



NHC FOODS LIMITED

(Govt. Recognised Two Star Export House)

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

ANNUAL REPORT 2018 - 19

www.nhcgroupp.com

CORPORATE INFORMATION

Board of Directors :

Mr. Apoorva Shah	Chairman & Managing Director
Mrs. Alpa Shah	Whole-Time Director
Mr. Manish Vyas	Additional Director (w.e.f. 12-07-2019)
Ms. Neha Kariwala	Additional Director (w.e.f. 12-07-2019)
Mrs. Monika Singhania	Independent Director
*Mr. Hemant Topiwala	Independent Director
*Mr. Rajiv Bhatt	Independent Director

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. JMK & 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

Board Committees :

Audit Committee :

Mrs. Monika Singhania	Chairman
Mr. Apoorva Shah	Member
Mr. Manish Vyas	Member (w.e.f. 12-07-2019)
Ms. Neha Kariwala	Member (w.e.f. 12-07-2019)

Nomination & Remuneration Committee :

Mrs. Monika Singhania	Chairman
Mr. Apoorva Shah	Member
Mr. Manish Vyas	Member (w.e.f. 12-07-2019)
Ms. Neha Kariwala	Member (w.e.f. 12-07-2019)

Shareholders' Relationship Committee :

Mrs. Monika Singhania	Chairman
Mrs. Alpa Shah	Member
Mr. Manish Vyas	Member (w.e.f. 12-07-2019)
Ms. Neha Kariwala	Member (w.e.f. 12-07-2019)

Bankers :

Kotak Mahindra Bank Limited
Union Bank of India

Internal Auditors :

DMS & Company,
Chartered Accountants

Secretarial Auditor :

Mr. Dinesh Kumar Deora

Company Secretary & Compliance Officer

Ms. Krina Mehta

Chief Financial Officer

Mr. Awdeshkumar Kannaujia

* Mr. Hemant Topiwala has resigned as an Independent Director with effect from 12-07-2019.

* Mr. Rajiv Bhatt has resigned as an Independent Director with effect from 12-07-2019.

27th ANNUAL GENERAL MEETING

On Monday, 30th September, 2019 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 27th (Twenty Seventh) Annual General Meeting of NHC Foods Limited will be held on 30th September, 2019, Monday 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, 2019, together with the Reports of the Board of Directors and Auditors thereon.
2. To appoint a Director in place of Mr. Apoorva Shah (DIN: 00573184), who retires by rotation and being eligible, offers himself for re-appointment.
3. To Appoint Statutory Auditors of company and fix their remuneration.

“RESOLVED THAT pursuant to the provisions of Section 139 of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014, (including any statutory modification(s) or re-enactment thereof) and pursuant to the recommendations of the Audit Committee and pursuant to approval of the Board of Directors, appointment of M/s. JMK & Co., Chartered Accountants, Mumbai, (Firm Registration No. 120459W), as the Statutory Auditors, for a period of five years, be and is hereby accorded by Members to hold office from conclusion of this meeting till the conclusion of the 32nd Annual General Meeting on a remuneration to be fixed by the Board of Directors, plus applicable taxes and actual out of pocket expenses incurred in connection with the audit of the accounts of the Company.”

SPECIAL BUSINESS:

4. Approval for Sale of Undertaking(S)/Individual Property or asset 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 along with Plant and Machinery, furniture and fixtures and other moveable assets of the company whether such assets constitute Individual 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.”

5. Approval for Sale of Undertaking(S)/Individual Property or asset 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 along with Plant and Machinery, furniture and fixtures and other moveable assets of the company whether such assets constitute Individual 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.”

6. Appointment of Mr. Manish Vyas as Non Executive Independent Director.

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

RESOLVED THAT pursuant to Provision of Section 149, 152 and other applicable provisions of the Companies Act, 2013 read with Schedule IV to the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules,

2014 and SEBI (LODR) Regulations, 2015, Mr. Manish Vyas (DIN: 08502223) who is appointed as Additional Director of the Company, and in respect of whom the company has received a Notice in writing under Section 160 of the Companies Act, 2013 and who has submitted a declaration that he meets the criteria of Independence as provided in Section 149(6) of the Companies Act, 2013 and is recommended by Board of Directors upon the recommendation of Nomination & Remuneration Committee for the office of Non Executive Independent Director, be and is hereby appointed as Non Executive Independent Director of the Company to hold office for a term of five years with effect from 12-07-2019 and shall not be liable to Retire by Rotation hereinafter in accordance with the provisions of Companies Act, 2013

7. Appointment of Ms. Neha Kariwala as Non Executive Independent Director.

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

RESOLVED THAT pursuant to Provision of Section 149, 152 and other applicable provisions of the Companies Act, 2013 read with Schedule IV to the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 and SEBI (LODR) Regulations, 2015, Ms. Neha Kariwala (DIN: 08502169) who is appointed as Additional Director of the Company, and in respect of whom the company has received a Notice in writing under Section 160 of the Companies Act, 2013 and who has submitted a declaration that he meets the criteria of Independence as provided in Section 149(6) of the Companies Act, 2013 and is recommended by Board of Directors upon the recommendation of Nomination & Remuneration Committee for the office of Non Executive Independent Director, be and is hereby appointed as Non Executive Independent Director of the Company to hold office

for a term of Five years with effect from 12-07-2019 and shall not be liable to Retire by Rotation hereinafter in accordance with the provisions of Companies Act, 2013.

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

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

Date: 01-08-2019

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 24th September, 2019 to 30th September, 2019 (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. 4,5,6,7 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 27th Annual General Meeting, Attendance Slip, Proxy Form, Route Map, Ballot Paper and the Annual Report for 2019 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 (9:00 am to 5:00 pm) on working days, except Saturday, up to and including the date of AGM of the Company.

Members may also note that the Notice of the 27th Annual General Meeting and the Annual Report for 2019 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.

How do I vote electronically using NSDL e-Voting system?

The way to vote electronically on NSDL e-Voting system consists of "Two Steps" which are mentioned below:

Step 1: Log-in to NSDL e-Voting system at <https://www.evoting.nsdl.com/>

Step 2: Cast your vote electronically on NSDL e-Voting system.

Details on Step 1 are mentioned below:

How to Log-into NSDL e-Voting website?

1. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <https://www.evoting.nsdl.com/> either on a Personal Computer or on a mobile.
2. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholders' section.
3. A new screen will open. You will have to enter your User ID, your Password and a Verification Code as shown on the screen.

Alternatively, if you are registered for NSDL eservices i.e. IDEAS, you can log-in at <https://eservices.nsdl.com/> with your existing IDEAS login. Once you log-in to NSDL eservices after using your log-in credentials, click on e-Voting and you can 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.nsdl.com.
 - b) **Physical User Reset Password?**" (If you are holding shares in physical mode) option available on www.evoting.nsdl.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 dinesh.deora@gmail.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.nsdl.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 evoting@nsdl.co.in
1. 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 27, 2019
End of remote e-voting	Upto 5.00 p.m. (IST) on September 29, 2019

During the period, members of the Company holding shares either in physical or dematerialized form, as on the relevant date i.e. September 24, 2019, 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 24, 2019, 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 24, 2019

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 PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013

Item No. 4

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)/Individual Property or asset of the company situated at Survey No. 777, Umarsadi Desaiwad Road, At Village Umarsadi, Taluka Pardi, District Valsad, Gujarat – 396175, has earlier been obtained in last Annual General Meeting held on 27th September, 2018. But 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 1st August, 2019 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 30th September, 2019.

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. 4 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 is concerned or interested, financially or otherwise in the Resolution.

Item No. 5

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)/Individual Property or asset of the company situated at 'NHC House, 2/13, Anand Nagar, Santacruz (E), Mumbai – 400055, has earlier been obtained in last Annual General Meeting held on 27th September, 2018. But 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 1st August, 2019 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 30th September, 2019.

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. 5 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. 6

Based on recommendation of Nomination and Remuneration Committee, the Board of Directors appointed Mr. Manish Vyas (DIN: 08502223) as Additional Directors of the Company and also as Independent Directors, not liable to retire by rotation, for a term of 5 years i.e. from 12th July, 2019 to 11th July, 2024, subject to approval of the Members.

Pursuant to the provisions of Section 161(1) of the Act and Article 73 of the Articles of Association of the Company, each of these Directors shall hold office up to the date of this Annual General Meeting (“AGM”) and are eligible to be appointed as Directors. The Company has, in terms of Section 160(1) of the Act, received in writing a notice from Member(s), proposing their candidature for the office of Directors.

The Company has received declarations from Mr. Manish Vyas to the effect that he meet the criteria of Independence as provided in Section 149(6) of the Act read with the Rules framed there under and Regulation 16(1)(b) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“SEBI Listing Regulations”).

In terms of Regulation 25(8) of SEBI Listing Regulations, they have confirmed that they are not aware of any circumstance or situation which exists or may be reasonably anticipated that could impair or impact their ability to discharge their duties. In the opinion of the Board, each of these Directors fulfil the conditions specified in the Act, Rules and SEBI Listing Regulations for appointment as Independent Director and they are independent of the management of the Company.

None of the Director and / or Key Managerial Personnel of the Company or their relatives, is concerned or interested, financially or otherwise, in resolution set out at Item No. 6

The Board recommends the resolution set forth in Item No. 6 for the approval of Members.

Item No. 7

Based on recommendation of Nomination and Remuneration Committee, the Board of Directors appointed Ms. Neha Kariwala (DIN: 08502169) as Additional Directors of the Company and also as Independent Directors, not liable to retire by rotation,

for a term of 5 years i.e. from 12th July, 2019 to 11th July, 2024, subject to approval of the Members.

Pursuant to the provisions of Section 161(1) of the Act and Article 73 of the Articles of Association of the Company, each of these Directors shall hold office up to the date of this Annual General Meeting (“AGM”) and are eligible to be appointed as Directors. The Company has, in terms of Section 160(1) of the Act, received in writing a notice from Member(s), proposing their candidature for the office of Directors.

The Company has received declarations from Ms. Neha Kariwala to the effect that she meet the criteria of Independence as provided in Section 149(6) of the Act read with the Rules framed there under and Regulation 16(1)(b) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“SEBI Listing Regulations”).

In terms of Regulation 25(8) of SEBI Listing Regulations, they have confirmed that they are not aware of any circumstance or situation which exists or may be reasonably anticipated that could impair or impact their ability to discharge their duties. In the opinion of the Board, each of these Directors fulfil the conditions specified in the Act, Rules and SEBI Listing Regulations for appointment as Independent Director and they are independent of the management of the Company.

None of the Director and / or Key Managerial Personnel of the Company or their relatives, is concerned or interested, financially or otherwise, in resolution set out at Item No. 7

The Board recommends the resolution set forth in Item No. 7 for the approval of Members.

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

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

Date: 01-08-2019

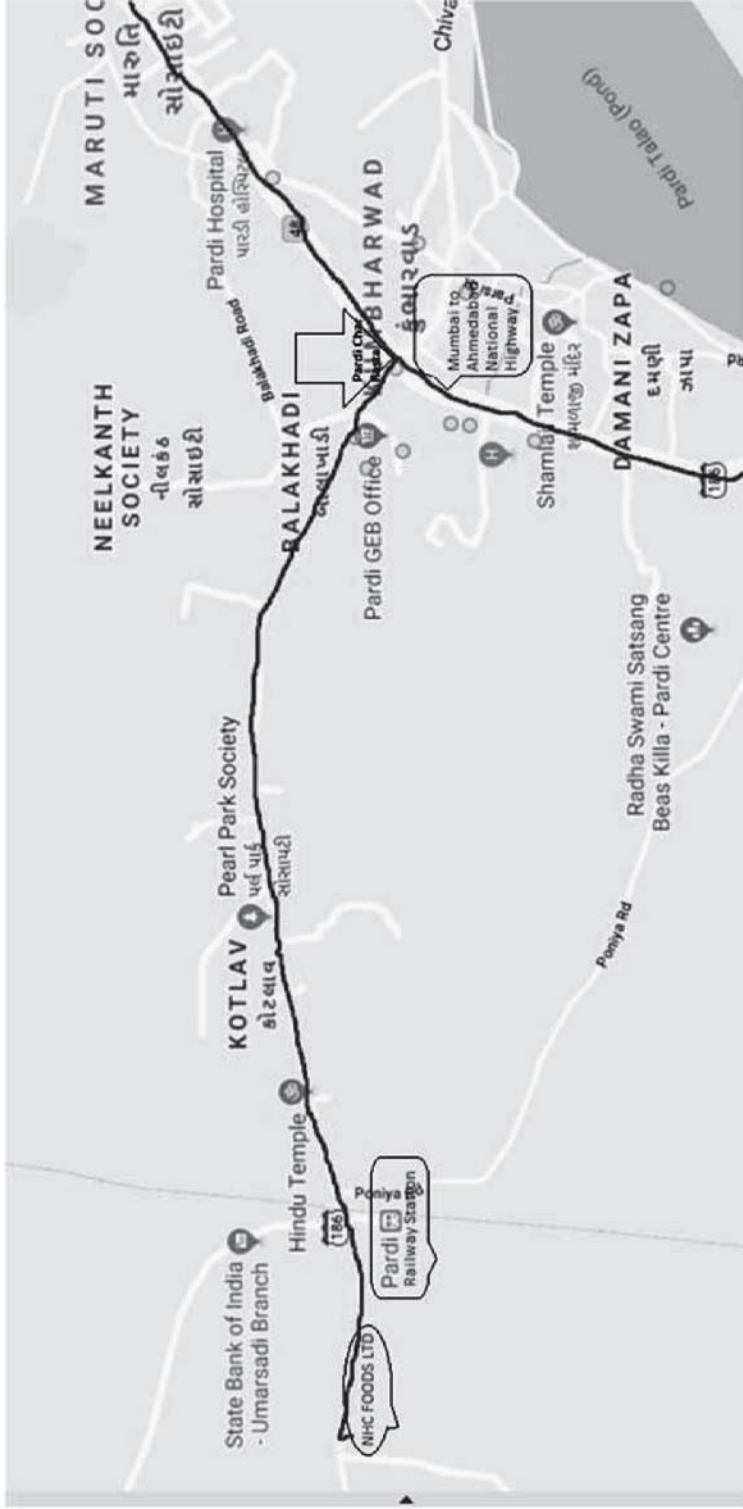
Place : Mumbai

ANNEXURE TO THE NOTICE

DETAILS OF THE DIRECTORS SEEKING APPOINTMENT / RE-APPOINTMENT AT THE TWENTY SEVENTH 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	Mr. Apoorva Shah	Mr. Manish Vyas	Ms. Neha Kariwala
DIN	00573184	08502223	08502169
Date of Birth	01/01/1966	01/06/1981	30/09/1992
Age	52 Age	38 Years	27 Years
Expertise in Specific Functional Area	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	He is Commerce Graduate from Mumbai University. His overall experience is around 6 years and to be specific in the accounting and finance industry it varies to 5 years knowledge of in manufacturing and service industries and has displayed strong entrepreneur skills and management capabilities in his career. He is involved in the said industry from the conceptualization stage to execution, stage like planning, monitoring and decision making activities.	She is Commerce Graduate having 5 years of experience in the field of accounts, finance and administration of statutory audit, direct and indirect taxes matters, corporate finance accounting systems and processes. Her candidature is appropriate, eligible and suitable for conducting the business of financing in more efficient and profitable manner.
Qualification	B.Com	B.Com	B.Com
No. of shares held in the Company@ jointly withrelatives	3832816	Nil	
Other Directorship in Indian Companies (including Private Companies)	NHC Overseas Private Limited	Nil	Nil
Membership of Committees (Audit Committee and Stakeholders Relationship Committee in other Companies)	None	None	None
Relationship between Directors inter-se :	Mrs. Alpa Shah is spouse of Mrs. Apoorva Shah	Not Related to any Director of the Comapny	Not Related to any Director of the Comapny

ROUTE MAP TO THE AGM VENUE





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

ATTENDANCE SLIP FOR ATTENDING ANNUAL GENERAL MEETING

Registered Folio no. / DP ID no. / Client ID no. :

--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--

Number of shares held :

--	--	--	--	--	--	--	--	--	--

I certify that I am a member / proxy / authorized representative for the member of the Company.

I hereby record my presence at the 27th Annual General Meeting of the Company at the at the Survey No. 777, UmarsadiDesaiwad Road, Village Umarsadi, Taluka Pardi, Dist. Valsad, Gujarat: 396175 at 10.00 a.m. IST.

.....
Name of the member / proxy Signature of the member / proxy (in BLOCK letters)

Note: Please fill up this attendance slip and hand it over at the entrance of the meeting hall at the registration desk. Members are requested to bring their copies of the Annual Report to the AGM.

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@nhcgoupp.com

FORM NO. MGT - 11

[Pursuant to Section 105(6) of the Companies Act, 2013 and Rule 19(3) 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 27th Annual General Meeting of the Company, to be held on Monday, September 30, 2019, 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, 2019, together with the Reports of the Board of Directors and Auditors thereon.		
2.	To appoint a Director in place of Mrs. Apoorva Shah (DIN: 00573184), who retires by rotation and being eligible, offers himself for re-appointment.		
3.	To Appoint Statutory Auditor of the Company		
SPECIAL RESOLUTION :			
4.	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		
5.	Approval of Sale of Undertaking(s) of the Company situated at NHC House, 2/13, Anand Nagar, Santacruz (E), Mumbai - 400055		
6.	Appointment of Mr. Manish Vyas as a Non-Executive Independent Director of the Company.		
7.	Appointment of Ms. Neha Kariwala as a Non-Executive Independent Director of the Company.		

Signed this _____ day of September, 2019

Affix
Revenue
Stamp

Signature of Shareholder

Signature of Shareholder

- 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 30, 2019).
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 2018-19, together with the Audited Financial statements of the Company for the year ended 31st March, 2019.

1. FINANCIAL HIGHLIGHTS:

(₹ In Lacs)

	March 31, 2019	March, 31 2018
Total Revenue	12531.21	8725.41
Total Expenditure	12418.60	8685.20
Profit Before Tax	112.61	40.21
Current Tax	21.46	19.63
Less: MAT Receivable	0.65	-
Less: Tax Paid/adjustment of earlier years	-	-
Less: Deferred Tax	(38.71)	(2.96)
Profit After Tax	130.51	23.54

Performance:

It needs to be noted that the performance of the company has been improved in Financial Year 2018-2019 as compared to last Financial Year 2017-2018. The Total Revenue of the company increased in March 2019 to Rs. 12531.21 Lacs as compared to previous year revenue which amounted to Rs. 8725.41 Lacs. Also Profit after Tax of the company increased to Rs. 130.51 Lacs as compared to Profit after Tax in previous year which is Rs. 23.54 Lacs.

2. Transfer to 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'.

3. 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.

4. 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.

5. 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.

6. Management Discussion and Analysis Report

Management Discussion and Analysis as stipulated under Listing Regulations is presented in a separate section forming part of this Annual Report. It speaks about overall industry structure, global and domestic economic scenarios, developments in business operations, internal controls and their adequacy, risk management systems, and other material developments.

7. Board Meetings:

11 meetings of the Board of Directors were held during the financial year. The details of the meetings of the Board of Directors of the Company conveyed during the financial year 2018-19 are given in the Corporate Governance Report which forms part of Annual 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.

8. Composition of Audit Committee:

The Board has constituted the Audit Committee and all the recommendations given by Audit Committee during Financial Year 2018-2019 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.

9. Directors and Key Managerial Personnel:

In accordance with the provisions of the Companies Act, 2013 and the Articles of Association of the Company, Mr. Apoorva Shah (DIN:00573184),

Chairman & Managing Director of the Company, retires by rotation at ensuing Annual General Meeting and being eligible, offer himself for reappointment. The Board recommends his re-appointment as Director liable to retire by rotation at the ensuing Annual General Meeting.

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.

Changes in Board of Director:

Name	DIN	Designation	Date of Appointment	Date of Cessation
Apoorva Shah	00573184	Managing Director	13-11-2018	–
Alpa Shah	00573190	Whole Time Director	14-02-2019	–
*Hemant Topiwala	00355690	Independent Director	07-10-2015	12-07-2019
*Rajiv Bhatt	02320813	Independent Director	30-08-2008	12-07-2019
Monika Singhania	07950196	Independent Director	30-09-2017	–
**Manish Vyas	08502223	Additional Director	12-07-2019	–
**Neha Kariwala	08502169	Additional Director	12-07-2019	–

Note:

*Mr. Hemant Topiwala has resigned as an Independent Director of the company with effect from 12-07-2019

*Mr. Rajiv Bhatt has resigned as an Independent Director of the company with effect from 12-07-2019.

**Mr. Manish Vyas was appointed as an Additional Director of the company with effect from 12-07-2019.

**Ms. Neha Kariwala was appointed as an Additional Director of the company with effect from 12-07-2019.

Pursuant to provisions of Section 203 of the Act, and the Rules made there under, 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. Ms. Krina Mehta	Company Secretary & Compliance Officer
4. Mr. Awadeshkumar Kannaujia	Chief Financial Officer

10. 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.

11. 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.

12. 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>

13. 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 31st March, 2019, 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, 2019 and of the profit of the Company for the year 1st April, 2018 to 31st March, 2019;
- 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.

14. 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.

15. Subsidiary Companies:

The Company does not have any Subsidiary Company.

16. Statutory Auditors:

The Board of Directors of the company has appointed M/s. JMK & Co., Chartered Accountants (Firm Registration No. 120459W) as Statutory Auditor subject to approval of Shareholders in the forthcoming Annual General Meeting, to fill the casual vacancy caused by Resignation of M/s. GMJ & Co., Chartered Accountant due to the reason of Audit Fees being not commensurate with their time & efforts involved in carrying out Statutory Audit of our Company, which has been relocated from Santacruz, Mumbai to Turbhe, Navi Mumbai.

17. AUDITORS OBSERVATIONS:

The Auditors Report for the Financial Year 2018-2019 does not contain any qualification, reservation or adverse remark. The Auditors Report is enclosed with the Financial Statements in this Annual Report.

The Secretarial Audit Report for the Financial Year 2018-2019 does not contain any qualification, reservation or adverse remark. The Secretarial Audit Report is enclosed as Annexure II to the Board's Report in this Annual Report.

18. 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.

19. Secretarial Auditors:

As required under Section 204 of the companies Act, 2013 and Rules there under, 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 2019-20.

20. Annual Return

The extracts of Annual Return pursuant to the provisions of Section 92 read with Rule 12 of the Companies (Management & Administration) Rules, 2014 is furnished in Annexure 4 and is attached to this report.

21. 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, 2019 for ensuring the orderly and efficient conduct of its business, 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.

22. 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

23. 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.

24. Share Capital

The paid – up Equity Share Capital as on 31st March, 2019 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.

25. 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.

26. 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.

27. 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 2018-19:

Name of the directors	Ratio to Median Remuneration
Executive Directors	
Mr. Apoorva Shah	18.34
Mrs. Alpa Shah	18.34
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 2018-19:

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
Mr. Awadheshkumar Kanaujia	NIL

- c. The percentage increase in the median remuneration of employees in the financial year: 33.40%
- d. The number of permanent employees on the rolls of Company: 27
- 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.

28. Company's policy relating to Director's appointment, Payment of remuneration and discharge of their duties.

The company's policy relating to appointment of Directors, Payment of Managerial Remuneration, Directors Qualification and other related matter as provided under section 178(3) of the Companies Act, 2013 is available on website of the company.

We affirm that the remuneration paid to the Directors is as per the term laid out in the Nomination & Remuneration Policy of the company.

29. Loans, Guarantees or Investments:

There were no Loans, Guarantees and Investments made by company under Section 186 of the Companies Act, 2013 during the year under review and hence said provision is not applicable.

30. 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.

31. Corporate Social Responsibility:

The company has not developed and implemented any Corporate Social Responsibility initiatives as the said Provision of Section 135 of the Companies Act, 2013 is not applicable to the company.

32. 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-NHC-Foods-Limited.pdf>

33. 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.

34. 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.

35. 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->. 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 there under. 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.

36. 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.

37. 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.

38. 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 2019-2020 has been paid by the Company to National Securities Depositories Limited and Central Depository Services Limited.

39. 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

40. 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**

NHC FOODS LIMITED

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

**Place: Mumbai
Date: 01-08-2019**

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 2018-2019. 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: 01-08-2019**

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, 2019

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

We 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 us a reasonable basis for evaluating the corporate conducts / statutory compliances and expressing our opinion thereon.

Based on our 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, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended March 31, 2019, complied with the statutory provisions listed here under 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:

We 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, 2019 according to the provisions of:

- 1 The Companies Act, 2013 (the Act) and the rules made there under;
- 2 The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made there under;

- 3 The Depositories Act, 1996 and the Regulations and bye-laws framed there under;
- 4 The provisions of Foreign Exchange Management Act, 1999 and the rules and regulations made there under 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;

We 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.

We 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. No changes in the composition of the Board of Directors took place during the period under review.
- (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.

We further report that during the audit period, there was no specific action was taken by the Company having a major bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines:

**For DM & Associates Company Secretaries LLP
Company Secretaries
ICSI Unique Code L2017MH003500**

**DINESH KUMAR DEORA
PRACTISING COMPANY SECRETARY**

**FCSNO 5683
COP NO 4119**

**Place: Mumbai
Date: 6th May, 2019**

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.

Annexure - I

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. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We 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. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of accounts of the Company.
4. Where ever required, we 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. Our 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.

For DM & Associates Company Secretaries LLP
Company Secretaries
ICSI Unique Code L2017MH003500

DINESH KUMAR DEORA
PRACTISING COMPANY SECRETARY

FCSNO 5683
COP NO 4119

Place: Mumbai
Date: 6th May, 2019

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

	2018-19	2017-18
(A) Power & Fuel Consumption		
1. Electricity		
(a) Purchased Units (kwh)	62037	66741
Total Amount (Rs.)	7,56,531	7,96,342
Rate/Unit (Rs./kwh)	12.19	11.93
(b) Own Generation		
(i) Through Diesel Generator		
(ii) Through Steam Turbine / Generators		
Units	19	30
Units/Ltr. of Diesel	57	90
Cost/Unit	216	210
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 manufacturers several items, it is impracticable to apportion the utilities	
Electricity		
Furnace Oil		
Coal		

C. Expenditure in Foreign Currency

Particulars	2018-19	2017-18
Commission	14,66,934	32,86,816
Travelling Expenses	2,43,189	3,68,422
Exhibition Expenses	–	5,86,980

Earnings in Foreign Currency (on accrual basis)

Particulars	2018-19	2017-18
Bulk Agricultural Products	50,84,27,376	59,69,85,184

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, 2019
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	14-08-1992
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.: 022 48815100 Fax No.: 022 48815101 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
–	–	–	–	–	–

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 - 2018				No. of shares held at the end of the year - 2019				% 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	4834976	0	4834976	40.7843	0.2404
(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	4834976	0	4834976	40.7843	0.2404
[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	4834976	0	4834976	40.7843	0.2404
(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	35	0	35	0.0003	-0.0074
(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	35	0	35	0.0003	-0.0074

[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.	3366028	204910	3570938	30.1218	3237152	201095	3438247	29.0025	1.1193
(ii) Individual shareholders holding nominal share capital in excess of Rs. 1 lakh	2316169	0	2316169	19.5375	2507179	0	2507179	21.1487	1.6112
(b) NBFCs registered with RBI	0	0	0	0.0000	4000	0	4000	0.0337	0.0337
(c) Employee Trusts	0	0	0	0.0000	0	0	0	0.0000	0.0000
(d) Overseas Depositories (holding DRs) (balancing figure)									
(e) Any Other (Specify)									
Hindu Undivided Family	330630	0	330630	2.7889	368038	0	368038	3.1045	0.3156
Non Resident Indians (Non Repat)	31779	35756	67535	0.5697	29729	35756	65485	0.5524	0.0173
Non Resident Indians (Repat)	322331	0	322331	2.7189	344721	0	344721	2.9078	0.1889
Clearing Member	117636	0	117636	0.9923	37990	0	37990	0.3205	-0.6718
Bodies Corporate	316390	5985	322375	2.7193	248344	5985	254329	2.1453	-0.5740
Sub Total (B)(3)	6800963	246651	7047614	59.4485	6777153	242836	7019989	59.2154	-0.2331
Total Public Shareholding (B)=(B)(1)+(B)(2)+(B)(3)	6801873	246651	7048524	59.4561	6777188	242836	7020024	59.2157	-0.2404
Total (A)+(B)	11608349	246651	11855000	100.0000	11612164	242836	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)	11608349	246651	11855000	100.0000	11612164	242836	11855000	100.0000	0.0000

ii) Shareholding of Promoters

Sr. No.	Shareholder's Name	Shareholding at the beginning of the year - 2018			Shareholding at the end of the year - 2019			% 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	3832816	32.3308	0.0000	0.2404
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	4834976	40.7843	0.0000	0.2404

(iii) Change in Promoters shareholding

Sr. No.		Shareholding at the beginning of the year - 2018		Transaction during the year		Cumulative Shareholding during the year - 2019	
		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	Apoorva Shah	3804316	32.0904			3804316	32.0904
	Market Purchase			14 Dec 2018	1500	3805816	32.103
	Market Purchase			01 Feb 2019	1025	3806841	32.1117
	Market Purchase			08 Feb 2019	6075	3812916	32.1629
	Market Purchase			22 Mar 2019	8812	3821728	32.2373
	Market Purchase			29 Mar 2019	11088	3832816	32.3308
	At the end of the year					3832816	32.3308
2	Alpa Shah	1001435	8.4474			1001435	8.4474
	At the end of the year					1001435	8.4474
3	Apar Apoorva Shah	625	0.0053			625	0.0053
	At the end of the year					625	0.0053
4	Aneri Apoorva Shah	100	0.0008			100	0.0008
	At the end of the year					100	0.0008

- Note: 1. Paid up Share Capital of the Company (Face Value Rs. 10.00) at the end of the year is 11855000 Shares.
2. The details of holding has been clubbed based on PAN.
3. % of total Shares of the Company is based on the paid up Capital of the Company at the end of the Year.

SR NO	SHAREHOLDER NAME	DPID/Folio	PAN	SHARES	BENPOS DATE
1	ALPA SHAH	IN30154938879340	AANPS8062K	1001435	31/03/2018
2	ALPA SHAH	IN30154938879340	AANPS8062K	1001435	31/03/2019
3	APOORVA HIMATLAL SHAH	1207100000128250	AAVPS7943P	27000	31/03/2019
4	APOORVA SHAH	IN30154938870115	AAVPS7943P	3804316	31/03/2018
5	APOORVA SHAH	IN30154938870115	AAVPS7943P	3805816	31/03/2019
6	APAR APOORVA SHAH	IN30154938870406	BSCPS6424H	625	31/03/2018
7	APAR APOORVA SHAH	IN30154938870406	BSCPS6424H	625	31/03/2019
8	ANERI APOORVA SHAH	IN30154938877731	BSCPS6974C	100	31/03/2018
9	ANERI APOORVA SHAH	IN30154938877731	BSCPS6974C	100	31/03/2019

(iv) Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs):

Sr. No.	Name & type of Transaction	Shareholding at the beginning of the year - 2018		Transaction during the year		Cumulative Shareholding during the year - 2019	
		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	Rajesh Jhaveri	101061	0.8525			101061	0.8525
	Market Purchase			06 Apr 2018	1614	102675	0.8661
	Market Purchase			13 Apr 2018	70465	173140	1.4605
	Market Sell			20 Apr 2018	-93255	79885	0.6739
	Market Purchase			27 Apr 2018	19785	99670	0.8407
	Market Sell			04 May 2018	-6555	93115	0.7854
	Market Purchase			11 May 2018	15343	108458	0.9149
	Market Purchase			25 May 2018	92847	201305	1.6981
	Market Purchase			01 Jun 2018	3655	204960	1.7289
	Market Purchase			08 Jun 2018	20080	225040	1.8983
	Market Purchase			15 Jun 2018	1523	226563	1.9111
	Market Sell			22 Jun 2018	-6063	220500	1.86
	Market Purchase			30 Jun 2018	3400	223900	1.8887
	Market Purchase			06 Jul 2018	6150	230050	1.9405
	Market Sell			13 Jul 2018	-3500	226550	1.911
	Market Purchase			20 Jul 2018	8550	235100	1.9831
	Market Purchase			27 Jul 2018	5450	240550	2.0291
	Market Purchase			03 Aug 2018	1133	241683	2.0387
	Market Sell			10 Aug 2018	-1783	239900	2.0236
	Market Sell			17 Aug 2018	-500	239400	2.0194
	Market Purchase			24 Aug 2018	3700	243100	2.0506
	Market Purchase			31 Aug 2018	1900	245000	2.0666

	Market Purchase			07 Sep 2018	2750	247750	2.0898
	Market Purchase			14 Sep 2018	50	247800	2.0903
	Market Purchase			29 Sep 2018	200	248000	2.0919
	Market Purchase			05 Oct 2018	1130	249130	2.1015
	Market Purchase			12 Oct 2018	670	249800	2.1071
	Market Sell			19 Oct 2018	-800	249000	2.1004
	Market Purchase			02 Nov 2018	200	249200	2.1021
	Market Purchase			09 Nov 2018	10	249210	2.1022
	Market Sell			16 Nov 2018	-485	248725	2.0981
	Market Sell			23 Nov 2018	-3375	245350	2.0696
	Market Sell			30 Nov 2018	-10	245340	2.0695
	Market Purchase			07 Dec 2018	660	246000	2.0751
	Market Purchase			21 Dec 2018	2000	248000	2.0919
	Market Purchase			28 Dec 2018	2000	250000	2.1088
	Market Purchase			11 Jan 2019	500	250500	2.113
	Market Sell			18 Jan 2019	-500	250000	2.1088
	Market Sell			25 Jan 2019	-850	249150	2.1016
	Market Sell			01 Feb 2019	-1150	248000	2.0919
	Market Sell			08 Feb 2019	-500	247500	2.0877
	Market Purchase			15 Feb 2019	2300	249800	2.1071
	Market Purchase			22 Feb 2019	1200	251000	2.1173
	Market Purchase			01 Mar 2019	6502	257502	2.1721
	Market Sell			08 Mar 2019	-2	257500	2.1721
	Market Purchase			29 Mar 2019	200	257700	2.1738
	At the end of the year					257700	2.1738
2	Ashvinkumar M Selarka	235000	1.9823			235000	1.9823
	At the end of the year					235000	1.9823
3	Ashok Kumar Jain	0	0			0	0
	Market Purchase			20 Apr 2018	152637	152637	1.2875
	Market Purchase			27 Apr 2018	27900	180537	1.5229
	Market Sell			22 Mar 2019	-19919	160618	1.3549
	At the end of the year					160618	1.3549
4	Dheeraj Kumar Lohia	113140	0.9544			113140	0.9544
	Market Purchase			29 Mar 2019	32258	145398	1.2265
	At the end of the year					145398	1.2265
5	K V S Hari Kumar	130000	1.0966			130000	1.0966
	Market Purchase			25 May 2018	15000	145000	1.2231
	At the end of the year					145000	1.2231
6	Dipakkumar Amrutlal Dharani	115145	0.9713			115145	0.9713
	Market Purchase			07 Sep 2018	8500	123645	1.043
	Market Purchase			14 Sep 2018	5000	128645	1.0852
	At the end of the year					128645	1.0852

7	Prathan Pinakinbhai Chokshi	109655	0.925			109655	0.925
	At the end of the year					109655	0.925
8	Alka Nipam Chokshi	69589	0.587			69589	0.587
	Market Sell			13 Apr 2018	-589	69000	0.582
	At the end of the year				69000	0.582	
9	Asmah Shares And Stock Brokers Pvt Ltd	67745	0.5714			67745	0.5714
	At the end of the year					67745	0.5714
10	Harsha Rajesh Jhaveri	180000	1.5183			180000	1.5183
	Market Sell			06 Apr 2018	-2000	178000	1.5015
	Market Purchase			13 Apr 2018	30000	208000	1.7545
	Market Sell			20 Apr 2018	-43000	165000	1.3918
	Market Sell			27 Apr 2018	-96000	69000	0.582
	Market Sell			18 May 2018	-69000	0	0
	Market Purchase			08 Mar 2019	7700	7700	0.065
	Market Sell			22 Mar 2019	-7700	0	0
	At the end of the year					0	0
11	Narendrakaur H Sarna	68970	0.5818			68970	0.5818
	Market Sell			06 Apr 2018	-59970	9000	0.0759
	Market Sell			29 Mar 2019	-9000	0	0
	At the end of the year					0	0
12	Jagruiti Shaunak Shah	58200	0.4909			58200	0.4909
	At the end of the year					58200	0.4909
13	Vijyaben Pravinchandra Vyas	51435	0.4339			51435	0.4339
	Market Purchase			06 Jul 2018	2000	53435	0.4507
	Market Purchase			18 Oct 2018	1000	54435	0.4592
	At the end of the year					54475	0.4595
14	Ganesh Prasad Jaiswal	47501	0.4007			47501	0.4007
	Market Purchase			08 Feb 2019	100	47601	0.4015
	Market Purchase			08 Mar 2019	1000	48601	0.4100
	Market Purchase			22 Mar 2019	1400	50001	0.4218
	Market Purchase			29 Mar 2019	199	50200	0.4235
	At the end of the year					50200	0.4235

- Note: 1. Paid up Share Capital of the Company (Face Value Rs. 10.00) at the end of the year is 11855000 Shares.
2. The details of holding has been clubbed based on PAN.
3. % of total Shares of the Company is based on the paid up Capital of the Company at the end of the Year.

SR NO	SHAREHOLDER NAME	DPID/Folio	PAN	SHARES	BENPOS DATE
1	ASMAH SHARES AND STOCK BROKERS PVT LTD	IN30147710063264	AAFCA9363A	67745	31/03/2018
2	ASMAH SHARES AND STOCK BROKERS PVT LTD	IN30147710063264	AAFCA9363A	67745	31/03/2019
3	RAJESH JHAVERI	IN30246110000026	AAPPJ6927N	101061	31/03/2018
4	RAJESH JHAVERI	IN30246110000026	AAPPJ6927N	257700	31/03/2019
5	ASHOK KUMAR JAIN	IN30611421063390	ACPPJ9566K	160618	31/03/2019
6	HARSHA RAJESH JHAVERI	IN30246110156206	ADTPJ0160E	180000	31/03/2018
7	NARENDRAKAUR H SARN	1201090008105440	ADYPB0163G	68970	31/03/2018
8	PRATHAN PINAKINBHAI CHOKSHI	IN30051311738080	AFFPC2537Q	109655	31/03/2018
9	PRATHAN PINAKINBHAI CHOKSHI	IN30051311738080	AFFPC2537Q	109655	31/03/2019
10	K V S HARI KUMAR	IN30047642083238	AGBPK6458M	130000	31/03/2018
11	K V S HARI KUMAR	IN30047642083238	AGBPK6458M	145000	31/03/2019
12	ALKA NIPAM CHOKSHI	IN30148510166617	AGXPC7033J	69589	31/03/2018
13	ALKA NIPAM CHOKSHI	IN30148510166617	AGXPC7033J	69000	31/03/2019
14	DHEERAJ KUMAR LOHIA	1201880000001150	AHCPK2417L	113140	31/03/2018
15	DHEERAJ KUMAR LOHIA	1201880000001150	AHCPK2417L	145398	31/03/2019
16	DIPAKKUMAR AMRUTLAL DHARANI	1205620000017340	AIMPS2565E	115145	31/03/2018
17	DIPAKKUMAR AMRUTLAL DHARANI	1205620000017340	AIMPS2565E	128645	31/03/2019
18	ASHVINKUMAR M SELARKA	1207100000056880	BLPPS9703R	235000	31/03/2018
19	ASHVINKUMAR M SELARKA	1207100000056880	BLPPS9703R	235000	31/03/2019

(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	14-12-2018	Increase		3805816	32.103
				01-02-2019	Increase		3806841	32.11
				08-02-2019	Increase		3812916	32.16
				22-03-2019	Increase		3821729	32.23
				29-03-2019	Increase		3832816	32.33
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	Nil	Nil	Nil	Nil		Nil	Nil
6	Mr. Awdheshkumar Kannuajja	Nil	Nil	Nil	Nil		Nil	Nil
7	Miss. Krina Mehta	Nil	Nil	Nil	Nil		Nil	Nil

*Mr. Hemant Topiwala resigned as an Independent director w.e.f. 12-07-2019

*Mr. Rajiv Bhatt resigned as an Independent director w.e.f. 12-07-2019

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	8,54,30,289	10,18,38,140		18,72,68,429
i. Principal Amount as on 31.03.2018	–	–		–
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
Change in Indebtness during the financial year				
Addition	49,29,95,212	8,27,94,632		57,57,89,844
Reduction	50,00,24,808	14,04,86,180		64,05,10,988
Less : Exchange Difference	(24,18,944)	–		(24,18,944)
Net Change	(46,10,652)	(5,76,91,548)		(6,23,02,200)
Indebtness at the end of the financial year				
i. Principal Amount as on 31.03.2019	8,08,19,637	4,41,46,592		12,49,66,229
ii. Interest due but not paid	–	–		–
iii. Interest Accrued but not due as on 31.03.2019	4,254	1,41,282		1,45,536
Total (i+ii+iii)	8,08,23,891	4,42,87,874		12,51,11,765

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	60,077	39,600	99,677
	(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)	43,70,254	43,49,777	87,200,31
	Ceiling as per the Act	10% of Net 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)
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 Kannaujia	Ms. Krina Mehta
1	Gross Salary		
	(a) Salary as per provisions contained in Section 17(1) of the Income Tax Act, 1961	10,37,372	2,35,022
	(b) Value of perquisites u/s 17(2) of the Income Tax Act, 1961	Nil	Nil
	(c) Profit in lieu of salary under Section 17(3) of the Income Tax Act	Nil	Nil
2	Stock Option	Nil	Nil
3	Sweat Equity	Nil	Nil
4	Commission	Nil	Nil
	As % of Profit	Nil	Nil
	Others	Nil	Nil
5	Others, Please Specify	Nil	Nil
	Total	10,37,372	2,35,022

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

*Mr. Hemant Topiwala resigned as an Independent director w.e.f. 12-07-2019

*Mr. Rajiv Bhatt resigned as an Independent director w.e.f. 12-07-2019

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, 2019 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.

Obeying 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 company has a very balanced and diversified Board of Directors, which primarily takes care of the business needs and Stakeholders' interest. The Board of Directors of the Company comprises of Two Executive Directors and Three Non – Executive Independent Directors. 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. All directors have made necessary disclosures regarding committee positions and Directorships held by them in other companies.

The Composition of Board of Directors is as follows:

Sr. No.	Name of the Director	DIN	Category	Date of Appointment	Date of Cessation
1.	Mr. Apoorva Shah	00573184	Executive Chairman & Managing Director	13-11-2018	–
2.	Mrs. Alpa Shah	00573190	Whole-Time Director	14-02-2019	–
3.	*Mr. Rajiv Bhatt	02320813	Independent Director	30-08-2008	12-07-2019
4.	*Mr. Hemant Topiwala	00355690	Independent Director	07-10-2015	12-07-2019
5.	Mrs. Monika Singhania	07950196	Independent Director	30-09-2017	–
6.	**Mr. Manish Vyas	08502223	Additional Director	12-07-2019	–
7.	**Ms. Neha Kariwala	08502169	Additional Director	12-07-2019	–

* Mr. Hemant Topiwala resigned as an Independent Director with effect from 12-07-2019.

* Mr. Rajiv Bhatt resigned as an Independent Director with effect from 12-07-2019.

** Mr. Manish Vyas has been appointed as an Additional Director with effect from 12-07-2019.

** Ms. Neha Kariwala has been appointed as an Additional Director with effect from 12-07-2019.

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 2018-19		Whether attended last AGM held on 27th Sept., 2018	Number of Directorship in other listed Companies	Number of Committee Positions held in other Public Companies*	
	Held	Attended			Chairman	Member
Apoorva Shah	11	11	Yes	–	–	–
Alpa Shah	11	11	Yes	–	–	–
*Hemant Topiwala	11	11	Yes	2	–	–
Monika Singhania	11	11	Yes	–	–	–
*Rajiv Bhatt	11	11	Yes	1	–	–
**Manish Vyas	–	–	–	–	–	–
**Neha Kariwala	–	–	–	–	–	–

* Mr. Hemant Topiwala resigned as an Independent Director with effect from 12-07-2019

* Mr. Rajiv Bhatt resigned as an Independent Director with effect from 12-07-2019

** Mr. Manish Vyas has been appointed as Additional Director with effect from 12-07-2019

** Ms. Neha Kariwala has been appointed as Additional Director with effect from 12-07-2019

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.

11 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:

29-05-2018	29-06-2018	10-07-2018	16-07-2018	26-07-2018
13-08-2019	25-08-2018	13-11-2018	21-12-2018	13-02-2019
07-03-2019				

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, 2019 are given below:

Name of the Directors	No. of Shares held (As on March 31, 2019)
Mr. Apoorva Shah	3832816
Mrs. Alpa Shah	1001435
*Mr. Hemant Topiwala	1,820
Mrs. Monika Singhania	Nil
*Mr. Rajiv Bhatt	Nil
Total	4836071

* Mr. Hemant Topiwala resigned as an Independent Director with effect from 12-07-2019.

* Mr. Rajiv Bhatt resigned as an Independent Director with effect from 12-07-2019.

The Company has not issued any convertible instruments.

FAMILIARIZATION PROGRAMME FOR INDEPENDENT DIRECTORS

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>

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 20th March, 2019 to review the performance of Non-Independent Directors (including the Chairman) and the Board as whole.

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

- (a) Review of performance of Non-Independent Directors and the Board as a whole;
- (b) Review of performance of the Chairman of the Company, taking into account the views of Executive Directors and Non-Executive Directors.
- (c) 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.

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 preclearance 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.

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 being 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 or 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 mechanism 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 Attendance at Meetings

The Chairman of the Audit Committee attended the last Annual General Meeting of the company. The Audit Committee met four times during financial year 2018-2019 on 29th May, 2018, 13th August, 2018, 13th November, 2018, 13th February, 2019 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	Category	No. of Meeting attended
Mrs. Monika Singhania	Chairman	Independent Director	4
Mr. Apoorva Shah	Member	Managing Director	4
*Mr. Hemant Topiwala	Member	Independent Director	4
*Mr. Rajiv Bhatt	Chairman	Independent Director	4
**Mr. Manish Vyas	Member	Additional Director	–
**Ms. Neha Kariwala	Member	Additional Director	–

(c) Meetings and attendance during the year:

Sr. No.	Name of the Director	29-05-2018	13-08-2018	13-11-2018	13-02-2019
1.	*Mr. Hemant Topiwala	Yes	Yes	Yes	Yes
2.	Mrs. Monika Singhania	Yes	Yes	Yes	Yes
3.	Mr. Apoorva Shah	Yes	Yes	Yes	Yes
4.	*Mr. Rajiv Bhatt	Yes	Yes	Yes	Yes
5.	**Manish Vyas	–	–	–	–
6.	**Ms. Neha Kariwala	–	–	–	–

* Mr. Hemant Topiwala resigned as an Independent Director with effect from 12-07-2019

* Mr. Rajiv Bhatt resigned as an Independent Director with effect from 12-07-2019

** Mr. Manish Vyas has been appointed as Additional Director with effect from 12-07-2019

** Ms. Neha Kariwala has been appointed as Additional Director with effect from 12-07-2019

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 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 ATTENDANCE AT 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 Annual General Meeting. The Committee met Two times during Financial Year 2018-2019 on 10th July, 2018, 26th July, 2018. The composition of and attendance at Committee meetings is as follows:

Name	Designation	Category	No. of Meeting attended
*Mr. Hemant Topiwala	Member	Independent Director	2
Mrs. Monika Singhania	Chairman	Independent Director	2
Mr. Apoorva Shah	Member	Managing Director	2
*Mr. Rajiv Bhatt	Chairman	Independent Director	2
**Mr. Manish Vyas	Member	Additional Director	–
**Ms. Neha Kariwala	Member	Additional Director	–

Sr. No.	Name of the Director	10-07-2018	26-07-2018
1.	*Mr. Hemant Topiwala	Yes	Yes
2.	Mrs. Monika Singhania	Yes	Yes
3.	Mr. Apoorva Shah	Yes	Yes
4.	*Mr. Rajiv Bhatt	Yes	Yes
5.	**Mr. Manish Vyas	Yes	Yes
6.	**Ms. Neha Kariwala	Yes	Yes

* Mr. Hemant Topiwala resigned as an Independent Director with effect from 12-07-2019

* Mr. Rajiv Bhatt resigned as an Independent Director with effect from 12-07-2019

** Mr. Manish Vyas has been appointed as Additional Director with effect from 12-07-2019

** Ms. Neha Kariwala has been appointed as Additional Director with effect from 12-07-2019

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 terms of reference of Stakeholder Relationship Committee includes:

1. To approve Transfer / Transmission / Dematerialization of Shares of Company.
2. To approve issue of Duplicate / Consolidated / Split Share Certificate.
3. To do all necessary acts, deeds and things as may be required including authorizing any person to endorse Share Certificate, affixing Common Seal of the company on Share Certificate a per Article of Association of company, etc.

The Stakeholders' Relationship Committee oversees redressal of stakeholders' grievances. The Committee met Three times during Financial Year 2018 - 2019 on 13th November, 2018, 13th February, 2019 and 22nd March, 2019. 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	Category	No. of Meeting attended
*Mr. Hemant Topiwala	Member	Independent Director	3
Mrs. Monika Singhania	Chairman	Independent Director	3
Mrs. Alpa Shah	Member	Managing Director	3
*Mr. Rajiv Bhatt	Chairman	Independent Director	3
**Mr. Manish Vyas	Member	Additional Director	–
**Ms. Neha Kariwala	Member	Additional Director	–

Sr. No.	Name of the Director	13-11-2018	13-02-2019	22-03-2019
1.	*Mr. Hemant Topiwala	Yes	Yes	Yes
2.	Mrs. Monika Singhania	Yes	Yes	Yes
3.	Mrs. Alpa Shah	Yes	Yes	Yes
4.	*Mr. Rajiv Bhatt	Yes	Yes	Yes
5.	**Mr. Manish Vyas	–	–	–
6.	**Ms. Neha Kariwala	–	–	–

- * Mr. Hemant Topiwala resigned as an Independent Director with effect from 12-07-2019
- * Mr. Rajiv Bhatt resigned as an Independent Director with effect from 12-07-2019
- ** Mr. Manish Vyas has been appointed as Additional Director with effect from 12-07-2019
- ** Ms. Neha Kariwala has been appointed as Additional Director with effect from 12-07-2019

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 Nomination and Remuneration Committee 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 / Whole-time Director will be determined by the Nomination and Remuneration Committee 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:

	Apoorva Shah	Alpa Shah
Salary	43,10,177	43,10,177
Benefits, Perquisites & Allowances	60,077	39,600
Commission	–	–
ESPS	–	–

GENERAL BODY MEETINGS:

Year	Location	Day, Date & Time
2017-18	Survey No. 777, Umarsadi Desaiwad Road, Village Umarsadi, Taluka Pardi, District Valsad, Gujarat: 396175	Thursday, 27th September, 2018 10.00 AM
2016-17	Survey No. 777, Umarsadi Desaiwad Road, Village Umarsadi, Taluka Pardi, District Valsad, Gujarat: 396175	Saturday, 30th September, 2017 9.00 AM
2015-16	Survey No. 777, Umarsadi Desaiwad Road, Village Umarsadi, Taluka Pardi, District Valsad, Gujarat: 396175	Friday, 30th September, 2016 10.00 AM

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.

SPECIAL RESOLUTIONS PASSED IN THE LAST THREE ANNUAL GENERAL MEETINGS:

Date of Annual General Meeting	Details of Special Resolutions Passed, if any
27 th September, 2018	1) Re-appointment of Mr. Apoorva Shah, Chairman & Managing Director for a period of Three years with effect from 13 th November, 2018 to 12 th November, 2021.
	2) Re-appointment of Mrs. Alpa Shah, Whole Time Director for a period of Three years with effect from 14 th February, 2019 to 13 th February, 2022.
	3) Approval for the Sale of Undertaking of the company situated at Survey No. 777, Umarsadi Desaiwad Road, at Village Umarsadi, Taluka Pardi, District Valsad, Gujarat – 396175.
	4) Approval for Sale of Undertaking of the company situated at NHC House, 2/13, Anand Nagar, Santacruz East, Mumbai – 400055.
30 th September, 2017	–
30 th September, 2016	–

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:

Ms. Krina Mehta, Company Secretary of the Company acts as a Compliance officer 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.

SKILL MATRIX OF THE BOARD OF DIRECTORS:

Pursuant to SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended), the Skill Matrix of the Board of Directors of your Company is given below:

List of Core Skills / expertise identified by Board of Directors	Company Directors				
	Mr. Apoorva Shah	Mr. Manish Vyas	Mrs. Alpa Shah	Mrs. Monika Singhania	Ms. Neha Kariwala
Business Strategy	Yes	Yes	Yes	–	–
General Management	Yes	–	Yes	Yes	Yes
Accounting /Auditing	Yes	Yes	–	Yes	–
Legal/Secretarial/Compliance	Yes	–	–	Yes	Yes
Marketing	Yes	Yes	Yes	Yes	Yes

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 Gujarati in Ahmadabad 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 corporate. 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) DATE, TIME AND VENUE: ANNUAL GENERAL MEETING

Day	: Monday
Date	: 30th September, 2019
Time	: 10.00 AM
Venue	: Survey No. 777, Umarsadi Desaiwad Road, at Village Umarsadi, Taluka Pardi, District Valsad, Gujarat : 396175
Book Closure	: 24th September, 2019 to 30th September, 2019

(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, 2019	Within 45 days from the end of the quarter
Quarter ending 30 September, 2019	Within 45 days from the end of the quarter
Quarter ending 31 December, 2019	Within 45 days from the end of the quarter
Year ending 31 March, 2020	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 2018-19 have been paid by the Company within the stipulated time.

(d) STOCK CODE:

Stock Exchange	Scrip Code	ISIN
BSE Ltd.	517554	INE141C01028

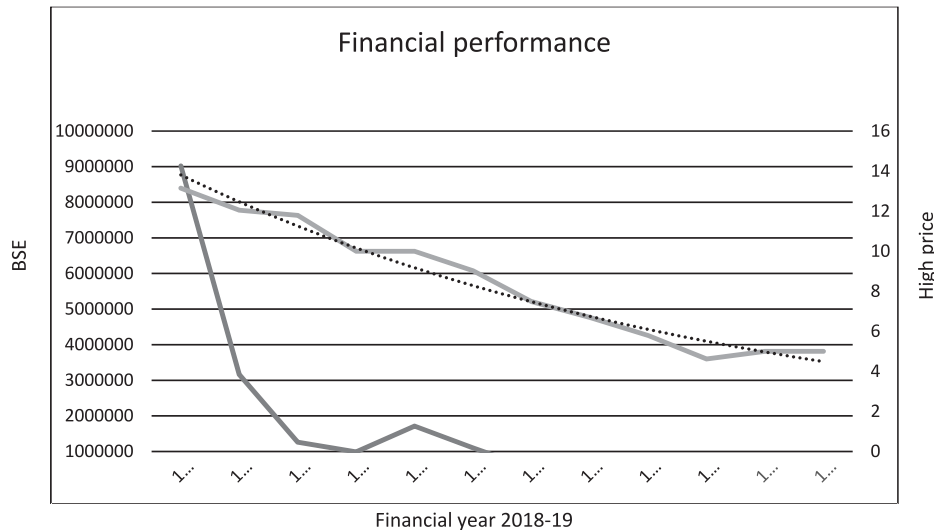
(e) MARKET PRICE DATA - HIGH, LOW DURING EACH MONTH IN LAST FINANCIAL YEAR:

Month	BSE Ltd.		
	High	Low	Volume (No. of Shares)
April 2018	14.90	11.75	699728
May 2018	12.90	8.86	288527
June 2018	12.25	9.08	120362
July 2018	12.89	9.05	98817
August 2018	11.50	8.03	176243
September 2018	9.74	5.33	137703
October 2018	7.95	4.36	91528
November 2018	6.75	5.61	20525
December 2018	5.87	4.45	64388
January 2019	5.54	4.37	46992
February 2019	5.39	4.42	23252
March 2019	5.50	4.61	121332

(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) REGISTRAR TO AN ISSUE AND SHARE TRANSFER AGENTS:

LINK INTIME INDIA PVT.LTD.

C 101, 247 Park, L.B.S. Marg, Vikhroli (West), Mumbai – 400083

Email: rnt.helpdesk@linkintime.co.in

Website: www.linkintime.co.in

(i) SHARE TRANSFER SYSTEM:

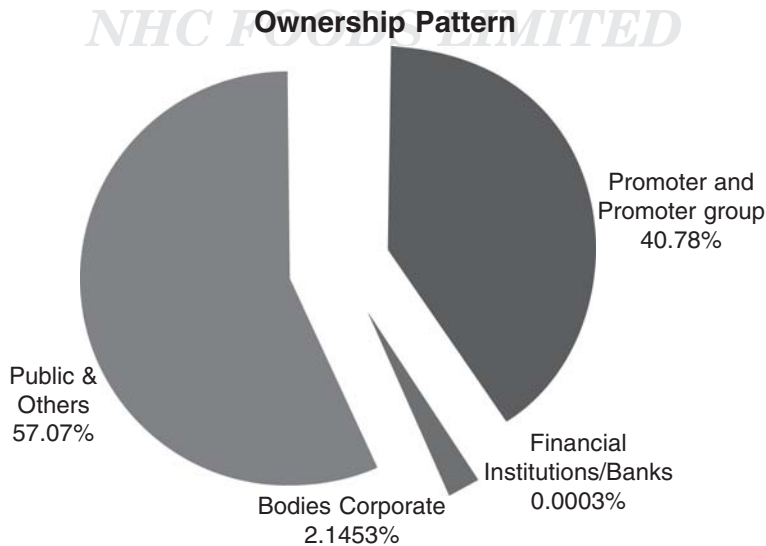
Shares held in physical form are processed by Registrar and Share Transfer Agents in the prescribed manner and if the documents are complete in all respects, are transferred within the time frame under the applicable provision of the law.

(j) DISTRIBUTION OF SHAREHOLDING AS ON 31ST MARCH, 2019:

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	6984	80.9927	849520	8495200	7.1659
5,001 – 10,000	735	8.5237	629157	6291570	5.3071
10,001 – 20,000	411	4.7663	676926	6769260	5.7100
20,001 – 30,000	148	1.7163	385235	3852350	3.2496
30,001 – 40,000	79	0.9162	290600	2906000	2.4513
40,001 – 50,000	71	0.8234	335713	3357130	2.8318
50,001 – 1,00,000	99	1.1481	743969	7439690	6.2756
1,00,001 & above	96	1.1133	7943880	79438800	67.0087
Grand Total	8623	100.0000	11855000	118550000	100.0000

OWNERSHIP PATTERN AS ON 31ST MARCH, 2019

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	48,34,976	40.7843
2.	Foreign	–	–	–
	Total Shareholding of Promoter & Promoter group	4	48,34,976	40.7843
(B)	Public Shareholding			
1.	Institutions			
	Financial Institutions / Banks	1	35	0.0003
2.	Bodies Corporate	57	254329	2.1453
3.	Public and others	8471	6765660	57.0700
	Total Public Shareholding	8529	7020024	59.2157
(C)	Shares held by Custodian and against which Depository Receipts have been issued			
1.	Promoter and Promoter Group	–	–	–
	Public	–	–	–
	Total (A) + (B) + (C)	8533	1,18,55000	100



List of Shareholders other than Promoters holding more than 1% as on 31st March, 2019

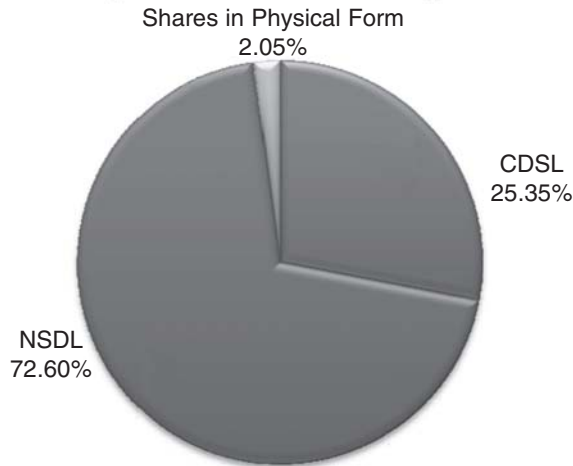
Sr. No.	Name of Shareholder	No. of Shares held	% of Total Holding
1.	Ashvinkumar M Selarka	235000	1.98
2.	Rajesh Jhaveri	257700	2.17
3.	K V S Hari Kumar	145000	1.22
4.	Dipakkumar Dharani	128645	1.08
5.	Dheeraj Kumar Lohia	145398	1.22
6.	Ashok Kumar Jain	160618	1.35

(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, 2019, **11612164 Equity Shares** out of 1,18,55,000 Equity Shares of the Company, forming **97.95%** 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, 2019		As on 31st March, 2018	
	Number of Shares	Percentage	Number of Shares	Percentage
Shares in Demat Form				
CDSL	3005034	25.35	30,65,254	25.86
NSDL	8607130	72.60	85,43,095	72.06
Shares in Physical Form	242836	2.05	2,46,651	2.08
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

There are no GDRs/ADRs/Warrants outstanding as on 31st March, 2019.

(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, Umarsadi Desaiwad Road,
Village Umarsadi, Taluka Pardi, Valsad, Gujarat, 396175

(o) ADDRESS FOR CORRESPONDENCE

COMPANY:

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

REGISTRAR AND TRANSFER AGENTS:

LINK INTIME INDIA PVT.LTD,

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

DISCLOSURES:

NHC FOODS LIMITED

(a) 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>

During the Financial Year 2018-19, there was no materially significant related party transaction that may have potential conflict with the interests of the Company at large.

(b) STATUTORY COMPLIANCE, PENALTY & STRUCTURE

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) WHISTLE BLOWER POLICY

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.

(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.

(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 4th April, 2019 for the half year / financial year ended 31st March, 2019 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.

DETAILS OF COMPLIANCE WITH MANDATORY & NON MANDATORY REQUIREMENTS

(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.nhcgroupp.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.

(a) MODIFIED OPINION(S) IN AUDIT REPORT:

The Auditors have raised no qualification on the financial statements

(b) SEPARATE POSTS OF CHAIRPERSON AND CEO:

Mr. 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.

CERTIFICATE PURSUANT TO CLAUSE 10(I) OF PARA C OF SCHEDULE V OF SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015

The Board has obtained certificate issued pursuant to clause 10(i) of Para C of Schedule V of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 from our Practising Company Secretary based on verification done by them stating that none of the Directors on the Board of the company have been debarred by the Board / Ministry of Corporate Affairs or such other Statutory Authority nor they are disqualified from being appointed or continuing as Directors of the company.

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.

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

DEMATERIALIZATION 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.

GREEN INITIATIVES

In the line with the 'Green Initiative' the company has affected electronic delivery of Annual Report 2018-2019 to members whose email address are registered with the company / Depository Participant(s). For members who have not registered their email addresses, physical copies are sent.

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: 01-08-2019**

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

This is to inform you that the Board of Directors of the 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, 2019.

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

Place : Mumbai
Date: 16th May, 2019

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, 2019, 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: 06-05-2019

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, 2019 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 : 16th May, 2019

For NHC Foods Limited

Awdheshkumar Kannaujia
(Chief Financial Officer)

ANNUAL SECRETARIAL COMPLIANCE REPORT

Pursuant to Regulation 24A of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015
Secretarial Compliance report of **NHC FOODS LIMITED** for the year ended **MARCH 31, 2019**.

We have examined:

- (a) all the documents and records made available to us and explanation provided by NHC FOODS LIMITED (“the listed entity”),
- (b) the filings/ submissions made by the listed entity to the stock exchanges,
- (c) website of the listed entity,
- (d) any other document/ filing, as may be relevant, which has been relied upon to make this certification, for the year ended March 31, 2019 (“Review Period”) in respect of compliance with the provisions of:
 - (a) the Securities and Exchange Board of India Act, 1992 (“SEBI Act”) and the Regulations, circulars, guidelines issued thereunder; and
 - (b) the Securities Contracts (Regulation) Act, 1956 (“SCRA”), rules made thereunder and the Regulations, circulars, guidelines issued thereunder by the Securities and Exchange Board of India (“SEBI”);The specific Regulations, whose provisions and the circulars/ guidelines issued there under, have been examined, include:-
 - (a) Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;
 - (b) Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 – **Not Applicable**;
 - (c) Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - (d) Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018 – **Not Applicable**;
 - (e) Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 – **Not Applicable**;
 - (f) Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 – **Not Applicable**;
 - (g) Securities and Exchange Board of India (Issue and Listing of Non-Convertible and Redeemable Preference Shares) Regulations, 2013 – **Not Applicable**;
 - (h) Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015; and circulars/ guidelines issued thereunder;

and based on the above examination, We hereby report that, during the Review Period:

- (a) The listed entity has complied with the provisions of the above Regulations and circulars/ guidelines issued thereunder.
- (b) The listed entity has maintained proper records under the provisions of the above Regulations and circulars/ guidelines issued thereunder insofar as it appears from my/our examination of those records.
- (c) There was no instances of actions taken against the listed entity/ its promoters/ directors/ material subsidiaries either by SEBI or by Stock Exchanges (*including under the Standard Operating Procedures issued by SEBI through various circulars*) under the aforesaid Acts/ Regulations and circulars/ guidelines issued thereunder;

There was no observations for which listed entity had to take any actions to comply with the observations made in previous reports:

For DM & Associates Company Secretaries LLP
Company Secretaries
ICSI Unique Code L2017MH003500

Dinesh Kumar Deora
Partner
FCS NO 5683
C P NO 4119

Place: Mumbai
Date: 6th May, 2019

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 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, 2019

FINANCIAL PERFORMANCE

It needs to be noted that the performance of the company has been improved in Financial Year 2018-2019 as compared to last Financial Year 2017-2018. The Total Revenue of the company increased in March 2019 to Rs. 12531.21 Lacs as compared to previous year revenue which amounted to Rs. 8725.41 Lacs. Also Profit after Tax of the company increased to Rs. 130.51 Lacs as compared to Profit after Tax in previous year which is Rs. 23.54 Lacs.

2. ECONOMIC OVERVIEW

India, known as the home of spices, boasts a long history of trading with the ancient civilisations of Rome and China. Today, Indian spices are the most sought-after globally, given their exquisite aroma, texture, taste and medicinal value. India has the largest domestic market for spices in the world. Traditionally, spices in India have been grown in small land holdings, with organic farming gaining prominence in recent times. India is the world’s largest producer, consumer and exporter of spices; the country produces about 75 of the 109 varieties listed by the International Organization for Standardization (ISO) and accounts for half of the global trading in spices.

Total spices export from India stood at 1.08 billion kgs, valued at US\$ 3.11 billion in the year 2017-18. Between Apr-Oct 2018, 621.98 kgs of spices worth US\$ 1.84 billion have been exported.

India, the largest producer and exporter of chilli looks to consolidate its position as a normal crop is expected. There has been a 20 per cent rise in sowing area. A marginal increase in crop may be there. Prices are expected to remain steady. India produced 23-24 lakh tonnes of chilli annually in past couple of years.

India is expecting a good harvest of cumin, the second largest exported spice. “Political issues in the competing countries will make India the dominant supplier in the global market.

The export of chilli, coriander, celery, nutmeg and mace registered an increase in terms of volume while the exports of mint products showed an increase in terms of value.

3. GLOBAL SPICE INDUSTRY

- Top 10 importers of Indian spices between Apr-Oct 2018 were the US, China, Vietnam, Hong Kong, Bangladesh, Thailand, UK, UAE, Malaysia and Sri Lanka.

- During 2017-18, top 10 exported spices and spice products in terms of value were Chilli, Mint products, Spice Oils & Oleoresins, Cumin, Turmeric, Pepper, Curry powders/paste, Cardamom seeds, other spices (Tamarind, Asafoetida, and Cassia) and Garlic.

4. GLOBAL MARKET SIZE

Today, Indian spices are the most sought-after globally, given their exquisite aroma, texture, taste and medicinal value. India has the largest domestic market for spices 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:

- Ø **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.
- Ø **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.
- Ø **Exchange Rate Fluctuation:** The Company being engaged in exports, derives approximately 60% 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
- Ø **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
- Ø **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 22000:2005 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:

- Ø Safety net installed so that no bags drop off when container opens
- Ø Facilities for hygienic packaging
- Ø Z series color Sortex
- Ø 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 Two 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 Audit of the Ind AS Financial Statements

Opinion

We have audited the accompanying Ind AS financial statements of **NHC Foods Limited** (“the Company”) which comprise the Balance Sheet as at March 31, 2019, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows for the year ended on that date, and a summary of significant accounting policies (hereinafter referred to as the “the Ind AS financial statements”).

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 (“the Act”) in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, (“Ind AS”) and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2019, and the profit and total comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the *Auditor’s Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI’s Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on the financial statements.

Emphasis of Matter

We draw attention to Note no. 42 of Statement of audited Ind AS financial statements, wherein the Company is in the process of formalizing underlying record documents relating to purchase and sales of goods conducted through “Agents/Arhatias”.

Our opinion is not modified in respect of this matter.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Sr. No.	Key Audit Matter	How was the matter addressed in our audit
1.	<p>Revenue recognition [Refer note 2.2(h) and 22 of the Ind AS Financial Statements]</p> <p>Revenue is one of the key profit drivers and is therefore susceptible to misstatement. Cut-off is the key assertion in so far as revenue recognition is concerned, since an inappropriate cut-off can result in material misstatement of results for the year.</p>	<p>Our audit procedures with regard to revenue recognition included testing controls, automated and manual, around dispatches/deliveries, inventory reconciliations and circularization of receivable balances, substantive testing for cut-offs and analytical review procedures.</p>

<p>2.</p>	<p>Valuation of Inventory [Refer note 2.2(g) and 7 of the Ind AS Financial Statements] We identified this matter as key in our audit due to the materiality of the value of inventories and high volume of movement in the inventory</p>	<ul style="list-style-type: none"> • Assessment of the design, implementation and operational effectiveness of the relevant in controls place in the inventory management and measurement process. • Evaluation of the inventory costing methodology and valuation policy established by management, including compliance with the applicable accounting standard. • Assessment of the inventory costing methodology and valuation policy maintained and applied in the IT system. • Assessing the analysis and assessment made by the management with respect to slow moving and obsolete inventory. • Verification of the determination of net realizable value on a sample basis
<p>3.</p>	<p>Expected Credit Loss [Refer note 2.2(j) and 9 of the Ind AS Financial Statements] Recognition and measurement of impairment relating to Trade receivables involves significant management judgement. With the applicability of Ind AS 109 credit loss assessment is now based on ECL model. The impairment allowance is computed based on estimates including the historical default and loss ratios. Management exercises judgment over both the timing of recognition and estimation of loss based on factors</p>	<ul style="list-style-type: none"> • Evaluated appropriateness of the impairment principles based on the requirements of Ind AS 109, our business understanding and industry practice; • Understood processes, systems and controls implemented relating to impairment allowance process including governance controls over the development and implementation of the ECL model with accuracy of the data and reasonableness of assumptions used in the model; • Test checked management review controls over measurement of impairment allowances and disclosures in the Ind AS financial statements. • Reperformed calculation of ECL provision on a test check basis;

Other information

The Company’s Board of Directors is responsible for the preparation of the other information. The other information comprises the Board’s Report including Annexures to Board’s Report but does not include the financial statements and our auditor’s report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Management’s Responsibility for the Financial Statements

The Company’s Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial

performance, total comprehensive income, changes in equity and cash flows of the Company in accordance with the Ind AS and other accounting principles generally accepted in India. This responsibility also includes 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 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.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors is also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be

influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the financial statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

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 Companies Act, 2013, we give in the "**Annexure A**" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

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 purposes 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 by the Company so far as it appears from our examination of those books.
- c) The company does not have any branches. Hence, the provisions of section 143(3)(c) is not applicable.
- d) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, the Statement of Changes in Equity and the Statement of Cash Flow dealt with by this Report are in agreement with the books of account.
- e) In our opinion, the aforesaid Ind AS financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- f) On the basis of the written representations received from the directors as on March 31, 2019 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2019 from being appointed as a director in terms of Section 164 (2) of the Act.
- g) With respect to adequacy of internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in "**Annexure B**".
- h) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended:

In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the company to its directors during the year is in accordance with the provisions of section 197 of the Act.

- (i) 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 the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
- (i) The Company has disclosed the impact of pending litigations on its financial position in its financial statements as referred to Note 29(b) 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 Maheshwari
Partner
Membership No. 038755

Place: Mumbai
Date: May 16, 2019

NHC FOODS LIMITED

Annexure A to the Independent Auditor's Report

(Referred to in Paragraph 9 under the heading of 'Report on Other Legal and Regulatory Requirements of our report of even date')

- i. In respect of the Company's Property, Plant and Equipment:
 - 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 Interval, 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 discrepancies noticed on such physical verification during the year, have been properly dealt with in the books of account.
- 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, during the year, the Company has not granted any loans or made any investments, or provided any guarantees or security to the parties covered under section 185 and 186. Therefore, the provisions of Clause 3(iv) of the said order are 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 thereunder.
- 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. Therefore, the provisions of clause 3(vi) of the Order are not applicable to the Company
- vii. According to the information and explanations given to us, in respect of statutory dues:
 - a) The company has been regular in depositing undisputed statutory dues including Provident Fund, Employees' State Insurance, Income Tax, Goods and Service Tax, sales-tax, service tax, duty of customs, duty of excise, value added tax, cess and any other statutory dues to 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, 2019 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, 2019, 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 (including debt instruments) and term loans during the year. Therefore, the provisions of Clause 3(ix) of the said Order are not applicable to the Company.
- x. On the basis of the information and explanations given to us, no fraud by the company or on the company by its officers or employees has been noticed or reported during the year.
- xi. The Company has paid / provided managerial remuneration in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Companies Act, 2013.
- xii. In our opinion and according to the information and explanations given to us, the company is not a Nidhi Company and the Nidhi Rules, 2014 are not applicable to it, therefore the provisions of Clause 3(xii) of the said 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 where applicable. The details of such related party transactions have been disclosed in the financial statements (Note 34) as required under Indian Accounting Standard (Ind AS) 24, Related Party Disclosures.
- xiv. The Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review. Therefore, the provisions of Clause 3(xiv) of the Order are not applicable to the Company.
- 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. Therefore, the provisions of Clause 3(xv) of the Order are not applicable to the Company.
- 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 Maheshwari
Partner
Membership No. 038755

Place: Mumbai
Date: May 16, 2019

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, 2019 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 the internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of the 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, 2019, 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 Maheshwari
Partner
Membership No. 038755

Place: Mumbai
Date: May 16, 2019

BALANCE SHEET AS AT 31ST MARCH, 2019

(Amount in Lakhs)

PARTICULARS	Note	As at March 31, 2019	As at March 31, 2018
1. Non-Current Assets			
Property, Plant and Equipment	3	1,139.25	1,165.96
Goodwill	4	386.72	425.39
Financial Assets			
Investment	5	–	0.60
Other Non Current Assets	6	19.96	40.04
Total Non-Current Assets		1,545.92	1,631.99
2. Current Assets			
Inventories	7	1,448.00	1,323.67
Financial Assets			
Investments	8	0.60	0.60
Trade Receivables	9	1,883.48	1,077.34
Cash and Cash Equivalents	10	112.54	85.07
Other Financial Assets	11	233.59	266.90
Other Current Assets	12	493.77	681.89
Total Current Assets		4,171.98	3,435.48
Total Assets		5,717.90	5,067.46
Equity and Liabilities			
1. Equity			
Equity Share Capital	13	1,185.50	1,185.50
Other Equity	14	766.77	630.39
Total Equity		1,952.27	1,815.89
2. Liabilities			
Non-Current Liabilities			
Financial Liabilities			
Borrowings	15	339.02	461.06
Provisions	16	26.41	23.09
Deferred Tax Liabilities (Net)	17	21.44	62.12
Total Non-Current Liabilities		386.87	546.26
Current Liabilities			
Financial Liabilities			
Borrowings	18	802.34	1,201.34
Trade Payables	19		
Total outstanding dues of mirco enterprises and small enterprises		5.04	–
Total outstanding dues of creditors other than micro enterprises and small enterprises		1,903.69	1,118.52
Provisions	20	18.21	5.33
Other Current Liabilities	21	649.48	380.12
Total Current Liabilities		3,378.76	2,705.31
Total Equity and Liabilities		5,717.90	5,067.46
Significant Accounting Policies and Notes Forming Part of the Financial Statements	1-43		

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: May 16th, 2019

 For and behalf of the Board of Directors of
NHC Foods Limited
Apoorva Shah

Chairman & Managing Director

DIN: 00573184

Awdheshkumar Kannuajia

Chief Financial Officer

Alpa Shah

Whole Time Director

DIN: 00573190

Krina Mehta

CS & Compliance Officer

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31ST, 2019

(Amount in Lakhs)

PARTICULARS	Note	2018-19	2017-18
I. Revenue			
Revenue from operations	22	12,473.92	8,675.31
Other Income	23	57.29	50.10
Total Revenue		12,531.21	8,725.41
II. Expenses			
Cost of Materials Consumed	24	47.10	65.47
Purchase of Traded Goods		11,476.45	7,638.26
Changes in inventories of Finished goods, Work in progress and Traded Goods	25	(124.12)	18.73
Employee Benefits Expense	26	208.48	189.32
Finance Cost	27	127.45	156.41
Depreciation and Amortisation Expenses	3 & 4	121.23	113.89
Other Expenses	28	562.01	503.11
Total		12,418.60	8,685.20
Profit Before Tax		112.61	40.21
Tax Expenses			
1) Current Tax		21.46	19.63
Less : MAT Receivable		0.65	
2) Tax paid/ adjustment of earlier years		—	
3) Deferred Tax		(38.71)	(2.96)
Profit After Tax		130.51	23.54
Items that would not be classified subsequently to Profit and Loss			
Remeasurement of Defined benefit plans- OCI		5.07	(0.74)
		5.07	(0.74)
Balance carried to Balance Sheet		135.58	22.80
Earnings Per Equity Share of Face Value of 10/- each			
Basic Earnings per share (Rs.)		1.14	0.19
Diluted Earnings per share (Rs.)		1.14	0.19
Significant Accounting Policies and Notes Forming Part of the Financial Statements	1-43		

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: May 16th, 2019

For and behalf of the Board of Directors of
NHC Foods Limited

Apoorva Shah
 Chairman & Managing Director
 DIN: 00573184
Awdheshkumar Kannaujia
 Chief Financial Officer

Alpa Shah
 Whole Time Director
 DIN: 00573190
Krina Mehta
 CS & Compliance Officer

Notes to Financial Statements for the year ended March 31, 2019

1 Corporate Information

NHC Foods Limited (NHC) (“the Company”) (CIN : L15122GJ1992PLC076277) 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 16, 2019.

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”).

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 as per High Court Order.

(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 measured based on the consideration specified in a contract with a customer and excludes amounts collected on behalf of third parties including taxes. Revenue is recognized upon transfer of control of

promised products or services to customers in an amount that reflects the consideration we expect to receive in exchange for those products or services.

Effective April 1, 2018, the Company adopted Ind AS 115 “Revenue from Contracts with Customers” using the cumulative catch-up transition method, applied to contracts that were not completed as of April 1, 2018. In accordance with the cumulative catch-up transition method, the comparatives have not been retrospectively adjusted. The effect on adoption of Ind AS 115 was insignificant.

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.
- b) Revenue from services are recognised as they are rendered based on agreements/ arrangements with the concerned parties.

Contract balances

Contract assets

A contract asset is the right to consideration in exchange for goods or services transferred to the customer. If the Company performs by transferring goods or services to a customer before the customer pays consideration or before payment is due, a contract asset is recognised for the earned consideration that is conditional.

Trade receivables

A receivable represents the Company’s right to an amount of consideration that is unconditional (i.e., only the passage of time is required before payment of the consideration is due)

Contract liabilities

A contract liability is the obligation to transfer goods or services to a customer for which the Company has received consideration (or an amount of consideration is due) from the customer. If a customer pays consideration before the Company transfers goods or services to the customer, a contract liability is recognised when the payment is made or the payment is due (whichever is earlier). Contract liabilities are recognised as revenue when the Company performs under the contract.

Assets and liabilities arising from rights of return

Right of return assets

Right of return asset represents the Company’s right to recover the goods expected to be returned by customers. The asset is measured at the former carrying amount of the inventory, less any expected costs to recover the goods, including any potential decreases in the value of the returned goods. The Company updates the measurement of the asset recorded for any revisions to its expected level of returns, as well as any additional decreases in the value of the returned products. This is disclosed along with inventories.

Refund liabilities

A refund liability is the obligation to refund some or all of the consideration received (or receivable) from the customer and is measured at the amount the Company ultimately expects it will have to return to the customer. The Company updates its estimates of refund liabilities (and the corresponding change in the transaction price) at the end of each reporting period.

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.

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.

2.4 Recent accounting pronouncements

Ind AS 116 Leases : On March 30, 2019, Ministry of Corporate Affairs has notified Ind AS 116 on Leases. Ind AS 116 will replace the existing leases Standard, Ind AS 17 Leases, and related Interpretations. The Standard sets out the principles for the recognition, measurement, presentation and disclosure of leases for both parties to a contract i.e., the lessee and the lessor. Ind AS 116 introduces a single lessee accounting model and requires a lessee to recognize assets and liabilities for all leases with a term of more than twelve months, unless the underlying asset is of low value. Currently, operating lease expenses are charged to the Statement of Profit and Loss. The Standard also contains enhanced disclosure requirements for lessees. Ind AS 116 substantially carries forward the lessor accounting requirements in Ind AS 17.

The effective date for adoption of Ind AS 116 is annual periods beginning on or after April 1, 2019. The standard permits two possible methods of transition:• Full retrospective – Retrospectively to each prior period presented applying Ind AS 8 Accounting Policies, Changes in Accounting Estimates and Errors• Modified

retrospective – Retrospectively, with the cumulative effect of initially applying the Standard recognized at the date of initial application. Under modified retrospective approach, the lessee records the lease liability as the present value of the remaining lease payments, discounted at the incremental borrowing rate and the right of use asset either as:

- Its carrying amount as if the standard had been applied since the commencement date, but discounted at lessee's incremental borrowing rate at the date of initial application or - An amount equal to the lease liability, adjusted by the amount of any prepaid or accrued lease payments related to that lease recognized under Ind AS 17 immediately before the date of initial application.

Certain practical expedients are available under both the methods

Effective date for application of this amendment is annual period beginning on or after April 1, 2019. The Company is currently evaluating the effect of this amendment on the financial statements.

Ind AS 12 Appendix C, Uncertainty over Income Tax Treatments : On March 30, 2019, Ministry of Corporate Affairs has notified Ind AS 12 Appendix C, Uncertainty over Income Tax Treatments which is to be applied while performing the determination of taxable profit (or loss), tax bases, unused tax losses, unused tax credits and tax rates, when there is uncertainty over income tax treatments under Ind AS 12. According to the appendix, companies need to determine the probability of the relevant tax authority accepting each tax treatment, or group of tax treatments, that the companies have used or plan to use in their income tax filing which has to be considered to compute the most likely amount or the expected value of the tax treatment when determining taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates.

The standard permits two possible methods of transition - i) Full retrospective approach – Under this approach, Appendix C will be applied retrospectively to each prior reporting period presented in accordance with Ind AS 8 – Accounting Policies, Changes in Accounting Estimates and Errors, without using hindsight and ii) Retrospectively with cumulative effect of initially applying Appendix C recognized by adjusting equity on initial application, without adjusting comparatives. Effective date for application of this amendment is annual period beginning on or after April 1, 2019. The Company is currently evaluating the effect of this amendment on the financial statements.

Amendment to Ind AS 12 – Income taxes : On March 30, 2019, Ministry of Corporate Affairs issued amendments to the guidance in Ind AS 12, 'Income Taxes', in connection with accounting for dividend distribution taxes. The amendment clarifies that an entity shall recognise the income tax consequences of dividends in profit or loss, other comprehensive income or equity according to where the entity originally recognised those past transactions or events. Effective date for application of this amendment is annual period beginning on or after April 1, 2019. The Company is currently evaluating the effect of this amendment on the financial statements.

Amendment to Ind AS 19 – plan amendment, curtailment or settlement- On March 30, 2019, Ministry of Corporate Affairs issued amendments to Ind AS 19, 'Employee Benefits', in connection with accounting for plan amendments, curtailments and settlements. The amendments require an entity:• to use updated assumptions to determine current service cost and net interest for the remainder of the period after a plan amendment, curtailment or settlement; and• to recognise in profit or loss as part of past service cost, or a gain or loss on settlement, any reduction in a surplus, even if that surplus was not previously recognised because of the impact of the asset ceiling. Effective date for application of this amendment is annual period beginning on or after April 1, 2019. The Company is currently evaluating the effect of this amendment on the financial statements.

Note No. 3 & 4
Property Plant & Equipment

(Amount in Lakhs)

Sr. No.	Descriptions	Gross Block				Depreciation					Net block	
		As at April 1, 2017	Additions	As at March 31, 2018	Additions	As at March 31, 2019	For the year ended March 31, 2018	As at March 31, 2018	For the year ended March 31, 2019	As at March 31, 2019	As at March 31, 2018	As at March 31, 2017
	Note 3:											
	Tangible Assets											
1	Freehold land	21.19	-	21.19	-	-	-	-	21.19	21.19	21.19	21.19
2	Factory Building	595.72	-	595.72	-	23.22	46.44	23.22	69.67	526.05	549.28	572.50
3	Office Premises	286.07	0.25	286.32	-	5.00	10.00	5.00	15.00	271.31	276.32	281.07
4	Leasehold Improvement	6.79	108.81	115.60	50.21	-	-	14.42	14.42	151.39	115.60	6.79
5	Machinery	160.55	-	160.55	-	15.42	30.84	15.43	46.27	114.27	129.70	145.12
6	Furniture	27.85	-	27.85	-	4.29	8.93	3.98	12.91	14.94	18.93	23.21
7	Vehicles	48.92	-	48.92	-	11.32	23.04	8.48	31.52	17.40	25.89	37.20
8	Office Equipment	11.61	0.10	11.71	5.55	3.16	8.74	1.98	10.72	6.54	2.97	6.03
9	Computer	5.24	-	5.24	0.09	1.15	2.86	1.01	3.87	1.46	2.38	3.52
10	Electrical Fittings	41.77	-	41.77	-	9.03	18.06	9.03	27.09	14.68	23.71	32.74
	Total (A)	1,205.71	109.16	1,314.87	55.84	72.58	148.91	82.56	231.47	1,139.25	1,165.96	1,129.38
	Previous year	1,195.68	10.03	1,205.71	109.16	76.33	76.33	72.58	148.91	1,165.96	1,129.38	1,195.68
	Note 4:											
	Goodwill											
1	Goodwill on amalgamation	503.30	-	503.30	-	41.31	77.92	38.67	116.59	386.72	425.39	466.69
	Total (B)	503.30	-	503.30	-	41.31	77.92	38.67	116.59	386.72	425.39	466.69
	Previous year	503.30	-	503.30	-	36.61	36.61	41.31	77.92	425.39	466.69	503.30
	Total (A+B)	1,709.02	109.16	1,818.18	55.84	113.89	226.83	121.23	348.06	1,525.97	1,591.35	1,596.07
	Previous year	1,698.99	10.03	1,709.02	109.16	112.94	112.94	113.89	226.83	1,591.35	1,596.07	1,698.98

(Amount in Lakhs)

	As at March 31, 2019	As at March 31, 2018
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* (6 units of INR 10,000 each)	–	0.60
Aggregate amount of unquoted investments	–	0.60
*Under lien with Sales Tax Department		
Note 6: Other Non-Current Assets		
(Unsecured, Considered good)		
Security Deposits	11.56	22.04
Deduction of Income tax (Net of provision for income tax)	0.46	4.95
Loans to Employees	7.95	13.05
Total	19.96	40.04
Note 7: Inventories		
Raw Material	3.10	4.38
Work in Progress	2.25	2.55
Packing material	27.71	26.21
Finished Goods	0.92	0.11
Trade	1,414.03	1,290.42
Total	1,448.00	1,323.67
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* (6 Units of INR 10,00 each)	0.60	0.60
Total	0.60	0.60
*Under lien with Sales Tax Department		
Note 9: Trade Receivables		
(Unsecured)		
Considered Good	1,883.48	1,077.34
Considered Doubtful Which have significant increase in credit risk	246.76	314.26
	2,130.23	1,391.61
Less: Allowance for Expected credit loss	246.76	314.26
Total	1,883.48	1,077.34

- (i) Trade or Other Receivable due from directors or other officers of the company either severally or jointly with any other person amounted to INR Nil (Previous year INR Nil)
- (ii) Trade or Other Receivable due from firms or private companies respectively in which any director is a partner, a director or a member amounted to INR Nil (Previous year INR Nil)

(Amount in Lakhs)

	As at March 31, 2019	As at March 31, 2018
Note 10: Cash and Cash equivalents		
Cash and Cash equivalents		
Balance with banks		
In current account	86.67	52.79
Cash in hand	25.87	32.28
	112.54	85.07
Note 11: Other Financial Assets		
Interest receivable	0.47	0.97
Export incentives receivable	232.31	265.93
Loan to Employees	0.80	–
Total	233.59	266.90
Note 12: Other Current Assets (Unsecured, Considered good)		
Security Deposits	–	2.87
Advance Given to Suppliers	29.91	50.73
Prepaid Expenses	8.29	15.45
Other Loans and Advances	401.18	533.23
Balance with statutory, Government Authorities*	54.39	79.61
Total	493.77	681.89

*Includes indirect taxes receivable (TDS, GST etc.)

Note 13: Equity Share Capital

(Amount in Lakhs Except No. of Share)

	As at March 31, 2019		As at March 31, 2018		As at April 1, 2017	
	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 at March 31, 2019		As at March 31, 2018	
	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
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

(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 than 5% shares in the company.**

Name of Shareholders	As at March 31, 2019		As at March 31, 2018	
	No. of Shares	% of Holding	No. of Shares	% of Holding
Equity Share Capital				
Alpa Shah	1001435	8.45%	1001435	8.45%
Apoorva Himatlal Shah	3832816	32.33%	3804316	32.09%
Total	4834251	40.78%	4805751	40.54%

(Amount in Lakhs)

	As at March 31, 2019	As at March 31, 2018
Note 14: Reserve and Surplus		
Securities Premium Reserve	174.29	174.29
Add : Received During The Year	—	—
	174.29	174.29
Retained Earnings		
Opening Balance	456.10	430.93
Add: Profit for the year	135.58	22.80
Less: Adjustment for depreciation pursuant to Schedule II of the Companies Act, 2013	—	—
Other Adjustments	0.80	2.37
	592.49	456.10
Remeasurements of net defined benefit plans		
Opening Balance	-0.74	—
Add: Profit/(loss) for the year	5.07	-0.74
	4.32	-0.74
Total	766.77	630.39
Note 15: Non-Current Borrowings		
Secured		
Term Loan from banks	5.85	49.91
Less: Current Maturity of Loan	5.85	44.05
	—	5.85
Unsecured		
From Others:		
Loan From Related parties	307.30	690.11
Less: Current Maturity of Non Current Borrowing	—	362.17
	307.30	327.94
Loan From Others	148.80	339.73
Less: Current Maturity of Non Current Borrowing	117.08	212.46
	31.72	127.26
Total	339.02	461.06

Net Debt Reconciliation : Refer Note No. 40

- (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 MCLR + 4.00%.
- (ii) Unsecured loans from others carries rate of interest of 18-19% p.a.

(Amount in Lakhs)

	As at March 31, 2019	As at March 31, 2018
Note 16: Long Term Provisions		
Provision for Gratuity	26.41	23.09
Total	26.41	23.09
Note 17: Deferred Tax Liability (Net)		
Deferred Tax Liability		
On Fixed Assets	196.08	239.00
	196.08	239.00
Deferred Tax Asset		
Disallowances under Income Tax Act, 1961	72.36	76.56
	72.36	76.56
Less: Mat Credit Entitlement	102.29	100.32
Deferred Tax Liability (Net)	21.44	62.12
Income Tax Reconciliation : Refer Note No.41		
Note 18: Short-Term Borrowings		
Secured*		
Working Capital Borrowings from Banks	802.34	795.12
Term Loan From Bank	-	44.05
Unsecured		
Loan From Related parties	-	362.17
Total	802.34	1,201.34

* Working Capital Borrowings from Banks is secured against stock-in-trade , receivables and Equitable Mortgage of immovable property as collateral and Guarantee by Directors. It includes Packing Credit carrying rate of interest LIBOR + 2.5% p.a., which is repayable as per PCFC sanction terms.

Note 19: Trade Payables		
Trade Payables (Refer Note 30)		
Total outstanding dues of mirco enterprises and small enterprises	5.04	-
Total outstanding dues of creditors other than micro enterprises and small enterprises	1,903.69	1,118.52
	1,908.73	1,118.52
Note 20: Short-Term Provisions		
Provision for Gratuity	5.38	0.55
Provision for Tax (Net of Advance Tax)	12.83	4.78
Total	18.21	5.33
Note 21: Other Current Liabilities		
Interest Accrued on borrowings	-	6.54
Current Maturities of Long-Term Debts	117.08	212.46
Interest Accrued but not due on borrowings	1.46	4.31
Advances From Customers	229.20	130.82
Other Liabilities	271.00	-
Other Payables*	30.75	25.99
Total	649.48	380.12

* Includes Statutory dues payable i.e. TDS, PT, PF and GST,etc.

(Amount in Lakhs)

	As at March 31, 2019	As at March 31, 2018
Note 22: Revenue from Operations		
Sale of Ready to eat and Bulk Agriculture items	12,209.29	8,412.22
Other Operating Revenues		
Export Incentives	264.63	263.08
Total	12,473.92	8,675.31
Note 23: Other Income		
Interest Income :		
On Income Tax Refund	0.23	–
On Others	36.69	45.93
Sundry Balance W/Back	20.36	4.17
Total	57.29	50.10
Note 24: Cost of Raw Material Consumed		
Raw Material		
As at beginning of the year	4.38	5.99
Add : Purchase	36.66	43.32
Add : Direct Expense	5.28	11.97
Less : As at end of the year	3.10	4.38
	43.22	56.90
Packing Material Consumed		
Raw Material		
As at beginning of the year	26.21	29.69
Add : Purchase	5.38	5.09
Less : As at end of the year	27.71	26.21
	3.88	8.57
Total	47.10	65.47
Note 25: Changes in Inventories of Finished Goods, Work-in-Progress and Stock-in-Trade		
Inventories as at the end of the year		
Work in progress	2.25	2.55
Finished goods	0.92	0.11
Stock in Trade	1,414.03	1,290.42
	1,417.20	1,293.08
Inventories as at the beginning of the year		
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
Net Decrease / (Increase) in Inventories	-124.12	18.73
Note 26: Employee Benefits Expense		
Salaries , Wages and Bonus	195.47	174.77
Contribution to Provident and Other funds	10.80	11.22
Staff Welfare Expenses	2.21	3.34
Total	208.48	189.32

(Amount in Lakhs)

	As at March 31, 2019	As at March 31, 2018
Note 27: Finance Cost		
Interest Expense	120.35	146.40
Other Borrowing Costs	7.10	10.01
Total	127.45	156.41
Note 28: Other Expenses		
Transportation	213.75	227.59
Travelling Expenses	17.88	12.95
Sales promotion expenses	39.92	47.53
Electricity	11.21	11.29
Legal and Professional Fees	28.10	11.87
Bad Debts written off	78.54	–
Repairs and Maintenance		
Plant and Machinery	0.49	0.44
Others	3.63	4.45
Rent	18.42	18.42
Rates and Taxes	1.17	2.39
Payments to auditors (Refer note below)		
Statutory Audit Fees	4.38	4.43
Foreign exchange fluctuation loss(net)	109.06	3.76
Insurance	7.87	13.95
Donations	0.37	0.28
Expected Credit Loss	-67.76	-1.99
Miscellaneous Expenses	95.00	145.73
Total	562.01	503.11
Auditors Remuneration		
Audit Fees		
Statutory Audit Fees	4.38	4.43
Total	4.38	4.43

Note 29: Commitments and Contingencies

29(a) Estimated amount of contracts remaining to be executed on capital account and not provided for (net of Advances) Rs. Nil (2018: Rs. Nil)

29(b) Contingent Liabilities not provided for:

(Amount in Lakhs)

Particulars	2018-19	2017-18
A. Bills discounted and outstanding	390.78	762.50
B. Bank certificate for cancelled guarantees.	–	–
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.

30. 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, 2019	March 31, 2018
Total outstanding dues of micro enterprises and small enterprises :		
a) Principal amount and interest due thereon remaining unpaid*	0.67	—
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	—	—

* Interest due on the outstanding amount will be considered on actual basis i.e. payment basis.

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, 2019 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.

31. 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	2018-19	2017-18
Segment Revenue- External Turnover		
Within India	7,125.02	2,441.81
Outside India	5,348.91	6,233.50
Total Revenue	12,473.92	8,675.31
Segment Assets		
Within India	5,650.61	5,039.75
Outside India	67.29	27.71
Total Assets	5,717.90	5,067.46
Segment Liability		
Within India	2,823.71	3,140.75
Outside India	941.92	110.82
Total Liability	3,765.63	3,251.58
Capital Expenditure		
Within India	55.84	109.16
Outside India	—	—
Total Expenditure	55.84	109.16

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

Particulars	As at March 31, 2019	As at March 31, 2018
(i) Total Comprehensive Income (Amount in Lakhs)	135.58	22.80
(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.)	1.14	0.19
(vi) Diluted earning per Share (Rs.)	1.14	0.19

33. 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 (2018: Nil). The lease rentals charged during the period are as follows :

(Amount in Lakhs)

Particulars	F.Y. 2018-19	F.Y. 2017-18
Lease rentals recognized during the period	18.42	18.42

34. 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	- Independent Director
Mr. Awdhesh Kannujia	- Chief Financial Officer
Mrs. Suvarnalata Chavan	- Company Secretary (Till 26th July, 2018)
Miss. Krina Mehta	- Company Secretary (From 27th July, 2018)

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	784.54 (660.50)	– (–)	– –
2. Repayment of Loans taken	1,167.46 (834.86)	– (–)	– (–)
3. Remuneration	100.55 (110.11)	– (–)	9.79 (6.35)
4. Interest on Loan	– –	– (–)	– –
Balance as on March 31, 2019			
5. Payable	307.30 (690.11)	– (–)	– (–)
6. Loan and Advance given	0.25 (0.25)	– (–)	– (–)

(Figures in bracket indicate previous year figures)

b) Key management personnel compensation

(Amount in Lakhs)

Particulars	March 31, 2019	March 31, 2018
Short term employee benefits	100.55	110.11
Post-employment benefits*	–	–
	100.55	110.11

* The amount of long term employee benefits cannot be separately identified from the composite amount advised by the actuary/valuer.

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. 784.64 (2018: Rs. 660.50).
- ii) Repayment of Loans taken includes to Mr. Apoorva H. Shah Rs 1,167.46 (2018: Rs. 834.86).
- iii) Remuneration includes to Mr. Apoorva H. Shah Rs. 43.10 (2018: Rs. 43.10), to Mrs. Alpa A. Shah Rs. 43.10 (2018: Rs. 43.10), to Mr. Awdheshkumar Kannaujia Rs. 10.62 (2018 : Rs. 0.53), to Miss. Krina Mehta Rs. 2.44 (2018 : NIL), to Survanalata Chavan Rs.1.29, Resigned w.e.f. 26.07.18 (2018 : Rs.5.08).
- iv) Remuneration includes to Miss. Aneri A. Shah Rs.9.79 (2018: Rs 6.35).

35. 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 recognized 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) 2018-19	Gratuity (Unfunded) 2017-18
Present Value of the Obligation as at the beginning of the year	23.63	24.59
Interest Cost	1.70	1.65
Past Service Cost	11.97	–
Current Service Cost	1.56	1.40
Benefits Paid	(2.01)	(5.08)
Actuarial (gain)/ loss on obligations	(5.07)	1.08
Present Value of the Obligation as at the end of the Year	31.79	23.63

B. Amount Recognized in the Balance Sheet

(Amount in Lakhs)

Particulars	Gratuity (Unfunded) 2018-19	Gratuity (Unfunded) 2017-18
Present Value of the Obligation as at the end of the year	31.79	23.63
Fair value of plan assets	–	–
Un-funded Liability	31.79	23.63
Unrecognized actuarial gains/ losses	–	–
Un-funded liability recognized in Balance Sheet	31.79	23.63

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

Particulars	Gratuity (Unfunded) 2018-19	Gratuity (Unfunded) 2017-18
Interest Cost	1.70	1.65
Current Service Cost	1.56	1.40
Past Service Cost	11.96	–
Expected Return on Plan Assets	–	–
Actuarial (gain)/ loss on obligations	(5.07)	1.08
Total expense recognized in the Profit and Loss Account	10.16	4.14

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	(5.07)
Actuarial (Gain) / Loss on Obligations – Total	(5.07)

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

Particulars	Gratuity 2018-19	Gratuity 2017-18
Discount Rate	7.65%	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

Scenario	Gratuity 2018-19		Gratuity 2017-18	
	DBO	Percentage Change	DBO	Percentage Change
Under Base Scenario	31.79	0.00%	35.01	0.00%
Salary Escalation - Up by 1%	32.82	3.30%	36.23	3.50%
Salary Escalation - Down by 1%	30.92	-2.70%	33.99	-2.90%
Withdrawal Rates - Up by 1%	32.45	2.10%	35.88	2.50%
Withdrawal Rates - Down by 1%	31.06	-2.30%	34.07	-2.70%
Discount Rates - Up by 1%	29.78	-6.30%	32.53	-7.10%
Discount Rates - Down by 1%	34.07	7.20%	37.83	8.10%

Expected Cash flow for following year

Maturity Profile of Defined Benefit Obligations (Amount in Lakhs)

Year	Gratuity 2018-19	Gratuity 2017-18
Year 1	5.38	0.87
Year 2	0.69	6.10
Year 3	0.72	0.82
Year 4	0.74	0.84
Year 5	0.77	0.87
Year 6	4.97	0.89
Year 7	15.62	5.42
Year 8	0.41	18.05
Year 9	14.82	0.48
Year 10	0.11	17.11

The weighted average duration of the defined benefit obligation is 11.89

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 10.79 Lakhs (March 31, 2018: INR 11.21 Lakhs).

36 FAIR VALUE MEASUREMENTS

i. Financial Instruments by Category

(Amount in Lakhs)

Particulars	Carrying Amount		Fair Value	
	March 31, 2019	March 31, 2018	March 31, 2019	March 31, 2018
FINANCIAL ASSETS				
Amortised cost				
Investments	0.60	1.20	0.60	1.20
Trade Receivables	1,883.48	1,077.34	1,883.48	1,077.34
Cash and Cash Equivalents	112.54	85.07	112.54	85.07
Bank Balances other than above	–	–	–	–
Other Financial Assets	233.59	266.90	233.59	266.90
Total	2,230.20	1,430.52	2,230.20	1,430.52
FINANCIAL LIABILITIES				
Amortised cost				
Borrowings	1,141.36	1,662.40	1,141.36	1,662.40
Trade Payables	1,908.73	1,118.52	1,908.73	1,118.52
Total	3,050.09	2,780.92	3,050.09	2,780.92

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.

37. 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, 2017	316.25
Changes in loss allowance	(1.99)
Loss allowance on March 31, 2018	314.26
Changes in loss allowance	(67.51)
Loss allowance on March 31, 2019	246.76

(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, 2019					
Borrowings	–	845.42	381.43	13.95	17.64
Trade payables	541.08	1,149.54	218.11		
Total liabilities	541.08	1,994.96	599.54	13.95	17.64
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

(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.

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

(Amount in Lakhs)

Particulars	USD	Total
March 31, 2019		
Trade Receivables	6.62	458.07
Bill Discounting	5.65	390.78
Advance from customer	1.96	139.58
Net exposure to foreign currency risk	(0.99)	(72.29)
March 31, 2018		
Trade Receivables	11.94	790.21
Trade Payable	0.77	50.35
Net Exposure to Foreign Currency Risk	11.17	739.86

Note : AS of Balance Sheet date, the Company has net foreign currency exposures (in USD) that are not hedged by derivative instruments or otherwise.

(b) Foreign currency sensitivity

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

	2018-19		2017-18	
	1% Increase	1% Decrease	1% Increase	1% Decrease
Net Increase/(Decrease) in profit or loss	(0.72)	0.72	7.40	(7.40)

(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.

38. CAPITAL MANAGEMENT

For the purposoe 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)

Particulars	March 31, 2019	March 31, 2018
Borrowings	1,141.36	1,662.40
Trade payables	1,908.73	1,118.52
Other payables	30.75	25.99
Less: cash and cash equivalents	(112.54)	(85.07)
Net Debt	2,968.30	2,721.84
Equity	1,952.27	1,815.89
Total Capital	1,952.27	1,815.89
Capital and net debt	4,920.57	4,537.73
Gearing ratio	60	60

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%

39. ASSETS PLEDGED AS SECURITY

(Amount in Lakhs)

The carrying amount of assets pledged as security for current and non current borrowings are:

Particulars	March 31, 2019	March 31, 2018
CURRENT ASSETS		
i. Financial Assets		
First Charge		
Trade Receivables	1,883.48	1,077.34
ii. Non Financial Assets		
First Charge		
Inventories	1,448.00	1,323.67
Total Current Assets Pledge as Security	3,331.48	2,401.01
NON CURRENT ASSETS		
First Charge		
Office Premises	271.31	276.32
Factory Building	526.05	549.28
Total Non Current Assets Pledge as Security	797.37	825.59

40. 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, 2019	March 31, 2018
Current Borrowings	802.34	795.12
Non-current Borrowings	339.02	1,079.74
Net Debt	1,141.36	1,874.86

(Amount in Lakhs)

Particulars	Liabilities from financing activities			Total
	Non Current Borrowings	Current Borrowings	Total Interest on Borrowings	
Net Debt as at March 31, 2018	1,079.74	795.12	10.84	1,885.70
Cash Inflow - Taken	827.95	4,986.32		5,814.27
Cash Out Flow - Repaid	(1,568.67)	(4,979.10)		(6,547.77)
Interest Expense			111.01	111.01
Interest Paid			(120.40)	(120.40)
Net Debt as at March 31, 2019	339.02	802.34	1.45	1,142.81

(Amount in Lakhs)

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

41. INCOME TAX

Deffered Tax

(Amount in Lakhs)

Particulars	March 31, 2019	March 31, 2018
Deferred tax relates to the following:		
Accelerated Depreciation for tax purposes	(196.08)	(239.00)
Gratuity	8.26	1.28
Expected Credit Loss	64.09	75.28
Others - Mat Credit Entitlement	102.29	100.32
Net Deferred Tax Assets / (Liabilities)	(21.44)	(62.12)

Movement in deferred tax liabilities/assets

(Amount in Lakhs)

Particulars	March 31, 2019	March 31, 2018
Opening balance as of April 1	62.12	48.06
Tax income/(expense) during the period recognised in profit or loss	(40.68)	14.06
Closing balance as at March 31	21.44	62.12

(Amount in Lakhs)

Particulars	March 31, 2019	March 31, 2018
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, 2019 and March 31, 2018 are as follows:

i. Income tax recognised in profit or loss (Amount in Lakhs)

Particulars	2018-19	2017-18
Current income tax charge	21.46	19.63
Adjustment in respect of current income tax of previous year	—	—
Deferred tax		
Relating to origination and reversal of temporary differences	(39.36)	(2.96)
Income tax expense recognised in profit or loss	(17.90)	16.67

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, 2019	March 31, 2018
Net loss/(gain) on remeasurements of defined benefit plans	1.36	(0.33)
Income tax expense recognised in OCI	1.36	(0.33)

Reconciliation of tax expense and accounting profit multiplied by income tax rate for March 31, 2019 and March 31, 2018. (Amount in Lakhs)

Particulars	March 31, 2019	March 31, 2018
Profit before tax from continuing operations	112.61	40.21
Accounting profit before income tax	112.61	40.21
Enacted tax rate in India	26.78%	30.00%
Income tax on accounting profits	30.16	12.06
Effect of		
Other non taxable income	36.64	35.68
Due to Temporary difference	(38.71)	—
Non-deductible expenses for tax purposes:	—	—
Other non deductible expenses	45.99	31.08
Tax at effective income tax rate	(17.90)	16.67

42. During the year, the company has carried out commodity business at various Agricultural Markets (Mandi), spread across different geographical locations. Typically these trades are conducted through Agents called "Arhatias". The trades of purchase and sales are executed, through verbal orders in Mandi, where buyers and sellers meet for trades and verbal contracts are entered in to between buyers and sellers. During the year, the company has transacted trades through Arhatias, where purchase and sales transactions of goods have been executed through Arhatias. The Company has initiated various steps to formalize underlying record documents relating to purchase and sales.
43. Previous year's figures have been regrouped or reclassified to confirm with the current years' presentation wherever considered necessary.

For **GMJ & CO.**
Chartered Accountants
Firm Reg. No. : 103429W

For and behalf of the Board of Directors of NHC Foods Limited

CA S. MAHESHWARI
(Partner)
M. No. 38755

Apoorva Shah
Chairman & Managing Director
DIN: 00573184

Alpa Shah
Whole Time Director
DIN: 00573190

Place: Mumbai
Date: May 16th, 2019

Awdheshkumar Kannaujia
Chief Financial Officer

Krina Mehta
CS & Compliance Officer

NHC FOODS LIMITED

Statement of changes in equity for the year ended 31st March 2019:

A. Equity Share Capital

(Amount are in Indian ₹ in Lakhs)

Particulars	Amount
As at April 1, 2017	1,185.00
Changes in equity share capital	–
As at March 31, 2018	1,185.00
Changes in equity share capital	–
As at March 31, 2019	1,185.00

B. Other Equity

Attributable to equity holders of the Company

	Reserves & Surplus	Other Comprehensive Income (OCI)	Total
	Securities Premium	Other earnings Remeasurements of net defined	
As at April 1, 2017	174.29	430.93	605.21
Profit for the year	–	23.54	23.54
Other Adjustments	–	2.37	2.37
Other Comprehensive income for the year	–	(0.74)	(0.74)
As at April 01, 2018	174.29	456.85	630.39
Profit for the year	–	130.51	130.51
Other Comprehensive income for year	–	5.07	5.07
Balance at 31st March, 2019	174.29	588.16	766.77

For GMJ & CO.
Chartered Accountants
Firm Reg. No. : 103429W

For and behalf of the Board of Directors of NHC Foods Limited

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Apoorva Shah
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Whole Time Director
DIN: 00573190

Place: Mumbai
Date: May 16th, 2019

Awdheshkumar Kannaujia
Chief Financial Officer

Krina Mehta
CS & Compliance Officer

Cash flow statement for the year ended 31st March, 2019 (Amount in Lakhs)

Particulars	For the year Ended March 31, 2019	For the year ended March 31, 2018
A. Cash Flows from Operating Activities		
Profit before taxes	112.61	40.21
Adjustments for:		
Depreciation and amortisation expense	121.23	113.89
Interest expense	120.35	156.41
Interest income	(36.93)	(50.10)
Other Adjustments including other comprehensive income	5.87	(1.33)
Effect of Expected Credit Loss	(67.76)	–
Operating profit before working capital changes	255.38	259.08
Changes In Working Capital :		
Inventories	(124.34)	23.82
Trade receivables	(738.38)	1,480.62
Loans and advances and other assets	251.59	(207.30)
Trade payables, other liabilities and provisions	1051.54	(1,012.05)
Net Changes In Working Capital	440.41	285.09
Cash generated from the operations	695.79	544.17
Direct tax paid	(10.08)	(19.63)
Net Cash provided by/ (used in) operating activities (A)	685.72	524.54
B. Cash Flow from Investing Activities		
Purchase of Property, Plant and equipment	(55.84)	(109.16)
(Purchase)/Sale of Investments	0.60	–
Earmarked Fixed Deposits placed with Banks	–	5.92
Interest income	36.93	50.10
Net Cash provided by/ (used in) investing activities (B)	(18.32)	(53.14)
C. Cash Flow from Financing Activities		
Proceeds / (Repayment) of Secured Loans	(42.69)	(68.92)
Proceeds / (Repayment) of Unsecured Loans	(478.35)	(225.06)
Interest expense	(118.89)	(156.41)
Net Cash provided by/ (used in) financing activities (C)	(639.93)	(450.39)
Net increase/ (decrease) in Cash and Cash Equivalents (A+B+C)	27.47	21.01
Cash and Cash Equivalents at the beginning of the year	85.07	64.06
Cash and Cash Equivalents at the end of the year	112.54	85.07
Earmarked Deposits with Banks	–	–
Cash and Bank Balances at the end of the year	112.54	85.07

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: May 16th, 2019

For and behalf of the Board of Directors of NHC Foods Limited

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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.nhcgroup.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 Two Star Export House)

Quality Spices & Agro Products

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