window is closed. Further, directors, being designated officers of the Company for the purpose of insider trading guidelines, are required to obtain prior clearance to pre-clear all trades (buy/sell/gift) from the Company Secretary / the Compliance Officer of the Company. You are required to comply with the applicable insider trading laws and regulations. You are also required to comply with the Company's *Code of Conduct and Ethics*, enclosed with this letter of appointment.



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ix. Performance Evaluation

The Company has adopted a policy on Board Evaluation in line with the requirement of the Companies Act, 2013 and The SEBI (LO&DR) Regulation, 2015 as amended from time to time. The policy provides for evaluation of the Board, the Committees of the Board and individual Directors, including the Chairperson of the Board. As per the Policy, the Company shall carry out an evaluation of the performance of the Board as a whole, Board Committees and Directors on an annual basis.

x. Disclosure of Interest

As per the provision of the Companies Act, 2013 and SEBI (LO&DR) Regulation, 2015, as amended from time to time, the Company must include in its Annual Accounts a note of any material interest that a Director may have in any transaction or arrangement that the Company has entered into. Such interest should be disclosed not later than when the transaction or arrangement comes up at a Board meeting so that the minutes may record your interest appropriately and our records are updated. A general notice that you are interested in any contracts with a particular person, firm or company is acceptable.

xi. Termination

You may resign from your position at any time and should you wish to do so, you are requested to serve a three months advance written notice to the Board.

Continuation of your appointment is contingent on your getting re-appointed by the shareholders in accordance with provisions of Companies Act, 2013, SEBI (LO&DR) Regulation, 2015 and the Articles of Association of the Company, from time to time in force.

Your appointment may also be terminated in accordance with the provisions of the Companies Act, 2013, SEBI (LO&DR) Regulation, 2015 and as per the Articles of Association of the Company from time to time in force.

If you cease to be a Director of the Company for any reason whatsoever, you will cease to be the Executive/Whole-time Director and Whole-time Key Managerial Personnel (KMP) designated as Vice-Chairperson and Managing Director (VC&MD) of the company.

xii. Governing Law

This appointment letter is governed by and will be interpreted in accordance with Indian law and your engagement shall be subject to the jurisdiction of the Hyderabad courts.

Kindly confirm your acceptance of these terms by signing and returning to us the enclosed copy of this letter.



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Yours sincerely

For **HERITAGE FOODS LIMITED**

By order of Board of Directors

A.V. Girija Kumar

Chairperson

Encls: 1. Copy of the Code of conduct & Ethics
2. Acknowledged copy of DIR-2, DIR-8 and MBP-1

I hereby acknowledge receipt of and accept the terms set out in this letter.

Signed

Dated