



NHC FOODS LIMITED

(Govt. Recognised Star Export House)

An ISO 22000-2005 (Food Management System) Certified Company

ANNUAL REPORT 2017 - 18

www.nhcgroupp.com

CORPORATE INFORMATION

Board of Directors :

Mr. Apoorva Shah	Chairman & Managing Director
Mrs. Alpa Shah	Whole-Time Director
Mr. Hemant Topiwala	Independent Director
Mr. Rajiv Bhatt	Independent Director
Mrs. Monika Singhania	Additional Director w.e.f. 30-09-2017

Registered Office & Plant Location:

Survey No. 777, Umarsadi Desaiwad Road,
At Village Umarsadi, Taluka Pardi,
District - Valsad
Gujarat - 396175

Corporate Office :

D-22/8, TTC Industrial Area,
Near Balmer Lawrie, Turbhe,
Navi Mumbai - 400705
Email: grievances@nhcgroup.com
Website: www.nhcgroup.com
Tel.: 91 22 48815100
Fax: 91 22 48815101
CIN : L15122GJ1992PLC076277

Statutory Auditors :

M/s. GMJ & Co.
Chartered Accountants
Mumbai

Registrar & Share Transfer Agents :

Link Intime India Pvt. Ltd.
C 101, 247 Park, L.B.S. Marg,
Vikhroli (West), Mumbai - 400083

- * Mr. Ashok Kamath resigned as CFO with effect from 28th February, 2018
- * Mrs. Suvarnalata Chavan resigned as CS with effect from 26th July, 2018

Board Committees :

Audit Committee :

Mr. Rajiv Bhatt	Chairman
Mr. Apoorva Shah	Member
Mr. Hemant Topiwala	Member
Mrs. Monika Singhania	Member w.e.f. 30.09.2017

Nomination & Remuneration Committee :

Mr. Rajiv Bhatt	Chairman
Mr. Hemant Topiwala	Member
Mr. Apoorva Shah	Member
Mrs. Monika Singhania	Member w.e.f. 30.09.2017

Shareholders' Relationship Committee :

Mr. Rajiv Bhatt	Chairman
Mr. Hemant Topiwala	Member
Mrs. Alpa Shah	Member
Mrs. Monika Singhania	Member w.e.f. 30.09.2017

Bankers :

Kotak Mahindra Bank Limited
Union Bank of India

Internal Auditors :

Surekha Associates

Secretarial Auditor :

Mr. Dinesh Kumar Deora

Company Secretary & Compliance Officer

Ms. Krina Mehta (w.e.f. 27th July, 2018)

Chief Financial Officer

Mr. Awadeshkumar Kannaujia
(w.e.f. 12th March, 2018)

26th ANNUAL GENERAL MEETING

On Thursday, 27th September, 2018 at 10.00 a.m. at
Survey No. 777, Umarsadi Desaiwad Road, at Village Umarsadi, Taluka Pardi,
District Valsad, Gujarat - 396175

NOTICE

NOTICE is hereby given that the 26th (Twenty Sixth) Annual General Meeting of NHC Foods Limited will be held on 27th September, 2018, Thursday at 10:00 a.m. at Registered Office of the Company at Survey No. 777, Umarsadi Desaiwad Road, Village Umarsadi, Taluka Pardi, Dist. Valsad, Gujarat: 396175 to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Financial Statements of the Company for the financial year ended 31st March, 2018, together with the Reports of the Board of Directors and Auditors thereon.
2. To appoint a Director in place of Mrs. Alpa Shah (DIN: 00573190), who retires by rotation and being eligible, offers herself for re-appointment.

SPECIAL BUSINESS:

3. Appointment of Mrs Monika Singhania (DIN: 07950196) as an Independent and Non- Executive Director

To consider and if thought fit, to pass with or without modification(s), the following resolution as an **ORDINARY RESOLUTION:**

“RESOLVED THAT Mrs Monika Singhania (DIN: 07950196), who was appointed as an Additional Director on the Board of Directors of the Company in terms of Section 161(1) of the Companies Act, 2013 (‘the Act’) and whose term of office expires at the ensuing Annual General Meeting and who meets the criteria of Independence as provided under Section 149(6) of the Act and who is eligible for appointment and is recommended by the Board of Directors upon the recommendation of the Nomination and Remuneration Committee for the office of Director as an Independent and Non-Executive Director, be and is hereby appointed, in accordance with Sections 149, 150, 152 read with Schedule IV and any other applicable provisions of the Act and the corresponding Rules framed thereunder, as an Independent Director to hold office for a term of 5 (Five) years with effect from the date of this Annual General Meeting upto the conclusion of Annual General Meeting of the Company to be held in the calendar year 2023.”

4. Re-appointment of Mr. Apoorva Shah, Chairman & Managing Director (DIN: 00573184) for a period of

three years with effect from 13th November, 2018 to 12th November, 2021:

To consider and if thought fit, to pass with or without modification(s), the following resolution as a **SPECIAL RESOLUTION:**

“RESOLVED THAT pursuant to the provisions of Sections 196, 197, 198, 203 and any other applicable provisions if any of the Companies Act, 2013 and the rules made thereunder (including any statutory modification(s) or re-enactment thereof), read with Schedule V to the Companies Act, 2013, Mr Apoorva Shah, Chairman & Managing Director (DIN: 00573184) be and is hereby re-appointed as the chairman and Managing Director of the company for a period of Three years with effect from 13th November, 2018 to 12th November, 2021 on the remuneration, terms and conditions as recommended by the Nomination and Remuneration Committee

RESOLVED FURTHER THAT the Board of Directors be and is hereby authorized to alter or vary the terms and conditions of the re-appointment of Mr. Apoorva Shah, Chairman and Managing Director including the monetary value thereof, to the extent recommended by the Nomination and Remuneration Committee from time to time as may be considered appropriate, subject to the overall limits specified by this resolution and the Companies Act, 2013

RESOLVED FURTHER THAT any one of the Director or Company Secretary of the Company be and are hereby authorized to do all necessary acts, deeds and things, which may be usual, expedient or proper to give effect to the above resolution.”

5. Re-appointment of Mrs Alpa Shah (DIN: 00573190), Whole – Time Director for a period of Three years with effect from 14th February, 2019 to 13th February, 2022:

To consider and, if thought fit, to pass, the following resolution as a **SPECIAL RESOLUTION:**

“RESOLVED THAT pursuant to the provisions of Sections 196, 197, 198, 203 and any other applicable provisions if any of the Companies Act, 2013 and the rules made thereunder (including any statutory modification(s) or re-enactment thereof), read with Schedule V to the Companies Act, 2013, Mrs Alpa Shah (DIN: 00573190), Whole – Time Director be and is hereby re-appointed as a whole

Time Director for a period of Three years with effect from 14th February, 2019 to 13th February, 2022 on the remuneration, terms and conditions as recommended by the Nomination and Remuneration Committee.

RESOLVED FURTHER THAT the Board of Directors be and is hereby authorized to alter or vary the terms and conditions of the re-appointment of Mrs Alpa Shah (DIN: 00573190), Whole – Time Director including the monetary value thereof, to the extent recommended by the Nomination and Remuneration Committee from time to time as may be considered appropriate, subject to the overall limits specified by this resolution and the Companies Act, 2013.

RESOLVED FURTHER THAT any one of the Director or Company Secretary of the Company be and are hereby authorized to do all necessary acts, deeds and things, which may be usual, expedient or proper to give effect to the above resolution.”

6. Approval for Sale of Undertaking(S) of the company situated at Survey No. 777, Umarsadi Desaiwad Road, At Village Umarsadi, Taluka Pardi, District Valsad, Gujarat – 396175.

To consider and, if thought fit, to pass, the following resolution as a **SPECIAL RESOLUTION**:

“**RESOLVED THAT** in pursuance of provision of Section 180(1)(a) of the Companies Act, 2013 and other applicable provisions if any of the Act and Rules made there under as amended or restated from time to time and subject to requisite approvals including the approval of all concerned statutory and regulatory authorities and departments, person or persons, if and to the extent necessary and such other approvals, permissions and sanctions as may be required, and subject to the approval of members in the Annual General Meeting, the Board (hereinafter referred to as the Board which term shall include a committee thereof authorised for the purpose) be and is hereby authorised to sell, lease or otherwise dispose of the immoveable assets alongwith Plant and Machinery, furniture and fixtures and other moveable assets of the company whether such assets constitute whole or substantially the whole of the various undertakings of the company located at Survey no. 777, Umarsadi Desaiwad Road, at Village Umarsadi, Taluka Pardi, District Valsad, Gujarat - 396175 at a price which is not less than Rs. 600 Lakh (Rupees

Six Hundred Lakh only) and on such terms and conditions as may be deemed fit by the Board.

RESOLVED FURTHER THAT the Board be and is hereby authorised to do and perform or cause to be done all such acts, deeds, matters and things, as may be required or deemed necessary or incidental thereto, including to determine the manner and method of sale, transfer, disposal and to settle and finalise all issues that may arise in this regard, without further referring to the Members of the Company, including without limitation, negotiating, finalising and executing necessary agreements (including such representations, warranties indemnities and covenants as may be customary in such transactions) deed of conveyance, deed of assignment, schemes, and subsequent modifications thereto and such other documents as may be necessary or expedient in its own discretion and in the interest of the Company, including without limitation, to settle any questions, difficulties, doubts that may arise in this regard, as it may in its absolute discretion deem fit, and to delegate all or any of the powers or authorities herein conferred to any Director(s) or other official(s) of the Company, to any committee of the Board or to engage any advisor, consultant, agent or intermediary, as may be deemed necessary to give effect to this resolution.”

7. Approval for Sale of Undertaking(S) of the company situated at NHC House, 2/13, Anand Nagar, Santacruz (E), Mumbai – 400055.

To consider and, if thought fit, to pass, the following resolution as a **SPECIAL RESOLUTION**:

“**RESOLVED THAT** in pursuance of provision of Section 180(1)(a) of Companies Act, 2013 and other applicable provisions if any of the Act and Rules made there under as amended or restated from time to time and subject to requisite approvals including the approval of all concerned statutory and regulatory authorities and departments, person or persons, if and to the extent necessary and such other approvals, permissions and sanctions as may be required, and subject to the approval of members in the Annual General Meeting, the Board (hereinafter referred to as the Board which term shall include a committee thereof authorised for the purpose) be and is hereby authorised to sell, lease or otherwise dispose of the immoveable assets alongwith Plant and Machinery, furniture and fixtures and other moveable assets of the company whether such assets constitute whole or

substantially the whole of the various undertakings of the company located at NHC House, 2/13, Anand Nagar, Santacruz (E), Mumbai – 400055 at a price which is not less than Rs. 250 Lakh (Rupees Two Hundred Fifty Lakh only) and on such terms and conditions as may be deemed fit by the Board.

RESOLVED FURTHER THAT the sale proceeds of the aforesaid assets may be applied for discharging the respective liabilities attributable thereto and in discharging the overall liabilities of the company.

RESOLVED FURTHER THAT the Board be and is hereby authorised to do and perform or cause to be done all such acts, deeds, matters and things, as may be required or deemed necessary or incidental thereto, including to determine the manner and method of sale, transfer, disposal and to settle and finalise all issues that may arise in this regard, without further referring to the Members of the Company, including without limitation, negotiating, finalising and executing necessary agreements (including such representations, warranties indemnities and covenants as may be customary in such transactions), deed of conveyance, deed of assignment, schemes, and subsequent modifications thereto and such other documents as may be necessary or expedient in its own discretion and in the interest of the Company, including without limitation, to settle any questions, difficulties, doubts that may arise in this regard, as it may in its absolute discretion deem fit, and to delegate all or any of the powers or authorities herein conferred to any Director(s) or other official(s) of the Company, to any committee of the Board or to engage any advisor, consultant, agent or intermediary, as may be deemed necessary to give effect to this resolution.”

By the order of the Board of Directors,

For NHC FOODS LIMITED

Krina Mehta

(Company Secretary & Compliance Officer)

Date: 25th August, 2018

Place : Mumbai

Registered Office:

Survey No. 777,
Umarsadi Desaiwad Road, At Village Umarsadi,
Taluka Pardi, District Valsad,
Gujarat – 396175

NOTES:

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE ON A POLL ONLY INSTEAD OF HIMSELF/ HERSELF AND SUCH A PROXY NEED NOT BE A MEMBER. PROXIES IN ORDER TO BE EFFECTIVE MUST BE RECEIVED BY THE COMPANY NOT LESS THAN FORTY-EIGHT HOURS BEFORE THE MEETING.

A PERSON CAN ACT AS PROXY FOR ONLY 50 MEMBERS AND HOLDING IN AGGREGATE NOT MORE THAN 10 PERCENT OF THE TOTAL SHARE CAPITAL OF THE COMPANY CARRYING VOTING RIGHTS. MEMBER HOLDING MORE THAN 10 PERCENT OF THE TOTAL SHARE CAPITAL OF THE COMPANY CARRYING VOTING RIGHTS MAY APPOINT A SINGLE PERSON AS PROXY AND SUCH PERSON SHALL NOT ACT AS PROXY FOR ANY OTHER MEMBER.

2. The Register of Members and Share Transfer Register will remain closed from 21st September, 2018 to 27th September, 2018 (both days inclusive).
3. The relative explanatory statement pursuant to Section 102 of the Companies Act, 2013 (“Act”) in respect of the special business under Item No. 3 & 4 of the Notice, is annexed hereto. The relevant details as required under Regulations 26(4) and 36(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“Listing Regulations”) and Secretarial Standard on General Meetings issued by the Institute of Company Secretaries of India in respect of Directors seeking appointment/re-appointment at this Annual General Meeting (“AGM”) are also annexed.
4. Members/Proxies should bring their Attendance Slip sent herewith duly filled in for attending the Meeting. ONLY MEMBERS/PROXIES WILL BE ADMITTED INTO THE AUDITORIUM FOR THE MEETING.
5. MEMBERS SEEKING ANY INFORMATION WITH RESPECT TO FINANCIALS OR ANY OTHER INFORMATION ARE REQUESTED TO WRITE TO THE COMPANY AT THE EARLIEST SO AS TO ENABLE THE COMPANY TO PROVIDE APPROPRIATE REPLY.

6. The Securities Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form may submit the PAN copy to their depository participants, in the case of physical form the PAN copy be submitted to the Company / RTA
7. Members holding shares in single name and in physical form are advised to make nomination in respect of their shareholding in the Company by submitting Form No. SH-14.
8. Members holding shares in physical form are requested to intimate the Company regarding any change in their addresses/bank mandates to enable the Company to address future communications to their correct addresses. Members holding shares in electronic / dematerialized form are requested to inform the Depository Participant (DP) with whom they hold their demat account about changes in their address / bank details for necessary update.
9. To prevent fraudulent transactions, members are advised to exercise due diligence and notify the Company of any change in address or demise of any member as soon as possible. Members are also advised not to leave their demat account(s) dormant for long. Periodic statement of holdings should be obtained from the concerned Depository Participant and holdings should be verified.
10. Corporate Members intending to send their Authorised Representatives to attend the meeting are requested to send a certified copy of the Board Resolution/ Power of Attorney authorizing their representatives to attend and vote on their behalf at the meeting.
11. Members may also note that the Notice of the 26th Annual General Meeting, Attendance Slip, Proxy Form, Route Map, Ballot Paper and the Annual Report for 2018 will also be available on the Company's website www.nhcgroup.com for their download. The physical copies of the aforesaid documents will also be available at the Company's Registered Office for inspection without any fee during normal business hours (10:00 am to 5:00 pm) on working days, except Saturday, upto and including the date of AGM of the Company.

Members may also note that the Notice of the 26th Annual General Meeting and the Annual Report for 2018 will also be available on the Company's website www.nhcgroup.com. The Notice of AGM shall also be available on the website of NSDL viz. www.evoting.nsdl.com
12. Members attending the Annual General Meeting are requested to bring with them the followings (as applicable):
 - a. Members holding shares in dematerialized form, their DP & Client ID Numbers.
 - b. Members holding shares in physical form their folio numbers.
 - c. Copy of the Annual Report & Notice.
 - d. The Attendance slip duly completed as per the specimen signature lodged with the Company
 - e. Member Companies/Institutions are requested to send a copy of the resolution of their Board/Governing Body, authorizing their representative to attend and vote at the Annual General Meeting
13. The additional details of Director in respect of Item No. 2 pursuant to Regulation 36(3) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulation, 2015 are annexed thereto.
14. In terms of provisions of Section 107 of the Companies Act, 2013, since the Company is providing the facility of remote e-voting to the shareholders, there shall be no voting by show of hands at the AGM. The facility for ballot / polling paper / electronic poll/ insta poll (hereinafter referred as voting at AGM venue) shall be made available at the meeting and the members attending the meeting who have not cast their vote by remote e-voting shall be able to vote at AGM venue.
15. The shareholders can opt for only one mode of voting i.e. remote e-voting or voting at AGM venue. In case of voting by both the modes, vote casted through remote e-voting will be considered final and voting at AGM will not be considered. The members who have cast their vote by remote e-voting may also attend the meeting.

16. The Government took a 'Green Initiative in Corporate Governance' in 2011 by allowing the Companies to service the documents to its Members through electronic mode.

Accordingly, the Company sends all communications including the Notice along with Annual Report in electronic form to all Members whose email Id's are registered with the Company/ Depository Participant(s) unless a specific request for hard copy has been requested.

17. The Register of Directors and Key Managerial Personnel and their shareholding maintained under Section 170 of the Act and the Register of Contracts and Arrangements in which Directors are interested maintained under Section 189 of the Act, shall be made available at the commencement of the meeting and shall remain open and accessible to the members during the continuance of the meeting.

18. Voting through Electronic means:

In Compliance with Regulation 44, SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015 and Section 108 and other applicable provisions of the Companies Act, 2013, read with the related rules, the Company is pleased to provide e-voting facility to all its members, to enable them to cast their vote electronically. The Company has engaged the services of NSDL for the purpose of providing e-voting facility to all its members


Step 1: Login to NSDL's e-voting system at <https://www.evoting.nsdl.com/>

Step 2: Cast your vote electronically on NSDL's e-voting system

Step 1:

How to log in to the NSDL e-voting website

1. Visit the e-voting website of NSDL by opening your web browser and typing the following URL either on a desktop computer / laptop or on a mobile or scan the QR code using your smart phone:

https://www.evoting.nsdl.com/	
---	---

2. Once the homepage of the e-voting system is launched, click on the icon, 'Login', available under 'Shareholders'.
3. A new screen will open. You will have to enter your USER ID, your password and verification code as shown on the screen.

Alternatively, if you are registered for NSDL e-services, i.e. IDEAS, you can log in at <https://www.evoting.nsdl.com/> with your existing IDEAS log-in details. Once you log in to NSDL e-services using your log – in credentials, click on 'e-voting' and proceed to Step 2, i.e. cast your vote electronically.

4. Your User ID details are given below :

Manner of holding shares i.e. Demat (NSDL or CDSL) or Physical	Your User ID is:
a) For Members who hold shares in demat account with NSDL.	8 Character DP ID followed by 8 Digit Client ID For example if your DP ID is IN300*** and Client ID is 12***** then your user ID is IN300***12*****.
b) For Members who hold shares in demat account with CDSL.	16 Digit Beneficiary ID For example if your Beneficiary ID is 12***** then your user ID is 12*****
c) For Members holding shares in Physical Form.	EVEN Number followed by Folio Number registered with the company For example if folio number is 001*** and EVEN is 101456 then user ID is 101456001***

5. Your password details are given below:
 - a. If you are already registered for e-Voting, then you can use your existing password to login and cast your vote.
 - b. If you are using NSDL e-Voting system for the first time, you will need to retrieve the 'initial password' which was communicated to you.

Once you retrieve your 'initial password', you need to enter the 'initial password' and the system will force you to change your password.

c. How to retrieve your 'initial password'?

(i) If your email ID is registered in your demat account or with the company, your 'initial password' is communicated to you on your email ID. Trace the email sent to you from NSDL from your mailbox. Open the email and open the attachment i.e. a .pdf file. Open the .pdf file. The password to open the .pdf file is your 8 digit client ID for NSDL account, last 8

digits of client ID for CDSL account or folio number for shares held in physical form. The .pdf file contains your 'User ID' and your 'initial password'.

(ii) If your email ID is not registered, your 'initial password' is communicated to you on your postal address.

6. If you are unable to retrieve or have not received the "Initial password" or have forgotten your password:

a. Click on "**Forgot User Details/Password?**" (If you are holding shares in your demat account with NSDL or CDSL) option available on www.evoting.nsd.com.

b. **Physical User Reset Password?**" (If you are holding shares in physical mode) option available on www.evoting.nsd.com.

c. If you are still unable to get the password by aforesaid two options, you can send a request at evoting@nsdl.co.in mentioning your demat account number/folio number, your PAN, your name and your registered address.

7. After entering your password, tick on Agree to "Terms and Conditions" by selecting on the check box.

8. Now, you will have to click on "Login" button.

9. After you click on the "Login" button, Home page of e-Voting will open.

Details on Step 2 are given below:

How to cast your vote electronically on NSDL e-Voting system?

1. After successful login at Step 1, you will be able to see the Home page of e-Voting. Click on e-Voting. Then, click on Active Voting Cycles

2. After click on Active Voting Cycles, you will be able to see all the companies "EVEN" in which you are holding shares and whose voting cycle is in active status.

3. Select "EVEN" of company for which you wish to cast your vote.

4. Now you are ready for e-Voting as the Voting page opens.

5. Cast your vote by selecting appropriate options i.e. assent or dissent, verify/modify the number of shares for which you wish to cast your vote and click on "Submit" and also "Confirm" when prompted.

6. Upon confirmation, the message "Vote cast successfully" will be displayed.

7. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.

8. Once you confirm your vote on the resolution, you will not be allowed to modify your vote.

General Guidelines for shareholders

1. Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority letter etc. with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer by e-mail to grievances@nhcgroup.com with a copy marked to evoting@nsdl.co.in.

2. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the "**Forgot User Details/Password?**" or "**Physical User Reset Password?**" option available on www.evoting.nsd.com to reset the password.

3. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available at the download section of www.evoting.nsdl.com or call on toll free no.: 1800-222-990 or send a request at atevoting@nsdl.co.in
4. The remote e-voting facility will be available during the following period:

Commencement of remote e-voting	From 9.00 a.m. (IST) on September 24, 2018
End of remote e-voting	Upto 5.00 p.m. (IST) on September 26, 2018

During the period, members of the Company holding shares either in physical or dematerialized form, as on the relevant date i.e. September 21, 2018, may cast their vote electronically. The e-voting module shall be disabled by NSDL for voting thereafter. A member will not be allowed to vote again on any resolution on which a vote has already been cast. Any person, who acquires shares of the Company and becomes a member of the Company after dispatch of the Notice convening the AGM and up to the cut – off date i.e. September 21, 2018, may obtain his login Id and password by sending request at evoting@nsdl.co.in

5. The voting rights of members shall be proportionate to their share of the paid – up equity share capital of the company as on the relevant date i.e. September 21, 2018

Mr. Dinesh Kumar Deora, Practising Company Secretary (Membership No. 5683) has been appointed for as scrutinizer for providing facility to the members of the Company to scrutinize the voting and remote e-voting process in a fair and transparent manner.

The Scrutinizer shall after the conclusion of voting at the general meeting, will first count the votes cast at the meeting and thereafter unblock the votes cast through remote e-voting in the presence of at least two witnesses not in the employment of the Company and shall make, not later than three days of the conclusion of the AGM, a consolidated scrutinizer's report of the total votes cast in favour

or against, if any, to the Chairman or a person authorised by him in writing, who shall countersign the same and declare the result of the voting forthwith

EXPLANATORY STATEMENT

Item No. 3

1. The Board of directors appointed Mrs Monika Singhania (DIN: 07950196) as Additional Director (Independent Non – Executive) for a term of five years upto September 29, 2022, not liable to retire by rotation, subject to the approval of shareholders. In terms of Section 161(1) of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rule, 2014, Mrs Monika Singhania holds office upto the date of this Annual General Meeting but eligible for the appointment as Director. The Company has received notice from member in writing along with requisite deposit under Section 160 of the Act, proposing his candidature for the office of the director
2. Mrs Monika Singhania does not incur any disqualification under Section 164 of the Companies Act, 2013. The Company has received declaration from Mrs Monika Singhania that she meets with the criteria of independence as prescribed under Sub – Section (6) of Section 149 of the Companies Act, 2013 and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.
3. In the opinion of the Board, Mrs Monika Singhania, is a person of integrity, possess the relevant expertise and experience and his association would be of immense benefit to the Company. She fulfils the conditions specified in the Act and the rules made thereunder and is independent of the management of the Company. In terms of Section 149 of the Companies Act, 2013, an Independent Director shall hold office for two terms of upto five consecutive years each on the Board of the Company. Further, in terms of Section 149(13) of the said Act, Independent Director is not liable to retire by rotation.
4. In the view of the above, the Board proposes the appointment of Mrs. Monika Singhania, as an

Independent Director of the Company for a term of five years upto September 29, 2022.

5. Copy of the draft letter of appointment of Mrs. Monika Singhania, as an Independent Director is available for the inspection without any fee by the Members at the Registered Office of the Company during the business hours on any working days.
6. The details of Mrs. Monika Singhania, as required under Regulation 36 (3) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, are set out in the Annexure forming part of the Notice.

None of the Director and / or Key Managerial Personnel of the Company and their relatives, Except Mrs Singhania, is concerned or interested, financially or otherwise, in resolution set out at Item No. 3.

The Board recommends the resolution set forth in Item No. 3 for the approval of Members.

Item No. 4:

Mr. Apoorva Shah (DIN: 00573184) was appointed as Managing Director by the shareholders through postal ballot held on 29th January, 2016 for a period of three years i.e. 13th November, 2015 to 12th November, 2018. Considering his contribution in overall growth and performance of the Company, it is proposed to re-appoint Mr Apoorva Shah (DIN: 00573184), Managing Director for a period of Three years w. e. f. 13th November, 2018 to 12th November, 2021. The reappointment of Mr. Apoorva Shah (DIN: 00573184) as the Managing Director of the Company shall require the approval of the Shareholders by way of passing of Special Resolution pursuant to the provisions of Sections 196, 197, 198, 203 and any other applicable provisions of the Companies Act, 2013 and the rules made there under (including any statutory modification(s) or re-enactment thereof for the time being in force), read with Schedule V to the Companies Act, 2013 and subject to the approvals of the Central Government and other authorities, if any.

The Terms and Conditions of re appointment of Mr Apoorva Shah as Managing Director for a period of Three years w.e.f. 13th November, 2018 to 12th November, 2021 are as follows:

I Remuneration:

1. Salary:

Rs. 40,99,400/- (Rupees Forty Lacs Ninety Nine Thousand Four Hundred Only) per annum

2. Perquisites: In addition to the above salary, the Managing Director will be entitled to the following perquisites as specified below:

a) **Medical Reimbursement:** He shall be entitled to medical expenses as per the rules of the Company which include such expenses as shall relate to surgical, optical and Dental treatment incurred by himself and his family upto Rs. 15,000/- per annum.

b) **Club Membership:** The Company shall pay fees of Club/s, as allowed under the Act and as per the rules of the Company, subject to maximum of Rs. 25,000/- per annum. This will, however, not include admission and life membership fees

c) A car with a chauffeur for official purposes as per the rules of the Company

d) **Leave:** Subject to the exigencies of his employment, Mr Apoorva Shah shall be entitled to leave in a year on full pay and allowances as per the rules and regulations of the Company

e) The Company shall pay expenses on Telephone & Fax at residence and mobile phone for official use upto Rs. 36,000/- per annum

f) **Variable Pay/Performance Bonus:** Mr Apoorva Shah may be paid as may be determined by the committee or Board thereof based on such performance parameters as may be laid down by the Committee or the Board and as per the rules of the Company

g) The Company shall pay contribution at percentage of salary towards Provident Fund provided the contribution shall not exceed the limit laid down under the Income Tax Act, 1961

h) The Company shall pay gratuity as per the Payment of Gratuity Act, 1972

Subject to overall ceiling on remuneration mentioned herein, Mr Apoorva Shah, Managing Director (DIN 00573184) may be given such other benefits in accordance with the schemes and rules applicable to the members of the Company framed from time to time

Explanation: Perquisites shall be evaluated as per the Income Tax Rules, wherever applicable and in the absence of any such rule, perquisites shall be evaluated at actual cost

3. Other Terms and Conditions:

- (a) **Termination:** A notice period of three months from both the sides
- (b) **Rotation:** Liable to retire by rotation
- (c) **Sitting Fees:** Mr Apoorva Shah will not be entitled to receive any sitting fees for the Board or the Committee meetings constituted by the Board Minimum Remuneration Notwithstanding anything contained herein, wherein in the absence or inadequacy of profits in any financial year, during the tenure, the company shall pay to Mr Apoorva Shah (DIN 00573184) remuneration as decided by the Board or any committee thereof from time to time as minimum remuneration with the approval of the Central government if necessary

The proposed re-appointment of and payment of remuneration to Mr Apoorva Shah (DIN: 00573184) as the Managing Director, has been considered and recommended by the Nomination and Remuneration Committee at its respective meetings held on 10th July, 2018.

The explanatory statement and the Resolution No. 4 of the Notice shall be treated as an abstract of the terms of appointment of Mr Apoorva Shah as the Managing Director of the Company as required under Section 102 of the Companies Act, 2013.

Profile of Mr. Apoorva Shah is given herein below. The Board considers that his re-appointment would be of immense benefit to the Company. Accordingly

the Board of Directors recommends his re-appointment.

His period of office shall be liable to determination by retirement of directors by rotation. A draft Agreement between the Company and Managing Director will be available for inspection by the Members of the Company at its Registered / Corporate Office of the Company during office hours on all working days, except Saturday and Sunday and other holidays, between 11:00 a.m. and 1:00 p.m. up to the Annual General Meeting i.e. Thursday, 27th September, 2018

The above explanatory statement (together with Annexure thereto) shall be construed to be memorandum setting out the terms of the re-appointment as specified under Section 190 of the Companies Act, 2013.

The Board considers that having regard to the significant contribution of Mr. Apoorva Shah towards remarkable growth of operational activities of the Company during his current tenure, the re-appointment of Mr. Apoorva Shah as Managing Director of the Company for a further period of 3 years is fully justified. As such the Board recommends the Special Resolution set out in Item No. 4 of the Notice convening the meeting for the approval of the shareholders.

Mr. Apoorva Shah and Mrs Alpa Shah being spouse may be deemed to be concerned or interested, financially or otherwise, to the extent of their respective shareholding in respect of his re-appointment.

Save and except the above, none of the other Directors/Key Managerial Personnel of the Company/their relative(s) is, in any way, concerned or interested, financially or otherwise, in the resolution nos. 4 of the Notice.

The Board recommends the Special Resolution set out at Item No. 4 for the approval of Members.

Item No. 5

Mrs Alpa Shah (DIN: 00573190) was appointed as Whole-Time Director by the shareholders through postal ballot held on 29th January, 2016 for a period of three years i.e. 14th Feb, 2016 to 13th Feb, 2019. Considering

her contribution in overall growth and performance of the Company, it is proposed to re-appoint Mrs. Alpa Shah (DIN: 00573190), as Whole – Time Director for a period of Three years with effect from 14th February, 2019 to 13th February, 2022. The reappointment of Mrs. Alpa Shah (DIN: 00573190) as Whole – Time Director of the Company shall require the approval of the Shareholders by way of passing of Special Resolution pursuant to the provisions of Sections 196, 197, 198, 203 and any other applicable provisions of the Companies Act, 2013 and the rules made there under (including any statutory modification(s) or re-enactment thereof for the time being in force), read with Schedule V to the Companies Act, 2013 and subject to the approvals of the Central Government and other authorities, if any.

The Terms and Conditions of re appointment of Mrs. Alpa Shah, Whole Time Director for a period of Three years with effect from 14th February, 2019 to 13th February, 2022

1 Remuneration:

1. **Salary:** Rs. 40,99,400/- (Rupees Forty Lacs Ninety Nine Thousand Four Hundred Only) per annum
2. **Perquisites:** In addition to the above salary, the Whole – time director will be entitled to the following perquisites as specified below:
 - a) **Medical Reimbursement:** She shall be entitled to medical expenses as per the rules of the Company which include such expenses as shall relate to surgical, optical and Dental treatment incurred by herself and her family upto Rs. 15,000/- per annum.
 - b) **Club Membership:** The Company shall pay fees of Club/s, as allowed under the Act and as per the rules of the Company, subject to maximum of Rs. 25,000/- per annum. This will, however, not include admission and life membership fees
 - c) A car with a chauffeur for official purposes as per the rules of the Company.
 - d) **Leave:** Subject to the exigencies of her employment, MrsAlpa Shah shall be entitled to leave in a year on full pay and allowances as per the rules and regulations of the Company.

- e) The Company shall pay expenses on Telephone & Fax at residence and mobile phone for official use upto Rs. 36,000/- per annum.
- f) **Variable Pay/Performance Bonus:** MrsAlpa Shah may be paid as may be determined by the committee or Board thereof based on such performance parameters as may be laid down by the Committee or the Board and as per the rules of the Company.
- g) The Company shall pay contribution at percentage of salary towards Provident Fund provided the contribution shall not exceed the limit laid down under the Income Tax Act, 1961.
- h) The Company shall pay gratuity as per the Payment of Gratuity Act, 1972 Subject to overall ceiling on remuneration mentioned herein, Mrs Alpa Shah, Whole time Director may be given such other benefits in accordance with the schemes and rules applicable to the members of the Company framed from time to time.

Explanation: Perquisites shall be evaluated as per the Income Tax Rules, wherever applicable and in the absence of any such rule, perquisites shall be evaluated at actual cost.

3. Other Terms and Conditions:

- a) **Termination:** A notice period of three months from both the sides.
- b) **Rotation:** Liable to retire by rotation.
- c) **Sitting Fees:** Mrs Alpa Shah will not be entitled to receive any sitting fees for the Board or the Committee meetings constituted by the Board.

Minimum Remuneration:

Notwithstanding anything contained herein, wherein in the absence or inadequacy of profits in any financial year, during the tenure, the company shall pay to Mrs Alpa Shah (DIN 00573190) remuneration as decided by the Board or any committee thereof from time to time as minimum remuneration with the approval of the

Central Government if necessary. The proposed re-appointment of and payment of remuneration to Mrs Alpa Shah (DIN: 00573190) as the Whole-time Director, has been considered and recommended by the Nomination and Remuneration Committee at its respective meetings held on 10th July, 2018.

The explanatory statement and the Resolution No. 5 of the Notice shall be treated as an abstract of the terms of appointment of Mrs Alpa Shah as the Whole-time Director of the Company as required under Section 102 of the Companies Act, 2013.

Profile of Mrs Alpa Shah is given herein below. The Board considers that her re-appointment would be of immense benefit to the Company. Accordingly the Board of Directors recommends her re-appointment.

Her period of office shall be liable to determination by retirement of directors by rotation.

Her period of office shall be liable to determination by retirement of directors by rotation. A draft Agreement between the Company and Whole-Time Director will be available for inspection by the Members of the Company at its Registered / Corporate Office of the Company during office hours on all working days, except Saturday and Sunday and other holidays, between 11:00 a.m. and 1:00 p.m. up to the Annual General Meeting i.e. Thursday, 27th September, 2018.

The above explanatory statement (together with Annexure thereto) shall be construed to be memorandum setting out the terms of the re-appointment as specified under Section 190 of the Companies Act, 2013.

The Board considers that having regard to the significant contribution of Mrs. Alpa Shah towards remarkable growth of operational activities of the Company during her current tenure, the re-appointment of Mrs. Alpa Shah as Whole Time Director of the Company for a further period of 3 years is fully justified. As such the Board recommends the Special Resolution set out in Item No. 5 of the Notice convening the meeting for the approval of the shareholders.

Mr Apoorva Shah and Mrs. Alpa Shah being spouse may be deemed to be concerned or interested, financially or otherwise, to the extent of their respective shareholding in respect of his re-appointment.

Save and except the above, none of the other Directors/ Key Managerial Personnel of the Company/their relative(s) is, in any way, concerned or interested, financially or otherwise, in the resolution nos. 5 of the Notice.

The Board recommends the Special Resolution set out at Item No. 5 for the approval of Members.

Item No. 6

The Company keeps reviewing its Business strategy from time to time and makes decisions that deem fit to the expectation from its strategic intent and as a part of that intent, it is reviewing its business operations including consolidating its work place(s). Presently, the work place(s) of the Company is scattered over into several offices including corporate office at 'NHC House, 2/13, Anand Nagar, Santacruz (E), Mumbai – 400055 and Factory at Survey No. 777, Umarsadi Desaiwad Road, at Village Umarsadi, Taluka Pardi, District Valsad, Gujarat: 396175.

With the intent to get all major businesses, their support functions and the shared services under one roof, it is envisaged that a shift of work places be carried out to a consolidated, better and more convenient work place in the city. This would not only bring in operational efficiencies but also ensure smoother execution and implementation of the business objectives. Further, it will help in optimizing the operational cost which would inevitably lead to an enhancement in the shareholders' value.

Based on the options available in the current real estate/ realty market it is proposed to lease, sub-lease, sale, transfer, convey, assign or otherwise dispose of the said property /ies and continue back office and factory operations in commercial hub located at Navi Mumbai, in the best interest of the Company. The company proposes to buy new place or take the new place on lease / hire / rent basis.

It is imperative for the company to reduce its borrowings to achieve its previous levels of profitability and sustain in the long run. The company endeavours to attain this objective by selling / leasing or disposing-off assets of the company and reducing the borrowings.

The consideration from this action is proposed to be utilised for the reduction of debts of the company.

The Approval for Sale of Undertaking(S) of the company situated at Survey No. 777, Umarsadi Desaiwad Road, At Village Umarsadi, Taluka Pardi, District Valsad, Gujarat – 396175, has earlier been obtained through Postal Ballot held on 12th October, 2017. Due to prevailing slack season in property market no deal has been concluded during that period, hence Board of Directors in their meeting held on 25th August, 2018 has decided to take shareholder's approval for the sale of undertaking for the further period in ensuing Annual General Meeting to be held on 27th September, 2018.

The Company has initiated the above process for the disposal of the properties. The Board is of the opinion that in order to be fair and transparent in the affairs of the Company and in keeping with good corporate practices the approval of the members be taken, by way of abundant caution, to the proposed lease, sub lease, sale, transfer, conveyance, assignment or otherwise disposal of the immovable property/ies under Section 180(1)(a) of the Companies Act, 2013 (the Act).

The Board is also of the view that the proposed lease, sub lease, sale, transfer, conveyance, assignment or otherwise disposal of the said property/ies will not adversely affect the profitability of the Company.

With the objective of reducing the borrowings and for centralisation of Business of the Company, your directors, recommends the Special Resolution set out at item no. 6 in the accompanying Notice, for the approval of the Members in the Annual General Meeting.

None of the Directors, Manager or Key Managerial Personnel or their Relatives are concerned or interested, financially or otherwise in the Resolution.

Item No. 7

The Company keeps reviewing its Business strategy from time to time and makes decisions that deem fit to the expectation from its strategic intent and as a part of that intent, it is reviewing its business operations including consolidating its work place(s). Presently, the work place(s) of the Company is scattered over into several offices including corporate office at 'NHC House, 2/13, Anand Nagar, Santacruz (E), Mumbai – 400055 and Factory at Survey No. 777, Umarsadi Desaiwad Road, at Village Umarsadi, Taluka Pardi, District Valsad, Gujarat: 396175.

With the intent to get all major businesses, their support functions and the shared services under one roof, it is envisaged that a shift of work places be carried out to a consolidated, better and more convenient work place in the city. This would not only bring in operational efficiencies but also ensure smoother execution and implementation of the business objectives. Further, it will help in optimizing the operational cost which would inevitably lead to an enhancement in the shareholders' value.

Based on the options available in the current real estate/ realty market it is proposed to lease, sub-lease, sale, transfer, convey, assign or otherwise dispose of the said property /ies and continue back office and factory operations in commercial hub located at Navi Mumbai, in the best interest of the Company. The company proposes to buy new place or take the new place on lease / hire / rent basis.

It is imperative for the company to reduce its borrowings to achieve its previous levels of profitability and sustain in the long run. The company endeavours to attain this objective by selling / leasing or disposing of assets of the company and reducing the borrowings.

The consideration from this action is proposed to be utilised for the reduction of debts of the company.

The Approval for Sale of Undertaking(S) of the company situated at 'NHC House, 2/13, Anand Nagar, Santacruz (E), Mumbai – 400055, has earlier been obtained through Postal Ballot held on 12th October, 2017. Due to prevailing slack season in property market no deal has been concluded during that period, hence Board of Directors in their meeting held on 25th August, 2018 has decided to take shareholder's approval for the sale of undertaking for the further period in ensuing Annual General Meeting to be held on 27th September, 2018.

The Company has initiated the above process for the disposal of the properties. The Board is of the opinion that in order to be fair and transparent in the affairs of the Company and in keeping with good corporate practices the approval of the members be taken, by way of abundant caution, to the proposed lease, sub lease, sale, transfer, conveyance, assignment or otherwise disposal of the immovable property/ies under Section 180(1)(a) of the Companies Act, 2013 (the Act).

The Board is also of the view that the proposed lease, sub lease, sale, transfer, conveyance, assignment or otherwise disposal of the said property/ies will not adversely affect the profitability of the Company.

With the objective of reducing the borrowings and for centralisation of Business of the Company, your directors, recommends the Special Resolution set out at item no. 7 in the accompanying Notice, for the approval of the Members in the Annual General Meeting.

None of the Directors, Manager or Key Managerial Personnel or their Relatives are concerned or interested, financially or otherwise in the Resolution.

**By the order of the Board of Directors,
For NHC FOODS LIMITED**

**Krina Mehta
(Company Secretary & Compliance Officer)**

**Date: 25th August, 2018
Place : Mumbai**

NHC FOODS LIMITED

ANNEXURE TO THE NOTICE

DETAILS OF THE DIRECTORS SEEKING APPOINTMENT / RE-APPOINTMENT AT THE TWENTY SIXTH ANNUAL GENERAL MEETING PURSUANT TO REGULATION 36 OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015.

Name of the Director	Mrs. Alpa Shah	Mrs. Monika Singhania	Mr. Apoorva Shah
DIN	00573190	07950196	00573184
Date of Birth	04th June, 1967	07 th March, 1974	1st January, 1966
Expertise in Specific Functional Area	Mrs. Alpa Shah possesses vast knowledge of the industry and responsible for driving the marketing strategy and operations of the organization and opportunities globally	Mrs. Monika Singhania aged about 43 years. She is commerce graduate from Mumbai University handling her own business of Digital Signature since last 7years	He has more than 25 years of experience in the export industry. As the Chairman of our Company, he is responsible for the overall growth and development of our Company and is also responsible for creating the brand images of the Company's product lines. He is involved in the day to day affairs of the Company and is responsible for the expansion of the Company into an 'End-to End' Food Processing Company
Qualification	B.com	B.com	B.com
No. of shares held in the Company@ jointly withrelatives	10,01,435	Nil	38,04,316
Other Directorship in Indian Companies (including Private Companies)	NHC Overseas Private Limited	Nil	1. NHC Overseas Private Limited
Membership of Committees (Audit Committee and Stakeholders Relationship Committee in other Companies)	None	None	None
Relationship between Directors inter-se :	Mr. Apoorva Shah is spouse of Mrs. Alpa	None	Mrs. Alpa Shah, is the spouse of Mr. Apoorva Shah

ROUTE MAP TO THE AGM VENUE




NHC Foods Limited
CIN: L15122GJ1992PLC076277
Regd. Office : Survey No. 777, Umarsadi Desaiwad Road, At Village Umarsadi, Taluka Pardi, Killa Pardi, Gujarat - 396175
 Tel. : 0260 - 2375660 • Fax No. : 0260 - 2375662

Corp. Office : D-22/8, TTC Industrial Area, Near Balmer Lawrie, Turbhe, Navi Mumbai - 400705

Tel. : 022 - 4881 5100 • Fax No. : 022 - 4881 5101

Website: www.nhcgroupp.com • E-mail: grievances@nhcgoup.com

FORM NO. MGT - 11

[Pursuant to Section 92(3) of the Companies Act, 2013 and Rule 12(1) of the Companies (Management and Administration) Rules, 2014]

Name of the member(s)

Registered address

Registered email address

Folio no. / Client No.

DP ID

I/We, _____ being the member(s) holding _____ shares of NHC Foods Limited, hereby appoint:

- 1) Name _____ Address _____
 Email _____ Signature _____ or failing him
- 2) Name _____ Address _____
 Email _____ Signature _____ or failing him
- 3) Name _____ Address _____
 Email _____ Signature _____ or failing him

as my / our proxy to attend and vote (on a poll) for me / us and on my / our behalf at the 26th Annual General Meeting of the Company, to be held on Thursday, September 27, 2018, at 10:00 a.m. IST, at the Survey No. 777, Umarsadi Desaiwad Road, Village Umarsadi, Taluka Pardi, Dist. Valsad, Gujarat: 396175 and at any adjournment thereof in respect of such resolutions as are indicated below:

Resolution Number	Resolution	For	Against
ORDINARY BUSINESS :			
1.	To receive, consider and adopt the Audited Financial Statements of the Company for the financial year ended 31st March, 2018, together with the Reports of the Board of Directors and Auditors thereon.		
2.	To appoint a Director in place of Mrs. Alpa Shah (DIN: 00573190), who retires by rotation and being eligible, offers herself for re-appointment.		
3.	Appointment of Mrs. Monika Singhania (DIN: 07950196) as an Independent and Non Executive Director		
SPECIAL RESOLUTION :			
4.	Re-appointment of Mr. Apoorva Shah, Chairman & Managing Director (DIN: 00573184) for a period of three years w.e.f. 13th November, 2018 to 12th November, 2021		
5.	Re-appointment of Mrs. Alpa Shah (DIN: 00573190), Whole – Time Director for a period of Three years w.e.f. 14th February, 2019 to 13th February, 2022:		
6.	Approval of Sale of Undertaking(s) of the Company situated at Survey No. 777, Umarsadi Desaiwad Road, Village Umarsadi, Taluka Pardi, Dist. Valsad, Gujarat: 396175		
7.	Approval of Sale of Undertaking(s) of the Company situated at NHC House, 2/13, Anand Nagar, Santacruz (E), Mumbai - 400055		

Signed this _____ day of September, 2018

Signature of Shareholder

Signature of Shareholder

Affix
 Revenue
 Stamp

- Notes: 1. This form, in order to be effective, should be duly stamped, completed, signed and deposited at the registered office of the Company, not less than 48 hours before the Annual General Meeting (on or before 10.00 a.m. IST on September 27, 2018).
2. It is optional to indicate your preference. If you leave the 'for' or 'against' column blank against any or all of the resolutions, your proxy will be entitled to vote in the manner as he / she may deem appropriate.

FORM FOR UPDATION OF EMAIL ADDRESS

To,
The Compliance Officer,
NHC Foods Limited
Survey No. 777, Umarsadi Desaiwad Road,
At village Umarsadi, Taluka Pardi,
District Valsad, Gujarat - 396175

Dear Sir,

Sub: Updation of e-mail address

Please register my email address for the purpose of sending Annual Report and other notices/documents in electronic mode:

Name of Member(s)	:	
Registered Address	:	
Email ID	:	
Folio No./Client ID	:	
DP ID	:	

Signature of the First named Shareholder

Name:

Address:

DIRECTORS' REPORT

Dear Members,



Your Directors are pleased to present the Annual Report for the Financial Year 2017-18, together with the Audited Financial statements of the Company for the year ended 31st March, 2018

FINANCIAL HIGHLIGHTS:

(₹ In Lacs)

	March 31, 2018	March, 31 2017
Total Revenue	8725.41	13868.93
Total Expenditure	8685.20	13755.98
Profit Before Tax	40.21	112.94
Current Tax	19.63	19.66
Less: MAT Receivable	–	7.22
Less: Tax Paid/adjustment of earlier years	–	1.26
Less: Deferred Tax	(2.96)	28.74
Profit After Tax	23.54	70.50

Performance

During the year, demonetisation event caused severe anxiety and uncertainty in the industry which result into profit of the Company affected. NHC Foods, in line with its philosophy, has well managed this disruption with reinforcement of channel confidence and regaining sales growth.

It needs to be noted that the reported financial results have also been impacted by the newly prescribed IND AS accounting standards. Beginning 1st April, 2017, the Company adopted Ind AS for the first time. Due to events specified above Total revenue reduced in March 2018 to Rs. 8725.41 Lacs as compared to previous year revenue which amounted to Rs. 13868.93 Lacs.

Reserves

Your Directors do not propose to transfer any amount to the general reserve and entire amount of profit for the year forms part of the 'Retained Earnings'.

Dividend

In order to conserve the resources for the future expansion plan of the Company under implementation, your directors do not recommend any dividend for the year under the review.

TRANSFER OF UNCLAIMED DIVIDEND TO INVESTOR EDUCATION AND PROTECTION FUND:

Since there was no Dividend declared and paid last year, the provisions of Section 125 of the Companies Act, 2013 does not apply.

Corporate Governance

A Report on Corporate Governance, in terms of Regulation 34 of the Listing Regulations, along with a Certificate from Practising Company Secretary, certifying compliance of conditions of Corporate Governance enumerated in the Listing Regulations, is presented in a separate section forming part of this Annual Report.

Management Discussion and Analysis Report

Management Discussion and Analysis Report for the year under review, giving detailed analysis of Company's operations, as stipulated under Regulation 34 of the Listing Regulations, is presented in a separate section forming part of this Annual Report.

Meetings

A calendar of Board and Committee meetings to be held during the year was circulated in advance to the Directors. 10 (Ten) Board Meetings were convened and held during the year.

The Board has constituted an Audit Committee with Mr. Rajiv Bhatt, Chairman and Mr. Hemant Topiwala, Mr. Apoorva Shah, Mrs. Monika Singhania as Members. There have been no instances during the year when the recommendations of the Audit Committee were not accepted by the Board.

The details of the meetings of the Board of Directors and its Committees held during the year under review are stated in the Corporate Governance Report.

The details of attendance of the Directors in the Board Meetings and its Committees during the year under review are stated in the Corporate Governance Report.

Composition of Audit Committee

The Board has constituted the Audit Committee which comprises Mr. Rajiv Bhatt as the Chairman, Mr. Hemant Topiwala, Mr Apoorva Shah, Mrs Monika Singhania as the Members. All recommendations given by Audit Committee during Financial Year 2017-2018 were accepted by the Board. Further details on the Audit

Committee and other Committees of the Board are given in the Corporate Governance Report, which forms a part of this Annual Report.

Directors and Key Manangerial Personnel

During the year under review, upon the recommendation of Nomination and Remuneration Committee, Mrs. Monika Singhanian appointed as an Additional Director (Non–Executive, Independent) of the Company effective from 30th September, 2017 and holds office upto the forthcoming AGM of the Company. Necessary Resolution for appointment of Mrs. Monika Singhanian as an Independent Director has been included in the notice convening the Annual General Meeting.

Further, Mr. Ashok Kamath resigned as Chief Financial Officer of the Company on 28th February, 2018. Your Directors place on record their appreciation for the valuable contribution made by Mr. Ashok Kamath during his tenure as Director of the Company.

In accordance with the provisions of the Companies Act, 2013 and the Articles of Association of the Company, Mrs. Alpa Shah (DIN: 00573190), Whole - Time Director of the Company, retires by rotation at ensuing Annual General Meeting and being eligible, offers herself for re-appointment. The Board recommends her re-appointment as Director liable to retire by rotation at the ensuing Annual General Meeting.

Details of the aforesaid proposals for appointment of Mrs. Alpa Shah (DIN: 00573190) and Mrs. Monika Singhanian (DIN: 07950196), are provided in the Annexure to the Notice of the AGM.

The Company has received necessary declarations from all the Independent Directors confirming that they meet the criteria of independence as prescribed both under the Act and the Listing Regulations.

Pursuant to the recommendation of Nomination and Remuneration Committee and based on the report of performance evaluation, the Board decided to place the proposal for re-appointment of Mr. Apoorva Shah, Chairman & Managing Director (DIN: 00573184) for a period of three years with effect from 13th November, 2018 to 12th November, 2021 and Mrs. Alpa Shah, Whole -Time Director for a period of three years with effect from 14th February, 2019 to 13th February, 2022 for approval of the members at 26th AGM.

Pursuant to provisions of Section 203 of the Act, and the Rules made thereunder, following are the Key Managerial Personnel (KMP) of the Company:

1. Mr. Apoorva Shah	Chairman & Managing Director
2. Mrs. Alpa Shah	Whole – time Director
3. Mr. Awadheshkumar Kannaujia	Chief Financial Officer (w.e.f. 12th March, 2018)
4. Ms. Krina Mehta	Company Secretary & Compliance Officer (w.e.f. 27th July, 2018)

* Mr. Ashok Kamath resigned as CFO with effect from 28th February, 2018

* Mrs. Suvarnalata Chavan resigned as CS with effect from 26th July, 2018

SHAREHOLDERS AND INVESTORS

Your Company regularly interacts with its shareholders and investors through result announcements, annual report, media releases, Company’s website and subject specific communications. The Annual General Meeting gives the shareholders an opportunity to engage directly with the Board of Directors and Management. During this meeting, the Board engages with shareholders and answer their queries on varied subjects. Your Company has a designated e-mail address for shareholders. The Secretarial department regularly engages with the shareholders to resolve queries, grievances, if any, and provides guidance to the shareholders for any company related matters.

IND AS STANDARDS

Your Company had adopted IND AS with effect from 1 April, 2017 pursuant to the notification dated February 15, 2015 under Section 133 of the Companies Act, 2013 issued by the Ministry of Corporate Affairs, notifying the Companies (Indian Accounting Standard) Rules, 2015. Your Company has published IND AS Financials for the year ended 31st March, 2018 along with comparable financials for the year ended 31st March, 2017.

The quarterly results published by the Company during the financial year 2017-18 were also based on IND AS. These have been published in newspapers and also made available in the Company’s website www.nhcfods.com and the website of the stock exchanges where the shares of the Company are listed

FINANCE

The Company's relationships with its Bankers viz. Kotak Mahindra Bank Ltd. and Union Bank of India continued to be cordial during the year. The Company would like to thank its Bankers for their support.

ISSUE OF SHARES

The Company during the year under review has not issued any SWEAT equity shares or shares with differential rights or under Employee stock option scheme nor did it buy back any of its shares.

Performance Evaluation of the Board, Its Committees and Individual Directors:

The Board of Directors of the Company 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. To that end, the Nomination and Remuneration Committee has established processes for performance evaluation of Independent Directors, the Board and Committees of the Board.

Pursuant to the provisions of the Act and the Listing Regulations, the Board has carried out an annual evaluation of its own performance, performance of its Committees as well as the Directors individually. Details of the evaluation mechanism are provided in the Corporate Governance Report.

Evaluation of Committees was based on criteria such as adequate independence of each Committee, frequency of meetings and time allocated for discussions at meetings, functioning of Board Committees and effectiveness of its advice/recommendation to the Board, etc.

The Board has, on the recommendation of the Nomination & Remuneration Committee framed a policy for selection and appointment of Directors, Senior Management and their remuneration. The Policy can also be accessed on Company's website at <http://www.nhcgroupp.com/wp-content/uploads/2015/01/Nomination-and-Remuneration-Policy.pdf>

Directors' Responsibility Statement:

Pursuant to provisions of Section 134(3)(c) and Section 134(5) of the Act, your Directors state that:

- a) in the preparation of the annual accounts for the year ended 31stMarch, 2018, the applicable accounting standards read with requirements set

out under Schedule III to the Act, have been followed and there are no material departures from the same;

- b) the Directors have selected such accounting policies and applied them consistently and made judgements and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as of 31st March, 2018 and of the profit of the Company for the year 1stApril, 2017 to 31stMarch, 2018;
- c) the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- d) the Directors have prepared the annual accounts on a 'going concern' basis;
- e) the Directors have laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and are operating effectively; and
- f) the Directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively.

Policy on dividend distribution

As per Section 43(A) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the said provision is applicable to top 500 listed entities based on market capitalization. The policy on dividend distribution is not applicable to our Company.

Compliance with Secretarial Standards:

Your Directors confirm that the Secretarial Standards issued by the Institute of Company Secretaries of India, as applicable to the Company, have been duly complied with.

Contracts or Arrangements with Related Parties:

All contracts and arrangements with related parties, entered by the Company during the financial year, were in the ordinary course of business and on an arm's length basis.

During the year, the Company had not entered into any contract or arrangement with related parties which could

be considered 'material' in terms of the Company's Related Party Transactions Policy. Accordingly, there are no transactions that are required to be reported in Form AOC-2. The same provided in Annexure 1.

Details regarding the policy, approval and review of Related Party Transactions are provided in the Corporate Governance Report.

Subsidiary Companies:

The Company does not have any Subsidiary Company.

Financial Statements:

The physical copies of the statement containing the salient features of all the documents, as prescribed in Section 136(1) of the Act, read with Regulation 36 of the Listing Regulations, is being sent to all the shareholders of the Company who have not registered their email address. Any shareholder interested in obtaining the physical copies of the complete Annual Report may write to the "Company Secretary" at the Corporate Office of the Company or to the Registrar & Transfer Agent on its address as appearing in Corporate Governance Report of this Annual Report.

The financial statements of the Company prepared in accordance with Indian Accounting Standards (IND AS) notified under the Companies (Indian Accounting Standards) Rules, 2015, duly audited by Statutory Auditors, also forms part of this Annual Report.

Statutory Auditors:

M/s. GMJ & Co. (Firm Registration No. 103429W) was appointed as the Statutory Auditors for a period of 5 years from the conclusion of the Annual General Meeting of the Company held on 30th September, 2017, subject to ratification of their appointment at every subsequent Annual General Meeting.

Vide notification dated May 7, 2018 issued by Ministry of Corporate Affairs, the requirement of seeking ratification of appointment of statutory auditors by members at each AGM has been done away with. Accordingly, no such item has been considered in notice of the 26th AGM.

AUDITORS OBSERVATIONS:

The observations made by Auditors with reference to notes to account are self-explanatory and need no comments.

Board's response on the remarks made by Statutory Auditors and Secretarial Auditors:

Pursuant to provisions of Section 143(12) of the Companies Act, 2013, the Statutory Auditors have not reported any incident of fraud to the Audit Committee during the year under review.

There were no qualifications, reservations and adverse remarks made by the statutory auditors in their Audit Report and by the Company Secretary in practice in their Secretarial Audit report.

Employee Relations:

At NHC Foods, we consider our employees as the most valuable resource and ensure strategic alignment of Human Resource practices to business priorities and objectives. Our constant endeavour is to invest in people and people processes to improve human capital for the organisation and service delivery to our customers. Attracting, developing and retaining the right talent will continue to be a key strategic imperative and the organisation continues its undivided attention towards that. We would like to take this opportunity to express appreciation for the hard work and commitment of the employees of the Company and look forward to their continued contribution.

Secretarial Auditors:

Section 204 of the Companies Act, 2013 read with rules made thereunder inter-alia requires every listed Company to annex with its Board's report, a Secretarial Audit Report given by a Company Secretary in Practice, in the Form MR-3.

The Board of Directors has appointed Mr. Dinesh Kumar Deora, Practising Company Secretary, as Secretarial Auditor to conduct the Secretarial Audit of the Company for the Financial Year 2017-18. The report did not contain any qualification, reservation or adverse remark. The Board of Directors at its meeting held on 29th May, 2018 approved the appointment of Mr. Dinesh Kumar Deora, Practising Company Secretary, as Secretarial Auditor to conduct a Secretarial Audit of the Company for the Financial Year 2018 -19. The Secretarial Audit Report of the Company for the Financial Year 2017-18 is annexed to this Report as Annexure 2.

Internal Financial Controls:

The Company has in placed adequate Internal Financial Controls commensurate with the size, scale and

complexity of its operations. During the year, such controls were tested and the Company has, in all material respects, maintained adequate Internal Financial Controls over financial reporting as of 31st March, 2018.

The Board of Directors has devised systems, policies and procedures/frameworks, which are currently operational within the Company for ensuring the orderly and efficient conduct of its business, which includes adherence to Company's policies, safeguarding assets of the Company, prevention and detection of frauds and errors, accuracy and completeness of the accounting records and timely preparation of reliable financial information. In line with best practices, the Audit Committee and the Board reviews these internal control systems to ensure they remain effective and are designed to achieve their intended purpose. Where weaknesses, if any, are identified as a result of the reviews, corrective actions are then put in place to strengthen controls.

The systems/frameworks include proper delegation of authority, operating philosophies, policies and procedures, effective IT systems aligned to business requirements, an internal audit framework, an ethics framework, a risk management framework and adequate segregation of duties to ensure an acceptable level of risk.

VIGIL MECHANISM / WHISTLE BLOWER POLICY:

The Company has established a vigil mechanism and formulated the Whistle Blower Policy (WB) to deal with instances of fraud and mismanagement, if any. During the year under review no personnel has been denied access to the audit committee. The Company has adopted a formal Vigil Mechanism/ Whistle-blower policy. The approved policy is available on the Company's website www.nhcgroup.com

DISCLOSURE REGARDING PREVENTION OF SEXUAL HARASSMENT:

The Company is committed to maintaining a productive environment for all its employees at various levels in the organisation, free of sexual harassment and discrimination on the basis of gender. The Company has framed a policy on Prevention of Sexual Harassment in line with the requirements of the Sexual Harassment of Women at Workplace (Prevention, Prohibition & Redressal) Act, 2013. The Company has also set up "Prevention of Sexual Harassment Committee" ('the Committee') to redress the Complaints received

regarding sexual harassment which has formalised a free and fair enquiry process with clear timelines. There were no complaints pending for the redressal at the beginning of the year and no complaints received during the financial year.

SHARE CAPITAL

The paid – up Equity Share Capital as on 31st March, 2018 was Rs. 11,85,50,000. During the year under the review the Company has not issued any shares. The Company has not issued shares with differential voting rights. It has neither issued employee stock options nor Sweat Equity Shares and does not have any scheme to fund its employees to purchase the shares of the Company.

MATERIAL CHANGES AND COMMITMENTS:

There were no material changes and commitments that occurred subsequent to the end of the financial year till the date of this report, which affects the financial position of the Company.

CHANGE IN NATURE OF BUSINESS:

There has no change in the nature of business of the Company. Your Company continues to be one of the leading foods processing Company.

PARTICULARS OF EMPLOYEES:

The information required under Section 197 of the Act read with rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are given below:

- a. The ratio of the remuneration of each director to the median remuneration of the employees of the Company for the financial year:

Name of the directors	Ratio to Median Remuneration
Executive Directors	
Mr. Apoorva Shah	24.47
Mrs. Alpa Shah	24.47
Non - Executive Directors	
Mr. Rajiv Bhatt	NA
Mr. Hemant Topiwala	NA
Mrs. Monika Singhania	NA

- b. The percentage increase in remuneration of each director, chief financial officer, Company secretary in the financial year:

Directors, Chief Executive Officer, Chief Financial Officer and Company Secretary	% increase in remuneration in the financial year
Mr. Apoorva Shah	NIL
Mrs. Alpa Shah	NIL
Mr. Ashok Kamath	NIL (Resigned as CFO on 28th Feb, 2018)
Mr. Awadheshkumar Kanuajia	NIL (appointed as CFO on 12th March, 2018)
Ms. Suvarnalata Chavan	NIL (Resigned as CS on 26th July, 2018)
Ms. Krina Mehta	NIL (appointed as CS on 27th July, 2018)

- c. The percentage increase in the median remuneration of employees in the financial year:

Nil

- d. The number of permanent employees on the rolls of Company: 37
- e. Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration: Nil

The statement containing particulars of employees as required under Section 197(12) of the Act read with Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, is provided in a separate annexure forming part of this report. Further, the report and the accounts are being sent to the members excluding the aforesaid annexure. In terms of Section 136 of the Act, the said annexure is open for inspection at the Registered Office of the Company. Any shareholder interested in obtaining a copy of the same may write to the Company Secretary.

LOANS, GUARANTEES OR INVESTMENTS:

There were no Loans, Guarantees and Investments covered under Section 186 of the Companies Act, 2013.

PARTICULARS OF CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO:

The particulars of conservation of energy, technology absorption and foreign exchange earnings and outgo as prescribed under Section 134(3)(m) of the Act read with Rule 8 of The Companies (Accounts) Rules, 2014, are given as Annexure 3 to this Report.

CORPORATE SOCIAL RESPONSIBILITY:

The provision of Section 135 of the companies act, 2013 is not applicable to the company.

INSURANCE

All properties and insurable interests of the Company including Building, Plant and Machinery and Stocks have been fully insured.

BOARD EFFECTIVENESS:

1. FAMILIARIZATION PROGRAMME FOR THE INDEPENDENT DIRECTORS:

In compliance with the requirements of SEBI Regulations, the Company has put in place a familiarization programme for Independent Directors to familiarize them with their roles, rights and responsibility as Directors, working of the Company, nature of the industry in which the Company operates, business model etc. The Company operates, business model etc. The same is also available on the website of the Company and can be accessed by web link <http://www.nhcgroup.com/wp-content/uploads/2015/01/Familiarization-Program> - for Independent-Directors-of-NHCFoodsLimited.pdf

RISK MANAGEMENT:

For your Company, Risk Management is an integral and important component of Corporate Governance. Your Company believes that a robust Risk Management ensures adequate controls and monitoring mechanisms for a smooth and efficient running of the business. A risk aware organization is better equipped to maximize the shareholder value.

The key cornerstones of your Company's Risk Management Framework are:

1. Periodic assessment and prioritization of risks that affect the business of your Company;
2. Development and deployment of risk mitigation plans to reduce the vulnerability to the prioritized risks;
3. Focus on both the results and efforts required to mitigate the risks;
4. Defined review and monitoring mechanism wherein the functional teams, the top management and the Board review the progress of the mitigation plans;
5. Embedding of the Risk Management processes in significant decisions such as large capital expenditures, mergers, acquisitions and corporate restructuring
6. Wherever, applicable and feasible, defining the risk appetite and install adequate internal controls to ensure that the limits are adhered to.

TRANSFER OF UNCLAIMED DIVIDEND TO INVESTOR EDUCATION AND PROTECTION FUND

Since there was no Dividend declared and paid last year, the provisions of Section 125 of the Companies Act, 2013 does not apply.

CODE OF CONDUCT:

The Company has laid down and adopted a Code of Conduct for its Directors and Senior Management Personnel, which is also available on the Company's website: [http://www.nhcgroup.com/corporategovernance- 2/](http://www.nhcgroup.com/corporategovernance-2/). The Company has received confirmation from all Directors as well as Senior Management Personnel regarding compliance with the Code of Conduct during the year under review as required under Regulation 26(3) of the Listing Regulations. Additionally, all Independent Directors of the Company shall be bound by duties of Independent Directors as set out in the Companies Act, 2013 read with the Schedule and Rules thereunder. Pursuant to Schedule V(D) of the Listing Regulations, a declaration

signed by the Managing Director of the Company to this effect is attached at the end of this report.

Trade Relations:

Your Directors wish to record appreciation of the continued, unstinted support and co – operation from its retailers, stockists, supplier of goods/services, clearing and forwarding agents and all other associated with it. Your Company will continue to build and maintain a strong association with its business partners.

HEALTH, SAFETY AND ENVIRONMENT PROTECTION:

The Company has complied with all the applicable environmental law and labour laws. The Company has been complying with the relevant laws and has been taking all necessary measures to protect the environment and maximize worker protection and safety.

LISTING OF SHARES:

The shares of the Company are listed on BSE Ltd.

The Company has regularly paid the Annual Listing fees to the respective Stock Exchanges. Annual Custody / Issuer fee for the Financial Year 2018-2019 has been paid by the Company to National Securities Depositories Limited and Central Depository Services Limited.

General:

Your Directors state that no disclosure or reporting is required in respect of the following items as there were no transactions on these items during the year under review:

- a) The Company has not accepted any deposits from the public or otherwise in terms of Section 73 of the Act read with Companies (Acceptance of Deposit) Rules, 2014 and as such, no amount on account of principal or interest on deposits from public was outstanding as on the date of the Balance Sheet.
- b) No significant or material orders were passed by the Regulators, Courts or Tribunals which impact

the going concern status and Company's operations in future.

- c) The Auditors have not reported any matter under Section 143(12) of the Act, therefore no detail is required to be disclosed under Section 134(3)(ca) of the Act

ACKNOWLEDGEMENTS:

The Board places on record its appreciation for the continued co-operation and support extended to the Company by customers, vendors, regulators, banks, financial institutions, rating agencies, stock exchanges and depositories, auditors, legal advisors, consultants, business associates and all the employees with whose help, cooperation and hard work the Company is able to achieve the results.

The Board deeply acknowledges the trust and confidence placed by the consumers of the Company and all its shareholders.

**By the order of the Board of Directors,
For NHC FOODS LIMITED**

**Apoorva Shah
(Chairman & Managing Director)**

Place: Mumbai

Din : 00573184

Date: 29th May, 2018

Form No. AOC-2

(Pursuant to Clause (h) of Sub-Section (3) of Section 134 of the Companies Act, 2013 and Rule 8(2) of the Companies (Accounts) Rules, 2014)

Form for disclosure of particulars of contracts / arrangements entered into by the Company with related parties referred to in sub-Section (1) of Section 188 of the Companies Act, 2013 including certain arm's length transactions under third proviso thereto:

1. Details of contracts or arrangements or transactions not at arm's length basis:

NHC Foods Limited (the Company) has not entered into any contract / arrangement / transaction with its related parties which is not in ordinary course of business or at arm's length basis or at arm's length during Financial Year 2017-2018. The Company has laid down policies and processes/procedures so as to ensure compliance to the subject Section in the Companies Act, 2013 ("Act") and the corresponding Rules. In addition, the process goes through internal and external checking, followed by quarterly reporting to the Audit Committee.

- (a) Name(s) of the related party and nature of relationship: Not Applicable
- (b) Nature of contracts/arrangements/transactions: Not Applicable
- (c) Duration of the contracts / arrangements/transactions: Not Applicable
- (d) Salient terms of the contracts or arrangements or transactions including the value, if any: Not Applicable
- (e) Justification for entering into such contracts or arrangements or transactions: Not Applicable
- (f) Date(s) of approval by the Board: Not Applicable
- (g) Amount paid as advances, if any: Not Applicable
- (h) Date on which the special resolution was passed in general meeting as required under first proviso to Section 188: Not Applicable

2. Details of material contracts or arrangement or transactions at arm's length basis:

- a. Name(s) of the related party and nature of relationship: Not Applicable
- b. Nature of contracts / arrangements / transactions: Not Applicable
- c. Duration of the contracts / arrangements / transactions: Not Applicable
- d. Salient terms of the contracts or arrangements or transactions including the value, if any: Not Applicable
- e. Date(s) of approval by the Board, if any: Not Applicable
- f. Amount paid as advances, if any: None

**By the order of the Board of Directors,
For NHC FOODS LIMITED**

**Apoorva Shah
(Chairman & Managing Director)
Din : 00573184**

**Place: Mumbai
Date: 29th May, 2018**

Annexure – 2

Form No. MR-3
Secretarial Audit Report

[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule No 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules 2014]

For the Financial Year Ended 31st March, 2018

To,
The Members,
NHC Foods Limited
Survey No. 777, Umarsadi Desaiwad Road,
At Village Umarsadi, Taluka Pardi,
KillaPardi, Gujarat - 396175

I have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by NHC Foods Limited (hereinafter called “**the Company**”). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts / statutory compliances and expressing my opinion thereon.

Based on my verification of NHC Foods Limited's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the Company has, during the audit period covering the financial year ended March 31, 2018, complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on March 31, 2018 according to the provisions of:

- 1 The Companies Act, 2013 (the Act) and the rules made thereunder,;
- 2 The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- 3 The Depositories Act, 1996 and the Regulations and bye-laws framed thereunder;

- 4 The provisions of Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial borrowings were not applicable to the Company during the financial year under report;
- 5 The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
 - a. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - b. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;
 - c. The Securities and Exchange Board of India (Issue of Capital and Disclosure requirements) Regulations, 2009;
- 6 Provisions of the following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act') were not applicable to the Company during the financial year under report:-
 - a. The Securities and Exchange Board of India (Employee Stock Option Scheme and employee Stock Purchase Scheme) Guidelines, 1999;
 - b. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
 - c. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993, regarding the Companies Act and dealing with client;
 - d. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; and
 - e. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998;

I further report that, having regard to the compliance system prevailing in the Company and on examination of the relevant documents and records in pursuance thereof, the Company has complied with the following laws applicable specifically to the Company;

- 1 The Food Safety and Standards Act including packaging and Labelling Laws, 2011.
- 2 Prevention of Food Adulteration Act, 1954.
- 3 Legal Metrology Act, 2009 and rules and regulations made thereunder.
- 4 Standard Weights and Measures Act, 1976.
- 5 Maximum Retail Price Act, 2006.
- 6 Hazardous Wastes (Management and Handling) Rules, 1989 and Amendment Rule, 2003.

I have also examined compliance with the applicable clauses of the following:

- 1 Secretarial Standards issued by The Institute of Company Secretaries of India.
- 2 SEBI(Listing Obligations and Disclosure Requirements) Regulations, 2015.

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards etc. mentioned above.

I further report that

- (a) The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.
- (b) Adequate notice is given to all Directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.
- (c) Decisions at the Board Meetings were taken unanimously.
- (d) There are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

I further report that during the audit period,

- (a) The Shareholders of the Company has approved through postal ballot on 12th October, 2017, sale of undertaking(s) of the Company situated at NHC House, 2/13, Anand Nagar, Santacruz(East), Mumbai-400055 under Section 180(1)(a) of the Companies Act, 2013.

DINESH KUMAR DEORA
PRACTISING COMPANY SECRETARY

FCSNO 5683
COP NO 4119

Place: Mumbai
Date: 24-05-2018

Note: This report is to be read with our letter of even date that is annexed as Annexure -1 and forms an integral part of this report.

SHREYAS LIMITED

Annexure to the Report

To,
The Members,
NHC Foods Limited
Survey No. 777, Umarsadi Desaiwad Road,
At Village Umarsadi, Taluka Pardi,
Killa Pardi, Gujarat: 396175

Our report of even date is to be read along with this letter.

1. Maintenance of secretarial record is the responsibility of the Management of the Company. My responsibility is to express an opinion on these secretarial records based on our audit.
2. I have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. I believe that the processes and practices, I followed provide a reasonable basis for our opinion.
3. I have not verified the correctness and appropriateness of financial records and Books of accounts of the Company.
4. Wherever required, I have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. My examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit report is neither an assurance as to future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

DINESH KUMAR DEORA
PRACTISING COMPANY SECRETARY

FCSNO 5683
COP NO 4119

Place: Mumbai
Date: 24-05-2018

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNING AND OUTGO ETC:

Information on conservation of Energy, Technology absorption, Foreign Exchange earnings and outgo required to be disclosed under Section 134 of the Companies Act, 2013 read with Companies (Accounts) Rules, 2014 are provided hereunder:

A. Conservation of Energy

The Company continues to take possible steps to conserve energy. This includes efficient electric fittings and equipment's that consumes less energy than conventional ones.

B. Disclosure of particulars with respect to absorption of Technology, Research and Development (R&D)

No technology has been imported. Indigenous Technology available has been used for product development/ component identifications or offering services and is continuously being upgraded to improve overall performance.

C. Future Plan of Action

Steps are continuously being taken to promote the branded sales in domestic as well as overseas market. The company is continuously making efforts to provide best of quality products to its customers.

NHC FOODS LIMITED

Form for disclosure of particulars with respect to Conservation of Energy

	2017-18	2016-17
(A) Power & Fuel Consumption		
1. Electricity		
(a) Purchased Units (kwh)	66741	71,979
Total Amount (Rs.)	7,96,342	8,10,524
Rate/Unit (Rs./kwh)	11.93	11.26
(b) Own Generation		
(i) Through Diesel Generator		
(ii) Through Steam Turbine / Generators		
Units	30	50
Units/Ltr. of Diesel	90	150
Cost/Unit	210	180
Coal		
Quantity		
Total Cost		
Average Rate		
3. Furnace Oil	N.A.	N.A.
Quantity		
Total Cost		
4. Other /Internal Generations	N.A.	N.A.
Quantity		
Total Cost		
Average Cost		
(B) Consumption per unit of production		
Products (with details)unit	Since the Company manufactures several items, it is impracticable to apportion the utilities	
Electricity		
Furnace Oil		
Coal		

C. Expenditure in Foreign Currency

Particulars	2017-18	2016-17
Commission	32,86,816	40,54,763
Travelling Expenses	3,68,422	3,35,286
Exhibition Expenses	5,86,980	–

Earnings in Foreign Currency (on accrual basis)

Particulars	2017-18	2016-17
Bulk Agricultural Products	59,69,85,184	62,76,48,908

NHC FOODS LIMITED

ANNEXURE TO DIRECTORS' REPORT

Annexure 4

**Form No. MGT – 9
Extract of Annual Return
as on the financial year on 31st March, 2018
of
NHC Foods Limited**

[Pursuant to Section 92(3) of the Companies Act, 2013 and Rule 12(1) of the Companies (Management and Administration) Rules, 2014]

I. REGISTRATION AND OTHER DETAILS

i.	CIN	L15122GJ1992PLC076277
ii.	Registration Date	04th Day of August, 1992
iii.	Name of the Company	NHC Foods Limited
iv.	Category / Sub-Category of the Company Company	Public Company / Limited by Shares
v.	Address of the Registered office and contact Details	Survey No. 777, Umarsadi Desaiwad Road, at Village Umarsadi, Taluka Pardi, Killa Pardi, Gujarat - 396175 Tel. No.: 260 2375661 Fax No.: 260 2375662 Email: grievances@nhcgroup.com
vi.	Whether listed Company	Yes
vii.	Name, Address and Contact details of Registrar & Transfer Agents (RTA), if any	Link Intime India Pvt. Ltd. C 101, 247 Park, L.B.S. Marg, Vikhroli (West), Mumbai - 400083 Phone: +91 22 49186000 Fax: +91 22 49186060

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY:

All the business activities contributing 10% or more of the total turnover of the company shall be stated:

Sr. No.	Name and Description of main Products /Services	nic Code of the Product / Service	% to the Total Turnover of the Company
1	Grinding and Processing of Spices	10795	100%

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES:

Sr. No.	Name and Address of the company	CIN/GLN	Holding/Subsidiary/ Associate	% of Shares Held	Applicable Section
	Nil				

Shareholding Pattern (Equity Share Capital Break up as percentage of Total Equity)

IV. i) Categorywise Share holding

Category of shareholders	No. of shares held at the beginning of the year - 2017				No. of shares held at the end of the year - 2018				% change during the year
	Demat	Physical	Total	% of Total shares	Demat	Physical	Total	% of Total shares	
(A) Shareholding of Promoter and Promoter Group									
[1] Indian									
(a) Individuals / Hindu Undivided Family	4806476	0	4806476	'40.5439	4806476	0	4806476	'40.5439	'0.0000
(b) Central Government/ State Government(s)	0	0	0	'0.0000	0	0	0	'0.0000	'0.0000
(c) Financial Institutions/ Banks	0	0	0	'0.0000	0	0	0	'0.0000	'0.0000
(d) Any Other (Specify)									
Sub Total (A)(1)	4806476	0	4806476	'40.5439	4806476	0	4806476	'40.5439	'0.0000
[2] Foreign									
(a) Individuals (Non-Resident Individuals/ Foreign Individuals)	0	0	0	'0.0000	0	0	0	'0.0000	'0.0000
(b) Government	0	0	0	'0.0000	0	0	0	'0.0000	'0.0000
(c) Institutions	0	0	0	'0.0000	0	0	0	'0.0000	'0.0000
(d) Foreign Portfolio Investor	0	0	0	'0.0000	0	0	0	'0.0000	'0.0000
(e) Any Other (Specify)									
Sub Total (A)(2)	0	0	0	'0.0000	0	0	0	'0.0000	'0.0000
Total Shareholding of Promoter and Promoter Group(A)=(A)(1)+(A)(2)	4806476	0	4806476	'40.5439	4806476	0	4806476	'40.5439	'0.0000
(B) Public Shareholding									
[1] Institutions									
(a) Mutual Funds / UTI	0	0	0	'0.0000	0	0	0	'0.0000	'0.0000
(b) Venture Capital Funds	0	0	0	'0.0000	0	0	0	'0.0000	'0.0000
(c) Alternate Investment Funds	0	0	0	'0.0000	0	0	0	'0.0000	'0.0000
(d) Foreign Venture Capital Investors	0	0	0	'0.0000	0	0	0	'0.0000	'0.0000
(e) Foreign Portfolio Investor	0	0	0	'0.0000	0	0	0	'0.0000	'0.0000
(f) Financial Institutions/ Banks	910	0	910	'0.0077	910	0	910	'0.0077	'0.0000
(g) Insurance Companies	0	0	0	'0.0000	0	0	0	'0.0000	'0.0000
(h) Provident Funds/ Pension Funds	0	0	0	'0.0000	0	0	0	'0.0000	'0.0000
(i) Any Other (Specify)									
Sub Total (B)(1)	910	0	910	'0.0077	910	0	910	'0.0077	'0.0000

[2] Central Govt / State Govt(s) / President of India									
Sub Total (B)(2)	0	0	0	'0.0000	0	0	0	'0.0000	'0.0000
[3] Non-Institutions									
(a) Individuals									
(i) Individual shareholders holding nominal share capital upto Rs. 1 lakh	3447094	205750	3652844	'30.8127	3366028	204910	3570938	'30.1218	'-0.6909
(ii) Individual shareholders holding nominal share capital in excess of Rs. 1 lakh	1984412	0	1984412	'16.7390	2316169	0	2316169	'19.5375	'2.7985
(b) NBFCs registered with RBI	0	0	0	'0.0000	0	0	0	'0.0000	'0.0000
(c) Employee Trusts	0	0	0	'0.0000	0	0	0	'0.0000	'0.0000
(d) Overseas Depositories (holding DRs) (balancing figure)	0	0	0	'0.0000	0	0	0	'0.0000	'0.0000
(e) Any Other (Specify)									
Hindu Undivided Family	269518	0	269518	'2.2735	330630	0	330630	'2.7889	'0.5154
Non Resident Indians (Non Repat)	30581	35756	66337	'0.5596	31779	35756	67535	'0.5697	'0.0101
Non Resident Indians (Repat)	299286	0	299286	'2.5246	322331	0	322331	'2.7189	'0.1943
Clearing Member	208168	0	208168	'1.7560	117636	0	117636	'0.9923	'-0.7637
Bodies Corporate	561064	5985	567049	'4.7832	316390	5985	322375	'2.7193	'-2.0639
Sub Total (B)(3)	6800123	247491	7047614	'59.4485	6800963	246651	7047614	'59.4485	'0.0000
Total Public Shareholding (B)=(B)(1)+(B)(2)+(B)(3)	6801033	247491	7048524	'59.4561	6801873	246651	7048524	'59.4561	'0.0000
Total (A)+(B)	11607509	247491	11855000	'100.0000	11608349	246651	11855000	'100.0000	'0.0000
(C) Non Promoter - Non Public									
[1] Custodian/DR Holder	0	0	0	'0.0000	0	0	0	'0.0000	'0.0000
[2] Employee Benefit Trust (under SEBI (Share based Employee Benefit) Regulations, 2014)	0	0	0	'0.0000	0	0	0	'0.0000	'0.0000
Total (A)+(B)+(C)	11607509	247491	11855000	'100.0000	11608349	246651	11855000	'100.0000	'0.0000

ii) Shareholding of Promoters

Sr. No.	Shareholder's Name	Shareholding at the beginning of the year - 2017			Shareholding at the end of the year - 2018			% Change in shareholding during year
		No. of Shares	% of total Shares of the Company	% of Shares Pledged / encumbered to total Shares	No. of Shares	% of total shares of the Company	% of Shares Pledged / encumbered to total Shares	
1	Apoorva Shah	3804316	32.0904	0.0000	3804316	32.0904	0.0000	0.0000
2	Alpa Shah	1001435	8.4474	0.0000	1001435	8.4474	0.0000	0.0000
3	Apar Apoorva Shah	625	0.0053	0.0000	625	0.0053	0.0000	0.0000
4	Aneri Apoorva Shah	100	0.0008	0.0000	100	0.0008	0.0000	0.0000
	Total	4806476	40.5439	0.0000	4806476	40.5439	0.0000	0.0000

(iii) Change in Promoters shareholding : NA
(iv) Shareholding Pattern of Top Ten Shareholders

Sr. No.	Name & type of Transaction	Shareholding at the beginning of the year - 2017		Transaction during the year		Cumulative Shareholding during the year - 2018	
		No. of Shares	% of total Shares of the Company	Date of Transaction	No. of Shares	No. of Shares	% of total Shares of the Company
1	Ashvinkumar M Selarka	235000	1.9823			235000	1.9823
	At the end of the year					235000	1.9823
2	Harsha Rajesh Jhaveri	0	0.0000			0	0.0000
	Transfer			16 Mar 2018	120000	120000	1.0122
	Transfer			23 Mar 2018	60000	180000	1.5183
	At the end of the year					180000	1.5183
3	K V S Hari Kumar	120000	1.0122			120000	1.0122
	Transfer			19 May 2017	3456	123456	1.0414
	Transfer			02 Jun 2017	6000	129456	1.0920
	Transfer			19 Jan 2018	544	130000	1.0966
	At the end of the year					130000	1.0966
4	Dipakkumar Amrutlal Dharani	115145	0.9713			115145	0.9713
	At the end of the year					115145	0.9713

NHC FOODS LIMITED

5	Dheeraj Kumar Lohia	90777	0.7657			90777	0.7657
	Transfer			14 Apr 2017	4227	95004	0.8014
	Transfer			19 May 2017	1869	96873	0.8171
	Transfer			20 Oct 2017	7980	104853	0.8845
	Transfer			27 Oct 2017	8287	113140	0.9544
	At the end of the year					113140	0.9544
6	Prathan Pinakinbhai Chokshi	0	0.0000			0	0.0000
	Transfer			17 Nov 2017	109655	109655	0.9250
	At the end of the year					109655	0.9250
7	Rajesh Jhaveri	0	0.0000			0	0.0000
	Transfer			23 Mar 2018	101061	101061	0.8525
	At the end of the year					101061	0.8525
8	Alka Nipam Chokshi	0	0.0000			0	0.0000
	Transfer			22 Sep 2017	14399	14399	0.1215
	Transfer			03 Nov 2017	7480	21879	0.1846
	Transfer			10 Nov 2017	8510	30389	0.2563
	Transfer			24 Nov 2017	10000	40389	0.3407
	Transfer			12 Jan 2018	29200	69589	0.5870
	At the end of the year					69589	0.5870
9	Narendrakaur H Sarna	0	0.0000			0	0.0000
	Transfer			08 Sep 2017	103364	103364	0.8719
	Transfer			15 Sep 2017	96636	200000	1.6871
	Transfer			10 Nov 2017	(27681)	172319	1.4536
	Transfer			08 Dec 2017	(12319)	160000	1.3496
	Transfer			15 Dec 2017	(14177)	145823	1.2301
	Transfer			22 Dec 2017	(17245)	128578	1.0846
	Transfer			12 Jan 2018	(5519)	123059	1.0380
	Transfer			19 Jan 2018	(53059)	70000	0.5905
	Transfer			16 Mar 2018	(1030)	68970	0.5818
	At the end of the year					68970	0.5818
10	Asmah Shares And Stock Brokers Pvt Ltd	67745	0.5714			67745	0.5714
	At the end of the year					67745	0.5714

(v) Shareholding of Directors and Key Managerial Personnel

Sr. No.	Name	Shareholding at the beginning of the year - 2017		Changes during the year			Cumulative Shareholding during the year	
		No. of Shares	% of total Shares of the Company	Date	Increase/ Decrease in Shareholding	Reason	No. of Shares	% of total Shares of the Company
1	Mr. Apoorva Shah	38,04,316	32.09	No Change during the year			38,04,316	32.09
2	Mrs. Alpa Shah	1001435	8.45	No Change during the year			1001435	8.45
3	Mr. Hemant Topiwala	1820	0	No Change during the year			1820	0.00
4	Mr. Rajiv Bhatt	Nil	Nil	Nil	Nil		Nil	Nil
5	Mrs. Monika Singhania (appointed as additional director on 30th Sep, 2017)	Nil	Nil	Nil	Nil		Nil	Nil
6	Mr. Awdheshkumar Kannaujia (appointed as CFO w.e.f. 12th March, 2018)	Nil	Nil	Nil	Nil		Nil	Nil
7	Ms. Krina Mehta (appointed as CS w.e.f. 27th July, 2018)	Nil	Nil	Nil	Nil		Nil	Nil

* Mr. Ashok Kamath resigned as CFO with effect from 28th February, 2018.

* Mrs. Suvarnalata Chavan resigned as CS with effect from 26th July, 2018.

V. INDEBTNESS:

Indebtedness of the company including interest outstanding/accrued but not due for payment

	Secured Loan Excluding Deposit	Unsecured Loans	Deposits	Total Indebtness
Indebtness at the beginning of the financial year	9,13,95,142	13,01,00,886		22,14,96,028
i. Principal Amount as on 31.03.2017	–	–		–
ii. Interest due but not paid	–	–		–
iii. Interest accrued but not due As on 31.03.2017	17,095	4,20,690		4,37,785
Total (i+ii+iii)	9,14,12,237	13,05,21,576		22,19,33,813
Change in Indebtness during the financial year				
Addition	53,18,67,863	8,53,33,327		61,72,01,190
Reduction	53,81,05,035	11,35,96,073		65,17,01,108
Less : Exchange Difference	(2,72,319)	–		(2,72,319)
Net Change	–	–		–
Indebtness at the end of the financial year				
i. Principal Amount as on 31.03.2018	8,54,30,289	10,18,38,140		18,72,68,429
ii. Interest due but not paid	–	–		–
iii. Interest Accrued but not due as on 31.03.2018	10,994	4,19,674		4,30,668
Total (i+ii+iii)	8,54,41,283	10,22,57,814		18,76,99,097

VI. A. Details of remuneration of Directors and Key Managerial Personnel

Sr. No.	Particulars of Remuneration	Name of MD/WTD		
		Mr. Apoorva Shah (Chairman & Managing Director)	Mrs. Alpa Shah (Whole-time Director)	Total Amount (Rs.)
1	Gross Salary			
	(a) Salary as per provisions contained in Section 17(1) of the Income Tax Act, 1961	43,10,177	43,10,177	86,20,354
	(b) Value of perquisites u/s 17(2) of the Income Tax Act, 1961	74,538	39,600	1,14,138
	(c) Profit in lieu of salary under Section 17(3) of the Income Tax Act	–	–	
2	Stock Option	–	–	
3	Sweat Equity	–	–	
4	Commission	–	–	
	As % of Profit	–	–	
	Others	–	–	
5	Others, Please Specify			
	Total (A)	43,84,715	43,49,777	87,34,492
	Ceiling as per the Act	10% of Ner Profit for all Executive Directors - Managing and Whole-time Directors; 5% Net Profit to any one Managing or Whole-time Director		

B. Remuneration to other directors

Non executive and Independent directors

Particulars of Remuneration	Mr. Hemant Topiwala	Mr. Rajiv Bhatt	Mrs. Monika Singhania	Total Amount (Rs)
1. Independent Director (ID)				
Fee for attending Board /Committee Meeting	–	–	–	–
Commission	–	–	–	–
Others	–	–	–	–
Total (B)(1)	–	–	–	–

C) Remuneration to key managerial personnel other than MD /WTD:

Sr. No.	Particulars of Remuneration	Mr. Awdhesh Kannuajia (CFO w.e.f. 12.03.2018)	Ms. Krina Mehta (CS w.e.f. 27.07.2018)	Mr. Ashok Kamath (Resigned as CFO w.e.f. 28.02.2018)	Ms. Suvarnalata Chavan (Resigned as CS w.e.f. 26.07.2018)
1	Gross Salary				
	(a) Salary as per provisions contained in Section 17(1) of the Income Tax Act, 1961	53763	–	13,40,233	5,07,791
	(b) Value of perquisites u/s 17(2) of the Income Tax Act, 1961	Nil	Nil	Nil	Nil
	(c) Profit in lieu of salary under Section 17(3) of the Income Tax Act	Nil	Nil	Nil	Nil
2	Stock Option	Nil	Nil	Nil	Nil
3	Sweat Equity	Nil	Nil	Nil	Nil
4	Commission	Nil	Nil	Nil	Nil
	As % of Profit	Nil	Nil	Nil	Nil
	Others	Nil	Nil	Nil	Nil
5	Others, Please Specify	Nil	Nil	Nil	Nil
	Total	53763	–	13,40,233	5,07,791

VII) DETAILS OF PENALTIES / PUNISHMENT / COMPOUNDING OF OFFENCES:

Type	Section of the Companies Act	Brief Description	Details of Penalty/ Punishment/ Compounding fees imposed	Authority [RD/NCLT/ Court]	Appeal made, if any (give details)
A. COMPANY					
Penalty	Nil	Nil	Nil	Nil	Nil
Punishment	Nil	Nil	Nil	Nil	Nil
Compounding	Nil	Nil	Nil	Nil	Nil
B. DIRECTORS					
Penalty	Nil	Nil	Nil	Nil	Nil
Punishment	Nil	Nil	Nil	Nil	Nil
Compounding	Nil	Nil	Nil	Nil	Nil
C. OTHER OFFICERS IN DEFAULT					
Penalty	Nil	Nil	Nil	Nil	Nil
Punishment	Nil	Nil	Nil	Nil	Nil
Compounding	Nil	Nil	Nil	Nil	Nil

REPORT ON CORPORATE GOVERNANCE

In terms of Regulation 34(3) read with Section C of Schedule V to SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, a Report on Corporate Governance for the year ended 31st March, 2018 is presented below:

(1) A BRIEF STATEMENT ON THE COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE:

Corporate Governance is a set of systems and practices to ensure that the affairs of the Company are being managed in a way which ensure accountability, transparency, fairness in all its transactions in the widest sense and meet its stakeholder's aspirations and societal expectations.

The Company firmly believes in good Corporate Governance. The Company, while conducting its business has been upholding the core values of NHC Foods i.e. Transparency, integrity, honesty, accountability, and compliance of laws. The Company continuously endeavour to improve on these aspects on an on-going basis. NHC Foods recognises that good Corporate Governance is a continuous exercise and reiterates its commitment to pursue highest standard of Corporate Governance in the overall interest of all its stakeholders.

Obedying the law, both in letter and in spirit, is the foundation on which the Company's ethical standards are built. The Company would constantly endeavour to improve on these aspects.

CORPORATE GOVERNANCE AND ETHICS

The core of successful management lies in its clarity, vision and implementation of plan. We believe that if something is important enough to be done, it is important that we do it in ethical manner. The essence of Corporate Governance lies in promoting and maintaining integrity, transparency and accountability in the management's higher echelons. Over the years, we have strengthened governance practices. These practices define the way business is conducted and value is generated.

(2) BOARD OF DIRECTORS**COMPOSITION OF BOARD**

The Board of Directors of the Company ("the Board") comprises of one Managing Director, Whole time Director and Three Non – Executive Directors including. Mr. Apoorva Shah is Executive Chairman of the Board. The Board composition is in compliance with the requirements of Regulation 17 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('the Listing Regulations'), requiring not less than half the Board to be independent.

All the Independent Directors have confirmed that they meet the independence criteria as mentioned under Listing Regulations and the Companies Act, 2013 ('the Act'). All directors have made necessary disclosures regarding committee positions and Directorships held by them in other companies. None of the Directors is a Member of more than ten Committees and Chairman of more than five Committees (Audit Committee and Stakeholders relationship Committee) across all companies in which he / she is a Director. None of the Company's Independent Directors served as Independent Director in more than seven listed companies. The appointment of the Whole-time Directors, including their tenure and remuneration is also approved by the members.

CRITERIA OF SELECTION OF INDEPENDENT DIRECTORS:

The Board Governance, Nomination and Compensation Committee consider, inter alia, the following attributes/criteria, whilst recommending to the Board the candidature for appointment as Independent Director:

- a. Qualification, expertise and experience in their respective fields such as Information Technology Business, Scientific Research & Development, International Markets, Leadership, Financial Analysis, Risk Management and Strategic Planning, etc.

- b. Personal characteristics which align with the Company's values, such as integrity, accountability, financial literacy, high performance standards, etc.
- c. Diversity of thought, experience, knowledge, perspective and gender in the Board
- d. Such other criteria as prescribed in the Corporate Governance Guidelines of the Company or prescribed by the Board from time to time.

In case of re-appointment of Independent Directors, the Board takes into consideration the performance evaluation of the Independent Directors and their engagement level.

(a) Composition and category of Directors:

As at 31st March, 2018, the Composition of Board of Directors of the Company was as follows:

Sr. No.	Name of the Director	DIN	Category	Date of Appointment
1.	Mr. Apoorva Shah	00573184	Executive Chairman & Managing Director	13-11-2015
2.	Mrs. Alpa Shah	00573190	Whole-Time Director	14-02-2016
3.	Mr. Rajiv Bhatt	02320813	Independent Director	30-08-2008
4.	Mr. Hemant Topiwala	00355690	Independent Director	07-10-2015
5.	Mrs. Monika Singhania	07950196	Additional Director	30-09-2017

Board Meetings:

The Board meets at regular intervals to discuss and decide on Company / Business policy and strategy apart from other Board business.

The Board business generally includes consideration of important corporate actions and events including:-

- quarterly and annual result announcements;
- oversight of the performance of the business;
- development and approval of overall business strategy;
- Board succession planning;
- review of the functioning of the Committees and
- other strategic, transactional and governance matters as required under the Companies Act, 2013, Listing Regulations and other applicable legislations.

The notice of Board / Committee meeting is given well in advance to all the Directors. Usually, meetings of the Board are held in Mumbai. The Agenda of the Board / Committee Meetings is set by the Company Secretary in consultation with the Chairman and the Managing Director of the Company. The Agenda is circulated a week prior to the date of the meeting. The Agenda for the Board and Committee Meetings covers items set out as per the guidelines in Listing Regulations to the extent it is relevant and applicable. The Agenda for the Board and Committee Meetings include detailed notes on the items to be discussed at the meeting to enable the Directors to take an informed decision.

Name of the Director	Number of Board Meetings held during the year 2017-18		Whether attended last AGM held on 30th Sept., 2017	Number of Directorship in other listed Companies	Number of Committee Positions held in other Public Companies*	
	Held	Attended			Chairman	Member
Mr. Apoorva Shah (Chairman & Managing Director) (DIN: 00573184)	10	10	✓	–	–	–
Mrs. Alpa Shah (Whole – Time Director) (DIN: 00573190)	10	10	✓	–	–	–
Mr. Rajiv Bhatt Director (DIN: 02320813)	10	10	✓	1	–	–
Mr. Hemant Topiwala Director (DIN: 00355690)	10	10	✓	2	–	–
Mrs. Monika Singhania (DIN: 07950196)	10	5	✓	–	–	–

*In accordance with the Regulation 26 of the Listing Regulations, membership/ chairmanship of only the Audit Committee and the Stakeholders' Relationship Committees in all public companies have been considered for the purpose of committee positions.

10 Board Meetings were held during the year and the gap between two meetings did not exceed one hundred and twenty days. The dates on which the said meetings were held:

30.05.2017	14.09.2017	18.09.2017	29.09.2017	30.09.2017
13.12.2017	20.01.2018	14.02.2018	01.03.2018	12.03.2018

Board Support:

The Company Secretary is responsible for collation, review and distribution of all papers submitted to the Board and Committees thereof for consideration. The Company Secretary is also responsible for preparation of the Agenda and convening of the Board and Committee meetings. The Company Secretary attends all the meetings of the Board and its Committees, either in the capacity of Secretary of the Committees or Member of the Committee. The Company Secretary advises / assures the Board and its Committees on Compliance and Governance principles and ensures appropriate recording of minutes of the meetings.

Review of legal compliance reports:

During the year, the Board periodically reviewed compliance reports with respect to the various laws applicable to the Company, as prepared and placed before it by the Management.

(a) Disclosure of Relationship between directors inter-se:

Mrs. Alpa Shah, Whole – Time Director is the spouse of Mr. Apoorva Shah, Chairman and Managing Director of the Company.

(b) Details of Equity Shares of the Company held by the Directors as on March 31, 2018 are given below:

Name of the Directors	No. of Shares held (As on March 31, 2018)
Mr. Rajiv Bhatt	Nil
Mr. Hemant Topiwala	1,820
Mr. Apoorva Shah	38,04,316
Mrs. Alpa Shah	10,01,435
Mrs. Monika Singhania	Nil
Total	48,07,571

The Company has not issued any convertible instruments.

Separate Meeting of Independent Directors

As stipulated by the Code of Independent Directors under the Act, and the Listing Regulations, a separate meeting of the Independent Directors of the Company was held on March 26, 2018 to review the performance of Non-Independent Directors (including the Chairman) and the Board as a whole.

Separate meeting of the Independent Directors of the Company is held every year, whereat following prescribed items are discussed:

- Review of performance of Non-Independent Directors and the Board as a whole;
- Review of performance of the Chairman of the Company, taking into account the views of Executive Directors and Non-Executive Directors.
- Assessment of the quality, quantity and timeliness of flow of information between the Company Management and the Board to effectively and reasonably perform their duties.

Web link where details of familiarisation programmes imparted to independent directors is disclosed:

All Independent Directors are familiarized with the Company, their roles, rights, responsibilities in the Company, nature of the industry, in which the Company operates, business model of the Company etc. from time to time. The entire Board including Independent Directors has access to Product Heads/Factory Heads and other commercial / technical staff, wherever required for informed decision making. Detailed agenda are sent well in advance to all the Directors in order for the Board to perform its function and fulfil its role effectively. The details regarding Independent Directors' Familiarisation program are given under the 'Investor Section' on the website of the Company and can be accessed at <http://www.nhcgroup.com/wp-content/uploads/2015/01/FAMILIARIZATION-PROGRAM-FOR-INDEPENDENT-DIRECTORS-OF-NHC-FOODS-LIMITED.pdf>

COMPANY'S POLICY ON PROHIBITION OF INSIDER TRADING

The Company has adopted a Code of Conduct for Regulating, Monitoring and Reporting of trading by insiders of the Company ('the Code') as per the SEBI (Prohibition of Insider Trading) Regulations, 2015 with a view to regulate trading in securities by the Directors and designated employees of the Company. The Code requires pre-clearance for dealing in the Company's shares and prohibits the purchase or sale of Company's securities by the Directors and the designated employees while in possession of unpublished price sensitive information in relation to the Company and during the period when the Trading Window is closed. The Company Secretary is responsible for implementation of the Code. The full text of the code is available on the website of the Company under "Investor Section" in the Corporate Governance Section.

SUBSIDIARIES

The Company does not have any Subsidiary Company.

RELATED PARTY TRANSACTIONS

The Board of Directors has approved a policy on materiality of related party transactions and also dealing with related party transactions.

The policy is available on the website of the Company under 'Investor Section' in the Corporate Governance Section. The shareholders of the Company vide Special Resolution passed on 30th September, 2014 have approved per annum limits (beginning 1st April, 2014) for certain Related Party Transactions

Within the Shareholders approved limits, wherever applicable, the Audit Committee and Board affirm the annual limits for related party transactions in the first meeting of the Board of Directors of every financial year.

Committees of the Board:**I. Audit Committee:**

The terms of reference of the Audit Committee are as per the governing provisions of the Companies Act, 2013 (section 177) and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (specified in Part C of Schedule II).

The terms of reference of the Audit Committee include:

1. Reviewing the Company's financial reporting process and the disclosure of its financial information to ensure the financial statement is correct, sufficient and credible.
2. Reviewing the adequacy of internal audit function, the structure of the internal audit department, reporting structure coverage and frequency of internal audit
3. Recommending the appointment, terms of appointment and removal of statutory auditor and the fixation of audit fees, payment to Statutory Auditors for any other services rendered and any other related payments.
4. Reviewing the Statutory and Internal Auditor's independence and performance and scrutinizing the effectiveness of the entire Audit process.
5. Reviewing the adequacy of Internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage.
6. 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.
7. Reviewing, with the management, the quarterly and annual financial statements and the Auditors' report before submission to the Board for approval, focusing primarily on:
 - a. Matters required to be included in the Directors' Responsibility Statement to be included in the Board's report.
 - b. Compliance with accounting standards and changes in accounting policies and practices and reasons for the same.
 - c. Major accounting entries involving estimates based on exercise of judgment by Management.
 - d. Audit qualifications and significant adjustments arising out of audit.
 - e. Significant adjustments made in the financial statements arising out of Audit findings.
 - f. Compliance with listing and other legal requirements relating to financial statements.
 - g. Disclosure of any related party transactions.

8. Reviewing, with the management, the statement of uses/application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilised for purposes other than those stated in the offer document/prospectus/notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public rights issue, and making appropriate recommendations to the Board to take up steps in this matter.
9. Reviewing with management, the periodical financial statements.
10. Reviewing with the management, external and internal auditors, the adequacy of internal financial control systems, frequency of internal audit, significant findings by internal auditors and follow up there on.
11. Discussing with external auditors, nature and scope of audit as well as having post-audit discussions.
12. Reviewing the Company's financial and risk management policies.
13. Reviewing Whistle Blower Mechanism (Vigil mechanisms as per of the Companies Act, 2013).
14. Reviewing Management Discussion and Analysis Report, Management letters / letters of internal control weaknesses issued by the statutory auditors, if any; internal audit reports relating to internal control weaknesses.
15. Approving any transactions or subsequent modifications of transactions with related parties.
16. Reviewing inter-corporate loans and investments.
17. Valuation of undertakings or assets of the Company, if necessary.
18. Reviewing financial statements and investments made by subsidiary companies.
19. Evaluating reasons for any substantial defaults in payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividend) and creditors, if any.
20. Reviewing the effectiveness of the system for monitoring compliance with laws and regulations.
21. Approving the appointment of CFO after assessing the qualification, experience and background etc. of the candidate.

The Audit Committee is vested with the necessary powers to achieve its objectives. The Committee has discharged such other role/function as envisaged under Regulation 18(3) read with Part C of Schedule II of the Listing Regulations and the provisions of Section 177 of the Act.

Composition and Meetings

The Audit Committee comprises three Independent Directors and one Executive Director. All members are financially literate and possess sound knowledge of Accounts, Finance and Audit matters. The Company Secretary of the Company acts as Secretary to the Audit Committee. The Internal Auditors of the company attend the Meetings of the Audit Committee on invitation of the Chairman of the committee. The quorum of the Committee is two members or one-third of its members, whichever is higher with at least two Independent Directors.

The Chairman of the Audit Committee attended the last Annual General Meeting of the company. The Audit Committee met four times during financial year 2017-2018 on 30th May, 2017, 14th September, 2017, 13th December, 2017 and 14th February, 2018 and the gap between two meetings did not exceed one hundred and twenty days. The Composition of the Audit Committee and attendance at committee meetings is as follows:

Name	Designation	No. of Meeting attended
Mr. Rajiv Bhatt	Non – Executive Independent Director	04
Mr. Hemant Topiwala	Non – Executive Independent Director	04
Mrs. Monika Singhanian*	Non – Executive Independent Director	02
Mr. Apoorva Shah	Executive Director	04

* Mrs. Monika Singhanian was appointed as a Member effective September 30, 2017

(c) Meetings and attendance during the year:

Sr. No.	Name of the Director	30th May, 2017	14th September, 2017	13th December 2017	14th February, 2018
1.	Mr. Rajiv Bhatt	✓	✓	✓	✓
2.	Mr. Hemant Topiwala	✓	✓	✓	✓
3.	Mrs. Monika Singhania*	NA	NA	✓	✓
4.	Mr. Apoorva Shah	✓	✓	✓	✓

The meetings are usually attended by the Executive Directors, the CFO, Company Secretary and representatives of Statutory Auditors and Internal Auditors. Business and Operation Heads are also invited to the meetings, as and when needed.

II. Nomination and Remuneration Committee:

The powers, role and terms of reference of the Nomination and Remuneration Committee covers the areas as provided under Regulation 19 of the Listing Regulations and Section 78 of the Act, besides other terms as referred by the Board.

The terms of reference of the Nomination and Remuneration Committee include:

1. Formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy, relating to the remuneration of the directors, key managerial personnel and other employees;
2. Formulate criteria and carry out evaluation of each Director's performance and performance of the Board as a whole.
3. Devising a policy on Board diversity;
4. Identifying persons who are qualified to become Directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the Board their appointment and removal;
5. Administration of Employee Stock Option Scheme(s);
6. Reviewing and recommending the remuneration of Whole-time Directors of the Company.

Composition and Meetings:

The **Nomination and Remuneration Committee** comprises three Independent Directors and one Executive Director.

The terms of reference of the Nomination and Remuneration Committee are as per the governing provisions of the Companies Act, 2013 (section 178) and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (specified in Part D of Schedule II).

The terms of reference of the Nomination and Remuneration Committee include:

1. Formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy, relating to the remuneration of the directors, key managerial personnel and other employees;
2. Formulation of criteria for evaluation of Independent Directors and the Board;
3. Devising a policy on Board diversity;

4. Identifying persons who are qualified to become Directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the Board their appointment and removal;
5. Administration of Employee Stock Option Scheme(s);
6. Reviewing and recommending the remuneration of Whole-time Directors of the Company.

Composition and Meetings:

The Nomination and Remuneration Committee comprises three Independent Directors and one Executive Director. Mr. Rajiv Bhatt is the Chairman of the Committee. He was present at the last AGM. The Committee met Two times during Financial Year 2017-2018 on 30th September, 2017 and 12th March, 2018. The composition of and attendance at Committee meetings is as follows:

Name	Designation	No. of Meeting Attended
Mr. Rajiv Bhatt	Non – Executive Independent Director	02
Mr. Hemant Topiwala	Non – Executive Independent Director	02
Mr. Apoorva Shah	Executive Director	02
Mrs. Monika Singhania*	Non – Executive Independent Director	01

*Mrs. Monika Singhania was appointed as a Member effective September 30, 2017

Sr. No.	Name of the Director	30th September, 2017	12th March, 2018
1.	Mr. Rajiv Bhatt	✓	✓
2.	Mr. Hemant Topiwala	✓	✓
3.	Mrs. Monika Singhania*	NA	✓
4.	Mr. Apoorva Shah	✓	✓

POLICY ON NOMINATION, REMOVAL, REMUNERATION AND BOARD DIVERSITY

Pursuant to the requirements of Section 178 of the Act and corresponding provisions contained in Regulation 17 of the SEBI Regulations, the Nomination and Remuneration Committee at its meeting held on 12th May, 2015, approved the policy on Nomination, Removal, Remuneration and Board Diversity ('NR Policy'). The NR Policy covers the following aspects:

- Appointment and removal of Directors, Key Managerial Personnel and employees in Senior Management;
- Remuneration payable to the Directors, Key Managerial Personnel and employees in Senior Management;
- Board Diversity;
- Succession plan for Directors, Key Managerial Personnel and employees in Senior Management and;
- Evaluation of individual Directors, Chairperson of the Board, the Board as a whole and the Committees of the Board.

III. Stakeholders' Relationship Committee

The Stakeholders' Relationship Committee oversees redressal of stakeholder' grievances. The Committee met Four times during Financial Year 2018 on 30th May, 2017, 14th September, 2017, 13th December, 2017 and 14th February, 2018. Further, during the year, the Company received no complaints for various matters like non-receipt of share certificates, non-issue of duplicate certificates, and rejection of Demat requests. All the complaints

were resolved to the satisfaction of investors. The Company Secretary functions as the Compliance Officer of the Company. The composition and attendance at Committee meetings is as follows:

Name	Designation	No. of Meeting Attended
Mr. Rajiv Bhatt	Non – Executive Independent Director	04
Mr. Hemant Topiwala	Non – Executive Independent Director	04
Mrs. Monika Singhania*	Non – Executive Independent Director	02
Mr. Alpa Shah	Executive Director	04

*Mrs. Monika Singhania was appointed as a Member effective September 30, 2017

Sr. No.	Name of the Director	30th May, 2017	14th Sept, 2017	13th Dec, 2017	14th Feb 2018
1.	Mr. Rajiv Bhatt	✓	✓	✓	✓
2.	Mr. Hemant Topiwala	✓	✓	✓	✓
3.	Mrs. Monika Singhania*	NA	NA	✓	✓
4.	Mr. Alpa Shah	✓	✓	✓	✓

Board Evaluation:

The Board of Directors of the Company 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. To that end, the Nomination and Remuneration Committee has established processes for performance evaluation of Independent Directors, the Board and Committees of the Board.

Pursuant to the provisions of the Act, and the Listing Regulations, the Board has carried out an annual evaluation of its own performance, performance of its Committees as well as the Directors individually. A structured evaluation was carried out based on various parameters such as skills and experience to perform the role, level of participation, contribution to strategy, and degree of oversight, professional conduct and independence.

Policy for Selection and Appointment of Directors and Their Remuneration:

Pursuant to the requirements of Section 178 of the Act and corresponding provisions contained in Regulation 17 of the SEBI Regulations, the Nomination and Remuneration Committee at its meeting approved the policy on Nomination, Removal, Remuneration and Board Diversity ('NR Policy'). The NR Policy covers the following aspects:

a. APPOINTMENT CRITERIA AND QUALIFICATION:

The NRC shall identify and ascertain the integrity, qualification, expertise and experience of the person for appointment as Director in terms of Diversity Policy of the Board and recommend to the Board his / her appointment.

For the appointment of KMP (other than managing/ Whole-time Director or Manager) or Senior Management, a person should possess adequate qualification, expertise and experience for the position for which he / she is considered for the appointment.

b. TERM:

The Term of the Directors including Managing / Whole-time Director / Manager/ Independent Director shall be governed as per the provisions of the Companies Act, 2013 and Rules made there under and Listing Regulations, as amended from time to time.

Whereas the term of the KMP (other than the Managing / Whole-time Director / Manager) and Senior Management shall be governed by the prevailing HR policies of the Company.

c. REMOVAL:

Due to reasons for any disqualification mentioned in the Companies Act, 2013 or under any other applicable Act, Rules and Regulations there under and/or for any disciplinary reasons and subject to such applicable Acts, Rules and Regulations and the Company's prevailing HR policies, the Nomination and Remuneration Committee may recommend, to the Board, with reasons recorded in writing, removal of a Director, KMP or Senior Management Personnel.

d. Remuneration of Managing / Whole-time Director, KMP and Senior Management:

The remuneration / compensation / commission, etc., as the case may be, to the Managing / Wholetime Director will be determined by the NRC and recommended to the Board for approval. The remuneration / compensation / commission, etc., as the case may be, shall be subject to the prior / post approval of the shareholders of the Company and Central Government, wherever required and shall be in accordance with the provisions of the Companies Act, 2013 and Rules made there under. Further, the whole-time Director of the Company is authorised to decide the remuneration of KMP (other than Managing/Whole-time Director) and Senior Management, and which shall be decided by the Whole-time Director based on the standard market practice and prevailing HR policies of the Company.

e. Remuneration to Non-Executive / Independent Director:

The remuneration / commission / sitting fees, as the case may be, to the Non-Executive / Independent Director, shall be in accordance with the provisions of the Companies Act, 2013, and the Rules made there under for the time being in force or as may be decided by the Committee / Board / shareholders.

An Independent Director shall not be entitled to any stock option of the Company unless otherwise permitted in terms of the Companies Act, 2013 and Listing Regulations, as amended from time to time.

Remuneration Philosophy:

Remuneration to Executive Director:

The Company's Board presently consists of two Executive Directors viz. Apoorva Shah, Chairman & Managing Director and Alpa Shah, Whole-Time Director. The Nomination & Remuneration Committee recommend to the Board the remuneration payable to MD and Whole-Time Director within the overall limit approved by the Members of the Company.

The remuneration payable to the MD and Whole-Time Director comprises of two broad terms – Fixed Remuneration and Variable Remuneration in the form of Performance Bonus.

(b) Managing Director and Whole-time Director:

Name of the Director and period of appointment	Salary Perquisites and Allowances	Benefits	Commission	ESPS
Mr. Apoorva Shah Re-appointed as Chairman & Managing Director for a period of three years w.e.f. 13th November, 2015 to 12th November, 2018	43,10,177	74,538	Nil	Nil
Mrs. Alpa Shah Re-appointed as Whole-Time Director for a period of three years w.e.f. 14th February, 2016 to 13th February, 2019	43,10,177	39,600	Nil	Nil

GENERAL BODY MEETINGS:

(a) Location and time, where last three Annual General Meetings held:

Date of AGM	Location	Time
30th September, 2017	Survey No. 777, Umarsadi Desaiwad Road, Village Umarsadi, Taluka Pardi, District Valsad, Gujarat: 396175	09.00 a.m.
30th September, 2016	Survey No. 777, Umarsadi Desaiwad Road, Village Umarsadi, Taluka Pardi, District Valsad, Gujarat: 396175	10.00 a.m.
30th September, 2015	Survey No. 777, Umarsadi Desaiwad Road, Village Umarsadi, Taluka Pardi, District Valsad, Gujarat: 396175	10.00 a.m.

The Company had provided facility of e-voting pursuant to provisions of the Act and the Listing Regulations, to its Members.

A scrutinizer was appointed by the Company to monitor and review the e-voting process. On completion of e-voting process, the Scrutinizer presented a report to the Chairman. All the resolutions were passed with requisite majority.

(b) Special Resolutions passed in the previous three Annual General Meetings:

Date of AGM	Details of Special Resolutions Passed, if any
30 th September, 2017	–
30 th September, 2016	–
30 th September, 2015	–

(c) Special Resolution proposed to be conducted through postal ballot:

During the year, 2 (Two) Special Resolutions were passed through Postal Ballot on 12th October, 2017 of voting pattern in respect of all these Special Resolutions are mentioned below:

(1) Postal Ballot held on 12th October, 2017:

The Board of Directors by its Resolution passed on 26th August, 2017 had appointed Mr Narayan Parekh, Partner of M/s PRS Associates, Practising Company Secretaries to act as the Scrutinizer for conducting the Postal Ballot. The Company had also offered e-voting facility to its members enabling them to cast their votes electronically. The Company has signed an agreement with the National Securities Depository Limited (“NSDL”), to enable its members to cast their votes electronically pursuant to Regulation 44 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Section 108 of the Companies Act, 2013 read with the Companies (Management and Administration) Rules, 2014 (including any statutory modification(s), enactment(s) or re-enactment(s) thereof for the time being in force). The postal ballot process was carried out as per the procedure laid down in terms of Section 110 of the Companies Act, 2013 read with the Companies (Management and Administration) Rules, 2014. Mr Narayan Parekh, had carried out the scrutiny of all the postal ballot forms received up to the close of working hours 5.00 p.m. on Tuesday the 10th October, 2017 and that he had submitted his Report thereon to the Chairman of the Company. Based on the Scrutinizer’s Report, Mr. Apoorva Shah, Chairman and Managing Director, declared the result of the voting exercise on 12th October, 2017 as follows:

- 1. Approval for Sale of Undertaking(S) of the Company situated at NHC House, 2/13, Anand Nagar, Santacruz (E), Mumbai – 400055**

Particulars	No. of Shares (through E-Voting)	No. of Shares (through Postal Ballot)	Total No. of Shares	% of Total Net Valid Votes (in percentage)
Total No. of Votes received	48,06,476	–	48,06,476	Not Applicable
Less : No. of Invalid Votes	–	–	–	
Less : Votes not exercised	–	–	–	
Net Valid Votes	48,06,476	48,06,476	48,06,476	
Votes with "Assent" for the Resolution	51,15,320	3869	51,19,189	99.93
Votes with "Dissent" for the Resolution	3,730	–	3,730	0.07

2. Approval for Sale of Undertaking(S) of the Company situated at Survey No. 777, Umarsadi Desaiwad Road, at Village Umarsadi, Taluka Pardi, District, Valsad.

Particulars	No. of Shares (through E-Voting)	No. of Shares (through Postal Ballot)	Total No. of Shares	% of Total Net Valid Votes (in percentage)
Total No. of Votes received	51,15,181	3,874	51,19,055	Not Applicable
Less : No. of Invalid Votes	–	5	5	
Less : Votes not exercised	–	–	–	
Net Valid Votes	51,15,181	3,869	51,19,050	
Votes with "Assent" for the Resolution	51,11,451	3,869	51,15,320	99.93
Votes with "Dissent" for the Resolution	3,730	–	3,730	0.07

Person who conducted the postal ballot exercise:

Mr Narayan Parekh, Partner of M/s. PRS Associates, Practicing Company Secretaries, Mumbai

PROCEDURE FOR POSTAL BALLOT:

In compliance with the Listing Agreement/Listing Regulations, as applicable, Sections 108, 110 and other applicable provisions of the Companies Act, 2013 ("Act") read with the related Rules as amended from time to time and Secretarial Standard-2, the Company also provides electronic voting facility to all its members, to enable them to cast their votes electronically. The Company engages the services of National Securities Depository Limited for the purpose of providing e-voting facility to all its members. The members have the option to vote either by physical ballot or e-voting.

The Company dispatches the postal ballot notice and form along with postage prepaid business reply envelope to its members whose names appear on the register of members/list of beneficiaries as on cut-off date. The postal ballot notice is sent to members in electronic form to the email addresses registered with the depository participants (in case of Demat shareholding) and the Company's registrar and share transfer agents (in case of physical shareholding). The Company also publishes a notice in the newspaper declaring the details of completion of dispatch and other requirements as mandated under the Act and applicable Rules made thereunder and Secretarial Standard 2 and upload the notice on the website of the Company and of National Securities Depository Limited (NSDL).

Voting rights are reckoned on the paid-up value of the shares registered in the names of the members as on the cut-off date. Members desiring to exercise their votes by physical postal ballot forms are required to return the forms duly completed and signed, to the scrutiniser on or before the close of voting period. Members desiring to exercise their votes by electronic mode are required to vote before close of business hours on the last date of e-voting.

The scrutiniser submits his report to the Chairman, Directors or authorised Office of the Company after the completion of scrutiny, and the consolidated results of the voting by postal ballot are then announced by the Chairman/authorized officer. The results are also displayed on the website of the Company, besides being communicated to the Stock Exchanges, National Securities Depository Limited (NSDL) and registrar and share transfer agent. The date of declaration of the results by the Company is deemed to be the date of passing of the resolutions.

EXTRA ORDINARY GENERAL MEETING:

No Extraordinary General Meeting was held during the period under the reference

Disclosure on Website:

Following information has been disseminated on the website of the Company at www.nhcgroup.com

1. Details of business of the Company
2. Terms and conditions of appointment of Independent Directors
3. Composition of various Committees of Board of Directors
4. Code of Conduct for Board of Directors and Senior Management Personnel
5. Details of establishment of vigil mechanism/Whistle Blower policy
6. Criteria of making payments to Non-Executive Directors
7. Policy on dealing with Related Party Transactions
8. Details of familiarisation programmes imparted to Independent Directors
10. Policy for determination of materiality of events

COMPLIANCE OFFICER:

Krina Mehta, Company Secretary of the Company act as Compliance Officer with effect from 27th July, 2018 of the Company. The Company obtains from a Company Secretary in Practice, half-yearly certificate of compliance with the share transfer formalities and issue of certificates within prescribed time limit pursuant to provisions of Listing Agreement/ Listing Regulations, as applicable and files a copy of the certificate with the Stock Exchanges.

Policy for Preservation of Documents

Pursuant to the requirements under Regulation 9 of the Listing Regulations, the Board has formulated and approved a Document Retention Policy prescribing the manner of retaining the Company's documents and the time period up to certain documents are to be retained. The policy percolates to all levels of the organization who handle the prescribed categories of documents

Means of Communication

(a) Quarterly results:

The Company publishes limited reviewed un-audited standalone financial results on a quarterly basis. In respect of the fourth quarter, the Company publishes the audited financial results for the complete financial year.

(b) Newspapers wherein results normally published:

The quarterly/ half-yearly/ annual financial results are published in Financial Express in both English and Ahmedabad editions.

(c) Website, where displayed:

The financial results and the official news releases are also placed on the Company's website www.nhcgroup.com in the 'Investor Relations' section.

(d) Official news releases:

Yes, the Company regularly publishes an information update on its financial results and also displays official news releases in the 'Investor Relations' section under relevant sections.

(e) BSE Corporate Compliance & Listing Centre (the 'Listing Centre'):

BSE's Listing Centre is a web-based application designed for corporates. All periodical compliance filings like shareholding pattern, corporate governance report, media releases, among others are filed electronically on the Listing Centre.

(f) SEBI Complaints Redress System (SCORES)

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

GENERAL SHAREHOLDER INFORMATION:

(a) Annual General Meeting - date, time and venue: Annual General Meeting

Day	: Thursday
Date	: 27th September, 2018
Time	: 10.00 a.m.
Venue	: Survey No. 777, Umarsadi Desaiwad Road, at Village Umarsadi, Taluka Pardi, District Valsad, Gujarat : 396175
Book Closure	: 21st September, 2018 to 27th September, 2018

(b) Financial Year:

The Financial Year of the Company starts from 1st April of a year and ends on 31st March of the following year.

Approval of financial results proposed	
Quarter ending 30 June, 2018	Within 45 days from the end of the quarter
Quarter ending 30 September, 2018	- do -
Quarter ending 31 December, 2018	- do -
Year ending 31 March, 2019	Within 60 days from the end of the Financial Year

(c) Name and address of each Stock Exchange(s) at which the Company securities are listed and a confirmation about payment of annual listing fee to each of such Stock Exchange(s):

The equity shares of the Company are listed at:

BSE Limited (BSE),
Phiroze Jeejeebhoy Towers,
Dalal Street, Mumbai - 400001

The listing fees for the financial year 2017-18 have been paid by the Company within the stipulated time.

(d) Stock code:

Stock Exchange	Scrip Code	ISIN
BSE Ltd.	517554	INE141C01028

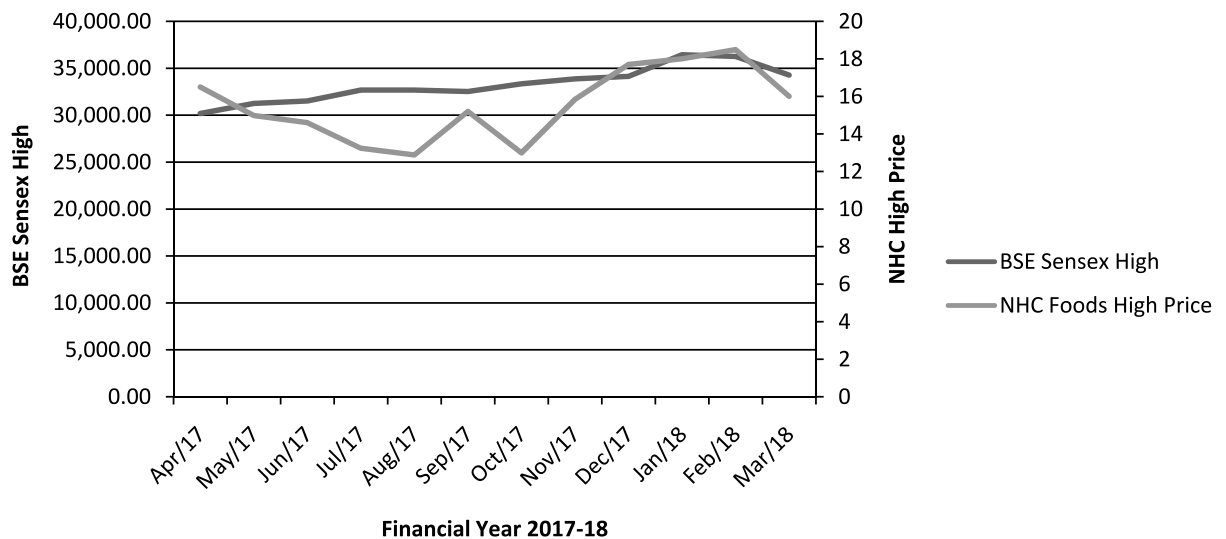
(e) Market price data - high, low during each month in last financial year:

Month	BSE Ltd.		
	High	Low	Volume (No. of Shares)
April 2017	16.50	14.01	3,58,975
May 2017	14.98	12.30	3,25,856
June 2017	14.60	10.25	4,41,075
July 2017	13.24	11.00	3,05,745
August 2017	12.88	10.00	2,88,421
September 2017	15.20	10.55	10,20,641
October 2017	12.99	11.20	3,33,539
November 2017	15.84	12.25	9,25,177
December 2017	17.70	13.70	13,57,354
January 2018	18.00	14.25	11,29,992
February 2018	18.49	13.50	18,10,867
March 2018	16.00	12.75	5,41,799

(Source: BSE Website)

Note: High and low are in rupees per traded share. Volume is the total monthly volume of trade (in numbers) in the Company's share on the respective Stock Exchange.

(f) Performance in comparison to broad-based indices of BSE Sensex:



(g) In case the securities are suspended from trading, the Directors Report shall explain the reason thereof:

Not applicable

(h) Registrar to an Issue and Share Transfer Agents:

Link Intime India Pvt.Ltd.
C 101, 247 Park, L.B.S. Marg,
Vikhroli (West),
Mumbai, Maharashtra – 400083
Email:rnt_helpdesk@linkintime.co.in
Website:www.linkintime.co.in

(i) Share Transfer System:

Trading in equity shares of the Company through recognized Stock Exchanges can be done only in dematerialized form.

In case of shares held in physical form, the transferred share certificates duly endorsed are despatched within 15 days from the date of receipt of documents, provided documents are valid and complete in all respects. In compliance of the relevant provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the share transfer system of the Company is audited every six months by a Practicing Company Secretary and a certificate to that effect is issued by him/her

In case of request for dematerialization of shares, confirmation of dematerialization is sent to the respective depository i.e. National Securities Depository Limited (NSDL) or Central Depository Services (India) Limited (CDSL), expeditiously.

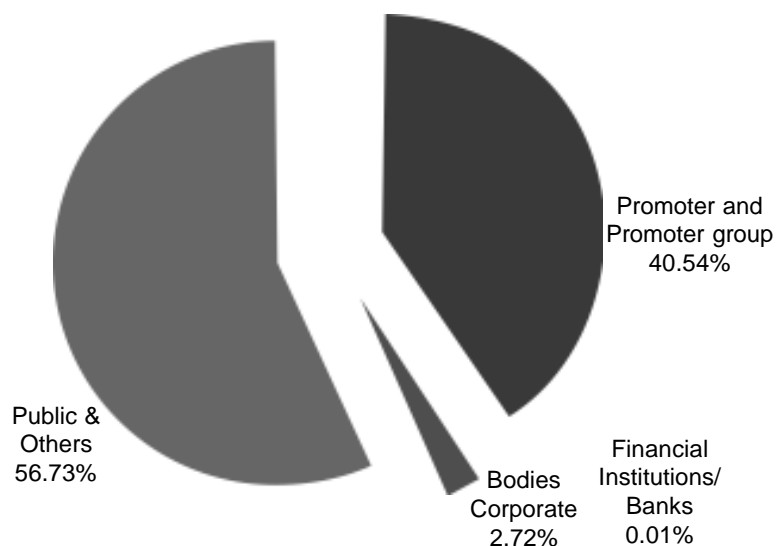
(j) Distribution of Shareholding as on 31st March, 2018:

Shareholding of Nominal Value of Rs. 10/- each	Shareholders (Numbers)	% of Total Shareholders	No. of Shares	Nominal Value (in Rs.)	% of Nominal Value
Upto 5,000	7150	80.7818	3294776	8909280.00	7.5152
5,001 – 10,000	790	8.9255	790272	6840200.00	5.7699
10,001 – 20,000	412	4.6548	710035	6708110.00	5.6585
20,001 – 30,000	152	1.7173	285922	3974750	3.3528
30,001 – 40,000	76	0.8587	439999	2814090	2.3738
40,001 – 50,000	78	0.8813	228305	3701330	3.1222
50,001 – 1,00,000	102	1.1524	315939	7902720	6.6661
1,00,001 & above	91	1.0281	5789752	77699520	65.5416
GRAND TOTAL	8851	100	11855000	118550000	100.0000

Ownership Pattern as on 31st March, 2018

Category Code	Category of Shareholders	Number of Shareholders	Total Number of Shares	As a Percentage of (A+B+C)
(A)	Shareholding of Promoter and Promoter group			
1.	Indian	4	48,06,476	40.5439
2.	Foreign	–	–	–
	Total Shareholding of Promoter & Promoter group	4	48,06,476	40.5439
(B)	Public Shareholding			
1.	Institutions			
	Financial Institutions/ Banks	2	910	0.007
2.	Bodies Corporate	71	322375	2.7193
3.	Public and others	8687	67,25,239	56.729
	Total Public Shareholding	8760	70,48,524	59.456
(C)	Shares held by Custodian and against which Depository Receipts have been issued			
1.	Promoter and Promoter Group	–	–	–
	Public	–	–	–
	Total (A) + (B) + (C)	8764	1,18,55,000	100

Ownership Pattern



List of Shareholders other than Promoters holding more than 1% as on 31st March, 2018

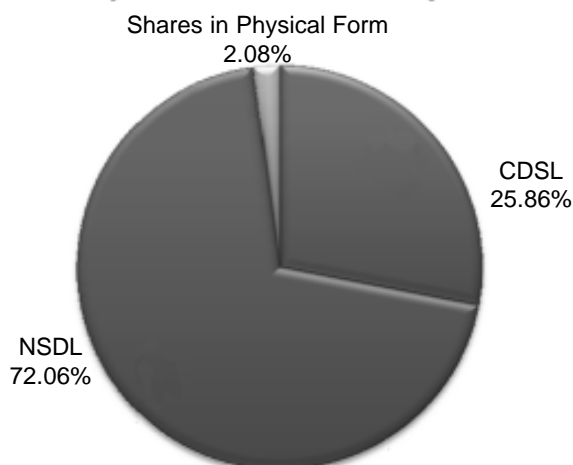
Sr. No.	Name of Shareholder	No. of Shares held	% of Total Holding
1.	Ashvinkumar M Selarka	235000	1.98
2.	Harsha Rajesh Jhaveri	180000	1.52
3.	K V S Hari Kumar	130000	1.10

(k) Dematerialization of shares and liquidity:

The shares of the Company are in compulsory demat segment and are available for trading in the depository systems of both the National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL). As at 31st March, 2018, 1,16,08,349 Equity shares out of 1,18,55,000 Equity Shares of the Company, forming 97.92% of the Company's paid-up capital is held in the dematerialized form. Majority of Demat shares are with National Securities Depository Limited. The status of shares held in Demat and physical format is given below. The Company's shares are liquid and actively traded on the BSE.

Particulars	As on 31st March, 2018		As on 31st March, 2017	
	Number of Shares	Percentage	Number of Shares	Percentage
Shares in Demat Form				
CDSL	30,65,254	25.86	33,23,229	28.03
NSDL	85,43,095	72.06	82,84,280	69.88
Shares in Physical Form	2,46,651	2.08	2,47,491	2.09
Total	1,18,55,000	100.00	1,18,55,000	100.00

Ownership in Demat and Physical Form



(l) Outstanding Global Depository Receipts or American Depository Receipts or Warrants or any convertible instruments, conversion and likely impact on equity:

There are no GDRs/ADRs/Warrants outstanding as on 31stMarch, 2018.

(m) Commodity price risk or foreign exchange risk and hedging activities

As a result of its business and global nature of its operations, NHC Foods is exposed to in particular market risk from changes in foreign currency exchange rates and interest rates, while commodity price risks arises from procurement. Furthermore, the NHC Foods is exposed to liquidity and country risks relating to its credit and market risks.

(n) Plant locations:

Survey No. 777, UmarsadiDesaiwad Road,
Village Umarsadi, Taluka Pardi, Valsad,
Gujarat, 396175

(o) Address for Correspondence with the Company:

The Company Secretary
NHC Foods Limited
D-22/8 TTC INDUSTRIAL AREA
NEAR BALMER LAWRIE
TURBHE, NAVI MUMBAI - 400705
CONTACT NO.: 022 48815100
Email id: grievances@nhcgroup.com
Website: www.nhcgroup.com

Address for Correspondence with the Registrar and Transfer Agents:

Link Intime India Pvt.Ltd,
C 101, 247 Park, L.B.S. Marg,
Vikhroli (West),
Mumbai, Maharashtra – 400083
Email: rnt.helpdesk@linkintime.co.in
Website: www.linkintime.co.in

Other Disclosures:

(a) Disclosures on materially significant related party transactions that may have potential conflict with the interests of the Company:

During the Financial Year 2017-18, there was no materially significant related party transaction that may have potential conflict with the interests of the Company at large.

(b) Details of non-compliance by the Company, penalties, and strictures imposed on the Company by Stock Exchange(s) or the board or any statutory authority, on any matter related to capital markets, during the last three years:

The Company has not been penalized, nor have the Stock Exchanges, SEBI or any statutory authority imposed any strictures, during the last three years, on any matter relating to capital markets.

(c) Details of establishment of vigil mechanism whistle blower policy and affirmation that no personnel have been denied access to the Audit Committee:

In Compliance with the provisions of Section 177(9) of the Companies Act, 2013, the Company has framed a vigil mechanism / Whistle Blower Policy to deal with unethical behaviour, actual or suspected behaviour, actual or suspected fraud or violation of the Company's Code of conduct or ethics policy, if any.

No person has been denied access to the Audit Committee for any grievance.

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

The Company has fully complied with the mandatory requirements of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

(e) Web link where policy on dealing with related party transactions:

The policy on dealing with related party transactions is available on the website of the Company under "Investor Section" in the Corporate Governance Section and can be accessed through <http://www.nhcgroup.com/wp-content/uploads/2015/01/Related-Party-Transaction-policy.pdf>

(f) The financial statements of the Company have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2016. The Company has prepared these financial statements to comply in all material respects with the accounting standards notified under Section 133 of the Companies Act, 2013, read together with paragraph 7 of the Companies (Accounts) Rules, 2014 and the Companies (Indian Accounting Standards) Rules, 2016 as amended. These Financial Statements for the year ended March 31, 2018 are the first the Company has prepared in accordance with IND AS

(g) Certification from CEO and CFO:

The requisite certification from the Chairman & Managing Director (CEO) and Chief Financial Officer (CFO) certifying inter alia that the Financial Statement do not contain any untrue statement and financial statements represent a true and fair view of the Company's affairs, as required under Listing Agreement/Listing Regulations, as applicable, has been placed before the Board of Directors of the Company, on quarterly and annual basis.

(h) Brief profile and other details, as required under Regulations 36(3) of the Listing Regulations of the Director retiring by rotation, eligible for re-appointment and proposed to be appointed is given in to the Notice convening the 26th Annual General Meeting of the Company.

(i) Reconciliation of Share Capital Audit:

A qualified practicing Company Secretary carried out a Share Capital Audit to reconcile the total admitted equity share capital with National Securities Depository Limited ("NSDL") and the Central Depository Services (India) Limited ("CDSL") and the total issued and listed equity share capital. The audit report confirms that the total issued/paid up capital is in agreement with the total number of shares in physical form and the total number of dematerialised shares held with NSDL and CDSL.

As required under Regulation 7(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company has submitted a compliance certificate to the exchange duly signed by the Compliance Officer and the Authorized representative of the Share Transfer Agent viz. M/s Link Intime India Pvt. Ltd to the stock exchange on 13th April, 2018 for the half year / financial year ended 31st March, 2018 certifying compliance that all activities in relation to both physical and electronic share transfer facility are maintained by Registrar and Share Transfer Agent registered with SEBI.

(j) There has been no public, rights or preferential issues during the year.

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

(k) In compliance with Regulation 46 (2) (j) & (k) of the SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015 and as required under the listing agreement entered into with the stock exchanges in

compliance of Regulation 109 (2) of the said SEBI regulations, the Company has designated the mail id grievances@nhcgroup.com and posted this in the Company's website and also on the websites of the stock exchanges where the Company's shares are listed. The investors can send their grievances, if any, to these designated mail id. Ms. Suvarnalata Chavan is the Company Secretary and the Compliance Officer of the Company.

- (I) In pursuance of the Regulation 31(2) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, 100% shareholding of the promoter group Companies has been dematerialized and all the shares are held in dematerialized mode to allow the shares of the Company to be traded in the stock exchanges in the normal segment.

DISCLOSURE OF THE EXTENT TO WHICH THE DISCRETIONARY REQUIREMENTS AS SPECIFIED IN PART E OF SCHEDULE II HAVE BEEN ADOPTED:

(a) The Board:

As the Chairman of the Company is an Executive Chairman, hence the provision on entitlement of chairperson's office at the expense of the Company in case of a non-executive chairperson is not applicable.

- (b) Shareholder Rights:** The Company displays its half yearly results along with its quarterly results on its website: www.nhcgroup.com and also publishes the same in widely circulated newspapers. The financial and other information filed by the Company with the Stock Exchanges from time to time are also available on the websites of the Stock Exchanges i.e. BSE Limited (BSE). The Company did not send half yearly results to each household of the shareholders. In compliance with the Regulation 46 of the Listing Regulations, the Company has maintained functional and updated website containing basic information about the Company inter alia details of its business, financial information, shareholding pattern, financial Results, various policies of the Company, contact information of the designated officials of the Company who are responsible for assisting and handling investor grievances.

(a) Modified opinion(s) in audit report:

The Auditors have raised no qualification on the financial statements

(b) Separate posts of Chairperson and CEO:

Presently, Shri. Apoorva Shah is the Chairman and Managing Director of the Company.

(e) Reporting of Internal Auditor:

The Company has appointed M/s. Sureka Associates as the Internal Auditors for conducting the internal audit of the Company.

DISCLOSURE OF COMPLIANCE OF REGULATION 17 TO 27 AND CLAUSES (B) TO (I) OF SUB REGULATION (2) OF REGULATION 46:

The Company has complied with all the mandatory requirements specified in Regulations 17 to 27 and clauses (b) to (i) of sub-regulation (2) of Regulation 46 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

UDAY KOTAK Committee Recommendations:

In June 2017, SEBI set up a committee under the chairmanship of Shri Uday Kotak to advise on issues relating to corporate governance in India. In October 2017, the committee submitted a report containing its recommendations, which were considered by SEBI in its Board Meeting held in March 2018. On May 9, 2018, SEBI notified SEBI (Listing Obligations and Disclosure Requirements) (Amendment) Regulations, 2018 implementing majority of these recommendations effective from April 1, 2019 or such other date as specified therein. The Company substantially complies with the amendments notified and wherever there are new requirements, it will take necessary steps to ensure compliance by the effective date.

DECLARATION SIGNED BY THE CHIEF EXECUTIVE OFFICER STATING THAT THE MEMBERS OF BOARD OF DIRECTORS AND SENIOR MANAGEMENT PERSONNEL HAVE AFFIRMED COMPLIANCE WITH THE CODE OF CONDUCT OF BOARD OF DIRECTORS AND SENIOR MANAGEMENT.

The Company is committed to conduct its business in accordance with the applicable laws, rules and regulations and with the highest standards of business ethics. NHC Foods Code of Ethics is intended to provide guidance and help in recognizing and dealing with ethical issues, mechanisms to report unethical conduct, and to help foster a culture of honesty and accountability.

The Board has adopted a Code of Ethics for Directors, Senior Management and other Employees of the Company.

The Code is available on the website of the Company under the 'Corporate Governance' section.

DISCLOSURES WITH RESPECT TO DEMAT SUSPENSE ACCOUNT/UNCLAIMED SUSPENSE ACCOUNT:

The Company does not have any shares in the demat suspense account or unclaimed suspense account.

Compliance certificate from either the auditors or practicing company secretaries regarding compliance of conditions of corporate governance:

The Certificate from the Practising Company Secretary DM & Associates Company Secretaries LLP regarding compliance of conditions of corporate governance is annexed with the Directors' Report and forms an integral part of the Annual Report

UPDATE E-MAILS FOR RECEIVING NOTICE/ DOCUMENTS IN E-MODE:

The Ministry of Corporate Affairs (MCA) has through its circulars issued in 2011, allowed service of documents by companies including Notice calling General Meeting(s), Annual Report etc. to their shareholders through electronic mode. This green initiative was taken by MCA to reduce paper consumption and contribute towards a green environment. As a responsible corporate citizen, your Company fully supports the MCA's endeavour

In accordance of the same, your company had proposed to send Notice calling General Meetings, Annual Report and other documents in electronic mode in future to all the shareholders on their email addresses. It was also requested to inform the Company in case the shareholders wish to receive the above documents in physical form. Accordingly, the Annual Report alongwith Notice will be sent to the shareholders in electronic mode at their email addresses.

The shareholders who have not registered their email addresses with the Company are requested to kindly register their e-mail addresses with the Company to better service shareholder correspondence through e-mode. The shareholders have also an option to register their email addresses with their Depository through Depository Participant.

DEMATIALIZATION OF SHARES:

Equity Shares of the Company are under compulsory demat trading segment. Considering the advantages of scrip less trading, members are advised to consider dematerialization of their shareholding so as to avoid inconvenience involved in the physical shares such as mutilation, possibility of loss/misplacement, delay in transit etc. and also to ensure safe and speedy transaction in securities.

A separate communication in this regard was also sent during the financial year to all those Shareholders of the Company who have not yet dematerialized their physical share certificates, outlining the procedure for dematerialization and benefits thereof.

TRANSFER / TRANSMISSION / TRANSPOSITION OF SHARES:

The Securities and Exchange Board of India (SEBI), vide its Circular No. MRD/DoP/Cir 05/2009 dated 20th May, 2009 and Circular No. MRD/DoP/SE/RTA/Cir-03/2010 dated 07th January, 2010 made it mandatory that a copy of the PAN Card is to be furnished to the Company in the following cases:

- Registration of physical transfer of shares

- Deletion of name of deceased shareholder(s) where shares are held jointly in the name of two or more shareholders;
- Transmission of shares to the legal heirs where shares are held solely in the name of deceased shareholder; and
- Transposition of shares where order of names of shareholders are to be changed in the physical shares held jointly by two or more shareholders

Investors, therefore, are requested to furnish the self- attested copy of PAN Card, at the time of sending the physical share certificate(s) to the Company, for effecting any of the above stated requests.

Shareholders are also requested to keep record of their specimen signature before lodgement of shares with the Company to avoid probability of signature mismatch at later date.

Consolidation of Multiple Folios:

Shareholder(s) of the Company who have multiple accounts in identical name(s) or holding more than one Share Certificate in the same name under different ledger folio(s) are requested to apply for consolidation of such Folio(s) and send the relevant share certificate to the Company.

Nomination Facility:

Provision of Section 72 of the Companies Act, 2013 read with Rule 19(1) of the rules made thereunder extends nomination facility to individuals holding shares in the physical form. To help the legal heirs/ successors get the shares transmitted in their favour, shareholder(s) are requested to furnish the particulars of their nomination in the prescribed Nomination Form. Shareholder(s) holding shares in Dematerialized form are requested to register their nomination directly with their respective DPs.

Update your Correspondence Address/Bank Mandate/E-mail Id:

The Ministry of Corporate Affairs (MCA) has through its circulars issued in 2011, allowed service of documents by companies including Notice calling General Meeting(s), Annual Report etc. to their shareholders through electronic mode. This green initiative was taken by MCA to reduce paper consumption and contribute towards a green environment. As a responsible corporate citizen, your Company fully supports the MCA's endeavour.

In accordance of the same, your Company had proposed to send Notice calling General Meetings, Annual Report and other documents in electronic mode in future to all the shareholders on their email addresses. It was also requested to inform the Company in case the shareholders wish to receive the above documents in physical form. Accordingly, the Annual Report along with Notice will be sent to the shareholders in electronic mode at their email addresses.

The shareholders who have not registered their email addresses with the Company are requested to kindly register their email addresses with the Company in the Form annexed with the Notice of Annual General Meeting enabling the Company to better service shareholder correspondence through e-mode. The shareholders have also an option to register their email addresses with their Depository through Depository Participant.

Quote Folio No./DP Id No.:

Shareholders/Beneficial Owners are requested to quote their Folio Nos. / DP ID Nos., as the case may be, in all correspondence with the Company.

Shareholders are also requested to quote their email – IDs, Contact/Fax Numbers for prompt reply to their correspondence.

For & On behalf of the Board of Directors,

Apoorva Shah
(Chairman & Managing Director)
Din : 00573184

Place: Mumbai
Date: 29th May, 2018

Declaration pursuant to SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

This is to inform you that the Board of Directors of Company has laid down a Code of Conduct for its Members and Senior Management Personnel of the company's website. It is further confirmed that all the Directors and Senior Management Personnel of the company have affirmed compliance with the Code of Conduct of the company for the Financial Year ended 31st March, 2018.

For **NHC FOODS LIMITED**
Apoorva Shah
(Chairman & Managing Director)
DIN : 00573184

Place : Mumbai
Date: 29th May, 2018

NHC FOODS LIMITED

CERTIFICATE ON CORPORATE GOVERNANCE

**To
The Members,
NHC Foods Limited**

We have examined the compliance of conditions of corporate governance by **NHC Foods Limited** (“**the Company**”) for the year ended 31st March, 2018, as specified in Chapter IV of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“**the Regulations**”).

The Compliance of the conditions of Corporate Governance is the responsibility of the Management. Our examination was limited to a review of procedures and implementation thereof, adopted by the Company for ensuring compliance with the conditions of the Corporate Governance as stipulated in the said clause. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the examination of relevant records and the explanations given to us and based on the representations made by the Directors and the Management, we certify that the Company has complied with the conditions of Corporate Governance as specified in Chapter IV of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

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

FOR DM & ASSOCIATES COMPANY SECRETARIES LLP
COMPANY SECRETARIES

DINESH KUMAR DEORA
PARTNER
Membership No.: FCS 5683 COP No 4119

Place: Mumbai
Date: 29-05-2018

Certification by Chief Executive Officer (CEO) & Chief Financial Officer (CFO)

We, **Apoorva Shah**, Chairman and Managing Director and **Awdheshkumar Kannaujia**, Chief Financial Officer of the **NHC Foods Limited**, to the best of our knowledge and belief, certify that:

- a. We have reviewed the financial statements and the cash flow statement for the year ended 31st March, 2018 and that to the best of our knowledge and belief:
 - 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. There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or violate the Company's code of conduct.
- c. We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting and we have disclosed, to the auditors and the Audit Committee, wherever applicable, deficiencies in the design or operation of such 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 to the auditors and the Audit Committee, wherever applicable,
 - i. significant changes in internal control over financial reporting during the year;
 - ii. significant changes in accounting policies during the year and that the same have 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 any employee having a significant role in the Company's internal control system over financial reporting.

For NHC Foods Limited

Apoorva Shah
(Chairman & Managing Director)
DIN : 00573184

Place : Mumbai
Date : 29th May, 2018

For NHC Foods Limited

Awdheshkumar Kannaujia
(Chief Financial Officer)

MANAGEMENT DISCUSSION AND ANALYSIS REPORT**FORWARD LOOKING STATEMENTS**

Readers are cautioned that this discussion contains forward looking statements that involve risk and uncertainties. When used in this discussion, the words “anticipate”, “believe”, “intend”, “will” and “expect” and other similar expressions as they relate to the Company or its business are intended to identify such forward looking statements. The Company undertakes no obligation to publicly update or revise any forward looking statements, whether because of new information, future events or otherwise. Actual results, performances or achievements could differ materially from those expressed or implied in such forward looking statements. Readers are cautioned not to place under reliance on these forward – looking statements that speak only as of their dates. The following discussion and analysis should be read with the Company’s financial statements included in this report and notes thereto.

1. Corporate Overview

NHC Foods Limited (the Company) is a fast growing Indian food processing company i.e. manufacturer and exporter of whole and blended spices. The Company’s sustainability has been focused around enlarging its presence in high demand markets.

The Financial Statements are prepared in accordance with Indian Accounting Standards (Ind AS) read with Section 133 of the Companies Act, 2013. Your Management accepts responsibility for the integrity and objectivity of the financial statements, as well as for the various estimates and judgements used therein. These estimates and judgements relating to financial statements are prudently made to reflect in a true and fair manner the form and substance of transactions. This also enables in reasonably presenting the Company’s State of Affairs and Profits and Cash Flows for the year ended March 31, 2018.

2. Economic Overview

Indian spices have a rich legacy. They have been in great demand since the 12th century. India exported 5.57 lakh tonnes of spices and spice products worth Rs. 8,850.53 crore during April-September 2017 compared with 4.5 lakh tonnes worth Rs. 8,700 crore during the same period a year earlier.

Chilli retained its position as the spice most in demand with exports of 2.35 lakh tonnes worth Rs. 2,125.90 crore in value as against 1.65 lakh tonnes in the previous fiscal. It is an increase of 42% in terms of quantity.

Chilli was followed by cumin with a total volume of 79,460 tonnes worth Rs. 1,324.58 crore. The next in line was turmeric with an export volume of 59,000 tonnes worth Rs. 547.63 crore.

3. Global Spice Industry

Spices are considered the most revered product in the trade of commodities. The major exporting countries in global trade of spices are India and China and the major market for consumption are USA and Europe. The Global imports of Spices are growing at an average growth rate at 7% annually.

Spices mostly found its origins in the sub-continent with India attracting spice traders from Europe and East Asia for centuries. In modern times, United States of America and Europe can be considered as the two biggest markets for spices, herbs, and spice products.

4. Global Market Size

The market for spices can be defined for whole, ground, blended, curry mix, oleoresins, extracts and other value added forms. The total market for spices is estimated USD 12 billion with India and China being the top exporters. Pepper and chilli trade lead the share of overall spices trade in the world.

5. Risks and Concerns

The Company continuously works towards de-risking its business by adopting preventive measures. However,

there are certain potential risks being more industry oriented and the management strongly feels the same could be mitigated by having systematic decisions and measures. These Industry Oriented risks are as listed below:

- **Procurement Risk:** Adequate availability of key raw materials at the right prices is crucial for the Company. The major raw material being agro based, availability of same depends on the vagaries of nature. Therefore, any disruption in the supply due to a natural or other calamity or violent changes in the cost structure could adversely affect the Company's ability to reach its consumers with the right value proposition. However, the Company is adopting best possible measures to ensure constant supply at right prices.
- **Intense competition from unorganized sector:** One of the characteristics of this industry is the presence of unorganized sector offering products in loose unbranded form which intensifies competition. The Company has invested significantly in building strong brands which helps differentiate its products.
- **Exchange Rate Fluctuation:** The Company being engaged in exports, derives approximately 96% of its revenue from export sales. An appreciation of the Indian Rupee can adversely impact the Company's exports. The Company manages this financial risk through booking of forward contracts in the range of approximately 50% of our projected sales
- **Interest Rate Risk:** The market is highly competitive with no fiscal barriers and entry of large MNCs into the country with inorganic growth strategies. Our Company continues to focus on increasing its market share and taking marketing initiatives that help create differentiation and provide optimum service to its customers
- **Credit Risk:** The Company has the capability of producing spices and spices products ware to suit the budget and tastes of customers across the globe and hence is optimistic of growth in the both export and domestic market. It also enjoys customer loyalty and large percentage of its export business comes from long standing customers.

6. Infrastructure

We have with us, dependable and sophisticated infrastructure that helps us in quality processing and packaging of our range of Indian Spices. This well equipped infrastructure is spread across a wide area and has separate hulling unit and cleaning unit, which are ISO & HACCP certified. Apart from this unit, we have also developed a packaging unit, which enables us to offer flexible packaging as per the requirements of the clients.

Our infrastructure has following facilities:

- Safety net installed so that no bags drop off when container opens
- Latest Buhler cleaning plant
- Facilities for hygienic packaging
- Z series colorSortex
- Machines for grading

7. Internal Control System and their adequacy:

The Company's well defined organization structure, documented policy guidelines, predefined authority levels, and an extensive system of internal controls ensure optimal utilisation and protection of resources, accurate reporting of financial transactions and compliance with applicable laws and regulations. The Company's internal auditors review business processes and controls. The Audit Committee of the Board then discusses significant findings and corrective measures initiated.

8. Our business

NHC Foods Limited is a Government Recognized Star Export House engaged in the Business of Exports of Whole & Ground Spices, Lentils, Pulses, Grains, Oil Seeds and various other Agri-products and Assorted Food Products.

Currently NHC Foods Limited is Exporting the above-mentioned Commodities to more than 60 Countries World-wide.

Existing Clientele Countries:

Singapore, USA, Canada, Israel, Russia, Spain, New Zealand, Hong Kong, Malaysia, China, Indonesia, Vietnam, Thailand, Taiwan, UAE, Saudi Arabia, Kuwait, Bahrain, Turkey, Yemen, Egypt, Mauritius, Sri Lanka, Brazil, Ukraine, Macedonia, Iran, Pakistan, Bangladesh.

At present NHC Foods Limited is exporting more than 50 types of Whole Spices, Ground Spices, Oil Seeds, Grains, Pulses, Animal Feeds, Dehydrated Foods Products, Assorted Food Products, and Ready to Eat Food Products to all its Clients world-wide.

NHC Foods Limited has already got its presence in majority of the Spice Importing Countries world-wide like, USA, Canada, Mexico, Brazil, Singapore, Hong Kong, China, Malaysia, Vietnam, Indonesia, Sri Lanka, Pakistan, Bangladesh, New Zealand, Zimbabwe, Taiwan, Thailand, Macedonia, Jamaica, Trinidad & Tobago, Mauritius, Spain, Bulgaria, Turkey, Egypt, Jordan, Yemen etc to name a few, but still there is a huge market which can be tapped and captured and in this Direction NHC Foods Limited has strengthened its Core Marketing Team who are utilizing various platforms and marketing tools like sourcing new Clients and markets through online business platforms like Alibaba.com which is accessed by a large number of Importers as well as Exporters

NHC FOODS LTD'S range of Masala's under its own brand "SAAZ" which are prepared by blending a number of pure spices (sometimes more than 30) like chilly, turmeric, coriander, pepper, cardamom, cumin, clove, etc in precise proportions imparts a distinct colour, aroma, and taste to a dish. Our SAAZ Masala's & Curry Powders are prepared especially from recipes passed down by generations thus giving you the same authentic and aromatic pure taste of Indian traditional delicacies. NHC FOODS LTD'S perfect blend of pure spices brings the regions closer by providing the authentic taste of other regional cuisines, in the convenience of a pack, at home.

9. Industrial Relations:

The industrial relation was harmonious and cordial throughout the year.

10. Human Resource Strategy

In NHC Foods, management of Human Resources aligned with the organisation's intended future direction. It is concerned with long term people issues and macro concerns about structure, quality, culture, values, commitment and matching resources to future need. HR strategy also involves crisis management. When things go wrong, strategies are required to manage and solve the issue at hand.

11. DISCLAIMER CLAUSE:

Statements in the Management Discussion and Analysis Report describing the Company's objectives, projections, estimates, expectations may be "forward-looking statements" within the meaning of applicable securities laws and regulations. Actual results could differ materially from those expressed or implied. Important factors that could make a difference to the Company's operations include economic conditions affecting demand/supply and price conditions in the domestic and overseas markets in which the Company operates, changes in the Government regulations, tax laws and other statutes and incidental factors.

INDEPENDENT AUDITOR'S REPORT

To,
the Members of

NHC Foods Limited

Report on the Ind AS Financial Statements

1. We have audited the accompanying Ind AS financial statements of "**NHC Foods Limited**" ("the Company"), which comprise the Balance Sheet as at March 31, 2018, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Cash Flows and the Statement of Changes in Equity for the year then ended and a summary of significant accounting policies and other explanatory information (herein referred to as "the financial statements").

Management's Responsibility for the Ind AS Financial Statements

2. The Company's Board of Directors is responsible for the preparation of these Ind AS financial statements in terms of the requirements of Section 134(5) of the Companies Act, 2013 (hereinafter referred to as "the Act") that give a true and fair view of the financial position, financial performance including other comprehensive income, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards prescribed under Section 133 of the Act read with relevant rules issued thereunder.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

3. Our responsibility is to express an opinion on these financial statements based on our audit.
4. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.
5. We have conducted our audit of the Ind AS financial statements in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.
6. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the Ind AS financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Ind AS financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers the internal financial control relevant to the Company's preparation of the Ind AS financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances.

An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the Ind AS financial statements.

7. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Ind AS financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Ind AS financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India including Ind AS, of the state of affairs of the Company as at March 31, 2018, and its financial performance including other comprehensive income, the changes in equity and its cash flows for the year then ended.

Report on Other Legal and Regulatory Requirements

8. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act, we give in the **Annexure 'A'**, a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
9. As required by section 143(3) of the Act, we report that:
 - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit of the aforesaid Ind AS financial statements;
 - b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid Ind AS financial statements have been kept so far as it appears from our examination of those books;
 - c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, the Statement of Changes in Equity and the Statement of Cash Flows dealt with by this Report are in agreement with the books of account maintained for the purpose of preparation of financial statements;
 - d) In our opinion, the aforesaid Ind AS financial statements comply with the Indian accounting standards specified under section 133 of the Act, read with relevant rules issued thereunder;
 - e) On the basis of written representations received from the directors as on March 31, 2018, taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2018, from being appointed as a director in terms of section 164 (2) of the Act;
 - f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in '**Annexure B**'; and
 - g) In our opinion and to the best of our information and according to the explanations given to us, we report as under with respect to other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014:
 - i) The Company has disclosed the impact of pending litigations on its financial position in its financial statements as referred to Note 30 to the financial statement.
 - ii) The Company did not have any long-term contracts including derivative contracts; as such the question of commenting on any material foreseeable losses thereon does not arise.
 - iii) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

For GMJ & Co.,

Chartered Accountants

Firm Registration No. 103429W

CA Sanjeev Mahashwari

Membership No. 038755

Place: Mumbai

Date: 29th May, 2018

Annexure A to the Independent Auditor's Report

(Referred to in Paragraph 8 under the heading of 'Report on Other Legal and Regulatory Requirements of our report of even date')

- i. (a) The company has maintained proper records showing full particulars including quantitative details and situation of Property, Plant and Equipment.
- (b) Property, Plant and Equipment have been physically verified by the management at regular intervals, which in our opinion is reasonable, having regard to the size of the company and the nature of its assets. No material discrepancies were noticed on such physical verification.
- (c) According to the information and explanation given to us and on the basis of our verification, title deeds of all immovable properties are held in the name of the company.
- ii. According to the information and explanations given to us, physical verification of inventory has been conducted at reasonable intervals by the management and no material discrepancies were noticed on such physical verification during the year.
- iii. The Company has not granted any loan, secured or unsecured, to Companies, Firms, Limited Liability Partnerships or other parties covered in the register maintained under Section 189 of the Act. Therefore, the provisions of Clause 3 (iii)(a), (iii)(b) and (iii)(c) of the said Order are not applicable to the Company.
- iv. In our opinion and according to the information and explanations given to us and based on our examination of the records, the Company has not given any loan, guarantees, security nor made any investment hence, the provisions of section 185 and 186 of the Act are not attracted in this respect. Therefore, the provision of Clause 3(iv) of the said Order is not applicable to the Company.
- v. In our opinion and according to the information and explanations given to us, the company has not accepted any deposits from public within the meaning of Section 73 to 76 of the Companies Act, 2013 and the rules framed there under.
- vi. According to the information and explanations given to us, the Central Government has not prescribed the maintenance of cost records under section 148(1) of the Companies Act, 2013 for any of the goods dealt by the Company and for any of the services rendered by the Company. Therefore, the provisions of clause 3(vi) of the Order are not applicable to the Company.
- vii. (a) According to the information and explanation given to us and on the basis of our examination of our records of the Company, in respect of undisputed statutory dues including provident fund, employees' state insurance, income tax, wealth tax, sales tax, service tax, duty of customs, duty of excise, value added tax, cess and any other statutory dues have generally been regularly deposited with the appropriate authorities.

According to the information and explanations given to us, no undisputed amounts payable in respect of the aforesaid dues were in arrears as at March 31, 2018 for a period of more than six months from the date they became payable.

- (b) According to the books of accounts and records as produced and examined by us in accordance with the generally accepted auditing practices in India, as at March 31, 2018, the following are the particulars of the dues that have not been deposited on the account of dispute.

Sr. No.	Name of the Statute	Nature of the dues	Amount (In ₹)	Forum Where dispute	Period to which the amount relates
1.	Income Tax, Act, 1961	Tax Liability on Regular Assessment	5,47,469	ITAT has referred back the case to Assessing Officer for further hearings	FY:1995-1996
2.	Central Excise Act, 1962	Excise Duty	2,26,871	Customs, Excise and Service Tax Appellate Tribunal	FY: 1992-1995

- viii. In our opinion and according to the information and explanations given to us, the Company has not defaulted in repayment of dues to banks and Financial Institutions during the year under audit. There are no dues to Government and the Company has not issued any debentures.
- ix. According to the information and explanations given to us and based on the records and documents produced before us, during the year the company has not raised money by way of initial public offer or further public offer and the term loans have been applied for the purposes for which they were obtained.
- x. To the best of our knowledge and belief and according to the information given to us, no material fraud by the company or on the company by its officers or employees has been noticed or reported during the year.
- xi. According to the information and explanations given to us and based on the records and documents produced before us, managerial remuneration has been paid by the company in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act 2013.
- xii. As the company is not a Nidhi Company and the Nidhi Rules, 2014 are not applicable to it, therefore the provisions of clause (xii) of paragraph 3 of the Order are not applicable to the company.
- xiii. According to the information and explanation given to us all transactions with the related parties are in compliance with Sections 177 and 188 of the Companies Act, 2013. The details of such related party transactions have been disclosed in the financial statements as required under Indian Accounting Standard(Ind AS) 24, Related Party Disclosures.
- xiv. According to the information and explanations given to us and based on the records and documents produced before us, the company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.
- xv. According to the information and explanations given to us, the Company has not entered into any non-cash transactions with directors or persons connected with him under the provisions of section 192 of Companies Act, 2013.
- xvi. The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

For GMJ & Co.,

Chartered Accountants

Firm Registration No. 103429W

CA Sanjeev Mahashwari

Membership No. 038755

Place: Mumbai

Date: 29th May, 2018

Annexure B to the Independent Auditor's Report

Report on the Internal Financial Controls under Clause (f) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of "NHC Foods Limited" ("the Company") as of March 31, 2018 in conjunction with our audit of the Ind AS financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that

- (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;
- (2) Provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and

- (3) Provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2018, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For GMJ & Co.,

Chartered Accountants

Firm Registration No. 103429W

CA Sanjeev Mahashwari

Membership No. 038755

Place: Mumbai

Date: 29th May, 2018

NHC FOODS LIMITED

BALANCE SHEET AS AT 31ST MARCH, 2018

(Amount in Lakhs)

PARTICULARS	Note	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
1. Non-Current Assets				
Property, Plant and Equipment	3	1,165.96	1,129.38	1,195.68
Goodwill	4	425.39	466.69	503.30
Financial Assets				
Investment	5	0.60	0.60	0.60
Other Non Current Assets	6	40.04	28.63	20.55
Total Non-Current Assets		1,631.99	1,625.31	1,720.14
2. Current Assets				
Inventories	7	1,323.67	1,347.49	1,685.90
Financial Assets				
Investments	8	0.60	0.60	0.60
Trade Receivables	9	1,077.34	2,557.96	3,607.47
Cash and Cash Equivalents	10	85.07	58.14	399.80
Other Balances with Bank	11	–	5.92	9.68
Other Financial Assets	12	266.90	243.81	302.70
Other Current Assets	13	681.89	509.09	100.40
Total Current Assets		3,435.48	4,723.02	6,106.54
Total Assets		5,067.46	6,348.32	7,826.69
Equity and Liabilities				
1. Equity				
Equity Share Capital	14	1,185.50	1,185.50	1,185.50
Other Equity	15	630.39	605.21	527.22
Total Equity		1,815.89	1,790.71	1,712.72
2. Liabilities				
Non-Current Liabilities				
Financial Liabilities				
Borrowings	16	461.06	244.63	372.62
Provisions	17	23.09	24.01	37.11
Deferred Tax Liabilities (Net)	18	62.12	48.06	18.06
Total Non-Current Liabilities		546.26	316.71	427.79
Current Liabilities				
Financial Liabilities				
Borrowings	19	1,201.34	1,711.75	1,113.72
Trade Payables	20			
- Micro, Small and Medium Enterprises		–	–	–
- Others		1,118.52	1,720.75	3,669.50
Other Current Liabilities	21	380.12	799.71	896.90
Provisions	22	5.33	8.69	6.06
Total Current Liabilities		2,705.31	4,240.90	5,686.17
Total Equity and Liabilities		5,067.46	6,348.32	7,826.69
III See accompanying Notes to Accounts forming part of the Financial Statements.	1-45			

As per our report of even date attached

 For **GMJ & CO.**

Chartered Accountants

Firm Reg. No. : 103429W

CA S. MAHESHWARI

(Partner)

M. No. 38755

Place: Mumbai

Date: 29th May, 2018

For and behalf of the Board of Directors,

Apoorva Shah

Chairman & Managing Director

DIN: 00573184

Awdheshkumar Kannaujia

Chief Financial Officer

Alpa Shah

Whole Time Director

DIN: 00573190

Suvarnalata Chavan

CS & Compliance Officer

M.No. : 28663

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31ST, 2018

(Amount in Lakhs)

PARTICULARS	Note	For the year ended March 31, 2018	For the year ended March 31, 2017
I. Revenue			
Revenue from operations	23	8,675.31	13,809.18
Other Income	24	50.10	59.74
Total Revenue		8,725.41	13,868.93
II. Expenses			
Cost of Materials Consumed	25	56.90	223.37
Purchase of Traded Goods		7,638.26	11,911.34
Changes in inventories of Finished goods, Work in progress and Traded Goods	26	18.73	300.23
Employee Benefits Expense	27	189.32	249.12
Finance Cost	28	156.41	171.52
Depreciation and Amortisation Expenses	3 & 4	113.89	112.94
Other Expenses	29	511.69	787.46
Total		8,685.20	13,755.98
Profit Before Tax		40.21	112.94
Tax Expenses			
1) Current Tax		19.63	19.66
Less : MAT Receivable		-	(7.22)
2) Tax paid/ adjustment of earlier years		-	1.26
3) Deferred Tax		(2.96)	28.74
Profit After Tax		23.54	70.50
Items that would not be classified subsequently to Profit and Loss			
Remeasurement of Defined benefit plans- OCI		(0.74)	7.49
		(0.74)	7.49
Balance carried to Balance Sheet		22.80	77.99
Earnings Per Equity Share of Face Value of 10/- each	33		
Basic Earnings per share (Rs.)		0.19	0.66
Diluted Earnings per share (Rs.)	33	0.19	0.66
See accompanying Notes to the Financial Statements	1-45		

As per our report of even date attached

For **GMJ & CO.**
Chartered Accountants
Firm Reg. No. : 103429W
CA S. MAHESHWARI
(Partner)
M. No. 38755

Place: Mumbai
Date: 29th May, 2018

For and behalf of the Board of Directors,

Apoorva Shah
Chairman & Managing Director
DIN: 00573184

Awdheshkumar Kannuajia
Chief Financial Officer

Alpa Shah
Whole Time Director
DIN: 00573190

Suvarnalata Chavan
CS & Compliance Officer
M.No. : 28663

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

1 Corporate Information

NHC Foods Limited (NHC) (“the Company”) is a public company domiciled in India and is incorporated under the provisions of the Companies Act applicable in India.

The Company is engaged in the business of Exports of Whole & Ground Spices, Lentils, Pulses, Grains, Oil Seeds and various other Agri - products and Assorted Food Products. Currently NHC Foods Limited is Exporting the above-mentioned Commodities to more than 60 Countries World-wide. The financial statements were authorised for issue by the board of directors on May 29, 2018.

Revised Indian Accounting Standard (“Ind AS”) issued but not effective

Ind AS 115 ‘Revenue from Contracts with Customers’ has been notified by Ministry of Corporate Affairs as on March 28, 2018. This standard prescribes only one underlying principle for revenue recognition i.e., transfer of control over goods/services. Ind AS 115 will supersede Ind AS 11 ‘Construction Contracts’ and Ind AS 18, ‘Revenue’ and is effective for annual periods beginning on or after April 1, 2018. Management considers that the amendment does not have significant impact on the financial statements.

2 Significant Accounting Policies

2.1 Basis of preparation

The financial statements of the company comply with and have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 (as amended) as amended by the Companies (Indian Accounting Standards) (Amendment) Rules, 2016 and the relevant provisions of the Companies Act, 2013 (“the Act”).

For all periods up to and including the year ended March 31, 2017, the Company prepared its financial statements in accordance accounting standards notified under the section 133 of the Companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rules, 2014 (Indian GAAP). These financial statements for the year ended March 31, 2018 are the first the Company has prepared in accordance with Ind AS. Refer to Note No. 44 & 45 for information on how the Company adopted Ind AS.

The financial statements have been prepared on a historical cost convention and accrual basis, except for certain financial assets and liabilities (including derivative instruments) which are measured at fair value.

2.2 Summary of significant accounting policies

(a) Foreign currency translation

(i) Functional and presentation currency

Items included in the financial statements of the entity are measured using the currency of the primary economic environment in which the entity operates (‘the functional currency’). The financial statements are presented in Indian rupee (INR), which is entity’s functional and presentation currency.

(ii) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at year end exchange rates are generally recognised in profit or loss.

Foreign exchange differences regarded as an adjustment to borrowing costs are presented in the statement of profit and loss, within finance costs. All other foreign exchange gains and losses are presented in the statement of profit and loss on a net basis within other gains/(losses).

Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. Translation differences on assets and liabilities carried at fair value are reported as part of the fair value gain or loss.

(b) Property, plant and equipment

Property, plant and equipment are stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. The cost comprises purchase price, borrowing costs if capitalization criteria are met and directly attributable cost of bringing the asset to its working condition for the intended use. Any trade discounts and rebates are deducted in arriving at the purchase price.

Each part of an item of property, plant and equipment with a cost that is significant in relation to the total cost of the item is depreciated separately. When significant parts of plant and equipment are required to be replaced at intervals, the Company depreciates them separately based on their specific useful lives. Likewise, when a major inspection is performed, its cost is recognized in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognized in profit or loss as incurred.

Subsequent expenditure related to an item of property, plant and equipment is added to its book value only if it increases the future benefits from its previously assessed standard of performance. All other expenses on existing property, plant and equipment, including day-to-day repair and maintenance expenditure and cost of replacing parts, are charged to the statement of profit and loss for the period during which such expenses are incurred.

Borrowing costs directly attributable to acquisition of property, plant and equipment which take substantial period of time to get ready for its intended use are also included to the extent they relate to the period till such assets are ready to be put to use.

Advances paid towards the acquisition of Property, plant and equipment are disclosed as "Capital advances" under Other Non Current Assets and the cost of assets not ready to be put to use as at the balance sheet date are disclosed as 'Capital work-in-progress'.

An item of property, plant and equipment and any significant part initially recognized is de-recognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on de-recognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the income statement when the Property, plant and equipment is de-recognized.

Expenditure directly relating to construction activity is capitalized. Indirect expenditure incurred during construction period is capitalized to the extent to which the expenditure is indirectly related to construction or is incidental thereto. Other indirect expenditure (including borrowing costs) incurred during the construction period which is neither related to the construction activity nor is incidental thereto is charged to the statement of profit and loss.

Depreciation methods, estimated useful lives and residual value

Depreciation is calculated on straight line basis using the useful lives estimated by the management, which are equal to those prescribed under Schedule II to the Companies Act, 2013.

The residual values are not more than 5% of the original cost of the asset.

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

(d) Intangible assets

Intangible Assets are stated at acquisition cost, net of accumulated amortisation and accumulated impairment losses, if any. Gains or losses arising from the retirement or disposal of an intangible asset are determined as the difference between the net disposal proceeds and the carrying amount of the asset and recognised as income or expense in the Statement of Profit and Loss.

Amortisation methods and periods

Intangible assets comprising of goodwill is amortized on a straight line basis over the useful life of twenty years which is estimated by the management.

(e) Impairment of non financial assets

The Company assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's fair value less costs of disposal and its value in use. Recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. When the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used.

Impairment losses are recognized in the statement of profit and loss. After impairment, depreciation is provided on the revised carrying amount of the asset over its remaining useful life.

(f) Leases

The determination of whether an arrangement is (or contains) a lease is based on the substance of the arrangement at the inception of the lease. The arrangement is, or contains, a lease if fulfilment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset or assets, even if that right is not explicitly specified in an arrangement.

(i) As a lessee

A lease is classified at the inception date as a finance lease or an operating lease. Leases of property, plant and equipment where the company, as lessee, has substantially all the risks and rewards of ownership are classified as finance leases.

Leases in which a significant portion of the risks and rewards of ownership are not transferred to the company as lessee are classified as operating leases. Payments made under operating leases are charged to profit or loss on a straight-line basis over the period of the lease unless the payments are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases.

(ii) As a lessor

Leases are classified as finance leases when substantially all of the risks and rewards of ownership transfer from the Company to the lessee. Amounts due from lessees under finance leases are recorded as receivables at the Company's net investment in the leases. Finance lease income is allocated to accounting periods so as to reflect a constant periodic rate of return on the net investment outstanding in respect of the lease.

Lease income from operating leases where the company is a lessor is recognised in income on a straight-line basis over the lease term unless the receipts are structured to increase in line with expected general inflation to compensate for the expected inflationary cost increases. The respective leased assets are included in the balance sheet based on their nature.

(g) Inventories

Raw materials, Stores and spares and packing materials are valued at lower of cost and net realizable value.

However, these items are considered to be realizable at cost if the finished products, in which they will be used, are expected to be sold at or above cost.

Work-in-progress, finished goods and stock-in-trade are valued at lower of cost and net realizable value. Finished goods and Work-in-progress include costs of conversion and other costs incurred in bringing the inventories to their present location and condition. Cost of inventories is calculated on FIFO basis.

(h) Revenue recognition

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duties collected on behalf of the government.

The Company collects taxes such as sales tax/value added tax, service tax, etc on behalf of the Government and, therefore, these are not economic benefits flowing to the Company. Hence, they are excluded from the aforesaid revenue/ income.

The following are the specific revenue recognition criteria:

- a) Revenue from sale of goods is recognized when all the significant risk and rewards of ownership of the goods have been passed to the buyer which coincides with delivery and are recorded net of trade discounts
- b) Revenue from services are recognised as they are rendered based on agreements/ arrangements with the concerned parties.

c) Interest income

Interest income, including income arising from other financial instruments measured at amortized cost, is recognized using the effective interest rate method.

d) Dividend income

Revenue is recognised when the company's right to receive the payment is established, which is generally when shareholders approve the dividend.

- e) Commission income is recognised as and when the terms of the contract are fulfilled.
- f) Other items of income are accounted as and when the right to receive arises.

(i) Taxes**(i) Current income tax**

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date in the countries where the company operates and generates taxable income.

Current income tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Current tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

(ii) Deferred tax

Deferred income tax is recognized using the balance sheet approach, deferred tax is recognized on temporary differences at the balance sheet date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes, except when the deferred income tax arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and affects neither accounting nor taxable profit or loss at the time of the transaction.

Deferred income tax assets are recognized for all deductible temporary differences, carry forward of unused tax credits and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilized.

The carrying amount of deferred income tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilized.

Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply in the period when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the balance sheet date.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

(iii) Minimum alternate Tax

MAT payable for a year is charged to the statement of profit and loss as current tax. The Company recognizes MAT credit available in the statement of profit and loss as deferred tax with a corresponding asset only to the extent that there is probable certainty that the Company will pay normal income tax during the specified period, i.e., the period for which MAT credit is allowed to be carried forward. The said asset is shown as 'MAT Credit Entitlement' under Deferred Tax. The Company reviews the same at each reporting date and writes down the asset to the extent the Company does not have the probable certainty that it will pay normal tax during the specified period.

(j) Financial Instruments

Financial assets and financial liabilities are recognised when a Company becomes a party to the contractual provisions of the instruments.

Initial Recognition

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss and ancillary costs related to borrowings) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in Statement of Profit and Loss.

Classification and Subsequent Measurement: Financial Assets

The Company classifies financial assets as subsequently measured at amortised cost, fair value through other comprehensive income ("FVOCI") or fair value through profit or loss ("FVTPL") on the basis of following

- the entity's business model for managing the financial assets and
- the contractual cash flow characteristics of the financial asset.

(i) Amortised Cost

A financial asset shall be classified and measured at amortised cost if both of the following conditions are met:

- the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

(ii) Fair Value through other comprehensive income

A financial asset shall be classified and measured at fair value through OCI if both of the following conditions are met:

- the financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

(iii) Fair Value through Profit or Loss

A financial asset shall be classified and measured at fair value through profit or loss unless it is measured at amortised cost or at fair value through OCI.

All recognised financial assets are subsequently measured in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

Classification and Subsequent Measurement: Financial liabilities

Financial liabilities are classified as either financial liabilities at FVTPL or 'other financial liabilities'.

(i) Financial Liabilities at FVTPL

Financial liabilities are classified as at FVTPL when the financial liability is held for trading or are designated upon initial recognition as FVTPL. Gains or Losses on liabilities held for trading are recognised in the Statement of Profit and Loss.

(ii) Other Financial Liabilities:

Other financial liabilities (including borrowings and trade and other payables) are subsequently measured at amortised cost using the effective interest method.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the net carrying amount on initial recognition.

Impairment of financial assets

Financial assets, other than those at FVTPL, are assessed for indicators of impairment at the end of each reporting period. The Company recognises a loss allowance for expected credit losses on financial asset. In case of trade receivables, the Company follows the simplified approach permitted by Ind AS 109 – Financial Instruments for recognition of impairment loss allowance. The application of simplified approach does not require the Company to track changes in credit risk. The Company calculates the expected credit losses on trade receivables using a provision matrix on the basis of its historical credit loss experience.

Derecognition of financial assets

The Company derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party. If the Company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Company recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Company retains substantially all the risks and rewards of ownership of a transferred financial asset, the Company continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

On derecognition of a financial asset in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognised

in other comprehensive income and accumulated in equity is recognised in profit or loss if such gain or loss would have otherwise been recognised in profit or loss on disposal of that financial asset.

Derecognition of financial liabilities

A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognized in the statement of profit or loss.

Equity investment in subsidiaries, joint ventures and associates

The Company does not have investment in subsidiaries, joint ventures and associates.

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

(k) Financial liabilities and equity instruments

Classification as debt or equity

Debt and equity instruments issued by the Company are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by a Company are recognised at the proceeds received.

(l) Convertible financial instrument

Convertible instruments are separated into liability and equity components based on the terms of the contract.

On issuance of the convertible instruments, the fair value of the liability component is determined using a market rate for an equivalent non-convertible instrument. This amount is classified as a financial liability measured at amortised cost (net of transaction costs) until it is extinguished on conversion or redemption.

The remainder of the proceeds is allocated to the conversion option that is recognised and included in equity since conversion option meets Ind AS 32 criteria for fixed to fixed classification. Transaction costs are deducted from equity, net of associated income tax. The carrying amount of the conversion option is not remeasured in subsequent years.

Transaction costs are apportioned between the liability and equity components of the convertible instrument based on the allocation of proceeds to the liability and equity components when the instruments are initially recognised.

(m) Employee benefits

(i) Short-term obligations

Liabilities for wages and salaries, including non-monetary benefits that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognised in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled. The liabilities are presented as current employee benefit obligations in the balance sheet.

(ii) Other long-term employee benefit obligations

The liabilities for earned leave and sick leave are not expected to be settled wholly within 12 months after the end of the period in which the employees render the related service. They are therefore measured as the present value of expected future payments to be made in respect of services provided by employees up to the end of the reporting period using the projected unit credit method. The benefits are discounted using the market yields at the end of the reporting period that have terms approximating to the terms of the related obligation.

The obligations are presented as current liabilities in the balance sheet if the entity does not have an unconditional right to defer settlement for at least twelve months after the reporting period, regardless of when the actual settlement is expected to occur.

(iii) Post-employment obligations

The company operates the following post-employment schemes:

- (a) defined benefit plans viz. gratuity,
- (b) defined contribution plans viz. provident fund.

Gratuity obligations

The liability or asset recognised in the balance sheet in respect of defined benefit gratuity plans is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. The defined benefit obligation is calculated annually by actuaries using the projected unit credit method.

The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows by reference to market yields at the end of the reporting period on government bonds that have terms approximating to the terms of the related obligation.

The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is included in employee benefit expense in the statement of profit and loss.

Remeasurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised in the period in which they occur, directly in other comprehensive income. They are included in retained earnings in the statement of changes in equity and in the balance sheet.

Changes in the present value of the defined benefit obligation resulting from plan amendments or curtailments are recognised immediately in profit or loss as past service cost.

Defined contribution plans

The company pays provident fund contributions to publicly administered provident funds as per local regulations. The company has no further payment obligations once the contributions have been paid. The contributions are accounted for as defined contribution plans and the contributions are recognised as employee benefit expense when they are due. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in the future payments is available.

(vi) Termination benefits

Termination benefits are payable when employment is terminated by the company before the normal retirement date, or when an employee accepts voluntary redundancy in exchange for these benefits.

(n) Provisions, Contingent Liabilities and Contingent Assets

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event and it is probable that an outflow of resources, that can be reliably estimated, will be required to settle such an obligation.

If the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows to net present value using an appropriate pre-tax discount rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability. Unwinding of the discount is recognised in the Statement of Profit and Loss as a finance cost. Provisions are reviewed at each reporting date and are adjusted to reflect the current best estimate.

A present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle or a reliable estimate of the amount cannot be made, is disclosed as a contingent liability. Contingent liabilities are also disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company.

Claims against the Company where the possibility of any outflow of resources in settlement is remote, are not disclosed as contingent liabilities.

Contingent assets are not recognised in financial statements since this may result in the recognition of income that may never be realised. However, when the realisation of income is virtually certain, then the related asset is not a contingent asset and is recognised.

(o) Borrowing costs

General and specific borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalised during the period of time that is required to complete and prepare the asset for its intended use or sale. Qualifying assets are assets that necessarily take a substantial period of time to get ready for their intended use or sale.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation. Other borrowing costs are expensed in the period in which they are incurred.

(p) Segment Reporting - Identification of Segments

An operating segment is a component of the Company that engages in business activities from which it may earn revenues and incur expenses, whose operating results are regularly reviewed by the company's chief operating decision maker to make decisions for which discrete financial information is available. Based on the management approach as defined in Ind AS 108, the chief operating decision maker evaluates the Company's performance and allocates resources based on an analysis of various performance indicators by geographic segments.

(r) Earnings per share

Basic earnings per share

Basic earnings per share is calculated by dividing:

- the profit attributable to owners of the company
- by the weighted average number of equity shares outstanding during the financial year, adjusted for bonus elements in equity shares issued during the year

Diluted earnings per share

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account:

- the after income tax effect of interest and other financing costs associated with dilutive potential equity
- the weighted average number of additional equity shares that would have been outstanding assuming the conversion of all dilutive potential equity shares.

(s) Current/non current classification

The Company presents assets and liabilities in the balance sheet based on current/ non-current classification. An asset is treated as current when it is:

- Expected to be realised or intended to be sold or consumed in normal operating cycle
- Held primarily for the purpose of trading
- Expected to be realised within twelve months after the reporting period, or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in normal operating cycle
- It is held primarily for the purpose of trading
- It is due to be settled within twelve months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

The company classifies all other liabilities as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

The operating cycle is the time between the acquisition of assets for processing and their realisation in cash and cash equivalents. The company has identified twelve months as its operating cycle.

(t) Cash and cash equivalents

Cash and cash equivalents in the Balance Sheet comprise cash at bank and in hand and short-term deposits with banks having original maturity of three months or less which are subject to insignificant risk of changes in value.

(u) Cash Flow Statement

Cash Flows are reported using the indirect method, whereby profit before tax is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing cash flows. The cash flows from operating, investing and financing activities of the company are segregated.

(v) Dividends

Provision is made for the amount of any dividend declared, being appropriately authorised and no longer at the discretion of the entity, on or before the end of the reporting period but not distributed at the end of the reporting period.

(w) Rounding of amounts

All amounts disclosed in the financial statements and notes have been rounded off to the nearest Rupee as per the requirement of Schedule III, unless otherwise stated.

2.3 Significant accounting judgements, estimates and assumptions

The preparation of these financial statements in conformity with the recognition and measurement principles of Ind AS requires the management of the Company to make estimates and assumptions that affect the reported balances of assets and liabilities, disclosures relating to contingent liabilities as at the date of the financial statements and the reported amounts of income and expense for the periods presented.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and future periods are affected.

Key sources of estimation of uncertainty at the date of the financial statements, which may cause a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are in respect of impairment of non current assets, useful lives of property, plant and equipment, valuation of deferred tax assets, provisions and contingent liabilities and fair value measurement.

(i) Impairment of non - financial assets

Impairment exists when the carrying value of an asset or cash generating unit exceeds its recoverable amount, which is the higher of its fair value less costs of disposal and its value in use. The fair value less costs of disposal calculation is based on available data from binding sales transactions, conducted at arm's length, for similar assets or observable market prices less incremental costs for disposing of the asset. The value in use calculation is based on a DCF model. The cash flows are derived from the budget for the next five years and do not include restructuring activities that the Company is not yet committed to or significant future investments that will enhance the asset's performance of the CGU being tested. The recoverable amount is sensitive to the discount rate used for the DCF model as well as the expected future cash-inflows and the growth rate used for extrapolation purposes. These estimates are most relevant to disclosure of fair value of investment property recorded by the Company.

(ii) Useful lives of property, plant and equipment

The Company reviews the useful life of property, plant and equipment at the end of each reporting period. This reassessment may result in change in depreciation expense in future periods.

(iii) Valuation of deferred tax assets

The Company reviews the carrying amount of deferred tax assets at the end of each reporting period. The policy for the same has been explained under Note (i) above.

(iv) Defined benefit plans

The cost of the defined benefit gratuity plan and the present value of the gratuity obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

(v) Provisions

Provisions and liabilities are recognized in the period when it becomes probable that there will be a future outflow of funds resulting from past operations or events and the amount of cash outflow can be reliably estimated. The timing of recognition and quantification of the liability require the application of judgement to existing facts and circumstances, which can be subject to change. Since the cash outflows can take place many years in the future, the carrying amounts of provisions and liabilities are reviewed regularly and adjusted to take account of changing facts and circumstances.

(vi) Fair value measurement

Management uses valuation techniques to determine the fair value of financial instruments (where active market quotes are not available) and non-financial assets. This involves developing estimates and assumptions consistent with how market participants would price the instrument. Management bases its assumptions on observable data as far as possible but this is not always available. In that case management uses the best information available. Estimated fair values may vary from the actual prices that would be achieved in an arm's length transaction at the reporting date

**Note No. 3 & 4
Property Plant & Equipment**

(Amount in Lakhs)

Sr. No.	Descriptions	Gross Block			Depreciation			Net block					
		As at April 1, 2016	Additions	As at April 1, 2017	Additions	Deductions	As at March 31, 2018	For the year ended March 31, 2017	As at April 1, 2017	For the year ended March 31, 2018	As at March 31, 2018	As at March 31, 2017	As at March 31, 2016
	Note 3:												
	<u>Tangible assets</u>												
1	Freehold land	21.19	-	21.19	-	-	-	-	-	-	21.19	21.19	21.19
2	Factory Building	595.72	-	595.72	-	23.22	23.22	23.22	46.44	549.28	572.50	595.72	595.72
3	Office Premises	286.07	-	286.07	0.25	5.00	5.00	5.00	10.00	276.32	281.07	286.07	286.07
4	Office Premises (Turbhe)	-	6.79	6.79	108.81	-	-	-	-	115.60	6.79	-	-
5	Machinery	160.02	0.52	160.55	-	15.42	15.42	15.42	30.84	129.70	145.12	160.02	160.02
6	Furniture	27.85	-	27.85	-	4.64	4.29	4.64	8.93	18.93	23.21	27.85	27.85
7	Vehicles	48.92	-	48.92	-	11.72	11.32	11.72	23.04	25.89	37.20	48.92	48.92
8	Office Equipment	11.48	0.13	11.61	0.10	5.58	3.16	5.58	8.74	2.97	6.03	11.48	11.48
9	Computer	2.66	2.58	5.24	-	1.71	1.15	1.71	2.86	2.38	3.52	2.66	2.66
10	Electrical Fittings	41.77	-	41.77	-	9.03	9.03	9.03	18.06	23.71	32.74	41.77	41.77
	Total (A)	1,195.68	10.03	1,205.71	109.16	76.33	72.58	76.33	148.91	1,165.96	1,129.38	1,195.68	1,195.68
	Note 4:												
	<u>Goodwill</u>												
1	Goodwill on amalgamation	503.30	-	503.30	-	36.61	41.31	36.61	77.92	425.39	466.69	503.30	503.30
	Total (B)	503.30	-	503.30	-	36.61	41.31	36.61	77.92	425.39	466.69	503.30	503.30
	Total (A+B)	1,698.99	10.03	1,709.02	109.16	112.94	113.89	112.94	226.83	1,591.35	1,596.07	1,698.99	1,698.99

(Amount in Lakhs)

	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Note 5: Non Current Financial Assets- Investments			
Non- Trade Investments			
In Government and Other Securities			
Unquoted			
Investment carried at fair value through amortised cost			
National Saving Certificates *	0.60	0.60	0.60
Aggregate amount of unquoted investments	0.60	0.60	0.60
*Under lien with Sales Tax Department			
Note 6: Other Non-Current Assets			
(Unsecured, Considered good)			
Security Deposits	22.04	19.77	11.52
Deduction of Income tax (Net of provision for income tax)	4.95	8.86	9.03
Loans to Employees	13.05	—	—
Total	40.04	28.63	20.55
Note 7: Inventories			
Raw Material	4.38	5.99	28.88
Work in Progress	2.55	6.43	24.78
Packing material	26.21	29.69	44.98
Finished Goods	0.11	2.99	21.61
Trade	1,290.42	1,302.39	15,65.66
Total	1,323.67	1,347.49	1,685.90
Note 8: Current Financial Assets–Investments			
Non- Trade Investments			
In Government and Other Securities			
Unquoted			
Investment carried at fair value through			
amortized cost			
National Saving Certificates *	0.60	0.60	0.60
Total	0.60	0.60	0.60
*Under lien with Sales Tax Department			
Note 9: Trade Receivables			
(Unsecured)			
Considered Good	1,077.34	2,557.96	3,607.47
Considered Doubtful	314.26	3,16.25	3,58.12
	1,391.61	2,874.21	3,965.60
Less: Allowance for Expected credit loss	314.26	3,16.25	3,58.12
Total	1,077.34	2,557.96	3,607.47
Note 10: Cash and Cash equivalents			
Cash and Cash equivalents			
Balance with banks			
In current account	52.79	39.36	371.40
Cash in hand	32.28	18.78	28.40
	85.07	58.14	399.80

(Amount in Lakhs)

	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Note 11: Other Balances with Bank			
Other bank balances			
Earmarked Fixed Deposits with maturity more than 3 months but less than 12 months	–	5.92	9.68
Total	–	5.92	9.68
Note 12: Other Financial Assets			
Interest receivable	0.97	0.67	4.77
Export incentives receivable	265.93	231.26	273.20
Advance to Employees	–	10.21	2.32
Loan to Employees	–	1.69	22.41
Total	266.90	243.81	302.70
Note 13: Other Current Assets (Unsecured, Considered good)			
Security Deposits	2.87	2.66	2.57
Advance Given to Suppliers	50.73	36.73	54.68
Prepaid Expenses	15.45	11.36	15.76
Other Loans and Advances*	612.84	458.34	27.39
Total	681.89	509.09	100.40

*Includes indirect taxes receivable

Note 14: Equity Share Capital

(Amount in Lakhs Except Share Capital)

	As per March 31, 2018		As per March 31, 2017		As per April 1, 2016	
	Number	Amount	Number	Amount	Number	Amount
Authorised						
2,40,00,000 Equity Shares of Rs. 10 each/-	2,40,00,000	2,400.00	2,40,00,000	2,400.00	2,40,00,000	2,400.00
	2,40,00,000	2,400.00	2,40,00,000	2,400.00	2,40,00,000	2,400.00
Issued, Subscribed and Fully Paid-up						
11,855,000 Equity Shares of Rs. 10/- each fully paid	1,18,55,000	1,185.50	1,18,55,000	1,185.50	1,18,55,000	1,185.50
	1,18,55,000	1,185.50	1,18,55,000	1,185.50	1,18,55,000	1,185.50

(a) Reconciliation of number of shares and amount outstanding at the beginning and at the end of the year:

Particulars	As per March 31, 2018		As per March 31, 2017		As per April 1, 2016	
	No. of Shares	Amount	No. of Shares	Amount	No. of Shares	Amount
Equity Share Capital						
At the beginning of the year	1,18,55,000	1,185.50	1,18,55,000	1,185.50	1,18,55,000	1,185.50
Add :- Issued during the year	–	–	–	–	–	–
At the end of the year	1,18,55,000	1,185.50	1,18,55,000	1,185.50	1,18,55,000	1,185.50

(b) Terms/rights attached to equity shares

The Company has only one class of equity shares having a par value of Rs. 10/- per share. Each holder of equity shares is entitled to one vote per share.

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

(c) **The Company does not have a holding company.**

(d) **Details of Share holders holding more that 5% shares in the company.**

Name of Shareholders	As per March 31,2018		As per March 31, 2017		As per April 1, 2016	
	No. of Shares	% of Holding	No. of Shares	% of Holding	No. of Shares	% of Holding
Equity Share Capital						
Alpa Shah	1001435	8.45%	1051435	8.87%	1051435	8.87%
Apoorva Himatlal Shah	3804316	32.09%	3804316	32.09%	3804316	32.09%
Hansa Himatlal Shah	–	–	–	–	2280486	19.24%
Total	4805751	40.54%	4855751	40.96%	7136237	60.20%

(e) None of the above shares are reserved for issue under options/contract/commitments for sale of shares or disinvestment.

(f) Shares allotted, as fully paid up, pursuant to contracts without payment being effected in cash/bonus shares/ bought back/ forfeited/call unpaid in previous five years - NIL

(Amount in Lakhs)

	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Note 15: Reserve and Surplus			
Securities Premium Reserve	174.29	174.29	174.29
Add : Received During The Year	–	–	–
	174.29	174.29	174.29
Retained Earnings			
Opening Balance	430.93	352.94	320.74
Add: Profit for the year	22.80	77.99	32.20
Add: Other Adjustments	2.37	–	–
	456.10	4,30.93	352.94
Total	630.39	605.21	527.22
Note 16: Non-Current Borrowings			
Secured			
Term Loan from banks	5.85	66.67	149.99
Total	5.85	66.67	149.99
Unsecured			
From Others: –	–	–	–
Loan From Related parties	327.94	–	–
	327.94	–	–
Loan From Others (Long Terms Maturities)	339.73	437.12	643.00
Less: Current Maturity of Loan	2,12.46	259.15	420.38
	127.26	177.97	222.63
Total	461.06	244.63	372.62

(i) Term loan from bank is secured by Equitable Mortgage of land and building, plant and machinery, and personal guarantee of directors; carries rate of interest of LIBOR + 4.95% .

(ii) Unsecured loans from others carries rate of interest of 18-19% p.a.

(iii) The original amount of loans (secured & unsecured) are to be repaid in equal monthly instalments within 60 Months, as per contractual / sanction terms.

(Amount in Lakhs)

	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Note 17: Long Term Provisions			
Provision for Gratuity	23.09	24.01	37.11
Total	23.09	24.01	37.11
Note 18: Deferred Tax Liability (Net)			
Deferred Tax Liability			
On Fixed Assets	239.00	243.04	241.58
	239.00	243.04	241.58
Deferred Tax Asset			
Disallowances under Income Tax Act, 1961	76.56	77.25	104.53
	76.56	77.25	104.53
Less: Mat Credit Entitlement	(100.32)	(117.73)	(118.99)
Deferred Tax Liability (Net)	62.12	48.06	18.06
Note 19: Short-Term Borrowings			
Secured			
Working Capital Borrowings from Banks*	795.12	767.67	775.78
Term Loan From Bank*	44.05	79.62	-
Unsecured			
Loan From Related parties (Director's Loan for Bank Limit Repayment of which depends on Bank Loan)**	-	327.94	327.94
Loan From Related parties**	362.17	536.53	10.00
Total	1,201.34	1,711.75	1,113.72

* Working Capital Borrowings from Banks is secured against stock-in-trade, receivables and Equitable Mortgage of immovable property as collateral and Guarantee by Directors and their Relatives. It includes Packing Credit carrying rate of interest LIBOR + 4% p.a., which is repayable as per PCFC sanction terms.

** Loan from Related parties are repayable on demand.

Note 20: Trade Payables			
Trade Payables to Micro, Small And Medium Enterprises			
Trade Payables to others	1,118.52	1,720.75	3,669.50
Total	1,118.52	1,720.75	3,669.50
Note 21: Other Current Liabilities			
Interest Accrued on borrowings	6.54	-	-
Current Maturities of Long-Term Debts	212.46	259.15	420.38
Interest Accrued but not due on borrowings	4.31	4.38	3.80
Advances From Customers	130.82	506.81	424.41
Other Payables*	25.99	29.38	48.32
Total	380.12	799.71	896.90
* Includes Statutory dues payable i.e. TDS, PT, PF and GST, etc.			
Note 22: Short-Term Provisions			
Provision for Gratuity	0.55	0.57	4.12
Provision for Tax (Net of Advance Tax)	4.78	8.12	1.93
Total	5.33	8.69	6.06

(Amount in Lakhs)

	As at March 31, 2018	As at March 31, 2017
Note 23: Revenue from Operations		
Sale of Ready to eat and Bulk Agriculture items	8,412.22	13,564.69
Other Operating Revenues		
Export Incentives	263.08	244.50
Total	8,675.30	13,809.19
Note 24: Other Income		
Interest Income :		
On Others	50.10	44.70
Other non-operating income	–	15.05
Total	50.10	59.74
Note 25: Cost of Raw Material Consumed		
Raw Material		
Opening Stock	5.99	28.88
Add : Purchase	43.32	150.61
Less : Closing Stock	(4.38)	(5.99)
Add : Direct Expense	11.97	18.41
	56.90	191.91
Packing Material Consumed		
Raw Material		
Opening Stock	–	44.98
Add : Purchase	–	16.17
Less : Closing Stock	–	29.69
	–	31.46
Total	56.90	223.37
Note 26: Changes in Inventories of Finished Goods, Work-in-Progress and Stock-in-Trade		
Closing Inventories		
Work in progress	2.55	6.43
Finished goods	0.11	2.99
Stock in Trade	1,290.42	1,302.39
	1,293.08	1,311.81
Opening Inventories		
Work in progress	6.43	24.78
Finished goods	2.99	21.61
Stock in Trade	1,302.39	1,565.66
	1,311.81	1,612.04
(Increase)/Decrease	18.73	300.23
Note 27: Employee Benefits Expense		
Salaries, Wages and Bonus	174.77	231.15
Contribution to Provident and Other funds	11.22	14.98
Staff Welfare Expenses	3.34	3.00
Total	189.32	249.12

NHC FOODS LIMITED

(Amount in Lakhs)

	As at March 31, 2018	As at March 31, 2017
Note 28: Finance Cost		
Interest Expense	146.40	157.96
Other Borrowing Costs	10.01	13.56
Total	156.41	171.52
Note 29 : Other Expenses		
Packing Material consumed	8.57	–
Transportation	227.59	4,40.02
Travelling Expenses	12.95	24.54
Sales promotion expenses	47.53	85.65
Electricity	11.29	12.23
Legal and Professional Fees	11.87	24.64
Repairs and Maintenance		
Machineries	0.44	1.35
Others	4.45	7.33
Rent	18.42	29.59
Rates and Taxes	2.37	12.84
Audit Remuneration		
Statutory Audit Fees	4.43	3.74
Other services	–	1.29
Exchange Fluctuation Gain (Net)	3.76	–
Insurance	13.95	37.91
Prior Period Expenses	–	0.53
Profession tax(Company)	0.03	0.03
Donations	0.28	2.10
Expected Credit Loss	(1.99)	(41.87)
Miscellaneous Expenses	145.73	145.54
Total	511.69	787.46
Auditors Remuneration		
Audit Fees		
Statutory Audit Fees	4.43	3.74
Other Services	–	1.29
	4.43	5.03

Note 30: Commitments and Contingencies

30(a) Estimated amount of contracts remaining to be executed on capital account and not provided for (net of Advances) Rs. Nil (2017: Rs. 6.92 Lakhs)

30(b) Contingent Liabilities not provided for:

(Amount in Lakhs)

	2017-18	2016-17
A. Bills discounted and outstanding	762.50	100.39
B. Bank certificate for cancelled guarantees.	–	4.68
C. Disputed Demands Outstanding:*		
Income Tax	5.47	5.47
Excise Duty	2.27	2.27

* Based on the decision of Appellate Authority and interpretation of other provision, the Company has legally advised that demand is likely to be either deleted or substantially reduced and accordingly no provision has been made.

31. Details of dues to Micro and Small Enterprises as defined under Micro, Small And Medium Enterprises Development Act, 2006 (MSMED Act, 2006)

(Amount in Lakhs)

Particulars	March 31, 2018	March 31, 2017
<u>Total outstanding dues of micro enterprises and small enterprises :</u>		
a) Principal amount and interest due thereon remaining unpaid	–	–
b) Interest paid by the Company in terms of Section 16 of the Micro, Small and Medium Enterprises Development Act, 2006, along with the amount of the payment made to the supplier beyond the appointed day.	–	–
c) Interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the period) but without adding interest specified under the Micro, Small and Medium Enterprises Act, 2006	–	–
d) Interest accrued and remaining unpaid at the end of each accounting year	–	–
e) Interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprises, for the purpose of disallowance of a deductible expenditure	–	–

There are no Micro, Small and Medium Enterprises, to whom the Company owes dues which are outstanding for more than 45 days as at March 31, 2018 and no interest payment during the year to any Micro, Small and Medium Enterprises. This information as required to be disclosed under the Micro, Small and Medium Enterprises Development Act, 2006 has been determined to the extent such parties have been identified on the basis of information available with the Company. This has been relied upon by the auditors.

32. Company operates in a single business segment. However it operates both in Indian and international markets. Accordingly information required under Ind AS – 108 “Segment Reporting” pertaining to geographical segment is as under :

Secondary Segment Information

(Amount in Lakhs)

Particulars	2017-18	2016-17
Segment Revenue- External Turnover		
Within India	2,441.81	7,288.20
Outside India	6,233.50	6,520.98
Total Revenue	8,675.30	13,809.18
Segment Assets		
Within India	5,039.75	6,347.34
Outside India	27.71	101.37
Total Assets	5,067.46	6,448.72
Segment Liability		
Within India	3,140.75	4,390.38
Outside India	110.82	267.62
Total Liability	3,251.57	4,658.00
Capital Expenditure		
Within India	109.16	6.79
Outside India	–	–
Total Expenditure	109.16	6.79

33. Disclosure pursuant to Ind AS 33 – Earnings Per Share

Particulars	As at March 31, 2018	As at March 31, 2017
(i) Total Comprehensive Income	22.80	77.99
(ii) Nominal Value of Ordinary Shares (Rs.)	10	10
(iii) Weighted Average Number of Ordinary Shares (No's)	1,18,55,000	1,18,55,000
(iv) Weighted Average Number of Diluted Share (No's)	1,18,55,000	1,18,55,000
(v) Basic Earnings per Ordinary Shares (Rs.)	0.19	0.66
(vi) Diluted earning per Share (Rs.)	0.19	0.66

34. Leases

The Company has entered into operating lease arrangements for premises. The future minimum lease rental obligations under non-cancellable operating lease is Rs. Nil (2017: Nil).

35. As of balance sheet date, the company has net foreign currency exposures (In USD) that are not hedged by derivative instruments or otherwise amounting to USD 0.77 Lakhs (2017: USD 1.90 Lakhs).

36. Related Party Disclosure:

Disclosures as required by the Ind AS 24 “Related Party Disclosure” is given below:

List of Key Management Personnel and Relatives

Key Management Personnel

Mr. Apoorva H. Shah	- Managing Director
Mrs. Alpa A. Shah	- Whole time Director
Mr. Hemant Bhikubhai Topiwala	- Independent Director
Mr. Rajiv Hariprasad Bhatt	- Independent Director
Mrs. Monika Amit Singhania	- Additional Director
Mr. Ashok Kamath	- Chief Financial Officer (till 28 th February 2018)
Mr. Awdhesh Kannujia	- Chief Financial Officer (from 12 th March 2018)
Mrs. Suvarnalata Chavan	- Company Secretary

Relatives of KMP Key Management Personnel

Miss. Aneri Shah – (Daughter of Managing Director)

Company over which key management personnel are able to exercise significant influence:

NHC Overseas Private Limited (Formerly known as NHC Mercantile Pvt Ltd)

a) Transaction with related Parties

(Amount in Lakhs)

Nature of transactions	Key Management Personnel	Company over which key management personnel is able to exercise significant influence	Relatives of Key Management Personnel
1. Loan Taken	660.50 (745.00)	– (–)	– –
2. Repayment of Loans taken	834.86 (436.00)	– (–)	– –
3. Remuneration	110.11 (108.15)	– (–)	6.35 (6.60)
4. Interest on Loan	(9.88)	(–)	–
Balance as on March 31, 2018			
5. Payable	690.11 (871.30)	– (–)	– –

(Figures in bracket indicate previous year figures)

b) Key management personnel compensation
(Amount in Lakhs)

Particulars	March 31, 2018	March 31, 2017
Short term employee benefits	110.11	108.15
Post-employment benefits*		
	110.11	108.15

* The amount of post-employment benefits is not available separately in the actuarial report. Composite amount is disclosed in Note 37.

c) Disclosure in respect of material Related Party Transactions during the year: (Amount in Lakhs)

- (i) Loan Taken includes from Mr. Apoorva H. Shah Rs. 660.50 (2017: Rs. 745.00).
- (ii) Repayment of Loans taken includes to Mr. Apoorva H. Shah Rs 834.86 (2017: Rs. 436.00).
- (iii) Remuneration includes to Mr. Apoorva H. Shah Rs. 43.10 (2017: Rs. 44.81), to Mrs. Alpa A. Shah Rs. 43.10 (2017: Rs. 44.81), to Mr. Ashok Kamath Rs. 13.40 (2017: Rs. 13.54).
- (vi) Remuneration includes to Miss. Aneri A. Shah Rs.6.35 (2017: Rs 6.60).

37. Employee Benefit Obligations (as per Ind AS 19 “Employee benefits”) :
Post-Employment obligations-
a) Defined benefit plan – Gratuity

The company provides for gratuity for employees in India as per the Payment of Gratuity Act, 1972. Employees who are in continuous service for a period of five years are eligible for gratuity. The amount of gratuity payable on retirement/ termination is the employees last drawn basic salary per month computed proportionately for 15 days salary multiplied by number of years of service.

The gratuity plan is an unfunded plan.

The amount recognised in the balance sheet and the movements in the net defined benefit obligation over the period are as follows:

A. Change in Present Value of Obligation
(Amount in Lakhs)

Particulars	Gratuity (Unfunded) 2017-18	Gratuity (Unfunded) 2016-17
Present Value of the Obligation as at the beginning of the year	24.59	41.24
Interest Cost	1.65	2.88
Current Service Cost	1.40	1.69
Benefits Paid	5.08	10.39
Actuarial (gain)/ loss on obligations	1.08	(10.84)
Present Value of the Obligation as at the end of the Year	23.63	24.58

B. Amount Recognized in the Balance Sheet
(Amount in Lakhs)

Particulars	Gratuity (Unfunded) 2017-18	Gratuity (Unfunded) 2016-17
Present Value of the Obligation as at the end of the year	23.63	24.58
Fair value of plan assets	–	–
Un-funded Liability	23.63	24.58
Unrecognized actuarial gains/ losses	–	–
Un-funded liability recognized in Balance Sheet	23.63	24.58

C. Amount recognized in the Statement of Profit and Loss (Amount in Lakhs)

Particulars	Gratuity (Unfunded) 2017-18	Gratuity (Unfunded) 2016-17
Interest Cost	1.65	2.88
Current Service Cost	1.40	1.69
Expected Return on Plan Assets	-	-
Actuarial (gain)/ loss on obligations	1.08	(10.84)
Total expense recognized in the Profit and Loss Account	1.98	(6.26)

D. Changes in Actuarial (Gain) / Loss on Obligation (Amount in Lakhs)

Actuarial (Gain) / Loss on Obligation - Due to Demographic Assumptions	-
Actuarial (Gain) / Loss on Obligation - Due to Financial Assumptions	
Actuarial (Gain) / Loss on Obligations - Due to Experience	1.08
Actuarial (Gain) / Loss on Obligations – Total	1.08

E. The Assumptions used to determine the benefit obligations are as follows

Particulars	Gratuity (Unfunded) 2017-18	Gratuity (Unfunded) 2016-17
Discount Rate	7.50%	7.50%
Expected Rate of increase in compensation levels	5.00%	5.00%
Expected Rate of return on plan Assets	N.A.	N.A.

Sensitivity Analysis

Discount Rate, Salary Escalation Rate and Withdrawal Rate are significant actuarial assumptions. The change in the Present Value of Defined Benefit Obligation for a change of 100 Basis Points from the assumed assumption is given below:

Summary of Financial & Demographic Assumptions (Amount in Lakhs)

Scenario	Gratuity 2017-18		Gratuity 2016-17	
	DBO	Percentage Change	DBO	Percentage Change
Under Base Scenario	35.01	0.00%	24.58	0.00%
Salary Escalation - Up by 1%	36.23	3.50%	25.86	5.20%
Salary Escalation - Down by 1%	33.99	-2.90%	23.47	-4.50%
Withdrawal Rates - Up by 1%	35.88	2.50%	25.19	2.50%
Withdrawal Rates - Down by 1%	34.07	-2.70%	23.89	-2.80%
Discount Rates - Up by 1%	32.53	-7.10%	22.71	-7.60%
Discount Rates - Down by 1%	37.83	8.10%	26.72	8.70%

Expected Cash flow for following year

Maturity Profile of Defined Benefit Obligations (Amount in Lakhs)

Year	Gratuity 2017-18	Gratuity 2016-17
Year 1	0.87	0.57
Year 2	6.10	0.60
Year 3	0.82	5.73
Year 4	0.84	0.55
Year 5	0.87	0.58
Year 6	0.89	5.46
Year 7	5.42	0.52
Year 8	18.05	4.79
Year 9	0.48	8.93
Year 10	17.11	0.37

The weighted average duration of the defined benefit obligation is 12.23

The estimates of future salary increases, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

b) Defined contribution plans - Provident fund

The company also has defined contribution plans. Contributions are made to provident fund in India for employees at the rate of 12% of basic salary as per regulations. The contributions are made to registered provident fund administered by the government. The obligation of the company is limited to the amount contributed and it has neither contractual nor any constructive obligation. The expense recognised during the period towards defined contribution plan is INR 11.21 Lakhs (March 31, 2017: INR 14.97 Lakhs).

38 FAIR VALUE MEASUREMENTS

i. Financial Instruments by Category

(Amount in Lakhs)

Particulars	Carrying Amount			Fair Value		
	March 31, 2018	March 31, 2017	April 1, 2016	March 31, 2018	March 31, 2017	April 1, 2016
FINANCIAL ASSETS						
Amortised cost						
Investments	1.20	1.20	1.20	1.20	1.20	1.20
Trade Receivables	1,077.34	2,557.96	3,607.47	1,077.34	2,557.96	3,607.47
Cash and Cash Equivalents	85.07	58.14	399.80	85.07	58.14	399.80
Bank Balances other than above	-	5.92	9.68	-	5.92	9.68
Other Financial Assets	266.90	243.81	302.70	266.90	243.81	302.70
Total	1,430.52	2,867.04	4,320.85	1,430.52	2,867.04	4,320.85
FINANCIAL LIABILITIES						
Amortised cost						
Borrowings	1,201.34	1,711.75	1,113.72	1,201.34	1,711.75	1,113.72
Trade Payables	1,118.52	1,720.75	3,669.50	1,118.52	1,720.75	3,669.50
Total	2,319.87	3,432.50	4,783.22	2,319.87	3,432.50	4,783.22

The management assessed that the fair value of cash and cash equivalent, trade receivables, trade payables, and other current financial assets and liabilities approximate their carrying amounts largely due to the short term maturities of these instruments.

ii. Fair Value Measurement

Level 1 - Level 1 hierarchy includes financial instruments measured using quoted prices.

Level 2 - The fair value of financial instruments that are not traded in an active market is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

Level 3 - If one or more of the significant inputs are not based on observable market data, the instrument is included in level 3.

iii. Valuation technique used to determine fair value

Specific Valuation techniques used to value financial instruments include:

- the use of quoted market prices or dealer quotes for similar instruments
- the fair value of the remaining financial instruments is determined using discounted cash flow analysis.

iv. Valuation processes

The accounts and finance department of the company includes a team that performs the valuations of financial assets and liabilities required for financial reporting purposes, including level 3 fair values. This team reports directly to the chief financial officer (CFO) and the audit committee. Discussions of valuation processes and results are held between the CFO, AC and the valuation team regularly in line with the company's reporting requirements.

39. FINANCIAL RISK MANAGEMENT

The company's activity expose it to market risk, liquidity risk and credit risk. In order to minimise any adverse effects on the financial performance of the company, derivative financial instruments, such as foreign exchange forward contracts, foreign currency option contracts are entered to hedge certain foreign currency risk exposures and interest rate swaps to hedge variable interest rate exposures. Derivatives are used exclusively for hedging purposes and not as trading or speculative instruments. This note explains the sources of risk which the entity is exposed to and how the entity manages the risk and the impact of hedge accounting in the financial statements.

i. Credit risk management

The company assesses and manages credit risk based on internal credit rating system. Internal credit rating is performed on a group basis for each class of financial instruments with different characteristics.

The company considers the probability of default upon initial recognition of asset and whether there has been a significant increase in credit risk on an ongoing basis throughout each reporting period. To assess whether there is a significant increase in credit risk the company compares the risk of a default occurring on the asset as at the reporting date with the risk of default as at the date of initial recognition. It considers available reasonable and supportive forwarding-looking information.

A default on a financial asset is when the counterparty fails to make contractual payments within 90 days of when they fall due. This definition of default is determined by considering the business environment in which entity operates and other macro-economic factors.

iv. Reconciliation of loss allowance provision - Trade receivables

Particulars	(Amount in Lakhs)
Loss allowance on April 1, 2016	358.12
Changes in loss allowance	(41.87)
Loss allowance on March 31, 2017	316.25
Changes in loss allowance	(1.99)
Loss allowance on March 31, 2018	314.26

(B) Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities and the availability of funding through an adequate amount of committed credit facilities to meet obligations when due and to close out market positions. Due to the dynamic nature of the underlying businesses, company maintains flexibility in funding by maintaining availability under committed credit lines. Management monitors rolling forecasts of the company's liquidity position (comprising the undrawn borrowing facilities) and cash and cash equivalents on the basis of expected cash flows. In addition, the company's liquidity management policy involves projecting cash flows in major currencies and considering the level of liquid assets necessary to meet these, monitoring balance sheet liquidity ratios against internal and external regulatory requirements and maintaining debt financing plans.

(i) Maturities of financial liabilities

The tables below analyse the company's financial liabilities into relevant maturity groupings based on their contractual maturities for:

The amounts disclosed in the table are the contractual undiscounted cash flows. Balance due within 12 months equal their carrying balances as the impact of discounting is not significant.

Contractual maturities of financial liabilities
(Amount in Lakhs)

Particulars	Less than 1 month	1 to 3 months	3 months to 1 year	Between 1 and 3 years	Between 3 and 5 years
March 31, 2018					
Borrowings	–	813.16	928.59	113.30	17.64
Trade payables	815.79	245.95	34.10	21.47	1.21
Total liabilities	815.79	1,059.11	962.69	134.77	18.85
March 31, 2017					
Borrowings	–	–	–	–	–
Trade payables	867.15	612.75	165.50	72.39	2.96
Total liabilities	867.15	612.75	165.50	72.39	2.96
April 1, 2016					
Borrowings	–	–	–	–	–
Trade payables	2,566.24	1,091.29	7.99	3.99	–
Total liabilities	2,566.24	1,091.29	7.99	3.99	–

(C) Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of change in market prices. Market risk comprises three types of risk: foreign currency risk, interest rate risk and other price risk such as equity price risk and commodity risk.

(i) Foreign currency risk

The company operates internationally and is exposed to foreign exchange risk arising from foreign currency transactions, primarily with respect to the USD, EUR and GBP. Foreign exchange risk arises from future commercial transactions and recognised assets and liabilities denominated in a currency that is not the company's functional currency (INR). The risk is measured through a forecast of highly probable foreign currency cash flows. The objective of the hedges is to minimise the volatility of the INR cash flows of highly probable forecast transactions.

The company's risk management policy is to hedge around 80% to 90% of forecasted foreign currency sales for the subsequent 1 month. As per the risk management policy, foreign exchange forward contracts are taken to hedge around 40% to 50% of the forecasted sales.

The company also imports certain materials which are denominated in EUR which exposes it to foreign currency risk. To minimise the risk of imports, the company hedges around 60% of forecasted imports up to 9 months in advance by entering into foreign exchange forward contracts.

The company uses a combination of foreign currency option contracts and foreign exchange forward contracts to hedge its exposure in foreign currency risk. The company designates the spot element of forward contracts and the intrinsic value of foreign currency option contracts as the hedging instrument. The changes in the forward element that relate to the hedged item ('aligned forward element') and the changes in time value that relate to the hedged item ('aligned time value') are deferred in the costs of hedging reserve and recognised against the related hedged transaction when it occurs. The forward element and the time value relate to the respective hedged item if the critical terms of the forward or the option are aligned with hedged item. Any residual time value and forward points (the non-aligned portion) are recognised in the statement of profit and loss. During the years ended March 31, 2017 and 2016, the company did not have any hedging instruments with terms which were not aligned with those of the hedged items.

The spot component of forward contracts is determined with reference to relevant spot market exchange rates. The differential between the contracted forward rate and the spot market exchange rate is defined as the forward points.

The intrinsic value of foreign exchange option contracts is determined with reference to the relevant spot market exchange rate. The differential between the contracted strike rate and the spot market exchange rate is defined as the intrinsic value. Time value of the option is the difference between fair value of the option and the intrinsic value.

(a) Foreign currency risk exposure

	USD	Total	Total (In Lakhs)
March 31, 2018			
Trade Receivables	11,94,119	11,94,119	790.21
Trade Payable	77,410	77,410	50.35
Net exposure to foreign currency risk	11,16,709	11,16,709	7,39.86
March 31, 2017			
Trade Receivables	1,56,513	1,56,513	1,01.37
Trade Payables	1,89,676	1,89,676	1,22.76
Net exposure to foreign currency risk	(33,163)	(33,163)	(21.39)
April 1, 2016			
Trade Receivables USD	18,63,552	18,63,552	12,56.15
EUR	67,892	67,892	49.21
Trade Payables	2,99,957	2,99,957	198.27
Net exposure to foreign currency risk	16,31,487	16,31,487	1,107.09

(b) Foreign currency sensitivity

1% increase or decrease in foreign exchange rates will have the following impact on profit before tax:

	2017-18		2016-17	
	1% Increase	1% Decrease	1% Increase	1% Decrease
Net Increase/(Decrease) in profit or loss	7.40	(7.40)	(0.21)	0.21

(ii) Interest rate risk

Interest rate can be either fair value interest risk or cash flow uinterest risk. Fair value interest rate risk is the risk of change in fair values of fixed interest rate bearing instruments because of interest rate fluctuation in interest rate. Cash flow interest rate risk is the risk that the future cash flow of floating interest bearing instruments will fluctuate because of fluctuation risk

However, During the year presented in these financial statement, the company had primarily borrowed funds under fixed interest rate arrangements with banks and financial institution and therefore the company is not exposed to interest rate risk

(iii) Price risk

(a) Exposure

Commodity price risk - The company is affected by the price volatility of certain commodities. Its operating activities require the ongoing purchase and manufacture of spices and therefore require a continuous supply of commodities. Due to the significantly increased volatility of the price of the commodities, the company also entered into various purchase contracts for various commodities for which there is an active market.

Equity price risk - The company is not exposed to other Equity price risk during the year presented in these financials statement.

40. CAPITAL MANAGEMENT

For the purpose of the company's capital management, capital includes issued equity capital, convertible preference shares, share premium and all other equity reserves attributable to the equity holders of the parent. The primary objective of the Company's capital management is to maximise the shareholder value.

The company manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. To maintain or adjust the capital structure, the company may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. The company monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt. The company's policy is to keep the gearing ratio between 20% to 40%. The company includes within debt, interest bearing loans and borrowings, trade and other payables, less cash and cash equivalents, excluding discontinued operations.

(Amount in Lakhs)

	March 31, 2018	March 31, 2017	April 1, 2016
Borrowings	1,662.40	1,956.39	1,486.33
Trade payables	1,118.52	1,720.75	3,669.50
Other payables	25.99	29.38	48.32
Less: cash and cash equivalents	(85.07)	(58.14)	(399.80)
Net Debt	2,721.84	3,648.37	4,804.35
Equity	1,815.89	1,790.71	1,712.72
Total Capital	1,815.89	1,790.71	1,712.72
Capital and net debt	4,537.73	5,439.09	6,517.07
Gearing ratio	60	67	74

In order to achieve this overall objective, the Company's capital management, amongst other things, aims to ensure that it meets financial covenants attached to the borrowings that define capital structure requirements as follows.

- the gearing ratio must be not more than 75% and
- the ratio of net finance cost to EBITDA must be not more than 50%

41. ASSETS PLEDGED AS SECURITY

(Amount in Lakhs)

The carrying amount of assets pledged as security for current and non current borrowings are:

	March 31, 2018	March 31, 2017	April 1, 2016
CURRENT ASSETS			
i. Financial Assets			
First Charge			
Trade Receivables	1,077.34	2,557.96	3,607.47
ii. Non Financial Assets			
First Charge			
Inventories	1,323.67	1,347.49	1,685.90
Total current assets pledge as security	2,401.01	3,905.45	5,293.37
NON CURRENT ASSETS			
First Charge			
Office Premises	40.28	276.32	316.35
Factory Building	186.96	549.28	572.50
Total non current assets pledge as security	227.24	825.59	888.85

42. Net debt Reconciliation

This section sets out an analysis of net debt and the movements in net debt for each of the periods presented
(Amount in Lakhs)

Particulars	March 31, 2018	March 31, 2017
Current Borrowings	795.12	864.47
Non-current Borrowings	1,079.74	24.01
Net Debt	1,874.86	888.48

Particulars	Liabilities from financing activities			Total
	Non Current Borrowings	Current Borrowings	Total Interest on Borrowings	
Net Debt as at March 31, 2017	24.01	864.47	4.38	892.86
Cash Inflow – Taken	856.80	5,339.80	–	6,196.60
Cash Out Flow – Repaid	198.93	(5,409.14)	–	(5,210.21)
Interest Expense	–	–	146.40	146.40
Interest Paid	–	–	(139.93)	(139.93)
Net Debt as at March 31, 2018	1,079.74	795.12	10.84	1,885.70

43. INCOME TAX

Deferred Tax

NHC FOODS LIMITED

(Amount in Lakhs)

Particulars	March 31, 2018	March 31, 2017	April 1, 2016
Deferred tax relates to the following:			
Accelerated Depreciation for tax purposes	(239.00)	(243.03)	(241.58)
Gratuity	1.28	1.96	12.74
Expected Credit Loss	75.28	75.28	91.79
Others - Mat Credit Entitlement	100.32	–	118.99
Net Deferred Tax Assets / (Liabilities)	(62.12)	(165.79)	(18.06)

Movement in deferred tax liabilities/assets

(Amount in Lakhs)

Particulars	March 31, 2018	March 31, 2017
Opening balance as of April 1	48.06	18.06
Tax income/(expense) during the period recognised in profit or loss	14.06	30.00
Closing balance as at March 31	62.12	48.06

(Amount in Lakhs)

Particulars	March 31, 2018	March 31, 2017	April 1, 2016
Unrecognised deferred tax assets			
Deductible temporary differences	–	–	–
Unrecognised tax losses	–	–	–
Unrecognised tax credits	–	–	–

The Company offsets tax assets and liabilities if and only if it has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same tax authority

Considering the probability of availability of future taxable profits in the period in which tax losses expire, deferred tax assets have not been recognised in respect of tax losses carried forward by the Company.

Major Components of income tax expense for the years ended March 31, 2017 and March 31, 2016 are as follows:

i. Income tax recognised in profit or loss (Amount in Lakhs)

Particulars	2017-18	2016-17
Current income tax charge	19.63	19.66
Adjustment in respect of current income tax of previous year	–	1.26
Deferred tax		
Relating to origination and reversal of temporary differences	(2.96)	35.96
Income tax expense recognised in profit or loss	16.67	56.88

Significant estimates

In calculating the tax expense for the current period, the company has treated certain expenditures as being deductible for tax purposes. However, the tax legislation in relation to these expenditures is not clear and the company has applied for a private ruling to confirm their interpretation.

ii. Income tax recognised in OCI (Amount in Lakhs)

Particulars	March 31, 2018	March 31, 2017
Net loss/(gain) on remeasurements of defined benefit plans	(0.33)	3.35
Income tax expense recognised in OCI	(0.33)	3.35

Reconciliation of tax expense and accounting profit multiplied by income tax rate for March 31, 2018 and March 31, 2017

Particulars	March 31, 2018	March 31, 2017
Profit before tax from continuing operations	40.21	112.94
Accounting profit before income tax	40.21	112.94
Enacted tax rate in India	30%	30%
Income tax on accounting profits	12.06	33.88
Effect of		
Other non taxable income	35.68	38.38
Non-deductible expenses for tax purposes:		
Other non deductible expenses	31.08	15.38
Tax at effective income tax rate	16.67	56.88

44. FIRST TIME ADOPTION OF IND AS

B. Reconciliations between previous GAAP and Ind AS

Ind AS 101 requires an entity to reconcile equity, total comprehensive income and cash flows for prior periods. The following tables represent the reconciliations from previous GAAP to Ind AS.

i. Reconciliation of equity

(Amount in Lakhs)

Particular	Opening Balance Sheet as at April 1, 2016			Balance Sheet as at March 31, 2017		
	IGAAP	Adjustment on transition	Ind AS	IGAAP	Adjustment on transition	Ind AS
ASSETS						
1. Non-Current Assets						
Property, Plant and Equipment	1,195.68	–	1,195.68	1,129.38	–	1,129.38
Intangible Assets	503.30	–	503.30	466.69	–	466.69
Financial Assets						
Investment	0.60	–	0.60	0.60	–	0.60
Other Non Current Assets	137.96	(117.40)	20.55	147.71	(119.07)	28.63
Total Non-Current Assets	1,837.54	(117.40)	1,720.14	1,744.38	(119.07)	1,625.31
2. Current Assets						
Inventories	1,685.90	–	1,685.90	1,347.49	–	1,347.49
Financial Assets						
Investments	0.60	–	0.60	0.60	–	0.60
Trade Receivables	3,965.60	(358.12)	3,607.47	2,874.21	(316.25)	2,557.96
Cash and Cash Equivalents	409.48	(9.68)	399.80	64.06	(5.92)	58.14
Other balances with bank	–	9.68	9.68	–	5.92	5.92
Others financial assets	126.71	175.98	302.70	520.37	(276.56)	243.81
Other Current Assets	277.97	(177.58)	100.40	231.92	277.16	509.09
Total Current Assets	6,466.26	(359.71)	6,106.54	5,038.66	(315.64)	4,723.02
Total Assets	8,303.80	(477.12)	7,826.69	6,783.04	(434.72)	6,348.32
EQUITY AND LIABILITIES						
Equity						
Equity Share Capital	1,185.50	–	1,185.50	1,185.50	–	1,185.50
Other Equity	793.19	(265.96)	527.22	846.76	(241.54)	605.21
Total Equity	1,978.69	(265.96)	1,712.72	2,032.26	(241.54)	1,790.71
Liabilities						
1. Non-Current Liabilities						
Financial Liabilities						
Long Term Borrowings	700.93	(328.31)	372.62	572.00	(327.37)	244.63
Provisions	37.11	–	37.11	24.01	–	24.01
Deferred tax liabilities	228.84	(210.79)	18.06	241.07	(193.01)	48.06
Total Non-Current Liabilities	966.89	(539.10)	427.79	837.09	(520.38)	316.71
2. Current Liabilities						
Financial Liabilities						
Short Term Borrowings	785.78	327.94	1,113.72	1,383.81	327.94	1,711.75
Trade Payables	3,669.50	–	3,669.50	1,720.75	–	1,720.75
Provisions	6.06	–	6.06	9.43	(0.74)	8.69
Other Current Liabilities	896.90	–	896.90	799.71	–	799.71
Total Current Liabilities	5,358.23	327.94	5,686.17	3,913.70	327.20	4,240.90
Total Equity and Liabilities	8,303.80	(477.12)	7,826.69	6,783.04	(434.72)	6,348.32

ii. Reconciliation of total comprehensive income for the year ended March 31, 2017 (Amount in Lakhs)

	IGAAP	Adjustment on transition	Ind AS
INCOME			
Revenue From Operations	13,809.18	–	13,809.18
Other Income	59.74	–	59.74
Total Income	13,868.93	–	13,868.93
EXPENSES			
Cost of materials consumed	191.91	31.46	223.37
Purchases of Stock-in-Trade	11,911.34	–	11,911.34
Changes in inventories of finished goods, work-in-progress and Stock-in-Trade	300.23	–	300.23
Employee Benefits Expense	238.29	10.84	249.12
Finance Costs	170.46	1.06	171.52
Depreciation and Amortization Expense	112.94	–	112.94
Other Expenses	860.90	(73.44)	787.46
Total Expenses	13,786.08	(30.09)	13,755.98
Profit Before Tax	82.85	30.09	112.94
Tax Expense			
(1) Current Tax	23.01	(3.35)	19.66
Less: MAT credit entitlement	(7.22)	–	(7.22)
(2) Deferred Tax	12.23	16.51	28.74
(3) Taxation adjustment of earlier years	1.26	–	1.26
	29.28	13.16	42.44
Profit For The Year	53.57	16.93	70.50
Other Comprehensive Income For The Year			
Items that would not be classified subsequently to Profit and Loss			
Remeasurement of Defined benefit plans-OCI	–	7.49	7.49
Total Comprehensive Income For The Year	53.57	24.42	77.99

iii. Reconciliation of total equity as at March 31, 2017 and April 1, 2016 (Amount in Lakhs)

Particulars	March 31, 2017	April 1, 2016
Total equity (shareholder's funds) as per previous GAAP	2,032.26	1,978.69
Adjustments:		
Impact of ECL on financial assets	(316.25)	(358.12)
Impact of Fair Valuation of Loans	(0.57)	0.37
Impact of tax adjustments	75.28	91.79
Total adjustments	(241.54)	(265.96)
Total equity as per Ind AS	1,790.71	1,712.72

iv. Reconciliation of total comprehensive income for the year ended March 31, 2017

(Amount in Lakhs)

Particulars	Year ended March 31, 2017
Profit after tax as per previous GAAP	53.57
Adjustments:	
Impact of fair valuation of Loans	41.87
Impact of fair valuation of security deposits	(0.95)
Impact of ECL on financial assets	(16.51)
Impact of remeasurement of defined benefits plans classified in OCI	(10.84)
Total adjustments	13.58
Profit after tax as per Ind AS	67.15
Other comprehensive income	10.84
Total comprehensive income as per Ind AS	77.99

vi. Impact of Ind AS adoption on the statements of cash flows for the year ended March 31, 2017

There are no material adjustments to the Statement of Cash flows as reported under the previous GAAP.

C. Notes to first-time adoption:

Note 1: Security deposits

Under the previous GAAP, interest free lease security deposits (that are refundable in cash on completion of the lease term) are recorded at their transaction value. Under Ind AS, all financial assets are required to be recognised at fair value. Accordingly, the company has fair valued these security deposits under Ind AS. Difference between the fair value and transaction value of the security deposit has been recognised as prepaid rent.

Note 2: Borrowings

Ind AS 109 requires transaction costs incurred towards origination of borrowings to be deducted from the carrying amount of borrowings on initial recognition. These costs are recognised in the profit or loss over the tenure of the borrowing as part of the interest expense/income by applying the effective interest rate method. Under previous GAAP, these transaction costs were charged to profit or loss as and when incurred.

Note 3: Deferred tax

Indian GAAP requires deferred tax accounting using the income statement approach, which focuses on differences between taxable profits and accounting profits for the period. Ind AS 12 requires entities to account for deferred taxes using the balance sheet approach, which focuses on temporary differences between the carrying amount of an asset or liability in the balance sheet and its tax base. The application of Ind AS 12 approach has resulted in recognition of deferred tax on new temporary differences which was not required under Indian GAAP.

In addition, the various transitional adjustments lead to temporary differences. According to the accounting policies, the company has to account for such differences. Deferred tax adjustments are recognised in correlation to the underlying transaction either in retained earnings or a separate component of equity.

Note 4: Remeasurements of post-employment benefit obligations

Under Ind AS, remeasurements i.e. actuarial gains and losses and the return on plan assets, excluding amounts included in the net interest expense on the net defined benefit liability are recognised in other

comprehensive income instead of profit or loss. Under the previous GAAP, these remeasurements were forming part of the profit or loss for the year.

Note 5: Retained earnings

Retained earnings as at April 1, 2016 has been adjusted consequent to the above Ind AS transition adjustments.

Note 6: Other comprehensive income

Under Ind AS, all items of income and expense recognised in a period should be included in profit or loss for the period, unless a standard requires or permits otherwise. Items of income and expense that are not recognised in profit or loss but are shown in the statement of profit and loss as 'other comprehensive income' includes remeasurements of defined benefit plans, foreign exchange differences arising on translation of foreign operations, effective portion of gains and losses on cash flow hedging instruments and fair value gains or (losses) on FVOCI equity instruments. The concept of other comprehensive income did not exist under previous GAAP.

45. **Previous year's figures have been regrouped or reclassified to confirm with the current years' presentation wherever considered necessary.**

NHC FOODS LIMITED

For **GMJ & CO.**
Chartered Accountants
Firm Reg. No. : 103429W

CA S. MAHESHWARI
(Partner)
M. No. 38755

Place: Mumbai
Date: 29th May, 2018

For and behalf of the Board of Directors,

Apoorva Shah
Chairman & Managing Director
DIN: 00573184

Awdhesh Kannaujia
Chief Financial Officer

Alpa Shah
Whole Time Director
DIN: 00573190

Suvarnalata Chavan
CS & Compliance Officer
M.No. : 28663

Cash flow statement for the year ended 31st March, 2018 (Amount in Lakhs)

Particulars	For the year Ended March 31, 2018	For the year ended March 31, 2017
A. Cash Flows from Operating Activities		
Profit before taxes	40.21	112.94
Adjustments for:		
Depreciation and amortisation expense	113.89	112.94
Interest expense	156.41	171.52
Interest income	(50.10)	(44.70)
Other Adjustments including other comprehensive income	(1.33)	(21.25)
Excess provision written back	-	(1.26)
Operating profit before working capital changes	259.08	330.19
Changes In Working Capital :		
Inventories	23.82	338.41
Trade receivables	1,480.62	1,049.51
Loans and advances and other assets	(207.30)	(357.89)
Trade payables, other liabilities and provisions	(1,012.05)	(2,026.40)
Net Changes In Working Capital	285.09	(996.37)
Cash generated from the operations	544.17	(666.18)
Direct tax paid	(19.63)	(12.44)
Net Cash provided by/ (used in) operating activities (A)	524.54	(678.62)
B. Cash Flow from Investing Activities		
Purchase of Property, Plant and equipment	(109.16)	(10.03)
Earmarked Fixed Deposits placed with Banks	5.92	3.76
Interest income	50.10	44.70
Net Cash provided by/ (used in) investing activities (B)	(53.14)	38.43
C. Cash Flow from Financing Activities		
Proceeds of Secured Loans	10,019.38	10,051.33
Repayment of Secured Loans	(10,088.31)	(10,063.15)
Proceeds of Unsecured Loans	889.65	1,096.17
Repayment of Unsecured Loans	(1,114.71)	(614.30)
Interest expense	(156.41)	(171.52)
Net Cash provided by/ (used in) financing activities (C)	(450.39)	298.53
Net increase/ (decrease) in Cash and Cash Equivalents (A+B+C)	21.01	(341.66)
Cash and Cash Equivalents at the beginning of the year	64.06	399.80
Cash and Cash Equivalents at the end of the year	85.07	58.14
Earmarked Deposits with Banks	-	5.92
Cash and Bank Balances at the end of the year	85.07	64.06

As per our report of even date attached

For **GMJ & CO.**
Chartered Accountants
Firm Reg. No. : 103429W
CA S. MAHESHWARI
(Partner)
M. No. 38755

Place: Mumbai
Date: 29th May, 2018

For and behalf of the Board of Directors,

Apoorva Shah
Chairman & Managing Director
DIN: 00573184

Awdheshkumar Kannaujia
Chief Financial Officer

Alpa Shah
Whole Time Director
DIN: 00573190

Suvarnalata Chavan
CS & Compliance Officer
M.No. : 28663

Corporate Office :

D-22/8,
TTC Industrial Area,
Near Balmer Lawrie, Turbhe,
Navi Mumbai - 400705
Tel.: 91 22 48815100
Fax: 91 22 48815101
URL : <http://www.nhcgroupp.com>

Factory & Registered Office :

Survey No. 777,
Umersadi Desaiwad Road,
Village Umersadi, Taluka Pardi,
Dist. Valsad, Gujarat-396 175. (India)

If undelivered, please return to:
Link Intime India Pvt. Ltd
C 101, 247 Park,
L.B.S. Marg, Vikhroli (West),
Mumbai - 400083



NHC FOODS LIMITED

(Govt. Recognised Star Export House)

Quality Spices & Agro Products

An ISO 22000-2005 (Food Management System)
Certified Company