



# NHC FOODS LIMITED

(Govt. Recognised Star Export House)

An ISO 22000-2005 (Food Management System) & An ISO 9001:2008 Certified Company.



Exotic Range of  
Ground & Blended Spices

[www.nhcgroupp.com](http://www.nhcgroupp.com)



# Our Signature Brands



100% Veg.



Exotic Range of  
Ground & Blended Spices



The secret of tasty food  
Whole Spices, Cereals & Pulses



Enriching & Mouth Watering  
Fruit Pulp, Pickles, Snacks, Ready to Eat Products



**CORPORATE INFORMATION**

**Board of Directors :**

<b>Mr. Apoorva Shah</b>	Chairman & Managing Director
<b>Mrs. Alpa Shah</b>	Whole-Time Director (resigned w.e.f. 10-06-2021)
<b>Mr. Manish Vyas</b>	Independent Director
<b>Ms. Neha Kariwala</b>	Independent Director
<b>Mrs. Monika Singhania</b>	Independent Director
<b>Mr. Apar Shah</b>	Additional Whole Time Director (appointed w.e.f 10-06-2021)

**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. JMMK & 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 :**

<b>Mrs. Monika Singhania</b>	Chairman
<b>Mr. Apoorva Shah</b>	Member
<b>Mr. Manish Vyas</b>	Member
<b>Ms. Neha Kariwala</b>	Member

**Nomination & Remuneration Committee :**

<b>Mrs. Monika Singhania</b>	Chairman
<b>Mr. Manish Vyas</b>	Member
<b>Mr. Apoorva Shah</b>	Member
<b>Ms. Neha Kariwala</b>	Member

**Shareholders' Relationship Committee :**

<b>Mrs. Monika Singhania</b>	Chairman
<b>Mr. Manish Vyas</b>	Member
<b>Mrs. Alpa Shah</b>	Member (resigned w.e.f. 10-06-2021)
<b>Ms. Neha Kariwala</b>	Member
<b>Mr. Apar Shah</b>	Member (appointed w.e.f 10-06-2021)

**Bankers :**

Axis Bank Limited  
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 Kannuajia

**29th ANNUAL GENERAL MEETING**

On Thursday, 30th September, 2021 at 12.00 pm  
through Video Conferencing ("VC")/ "Other Audio Visual Means ("OAVM")

## NOTICE

**NOTICE** is hereby given that the 29<sup>th</sup> (Twenty Nineth) Annual General Meeting of NHC Foods Limited will be held on 30<sup>th</sup> September, 2021, Thursday at 12:00 p.m. through Video Conferencing (“VC”) / “Other Audio Visual Means (“OAVM”) 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 31<sup>st</sup> March, 2021, 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.

### SPECIAL BUSINESS:

3. 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 or 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.”

4. 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 or 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.”

5. Re-appointment of Mr. Apoorva Shah, Chairman & Managing Director for a period of Three years with effect from 13<sup>th</sup> November, 2021 to 12<sup>th</sup> November, 2024

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

“**RESOLVED THAT** pursuant to the provisions of Sections 196, 197, 198, 203 and any other applicable provisions if any of the Companies Act, 2013 and the rules made there under (including any statutory modification(s) or re-enactment thereof), read with Schedule V to the Companies Act, 2013, Mr Apoorva Shah, Chairman & Managing Director (DIN: 00573184) be and is hereby re-appointed as the chairman and Managing Director of the company for a period of Three years with effect from 13<sup>th</sup> November, 2021 to 12<sup>th</sup> November, 2024 on the remuneration, terms and conditions as recommended by the Nomination and Remuneration Committee

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

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

6. Regularization of Mr. Apar Shah (DIN: 07125733) as Whole Time Director of the company.

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

“**RESOLVED THAT** pursuant to the provisions of Section 152 and all other applicable provisions, if any, of the Companies Act, 2013 (hereinafter referred to as ‘the Act’) and the relevant Rules made thereunder (including any statutory modification(s) or re-enactment thereof, for the time being in force), and the applicable Regulations under the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the provisions of the Articles of Association of the Company, Mr. Apar Shah (DIN: 07125733), who was appointed as an additional director and designated as a Whole-Time Director by the Board of Directors of the Company at their meeting held on 10<sup>th</sup> June, 2021, based on the recommendation of the Nomination and Remuneration Committee of the Board and who holds office as such up to the date of ensuing Annual General Meeting and in respect of whom the Company has received a notice in writing under Section 160(1) of the Act from a Member proposing his candidature for the office of Director, be and is hereby appointed as a Director of the Company liable to retire by rotation.

**RESOLVED FURTHER THAT** in accordance with the recommendations of the Nomination and Remuneration Committee of the Board of Directors and pursuant to the provisions of Sections 196, 197, 198 and 203 of the Act, read with Schedule V to the Act, and other applicable provisions, if any, of the Act and the rules made thereunder, (including any statutory modification(s) or re-enactment thereof, for the time being in force), consent of the Members be and is hereby accorded to the appointment of Mr. Apar Shah as a Whole-Time Director of the Company for a period effective from 10<sup>th</sup> June, 2021 to 9<sup>th</sup> June, 2024 on the terms and conditions including remuneration as set out in the statement annexed to the Notice of this Meeting, with liberty to the Board of Directors to alter and vary the terms and conditions of the appointment and/ or remuneration based on the recommendation of the Nomination & Remuneration Committee, subject to the same not exceeding the limits specified under Section 197 read with Schedule V of the Companies Act, 2013 (including any statutory modification(s) or re-enactment thereof for the time being in force).

**RESOLVED FURTHER THAT** the Board of Directors of the Company be and is hereby authorised to do all such acts, deeds and matters and things as, in its absolute discretion, it may consider necessary, expedient and desirable to

give effect to this resolution.”

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

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

**Date: 12-08-2021**

**Place : Mumbai**

**Registered Office:**

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

**NOTES:**

1. CONSIDERING THE PRESENT COVID 19 PANDEMIC, MINISTRY OF CORPORATE AFFAIRS (“MCA”) HAS VIDE ITS CIRCULAR DATED 5<sup>TH</sup> MAY, 2020 READ TOGETHER WITH CIRCULAR DATED 8<sup>TH</sup> APRIL, 2020 AND 13<sup>TH</sup> APRIL, 2020 PERMITTED CONVENING THE ANNUAL GENERAL MEETING (“AGM”) THROUGH VIDEO CONFERENCING OR OTHER AUDIO VISUAL MEANS WITHOUT THE PHYSICAL PRESENCE OF THE MEMBERS AT THE COMMON VENUE. IN ACCORDANCE WITH THE MCA CIRCULAR, PROVISIONS OF THE COMPANIES ACT, 2013 (“THE ACT”) AND  
  
THE SECURITIES AND EXCHANGE BOARD OF INDIA (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENT) REGULATIONS, 2015 (“SEBI LISTING REGULATION”), THE AGM OF THE COMPANY IS BEING HELD THROUGH VC/OAVM.
2. GENERALLY, 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. SINCE THIS AGM IS HELD THROUGH VC/OAVM PURSUANT TO THE MCA CIRCULARS, PHYSICAL ATTENDANCE OF MEMBERS HAS BEEN DISPENSED WITH. ACCORDINGLY, THE FACILITY FOR APPOINTMENT OF PROXIES BY THE MEMBERS WILL NOT BE AVAILABLE FOR THE AGM AND HENCE PROXY FORM AND ATTENDANCE SLIP ARE NOT ANNEXED HERETO.
3. SINCE THE AGM WILL BE HELD THROUGH VC/OAVM, THE ROUTE MAP OF THE VENUE OF THE MEETING IS NOT ANNEXED HERETO.
4. The Register of Members and Share Transfer Register will remain closed from 24<sup>th</sup> September, 2021 to 30<sup>th</sup> September, 2021 (both days inclusive).
5. The relative explanatory statement pursuant to Section 102 of the Companies Act, 2013 (“Act”) in respect of the special business under Item No. 3, 4, 5, 6 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.
6. 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.
7. 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
8. 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.
9. 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.

10. 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.
11. Members may also note that the Notice of the 29th Annual General Meeting and the Annual Report for 2021 will also be available on the Company's website [www.nhcgroupp.com](http://www.nhcgroupp.com) for their download.
12. Members may also note that the Notice of the 29th Annual General Meeting and the Annual Report for 2021 will also be available on the Company's website [www.nhcgroupp.com](http://www.nhcgroupp.com). The Notice of AGM shall also be available on the website of NSDL viz. [www.evoting.nsdl.com](http://www.evoting.nsdl.com)
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.
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.
17. DISPATCH OF ANNUAL REPORT THROUGH ELECTRONIC MODE:  

In compliance with the MCA Circulars and SEBI circular dated 12<sup>th</sup> May, 2020, Notice of AGM along with Annual Report 2021 is being sent only through electronic mode to those members whose email addresses are registered with the company/depositories. Members may note that Notice and Annual Report will also be available on company's website [www.nhcgroupp.com](http://www.nhcgroupp.com), website of Stock Exchange i.e. BSE Limited and on the website company's Registrar and Transfer Agent Link Intime India Private Limited.
18. 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.
19. 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.
20. In view of the massive outbreak of the COVID-19 pandemic, social distancing is a norm to be followed and pursuant to the Circular No. 14/2020 dated April 08, 2020, Circular No.17/2020 dated April 13, 2020 issued by the Ministry of Corporate Affairs followed by Circular No. 20/2020 dated May 05, 2020, physical attendance of the Members to the EGM/AGM venue is not required and annual general meeting (AGM) be held through video conferencing (VC) or other audio visual means (OAVM). Hence, Members can attend and participate in the ensuing EGM/AGM through VC/OAVM.
21. Pursuant to the Circular No. 14/2020 dated April 08, 2020, issued by the Ministry of Corporate Affairs, the facility to appoint proxy to attend and cast vote for the members is not available for this EGM/AGM. However, the Body Corporate is entitled to appoint authorised representatives to attend the EGM/AGM through VC/OAVM and participate thereat and cast their votes through e-voting.
22. The Members can join the EGM/AGM in the VC/OAVM mode 30 minutes after and after the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice. The facility of participation at the EGM/AGM through VC/OAVM will be made available for 1000 members on first come first served basis. This will not include large Shareholders (Shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors etc. who are allowed to attend the EGM/AGM without restriction on account of first come first served basis.

23. The attendance of the Members attending the EGM/AGM through VC/OAVM will be counted for the purpose of reckoning the quorum under Section 103 of the Companies Act, 2013.
24. Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended) and Regulation 44 of SEBI (Listing Obligations & Disclosure Requirements) Regulations 2015 (as amended), and the Circulars issued by the Ministry of Corporate Affairs dated April 08, 2020, April 13, 2020 and May 05, 2020 the Company is providing facility of remote e-voting to its Members in respect of the business to be transacted at the EGM/AGM. For this purpose, the Company has entered into an agreement with National Securities Depository Limited (NSDL) for facilitating voting through electronic means, as the authorized agency. The facility of casting votes by a member using remote e-voting system as well as venue voting on the date of the EGM/AGM will be provided by NSDL.
25. In line with the Ministry of Corporate Affairs (MCA) Circular No. 17/2020 dated April 13, 2020, the Notice calling the EGM/AGM has been uploaded on the website of the Company at [www.nhcgroupp.com](http://www.nhcgroupp.com). The Notice can also be accessed from the websites of the Stock Exchanges i.e. BSE Limited and National Stock Exchange of India Limited at [www.bseindia.com](http://www.bseindia.com) and [www.nseindia.com](http://www.nseindia.com) respectively and the EGM/AGM Notice is also available on the website of NSDL (agency for providing the Remote e-Voting facility) i.e. [www.evoting.nsd.com](http://www.evoting.nsd.com).
26. EGM/AGM has been convened through VC/OAVM in compliance with applicable provisions of the Companies Act, 2013 read with MCA Circular No. 14/2020 dated April 08, 2020 and MCA Circular No. 17/2020 dated April 13, 2020 and MCA Circular No. 20/2020 dated May 05, 2020.

THE INSTRUCTIONS FOR MEMBERS FOR REMOTE E-VOTING ARE AS UNDER:-

The remote e-voting period begins on **Monday, 27<sup>th</sup> September, 2021 at 9:00 A.M.** and ends on **Wednesday, 29<sup>th</sup> September, 2021 at 5:00 P.M.** The remote e-voting module shall be disabled by NSDL for voting thereafter.

**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.nsd.com/>**

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

Details on Step 1 is mentioned below:

How to Log-in to NSDL e-Voting website?

1. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <https://www.evoting.nsd.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.nsd.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, please follow steps mentioned below in **process for those shareholders whose email ids are not registered.**
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](http://www.evoting.nsdl.com).
  - b) **Physical User Reset Password?** (If you are holding shares in physical mode) option available on [www.evoting.nsdl.com](http://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](mailto:evoting@nsdl.co.in) mentioning your demat account number/folio number, your PAN, your name and your registered address.
- Members can also use the OTP (One Time Password) based login for casting the votes on the e-Voting system of NSDL.
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 is 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.
7. Upon confirmation, the message "Vote cast successfully" will be displayed.
8. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.
9. 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 \_\_\_\_\_ **<Please mention the e-mail ID of Scrutinizer>** with a copy marked to [evoting@nsdl.co.in](mailto: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](http://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](http://www.evoting.nsdl.com) or call on toll free no.: 1800-222-990 or send a request to (Name of NSDL Official) at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in)

**Process for those shareholders whose email ids are not registered with the depositories for procuring user id and password and registration of e mail ids for e-voting for the resolutions set out in this notice:**

1. In case shares are held in physical mode please provide Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) by email to [grievances@nhcgroup.com](mailto:grievances@nhcgroup.com)
2. In case shares are held in demat mode, please provide DPID-CLID (16 digit DPID + CLID or 16 digit beneficiary ID), Name, client master or copy of Consolidated Account statement, PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) to [grievances@nhcgroup.com](mailto:grievances@nhcgroup.com)

**THE INSTRUCTIONS FOR MEMBERS FOR e-VOTING ON THE DAY OF THE EGM/AGM ARE AS UNDER:-**

1. The procedure for e-Voting on the day of the EGM/AGM is same as the instructions mentioned above for remote e-voting.
2. Only those Members/ shareholders, who will be present in the EGM/AGM through VC/OAVM facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system in the EGM/AGM.
3. Members who have voted through Remote e-Voting will be eligible to attend the EGM/AGM. However, they will not be eligible to vote at the EGM/AGM.
4. The details of the person who may be contacted for any grievances connected with the facility for e-Voting on the day of the EGM/AGM shall be the same person mentioned for Remote e-voting.

**INSTRUCTIONS FOR MEMBERS FOR ATTENDING THE EGM/AGM THROUGH VC/OAVM ARE AS UNDER:**

1. Member will be provided with a facility to attend the EGM/AGM through VC/OAVM through the NSDL e-Voting system. Members may access the same at <https://www.evoting.nsdl.com> under shareholders/members login by using the remote e-voting credentials. The link for VC/OAVM will be available in shareholder/members login where the EVEN of Company will be displayed. Please note that the members who do not have the User ID and Password for e-Voting or have forgotten the User ID and Password may retrieve the same by following the remote e-Voting instructions mentioned in the notice to avoid last minute rush. Further members can also use the OTP based login for logging into the e-Voting system of NSDL.
2. Members are encouraged to join the Meeting through Laptops for better experience.
3. Further Members will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
4. Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to Fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.
5. Shareholders who would like to express their views/have questions may send their questions in advance mentioning their name demat account number/folio number, email id, mobile number at [grievances@nhcgroup.com](mailto:grievances@nhcgroup.com). The same will be replied by the company suitably.
6. 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, 2021
End of remote e-voting	Upto 5.00 p.m. (IST) on September 29, 2021

During the period, members of the Company holding shares either in physical or dematerialized form, as on the relevant date i.e. September 24, 2021, 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, 2021, may obtain his login Id and password by sending request at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in)

7. 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, 2021.

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. 3**

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 30<sup>th</sup> September, 2020. 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 12<sup>th</sup> August, 2021 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 30<sup>th</sup> September, 2021.

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. 3 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. 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 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 30<sup>th</sup> September, 2020. 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 12<sup>th</sup> August, 2021 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 30<sup>th</sup> September, 2021.

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 are concerned or interested, financially or otherwise in the Resolution.

#### **Item No. 5**

Mr. Apoorva Shah (DIN: 00573184) was re-appointed as Managing Director by the shareholders for a period of three years i.e. 13th November, 2018 to 12th November, 2021. Considering his contribution in overall growth and performance of the Company, it is proposed to re-appoint Mr Apoorva Shah (DIN: 00573184), Managing Director for a period of Three years w. e. f. 13th November, 2021 to 12th November, 2024. The reappointment of Mr. Apoorva Shah (DIN: 00573184) as the Managing Director of the Company shall require the approval of the Shareholders by way of passing of Special Resolution pursuant to the provisions of Sections 196, 197, 198, 203 and any other applicable provisions of the Companies Act, 2013 and the rules made there under (including any statutory modification(s) or re-enactment thereof for the time being in force), read with Schedule V to the Companies Act, 2013 and subject to the approvals of the Central Government and other authorities, if any.

The Terms and Conditions of re appointment of Mr Apoorva Shah as Managing Director for a period of Three years with effect from 13<sup>th</sup> November, 2021 to 12<sup>th</sup> November, 2024 are as follows:

#### **I Remuneration:**

##### **1. Salary:**

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

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

- a) **Medical Reimbursement:** He shall be entitled to medical expenses as per the rules of the Company which include such expenses as shall relate to surgical, optical and Dental treatment incurred by himself and his family upto Rs. 15,000/- per annum.
- b) **Club Membership:** The Company shall pay fees of Club/s, as allowed under the Act and as per the rules of the Company, subject to maximum of Rs. 25,000/- per annum. This will, however, not include admission and life membership fees
- c) A car with a chauffeur for official purposes as per the rules of the Company
- d) **Leave:** Subject to the exigencies of his employment, Mr Apoorva Shah shall be entitled to leave in a year on full pay and allowances as per the rules and regulations of the Company
- e) The Company shall pay expenses on Telephone & Fax at residence and mobile phone for official use upto Rs. 36,000/- per annum
- f) **Variable Pay/Performance Bonus:** Mr Apoorva Shah may be paid as may be determined by the committee or Board thereof based on such performance parameters as may be laid down by the Committee or the Board and as per the rules of the Company
- g) The Company shall pay contribution at percentage of salary towards Provident Fund provided the contribution shall not exceed the limit laid down under the Income Tax Act, 1961
- h) The Company shall pay gratuity as per the Payment of Gratuity Act, 1972

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

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

**3. Other Terms and Conditions:**

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

Minimum Remuneration Notwithstanding anything contained herein, wherein in the absence or inadequacy of profits in any financial year, during the tenure, the company shall pay to Mr Apoorva Shah (DIN 00573184) remuneration as decided by the Board or any committee thereof from time to time as minimum remuneration with the approval of the Central government if necessary

The proposed re-appointment of and payment of remuneration to Mr Apoorva Shah (DIN: 00573184) as the Managing Director, has been considered and recommended by the Nomination and Remuneration Committee at its respective meetings held on 14<sup>th</sup> August, 2021.

The explanatory statement and the Resolution No. 5 of the Notice shall be treated as an abstract of the terms of appointment of Mr Apoorva Shah as the Managing Director of the Company as required under Section 102 of the Companies Act, 2013.

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

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

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

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

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

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

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

**Item No. 6**

The Board on the recommendation of the Nomination & Remuneration Committee at its meeting held on 10<sup>th</sup> June, 2021 approved the appointment of Mr. Apar Shah (DIN: 07125733) as the Whole-Time Director (WTD), of the Company effective from 10<sup>th</sup> June, subject to the approval of the Members. Considering the rich experience of Mr. Apar Shah, the Nomination & Remuneration Committee along with the Board recommends his appointment as Whole Time Director. The Company benefit from his insights and global perspective. It is proposed to seek Member's approval for the appointment of Mr. Apar Shah as a Whole-Time Director of the Company.

The Terms and Conditions of Appointment of Mr Apar Shah as Whole Time Director for a period of Three years with effect from 10<sup>th</sup> June, 2021 to 9<sup>th</sup> June, 2024 are as follows:

**Remuneration:**

**1. Salary:**

34,80,000 (Thirty Four Lakh Eighty Thousand Only) per annum.

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

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

- b) **Club Membership:** The Company shall pay fees of Club/s, as allowed under the Act and as per the rules of the Company, subject to maximum of Rs. 25,000/- per annum. This will, however, not include admission and life membership fees
- c) A car with a chauffeur for official purposes as per the rules of the Company
- d) **Leave:** Subject to the exigencies of his employment, Mr Apar Shah shall be entitled to leave in a year on full pay and allowances as per the rules and regulations of the Company
- e) The Company shall pay expenses on Telephone & Fax at residence and mobile phone for official use upto Rs. 36,000/- per annum
- f) **Variable Pay/Performance Bonus:** Mr Apar Shah may be paid as may be determined by the committee or Board thereof based on such performance parameters as may be laid down by the Committee or the Board and as per the rules of the Company
- g) The Company shall pay contribution at percentage of salary towards Provident Fund provided the contribution shall not exceed the limit laid down under the Income Tax Act, 1961
- h) The Company shall pay gratuity as per the Payment of Gratuity Act, 1972

Subject to overall ceiling on remuneration mentioned herein, Mr Apar Shah, Whole Time Director (DIN 07125733) may be given such other benefits in accordance with the schemes and rules applicable to the members of the Company framed from time to time

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

### 3. **Other Terms and Conditions:**

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

Minimum Remuneration Notwithstanding anything contained herein, wherein in the absence or inadequacy of profits in any financial year, during the tenure, the company shall pay to Mr Apar Shah (DIN 07125733) remuneration as decided by the Board or any committee thereof from time to time as minimum remuneration with the approval of the Central government if necessary

The proposed Appointment of and payment of remuneration to Mr Apar Shah (DIN: 07125733) as the Whole Time Director, has been considered and recommended by the Nomination and Remuneration Committee at its respective meetings held on 10<sup>th</sup> June, 2021

The explanatory statement and the Resolution No. 6 of the Notice shall be treated as an abstract of the terms of appointment of Mr Apar Shah as the Whole Time Director of the Company as required under Section 102 of the Companies Act, 2013.

Profile of Mr. Apar Shah is given herein below. The Board considers that his Appointment would be of immense benefit to the Company. Accordingly the Board of Directors recommends his appointment.

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

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

As such the Board recommends the Special Resolution set out in Item No. 6 of the Notice convening the meeting for the approval of the shareholders.

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

Save and except the above, none of the other Directors/Key Managerial Personnel of the Company/their relative(s) is, in any way, concerned or interested, financially or otherwise, in the resolution nos. 6 of the Notice.

The Board recommends the Special Resolution set out at Item No. 6 for the approval of Members.

**By the order of the Board of Directors,  
For NHC FOODS LIMITED  
Krina Mehta  
(Company Secretary & Compliance Officer)**

**Date: 12-08-2021**

**Place: Mumbai**

**ANNEXURE OF THE NOTICE**

Details of Director seeking Re-appointment at the ensuing Annual General Meeting

(In pursuance of Regulation 36(3) of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015)

Name of the Director	Mr. Apoorva Shah	Mr. Apar Shah
DIN	00573184	07125733
Date of Birth	01/01/1966	26/07/1994
Age	54 age	28 years
Expertise in Specific Functional Area	He has more than 27 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.	Mr. Apar Shah aged 27 years. He is Commerce Graduate from Mumbai University. His overall experience is around 6 years and to be specific in the Marketing 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.
Qualification	B.Com	BMS in Finance Import and Export Management from Welingkar Diploma in Finance Imarticus-ey- Financial Anylises Pro-Degree Master in Management Study-Finance
No. of shares held in the Company.	3912699	27650
Other Directorship in Indian Companies (including Private Companies)	-	-
Membership of Committees (Audit Committee and Stakeholders Relationship Committee in otherCompanies)	None	None
Relationship between Directors inter-se :	Mr. Apar Shah, is the Son of Mr. Apoorva Shah	Mr. Apoorva Shah is father of Mr. Apar Shah

## DIRECTORS' REPORT



Dear Members,

Your Directors are pleased to present the Annual Report for the Financial Year 2020-21, together with the Audited Financial statements of the Company for the year ended 31<sup>st</sup> March, 2021.

### 1. FINANCIAL HIGHLIGHTS:

(₹ In Lacs)

	<b>March 31, 2021</b>	<b>March, 31 2020</b>
Total Revenue	15259.80	13299.69
Total Expenditure	15075.95	13109.29
<b>Profit Before Tax</b>	<b>183.85</b>	<b>190.40</b>
Current Tax	69.81	42.19
Less: MAT Receivable	36.44	6.44
Less: Tax Paid/adjustment of earlier years	8.39	-
Less: Deferred Tax	3.88	(8.26)
<b>Profit After Tax</b>	<b>138.21</b>	<b>141.17</b>

### PERFORMANCE:

It needs to be noted that the Total Revenue of the company increased in March 2021 to Rs. 15259.80 Lacs as compared to previous year revenue which amounted to Rs. 13299.69 Lacs. Profit after Tax of the company is Rs. 138.21 Lacs as compared to Profit after Tax in previous year which is Rs. 141.17 Lacs.

### COVID – 19

In today's scenerio of COVID – 19 pandemic which developed rapidly into a global crisis forcing governments to ensure lockdowns of all economic activity. For the company, the focus immediately shifted to ensuring the health and well being of all employees, and on minimizing disruption of services for all our customers globally.

### 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:

8 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 2020-2021 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.

\* Mr. Apar Shah is appointed as a Whole Time Director of the company with effect from 10-06-2021.

\*\* Mrs. Alpa Shah resigned as a Whole Time Director of the company with effect from 10-06-2021.

#### 8. COMPOSITION OF AUDIT COMMITTEE:

The Board has constituted the Audit Committee and all the recommendations given by Audit Committee during Financial Year 2020-2021 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), Managing Director of the Company, retires by rotation at ensuing Annual General Meeting and being eligible, offer himself for re-appointment. The Board recommends his re-appointment as Managing 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.

##### PRESENT BOARD OF DIRECTOR OF THE COMPANY:

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	10-06-2021
Monika Singhania	07950196	Independent Director	30-09-2017	–
Manish Vyas	08502223	Independent Director	12-07-2019	–
Neha Kariwala	08502169	Independent Director	12-07-2019	–
Apar Shah*	07125733	Whole Time Director	10-06-2021	–

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
5. Mr. Apar Shah*	Whole-time Officer

\*Mr. Apar Shah is appointed as a Whole Time Director with effect from 10-06-2021.

\*\*Mrs. Alpa Shah has resigned as a Whole Time Director with effect from 10-06-2021.

#### 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.nhcgroup.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 31<sup>st</sup> March, 2021, 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 31<sup>st</sup> March, 2021 and of the profit of the Company for the year 1<sup>st</sup> April, 2020 to 31<sup>st</sup> March, 2021;
- 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:**

M/s. JMMK & Co., Chartered Accountants (Firm Registration No. 120459W) were appointed as the Statutory Auditors for a period of 5 years from the conclusion of the 27<sup>th</sup> Annual General Meeting till the conclusion of 32<sup>nd</sup> Annual General Meeting of the Company.

M/s. JMMK & Co. have confirmed their eligibility and qualification required under Section 139, 141 and applicable provisions of the Companies Act, 2013 and rules issued there under (including any statutory modification (s) or

re-enactment (s) thereof for the time being in force).

**17. AUDITORS OBSERVATIONS:**

The Auditors Report for the Financial Year 2020-2021 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 2020-2021 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:**

The Board of Directors of the company has appointed Mr. Dinesh Kumar Deora, Practising Company Secretary, as Secretarial Auditor to conduct the Secretarial Audit of the Company for the Financial Year 2021-2022

The Secretarial Audit Report along with the Secretarial Compliance report for the Financial Year ended 31<sup>st</sup> March, 2021 is set out in Annexure 2 to this report.

**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 and is also uploaded on the website of the company ([www.nhcgroupp.com](http://www.nhcgroupp.com))

**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 31<sup>st</sup> March, 2021 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.nhcgroupp.com](http://www.nhcgroupp.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 31<sup>st</sup> March, 2021 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:

<b>Name of the directors</b>	<b>Ratio to Median Remuneration</b>
<b>Executive Directors</b>	
Mr. Apoorva Shah	14.39
Mrs. Alpa Shah	14.39
<b>Non - Executive Directors</b>	
Mr. Manish Vyas	NA
Ms. Neha Kariwala	NA
Mrs. Monika Singhanian	NA

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

<b>Directors, Chief Executive Officer, Chief Financial Officer and Company Secretary</b>	<b>% increase in remuneration in the financial year</b>
Mr. Apoorva Shah	NIL
Mrs. Alpa Shah	NIL
Mr. Awadheshkumar Kanuajia	NIL
Ms. Krina Mehta	NIL

- c. The percentage increase in the median remuneration of employees in the financial year: 38.95%
- d. The number of permanent employees on the rolls of Company: 26
- 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:

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.nhcgroupp.com/wp-content/uploads/2015/01/Familiarization-Program-forIndependent-Directors-of-NHCFoodsLimited.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.nhcgroupp.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 2021-2022 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**

**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 2020-2021. 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: 10-06-2021**

## 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 MARCH 31, 2021**

To,  
The Members,  
NHC Foods Limited  
Survey No. 777, Umarsadi Desaiwad Road,  
At Village Umarsadi, Taluka Pardi,  
Killa Pardi, 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, 2021, 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, 2021 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, 2015;
- 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 (Issue of Capital and Disclosure requirements) Regulations, 2018;
  - b. The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014;
  - c. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
  - d. 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;
  - e. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; and
  - f. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018;



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 there under.
- 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.

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

**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:

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

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

**DINESH KUMAR DEORA**  
**PRACTISING COMPANY SECRETARY**

**FCSN0 5683**  
**COP NO 4119**  
**UDIN No. F005683B343581**

**Place: Mumbai**  
**Date: 6th June, 2021**

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. Whereever 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**

**FCSN0 5683**  
**COP NO 4119**  
**UDIN No. F005683B343581**

**Place: Mumbai**  
**Date: 6th June, 2021**

**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, 2021**.

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, 2021 (“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 there under; and
  - (b) the Securities Contracts (Regulation) Act, 1956 (“SCRA”), rules made there under and the Regulations, circulars, guidelines issued there under 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 there under; 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 there under.
  - (b) The listed entity has maintained proper records under the provisions of the above Regulations and circulars/ guidelines issued there under insofar as it appears from my/our examination of those records.
  - (c) There were 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 there under;
  - (d) There were 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**  
**PRACTISING COMPANY SECRETARY**

**FCSN0 5683**  
**COP NO 4119**  
**UDIN No. F005683B000343262**

**Place: Mumbai**  
**Date: 6th June, 2021**

## Annexure 3

**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.

**Form for disclosure of particulars with respect to Conservation of Energy**

	2020-21	2019-20
<b>(A) Power &amp; Fuel Consumption</b>		
<b>1. Electricity</b>		
(a) Purchased Units (kwh)	295275	180148
Total Amount (Rs.)	2323104.39	1618537
Rate/Unit (Rs./kwh)	7.87	8.98
(b) Own Generation		
(i) Through Diesel Generator		
(ii) Through Steam Turbine / Generators		
Units	0	0
Units/Ltr. of Diesel	0	0
Cost/Unit	0	0
Coal		
Quantity		
Total Cost		
Average Rate		
<b>3. Furnace Oil</b>	N.A.	N.A.
Quantity		
Total Cost		
<b>4. Other /Internal Generations</b>	N.A.	N.A.
Quantity		
Total Cost		
Average Cost		
<b>(B) Consumption per unit of production</b>		
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**

<b>Particulars</b>	<b>2020-21</b>	<b>2019-20</b>
Commission	29,54,840	24,50,756
Travelling Expenses	1,45,554	7,85,175
Consultancy Expenses	–	7,83,916

**Earnings in Foreign Currency (on accrual basis)**

<b>Particulars</b>	<b>2020-21</b>	<b>2019-20</b>
Bulk Agricultural Products	93,22,70,825	61,10,99,875

## ANNEXURE TO DIRECTORS' REPORT

### Annexure 4

#### Form No. MGT – 9

#### Extract of Annual Return

**As on the financial year on 31<sup>st</sup> March, 2021**

**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	Public Company / Limited by Shares Company
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: <a href="mailto:grievances@nhcgroup.com">grievances@nhcgroup.com</a>
vi. Whether listed Company	Yes
vii. Name, Address and Contact details of Registrar & Transfer Agents (RTA), if any	Link Intime India Pvt. Ltd.

### 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 - 2020				No. of shares held at the end of the year - 2021				% change during the year
	Demat	Physical	Total	% of Total	Demat shares	Physical	Total	% of Total shares	
(A) Shareholding of Promoter and Promoter Group									
[1] Indian									
(a) Individuals / Hindu Undivided Family	4901201	0	4901201	41.3429	4964684	0	4964684	41.8784	0.5355
(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)	4901201	0	4901201	41.3429	4964684	0	4964684	41.8784	0.5355
[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)	4901201	0	4901201	41.3429	4964684	0	4964684	41.8784	0.5355
(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	35	0	35	0.0003	35	0	35	0.0003	0.0000
(g) Insurance Companies	0	0	0	0.0000	0	0	0	0.0000	0.0000
(h) Provident Funds/ Pension Funds	0	0	0	0.0000	0	0	0	0.0000	0.0000
(i) Any Other (Specify)									
Sub Total (B)(1)	35	0	35	0.0003	35	0	35	0.0003	0.0000
[2] Central Government/ State Government(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.	3297943	199695	3497638	29.5035	3302286	199485	3501771	29.5383	0.0348
(ii) Individual shareholders holding nominal share capital in excess of Rs.1 lakh	2466851	0	2466851	20.8085	2421933	0	2421933	20.4296	-0.3789

(b) NBFCs registered with RBI	0	0	0	0.0000	0	0	0	0.0000	0.0000
(d) Overseas Depositories (holding DRs) (balancing figure)	0	0	0	0.0000	0	0	0	0.0000	0.0000
(c) Any Other (Specify)									
Hindu Undivided Family	380030	0	380030	3.2057	368826	0	368826	3.1111	-0.0946
Non Resident Indians (Non Repat)	30764	35756	66520	0.5611	31908	35756	67664	0.5708	0.0097
Non Resident Indians (Repat)	344401	0	344401	2.9051	372019	0	372019	3.1381	0.2330
Clearing Member	23796	0	23796	0.2007	8291	0	8291	0.0699	-0.1308
Bodies Corporate	168543	5985	174528	1.4722	143792	5985	149777	1.2634	-0.2088
Sub Total (B)(3)	6712328	241436	6953764	58.6568	6649055	241226	6890281	58.1213	-0.5355
Total Public Shareholding (B)=(B)(1)+(B)(2)+(B)(3)	6712363	241436	6953799	58.6571	6649090	241226	6890316	58.1216	-0.5355
Total (A)+(B)	11613564	241436	11855000	100.0000	11613774	241226	11855000	100.0000	0.0000
(C) Non Promoter - Non Public									
(C1) Shares Underlying DRs									
[1] Custodian/DR Holder	0	0	0	0.0000	0	0	0	0.0000	0.0000
(C2) Shares Held By Employee Trust									
[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)	11613564	241436	11855000	100.0000	11613774	241226	11855000	100.0000	

**ii) Shareholding of Promoters**

Sr. No.	Shareholder's Name	Shareholding at the beginning of the year - 2020			Shareholding at the end of the year - 2021			% 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	3852816	32.4995	0.0000	3916299	33.0350	0.0000	0.5355
2	Alpa Shah	1001435	8.4474	0.0000	1001435	8.4474	0.0000	0.0000
3	Apar Apoorva Shah	27650	0.2332	0.0000	27650	0.2332	0.0000	0.0000
4	Aneri Apoorva Shah	19300	0.1628	0.0000	19300	0.1628	0.0000	0.0000
	<b>Total</b>	<b>4901201</b>	<b>41.3429</b>	<b>0.0000</b>	<b>4964684</b>	<b>41.8784</b>	<b>0.0000</b>	<b>0.5355</b>



(iii) Change in Promoters shareholding

Sr. No.		Shareholding at the beginning of the year - 2020		Transaction during the year		Cumulative Shareholding during the year - 2021	
		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	3852816	32.4995			3852816	32.4995
	Market Buy			28 Aug 2020	33772	3853316	32.5037
	Market Buy			26 Feb 2021	14710	3901298	32.9085
	Market Buy			19 Mar 2021	10001	3911299	32.9928
	Market Buy			26 Mar 2021	5000	3916299	33.0350
	At the end of the year					3916299	33.0350
2	Alpa Shah	1001435	8.4474			1001435	8.4474
	At the end of the year					1001435	8.4474
3	Apar Apoorva Shah	27650	0.2332			27650	0.2332
	At the end of the year					27650	0.2332
4	Aneri Apoorva Shah	19300	0.1628			19300	0.1628
	At the end of the year					19300	0.1628

- 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	31/03/2020
2	Alpa Shah	IN30154938879340	AANPS8062K	1001435	31/03/2021
3	Apoorva Himatlal Shah	1207100000128251	AAVPS7943P	33000	31/03/2020
4	Apoorva Himatlal Shah	1207100000128251	AAVPS7943P	95983	31/03/2021
5	Apoorva Shah	IN30154938870115	AAVPS7943P	3819816	31/03/2020
6	Apoorva Shah	IN30154938870115	AAVPS7943P	3820816	31/03/2021
7	Apar Apoorva Shah	IN30154938870406	BSCPS6424H	27650	31/03/2020
8	Apar Apoorva Shah	IN30154938870406	BSCPS6424H	27650	31/03/2021
9	Aneri Apoorva Shah	IN30154938877731	BSCPS6974C	19300	31/03/2020
10	Aneri Apoorva Shah	IN30154938877731	BSCPS6974C	19300	31/03/2021

(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 - 2020		Transaction during the year		Cumulative Shareholding during the year - 2021	
		No. of Shares	% of Total Shares of the Company	Date of Transaction	No. of Shares	No. of Shares Held	% of Total Shares of The Company
1	Ashvinkumar M Selarka	235000	1.9823			235000	1.9823
	At the end of the year					235000	1.9823

2	Navroze Shiamak Marshall	0	0.0000			0	0.0000
	Market Buy			25 Sep 2020	9906	9906	0.0836
	Market Buy			30 Sep 2020	100000	109906	0.9271
	Market Buy			09 Oct 2020	100000	209906	1.7706
	At the end of the year					209906	1.7706
3	K V S Hari Kumar	146200	1.2332			146200	1.2332
	Market Buy			08 May 2020	3000	149200	1.2585
	Market Buy			19 Jun 2020	800	150000	1.2653
	Market Buy			16 Oct 2020	102	150102	1.2661
	Market Buy			11 Dec 2020	4022	154124	1.3001
	Market Buy			18 Dec 2020	2665	156789	1.3226
	Market Buy			08 Jan 2021	3211	160000	1.3496
	Market Buy			12 Feb 2021	200	160200	1.3513
	Market Buy			26 Mar 2021	1000	161200	1.3598
	At the end of the year					161200	1.3598
4	Rakesh Mangilal Ranka		0	0.0000		0	0.0000
	Market Buy			24 Jul 2020	50000	50000	0.4218
	Market Buy			22 Jan 2021	37068	87068	0.7344
	Market Buy			29 Jan 2021	40000	127068	1.0719
	Market Sell			19 Mar 2021	(68)	127000	1.0713
	At the end of the year					127000	1.0713
5	Dipakkumar Amrutlal Dharani	138645	1.1695			138645	1.1695
	Market Sell			30 Sep 2020	(12859)	125786	1.0610
	Market Sell			02 Oct 2020	(50000)	75786	0.6393
	Market Sell			09 Oct 2020	(2298)	73488	0.6199
	At the end of the year					73488	0.6199
6	Asmah Shares And Stock Brokers Pvt Ltd	67745	0.5714			67745	0.5714
	At the end of the year					67745	0.5714
7	Alka Nipam Chokshi	69000	0.5820			69000	0.5820
	Market Sell			19 Feb 2021	(1500)	67500	0.5694
	Market Sell			26 Feb 2021	(1000)	66500	0.5609
	At the end of the year					66500	0.5609
8	Jamshid Naval Pandole	0	0.0000			0	0.0000
	Market Buy			30 Sep 2020	50000	50000	0.4218
	Market Buy			09 Oct 2020	20000	70000	0.5905
	Market Sell			08 Jan 2021	(566)	69434	0.5857
	Market Sell			12 Feb 2021	(4305)	65129	0.5494
	At the end of the year					65129	0.5494

9	Dheeraj Kumar Lohia	145398	1.2265			145398	1.2265
	Market Sell			11 Sep 2020	(15000)	130398	1.0999
	Market Sell			18 Sep 2020	(30000)	100398	0.8469
	Market Sell			25 Sep 2020	(40000)	60398	0.5095
	At the end of the year					60398	0.5095
10	Jagruti Shaunak Shah	58200	0.4909			58200	0.4909
	At the end of the year					58200	0.4909
11	Vijyaben Pravinchandra Vyas	54475	0.4595			54475	0.4595
	At the end of the year					54475	0.4595
12	Rajesh Jhaveri	250000	2.1088			250000	2.1088
	Market Sell			10 Jul 2020	(500)	249500	2.1046
	Market Sell			17 Jul 2020	(99500)	150000	1.2653
	Market Sell			07 Aug 2020	(55000)	95000	0.8013
	Market Sell			28 Aug 2020	(2000)	93000	0.7845
	Market Sell			11 Sep 2020	(30000)	63000	0.5314
	Market Buy			18 Sep 2020	1000	64000	0.5399
	Market Buy			25 Sep 2020	21372	85372	0.7201
	Market Buy			30 Sep 2020	13628	99000	0.8351
	Market Buy			02 Oct 2020	6000	105000	0.8857
	Market Buy			09 Oct 2020	30000	135000	1.1388
	Market Buy			16 Oct 2020	1500	136500	1.1514
	Market Sell			23 Oct 2020	(27400)	109100	0.9203
	Market Sell			30 Oct 2020	(31100)	78000	0.6580
	Market Buy			06 Nov 2020	5651	83651	0.7056
	Market Sell			13 Nov 2020	(3651)	80000	0.6748
	Market Sell			22 Jan 2021	(80000)	0	0.0000
	At the end of the year					0	0.0000
13	Ashok Kumar Jain	148516	1.2528			148516	1.2528
	Market Sell			25 Sep 2020	(30097)	118419	0.9989
	Market Sell			09 Oct 2020	(40000)	78419	0.6615
	Market Sell			06 Nov 2020	(12748)	65671	0.5540
	Market Sell			22 Jan 2021	(11594)	54077	0.4562
	Market Sell			29 Jan 2021	(40765)	13312	0.1123
	Market Sell			12 Feb 2021	(13312)	0	0.0000
	At the end of the year					0	0.0000

- 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	Navroze Shiamak Marshall	1204470004870601	AACPM5508R	9906	31/03/2021
2	Navroze Shiamak Marshall	IN30509910020282	AACPM5508R	200000	31/03/2021
3	Jamshid Naval Pandole	1204470001570066	AACPP7589F	65129	31/03/2021
4	Asmah Shares And Stock Brokers Pvt LTD	IN30147710063264	AAFCA9363A	67745	31/03/2020
5	Asmah Shares And Stock Brokers Pvt Ltd	IN30147710063264	AAFCA9363A	67745	31/03/2021
6	Rajesh Jhaveri	IN30246110000026	AAPPJ6927N	250000	31/03/2020
7	Ashok Kumar Jain	IN30611421063390	ACPPJ9566K	148516	31/03/2020
8	Rakesh Mangilal Ranka	IN30246110218265	ACUPR5574J	127000	31/03/2021
9	Vijyaben Pravinchandra Vyas	1204780000198782	AEDPV6212Q	54475	31/03/2021
10	Vijyaben Pravinchandra Vyas	IN30132110309693	AEDPV6212Q	54475	31/03/2020
11	K V S Hari Kumar	IN30047642083238	AGBPK6458M	146200	31/03/2020
12	K V S Hari Kumar	IN30047642083238	AGBPK6458M	161200	31/03/2021
13	Alka Nipam Chokshi	IN30148510166617	AGXPC7033J	69000	31/03/2020
14	Alka Nipam Chokshi	IN30148510166617	AGXPC7033J	66500	31/03/2021
15	Dheeraj Kumar Lohia	1201880000001155	AHCPK2417L	145398	31/03/2020
16	Dheeraj Kumar Lohia	1201880000001155	AHCPK2417L	60398	31/03/2021
17	Dipakkumar Amrutlal Dharani	1205620000017344	AIMPS2565E	138645	31/03/2020
18	Dipakkumar Amrutlal Dharani	1205620000017344	AIMPS2565E	73488	31/03/2021
19	Jagruti Shaunak Shah	IN30429513085754	AMCPS2063D	58200	31/03/2020
20	Jagruti Shaunak Shah	IN30429513085754	AMCPS2063D	58200	31/03/2021
21	Ashvinkumar M Selarka	1207100000056886	BLPPS9703R	235000	31/03/2020
22	Ashvinkumar M Selarka	1207100000056886	BLPPS9703R	235000	31/03/2021

**(v) Shareholding of Directors and Key Managerial Personnel**

Sr. No.	Name	Shareholding at the beginning of the year - 2020		Changes during the year			Cumulative Shareholding during the year	
		No. of Shares	% of total Shares of the Company	Date Decrease	Increase/ in Share-holding	Reason Shares	No. of Shares of	% of total the Company
1	Mr. Apoorva Shah	38,52,816	32.4995					
				28-08-2020	Increase		3886588	32.7844
				26-02-2021	Increase		3901298	32.9085
				19-03-2021	Increase		3916299	32.9928
2	Mrs. Alpa Shah	1001435	8.45	No Change during the year			1001435	8.45
3	Mr. Manish Vyas	Nil	Nil	No Change during the year			Nil	Nil
4	Ms. Neha Kariwala	Nil	Nil				Nil	Nil
5	Mrs. Monika Singhania	Nil	Nil				Nil	Nil
6	Mr. Awdheshkumar Kannaujia	Nil	Nil				Nil	Nil
7	Miss. Krina Mehta	Nil	Nil				Nil	Nil

**V. INDEBTNESS:**

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

	Secured Loan Excluding Deposit	Unsecured Loans	Deposits	Total Indebtness
<b>Indebtness at the beginning of the financial year</b>	11,88,24,878	7,76,72,854		19,64,97,732
i. Principal Amount as on 31.03.2020	–	–		–
ii. Interest due but not paid	–	–		–
iii. Interest accrued but not due As on 31.03.2020	–	2,64,559		2,64,559
<b>Total (i+ii+iii)</b>	<b>11,88,24,878</b>	<b>7,79,37,413</b>		<b>19,67,62,291</b>
<b>Change in Indebtness during the financial year</b>				
Addition	85,07,28,287	15,82,47,803		1,00,89,76,090
Reduction	81,28,43,286	13,97,17,387		95,25,60,673
Less : Exchange Difference	(11,73,618)	–		(11,73,618)
Net Change	<b>3,90,58,619</b>	<b>1,85,30,416</b>		<b>5,75,89,035</b>
<b>Indebtness at the end of the financial year</b>				
i. Principal Amount as on 31.03.2021	15,78,83,497	9,62,03,270		25,40,86,767
ii. Interest due but not paid	–	–		–
iii. Interest Accrued but not due as on 31.03.2021	–	1,86,323		1,86,323
<b>Total (i+ii+iii)</b>	<b>15,78,83,497</b>	<b>9,63,89,593</b>		<b>25,42,73,090</b>

**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.)
<b>1</b>	<b>Gross Salary</b>			
	(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	–	–	–
	(c) Profit in lieu of salary under Section 17(3) of the Income Tax Act	–	–	–
<b>2</b>	<b>Stock Option</b>	–	–	–
<b>3</b>	<b>Sweat Equity</b>	–	–	–
<b>4</b>	<b>Commission</b>	–	–	–
	As % of Profit	–	–	–
	Others	–	–	–
<b>5</b>	<b>Others, Please Specify</b>			
	Total (A)	43,10,177	43,10,177	86,20,354
	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. Manish Vyas	Ms.Neha Kariwala	Mrs. Monika Singhania	Total Amount (Rs)
<b>INDEPENDENT DIRECTOR (ID)</b>				
Fee for attending Board /Committee Meeting	38,500	38,500	77,000	1,54,000
Commission	–	–	–	–
Others	–	–	–	–
<b>Total (B)(1)</b>	<b>38,500</b>	<b>38,500</b>	<b>77,000</b>	<b>1,54,000</b>

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

Sr. No.	Particulars of Remuneration	Mr. Awdhesh Kannaujia	Ms. Krina Mehta
<b>1</b>	<b>Gross Salary</b>		
	(a) Salary as per provisions contained in Section 17(1) of the Income Tax Act, 1961	<b>12,33,417</b>	<b>3,28,950</b>
	(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
<b>2</b>	<b>Stock Option</b>	Nil	Nil
<b>3</b>	<b>Sweat Equity</b>	Nil	Nil
<b>4</b>	<b>Commission</b>	Nil	Nil
	As % of Profit	Nil	Nil
	Others	Nil	Nil
<b>5</b>	<b>Others, Please Specify</b>	Nil	Nil
	<b>Total</b>	<b>12,33,417</b>	<b>3,28,950</b>

**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)
<b>A. COMPANY</b>					
Penalty	Nil	Nil	Nil	Nil	Nil
Punishment	Nil	Nil	Nil	Nil	Nil
Compounding	Nil	Nil	Nil	Nil	Nil
<b>B. DIRECTORS</b>					
Penalty	Nil	Nil	Nil	Nil	Nil
Punishment	Nil	Nil	Nil	Nil	Nil
Compounding	Nil	Nil	Nil	Nil	Nil
<b>C. OTHER OFFICERS IN DEFAULT</b>					
Penalty	Nil	Nil	Nil	Nil	Nil
Punishment	Nil	Nil	Nil	Nil	Nil
Compounding	Nil	Nil	Nil	Nil	Nil

**CORPORATE GOVERNANCE REPORT**

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 31<sup>st</sup> March, 2021 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.	Apoorva Shah	00573184	Managing Director	13-11-2018	–
2.	Alpa Shah**	00573190	Whole Time Director	14-02-2019	10-06-2021
3.	Manish Vyas	08502223	Independent Director	12-07-2019	–
4.	Monika Singhanian	07950196	Independent Director	30-09-2017	–
5.	Neha Kariwala	08502169	Independent Director	12-07-2019	–
6.	Apar Shah*	07125733	Whole Time Director	10-06-2021	–

\*Mr. Apar Shah is appointed as a Whole Time Director with effect from 10-06-2021.

\*\*Mrs. Alpa Shah has resigned as a Whole Time Director with effect from 10-06-2021.

**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 2020-21	Number of Board Meetings held during the year AGM held on		Whether attended last in other listed 30th Sept., 2020	Number of Directorship Public Companies	Number of Committee Positions held in other Companies*	
	Held	Attended			Chairman	Member
Apoorva Shah	8	8	Yes	–	–	–
Alpa Shah**	8	8	Yes	–	–	–
Monika Singhanian	8	8	Yes	1	–	–
Manish Vyas	8	8	Yes	–	–	–
Neha Kariwala	8	8	Yes	–	–	–

\*\*Mrs. Alpa Shah has resigned as a Whole Time Director with effect from 10-06-2021.

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.

8 Board Meetings were held during the year and the gap between two meetings did not exceed One Hundred and Twenty Days. The dates on which the said meetings were held:

30-06-2020	13-07-2020	14-08-2020	26-08-2020	21-10-2020
11-11-2020	13-02-2021	10-03-2021		

#### **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 & \*Mr. Apar Shah, Whole Time Director is the Son of Mr. Apoorva Shah, Chairman and Managing Director of the Company

\*Mr. Apar Shah is appointed as a Whole Time Director with effect from 10-06-2021.

\*\*Mrs. Alpa Shah has resigned as a Whole Time Director with effect from 10-06-2021.

**(b) DETAILS OF EQUITY SHARES OF THE COMPANY HELD BY THE DIRECTORS AS ON MARCH 31, 2021 ARE GIVEN BELOW: -**

<b>Name of the Directors</b>	<b>No. of Shares held (As on March 31, 2021)</b>
Mr. Apoorva Shah	3916299
Mrs. Alpa Shah**	1001435
Mr. Manish Vyas	Nil
Mrs. Monika Singhania	Nil
Ms. Neha Kariwala	Nil
<b>Total</b>	<b>4917734</b>

The Company has not issued any convertible instruments.

\*\*Mrs. Alpa Shah has resigned as a Whole Time Director with effect from 10-06-2021.

**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.nhcgroupp.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 10<sup>th</sup> March, 2021 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 pre-clearance for dealing in the Company's shares and prohibits the purchase or sale of Company's securities by the Directors and the designated employees while in possession of unpublished price sensitive information in relation to the Company and during the period when the Trading Window is closed. The Company Secretary is responsible for implementation of the Code. The full text of the code is available on the website of the Company under "Investor Section" in the Corporate Governance Section.

## SUBSIDIARIES

The Company does not have any Subsidiary Company.

## RELATED PARTY TRANSACTIONS

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

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

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

### 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 mechanisms 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 power 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 2020-2021 on 30<sup>th</sup> June, 2020, 14<sup>th</sup> August, 2020, 11<sup>th</sup> November, 2020, 13<sup>th</sup> February, 2021 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. Manish Vyas	Member	Independent Director	4
Ms. Neha Kariwala	Member	Independent Director	4

	Apoorva Shah	Monika Singhania	Manish Vyas	Neha Kariwala
<b>30-06-2020</b>	Yes	Yes	Yes	Yes
<b>14-08-2020</b>	Yes	Yes	Yes	Yes
<b>11-11-2020</b>	Yes	Yes	Yes	Yes
<b>13-02-2021</b>	Yes	Yes	Yes	Yes

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. Mrs. Monika Singhania is the Chairman of the Committee. She was present at the last Annual General Meeting. The Committee met one time during Financial Year 2020-2021 on 30<sup>th</sup> June, 2020. The composition of and attendance at Committee meetings is as follows:

Name	Designation	Category	No. of Meeting attended
Mrs. Monika Singhania	Chairman	Independent Director	1
Mr. Apoorva Shah	Member	Managing Director	1
Mr. Manish Vyas	Member	Independent Director	1
Ms. Neha Kariwala	Member	Independent Director	1

	Apoorva Shah	Monika Singhania	Manish Vyas	Neha Kariwala
<b>30-06-2020</b>	Yes	Yes	Yes	Yes

**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 12<sup>th</sup> May, 2015, approved the policy on Nomination, Removal, Remuneration and Board Diversity ('NR Policy'). The NR Policy covers the following aspects:

Pursuant to the requirements of section 178 of the act and corresponding provisions contained in regulation 17 of SEBI Regulation

- 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 One time during Financial Year 2020-2021 on 30<sup>th</sup> June, 2020. 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
Mrs. Monika Singhania	Chairman	Independent Director	1
Mrs. Alpa Shah	Member	Whole time Director	1
Mr. Manish Vyas	Member	Independent Director	1
Ms. Neha Kariwala	Member	Independent Director	1

	Apoorva Shah	Monika Singhania	Manish Vyas	Neha Kariwala
<b>30-06-2020</b>	Yes	Yes	Yes	Yes

### 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 thereunder 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 thereunder. 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 thereunder 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.

**(A) MANAGING DIRECTOR AND WHOLE-TIME DIRECTOR:**

	<b>Apoorva Shah</b>	<b>Alpa Shah</b>
Salary	43,10,177	43,10,177
Benefits, Perquisites & Allowances	–	–
Commission	–	–
ESPS	–	–

\*\*Mrs. Alpa Shah resigned as a Whole Time Director with effect from 10-06-2021

**GENERAL BODY MEETINGS:**

Year	Location	Day, Date & Time
2019-20	Via Video Conferencing / Other Audio Visual means	Wednesday, 30th September, 2020 11.00 AM
2018-19	Survey No. 777, Umarsadi Desaiwad Road, Village Umarsadi, Taluka Pardi, District Valsad, Gujarat: 396175	Monday, 30th September, 2019 10.00 AM
2017-18	Survey No. 777, Umarsadi Desaiwad Road, Village Umarsadi, Taluka Pardi, District Valsad, Gujarat: 396175	Thursday, 27th September, 2018 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
30th September, 2020	1) 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.
	2) Approval for Sale of Undertaking of the company situated at NHC House, 2/13, Anand Nagar, Santacruz East, Mumbai – 400055.
30th September, 2019	1) 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.
	2) Approval for Sale of Undertaking of the company situated at NHC House, 2/13, Anand Nagar, Santacruz East, Mumbai – 400055.
	3) Appointment of Mr. Manish Vyas as Non Executive Independent Director.
	4) Appointment of Ms. Neha Kariwala as an Non Executive Independent / Director
27 <sup>th</sup> September, 2018	1) Re-appointment of Mr. Apoorva Shah, Chairman & Managing Director for a period of Three years with effect from 13 <sup>th</sup> November, 2018 to 12 <sup>th</sup> November, 2021.
	2) Re-appointment of Mrs. Alpa Shah, Whole Time Director for a period of Three years with effect from 14 <sup>th</sup> February, 2019 to 13 <sup>th</sup> 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.

**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.nhcgroupp.com](http://www.nhcgroupp.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				
	Apoorva Shah	Manish Vyas	Alpa Shah**	Monika Singhanian	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

\*\*Mrs. Alpa Shah has resigned as a whole time director with effect from 10-06-2021

**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 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	: Thursday
Date	: 30th September, 2021
Time	: 12.00 pm
Venue	: Via Video Conferencing / Other Audio Visual means
Book Closure	: 24th September, 2021 to 30th September, 2021

**(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.

<b>Approval of financial results proposed</b>	
Quarter ending 30 June, 2021	Within 45 days from the end of the quarter
Quarter ending 30 September, 2021	Within 45 days from the end of the quarter
Quarter ending 31 December, 2021	Within 45 days from the end of the quarter
Year ending 31 March, 2022	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):**

**LISTING ON STOCK EXCHANGE**

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

**LISTING FEES**

The listing fees for the Financial Year 2020-2021 have been paid by the Company within the stipulated time.

**(d) Stock code:**

<b>Stock Exchange</b>	<b>Scrip Code</b>	<b>ISIN</b>
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 2020	4.46	3.44	18622
May 2020	4.37	3.65	22263
June 2020	5.33	4.04	61,617
July 2020	6.40	5.01	2,26,260
August 2020	6.54	5.18	1,45,310
September 2020	11.75	6.28	6,91,672
October 2020	9.89	5.50	295759
November 2020	7.69	6.27	84338
December 2020	9.45	6.10	144891
January 2021	8.20	5.50	214243
February 2021	7.35	5.47	118592
March 2021	7.71	5.99	146065

(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) REGISTRAR AND SHARE TRANSFER AGENTS:**
**LINK INTIME INDIA PRIVATE LIMITED.**

C 101, 247 Park, L.B.S. Marg,  
Vikhroli (West), Mumbai – 400083  
Tel.: 022 4918 6000  
Email: [rnt.helpdesk@linkintime.co.in](mailto:rnt.helpdesk@linkintime.co.in)  
Website: [www.linkintime.co.in](http://www.linkintime.co.in)

**(g) 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.

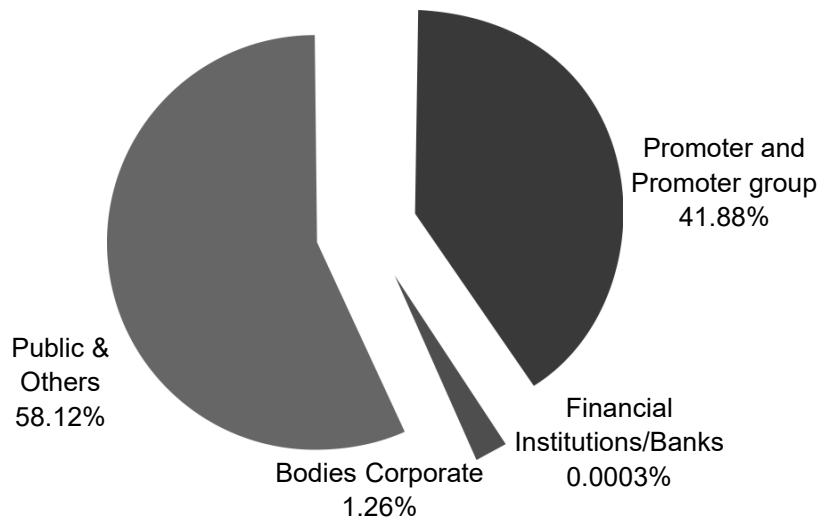
**(h) Distribution of Shareholding as on 31<sup>st</sup> March, 2021:**

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	6795	81.1150	810919	8109190	6.8403
5,001 – 10,000	674	8.0458	575715	5757150	4.8563
10,001 – 20,000	402	4.7989	652922	6529220	5.5076
20,001 – 30,000	157	1.8742	411062	4110620	3.4674
30,001 – 40,000	77	0.9192	283466	2834660	2.3911
40,001 – 50,000	65	0.7759	308087	3080870	2.5988
50,001 – 1,00,000	103	1.2296	787555	7875550	6.6432
1,00,001 & above	104	1.2415	8025274	80252740	67.6953
<b>Grand Total</b>	<b>8377</b>	<b>100.0000</b>	<b>11855000</b>	<b>118550000</b>	<b>100.0000</b>

**OWNERSHIP PATTERN AS ON 31ST MARCH, 2021**

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	4964684	41.88
2.	Foreign	–	–	–
	Total Shareholding of Promoter & Promoter group	4	4964684	41.88
(B)	Public Shareholding			
1.	Institutions			
	Financial Institutions / Banks	1	35	0.0003
2.	Bodies Corporate	34	149777	1.26
3.	Public and others	8261	6740469	56.85
	Total Public Shareholding	8297	6890316	58.12
(C)	Shares held by Custodian and against which Depository Receipts have been issued			
1.	Promoter and Promoter Group	–	–	–
	Public	–	–	–
	Total (A) + (B) + (C)	8301	1,18,55,000	100

**Ownership Pattern**



**List of Shareholders other than Promoters holding more than 1% as on 31st March, 2021**

Sr. No.	Name of Shareholder	No. of Shares held	% of Total Holding
1.	Ashvinkumar M Selarka	235000	1.9823
2.	Navroze Shiamak Marshall	209906	1.77
3.	K V S Hari Kumar	161200	1.36
4.	Rakesh Mangilal Ranka	127000	1.07

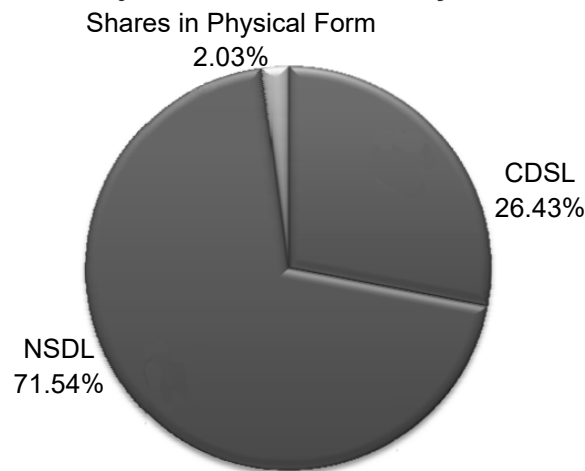
**(i) DEMATERIALIZATION OF SHARES AND LIQUIDITY:**

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 31<sup>st</sup> March, 2021, **11613774 Equity Shares** out of 1,18,55,000 Equity Shares of the Company, forming **97.96%** 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, 2021		As on 31st March, 2020	
	Number of Shares	Percentage	Number of Shares	Percentage
<b>Shares in Demat Form</b>				
CDSL	<b>3132790</b>	26.43	<b>3018048</b>	25.46
NSDL	<b>8480894</b>	71.54	<b>8595516</b>	72.51
Shares in Physical Form	<b>241226</b>	2.03	<b>241436</b>	2.03
Total	<b>11855000</b>	<b>100</b>	<b>11855000</b>	<b>100</b>

### Ownership in Demat and Physical Form



**(j) OUTSTANDING GLOBAL DEPOSITORY RECEIPTS OR AMERICAN DEPOSITORY RECEIPTS OR WARRANTS OR ANY CONVERTIBLE INSTRUMENTS**

There are no GDRs/ADRs/Warrants outstanding as on 31<sup>st</sup> March, 2021.

**(k) 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.

**(l) PLANT LOCATIONS:**

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

**(m) 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](mailto:grievances@nhcgroup.com)  
Website: [www.nhcgroup.com](http://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](mailto:rnt.helpdesk@linkintime.co.in)

Website: [www.linkintime.co.in](http://www.linkintime.co.in)

**DISCLOSURES:**

**(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.nhcgroupp.com/wp-content/uploads/2015/01/Related-Party-Transaction-policy.pdf>

During the Financial Year 2020-2021, 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.

**(d) 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.

**(e) 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 12th April, 2021 for the half year / financial year ended 31st March, 2021 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.

**(f) 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**

**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.

**SHAREHOLDER RIGHTS:** The Company displays its half yearly results along with its quarterly results on its website: [www.nhcgroupp.com](http://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.

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

The Auditors have raised no qualification on the financial statements

**SEPARATE POSTS OF CHAIRPERSON AND CEO:**

Mr. Apoorva Shah is the Chairman and Managing Director of the Company.

**REPORTING OF INTERNAL AUDITOR:**

The Company has appointed M/s. DMS & Co. 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.

**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 2019-2020 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

**CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS**

[Pursuant to Regulation 34(3) and Schedule V Para C clause (10) (i) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015]

To,  
The Members of  
NHC Foods Limited  
D-22/8, TTC Industrial Area,  
MIDC, Turbhe, Navi Mumbai - 400705

We have examined the relevant registers, records, forms, returns and disclosures received from the Directors of NHC Foods Limited having CIN: L15122GJ1992PLC076277 and having its Registered Office at Survey No. 777, Umarsadi Desaiwad Road, at Village Umarsadi, Taluka Pardi, Killa Pardi, Valsad, Gujarat - 396175 (hereinafter referred to as 'the Company'), produced before us by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In our opinion and to the best of our information and according to the verifications (including Directors Identification Number (DIN) status at the portal [www.mca.gov.in](http://www.mca.gov.in)) as considered necessary and explanations furnished to me by the Company & its officers, We hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ended on 31st March, 2021 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs or any such other Statutory Authority.

Sr. No	Name of Director	DIN	Date of Appointment
1	Apoorva Shah	00573184	13-11-2018
2	Alpa Shah	00573190	14-02-2019
3	Monika Singhania	07950196	30-09-2017
4	Manish Vyas	08502223	12-07-2019
5	Neha Kariwala	08502169	12-07-2019

Ensuring the eligibility for the appointment / continuity of every Director on the Board is the responsibility of the management of the Company. Our responsibility is to express an opinion on these based on our verification. This certificate is neither an assurance as to the 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**

**Firm Registration Number: L2017MH003500  
Membership No.: FCS 5683  
COP No 4119  
UDIN Number : F005683C000187216**

**Place: Mumbai  
Date: 27-04-2021**

## 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, 2021, as per the relevant provisions of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“the **SEBI Listing Regulations, 2015**”) as referred to in Regulation 15(2) of the SEBI Listing Regulations, 2015 for the period from April 01, 2020 to March 31, 2021.

The Compliance of the conditions of Corporate Governance is the responsibility of the Company’s management and our examination was limited to a review of procedures and implementation thereof, adopted by the Company for ensuring compliance of the conditions of the Corporate Governance. 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 explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the SEBI Listing Regulations, 2015.

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

This certificate is issued solely for the purpose of complying with the aforesaid Regulations and should not be used by any other person or for any other purpose.

**FOR DM & ASSOCIATES COMPANY SECRETARIES LLP  
COMPANY SECRETARIES**

**DINESH KUMAR DEORA  
PARTNER**

**Firm Registration Number: L2017MH003500**

**Membership No.: FCS 5683**

**COP No 4119**

**UDIN Number : F005683C000426268**

**Place: Mumbai**

**Date: 06-06-2021**



**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, 2021.

**For NHC FOODS LIMITED**

**APOORVA SHAH  
(CHAIRMAN & MANAGING DIRECTOR)  
DIN: 00573184**

**Place: Navi Mumbai  
Date: 10-06-2021**

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

We, **Apoorva Shah**, Chairman and Managing Director and **AwdheshkumarKannaujia**, 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 31<sup>st</sup>March, 2021 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: NaviMumbai**  
**Date: 10-06-2021**

**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, 2021**.

We DM & Associates, Company Secretaries LLP, 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 documents / filings, as may be relevant, which has been relied upon to make this certification, for the year ended 31<sup>st</sup> March, 2021 (“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 there under; and
  - (b) the Securities Contracts (Regulation) Act, 1956 (“SCRA”), rules made there under and the Regulations, circulars, guidelines issued there under 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:-

- I. Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;
- II. Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018; **( Not Applicable to the Company during the audit period)**
- III. Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
- IV. Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018; **( Not Applicable to the Company during the audit period)**
- V. Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014; **(Not Applicable to the Company during the audit period)**
- VI. Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; **(Not Applicable to the Company during the audit period)**
- VII. Securities and Exchange Board of India (Issue and Listing of Non-Convertible Redeemable Preference Shares) Regulations, 2013; **( Not Applicable to the Company during the audit period)**
- VIII. Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
- IX. Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; **(Not Applicable to the Company during the audit period)**
- X. Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;

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 there under, except in respect of matters specified below:-

Sr. No.	Compliance Requirement (Regulations/ Circulars/Guidelines including specific clause)	Deviations	Observations/ Remarks of the Practising Company Secretary
			None

- (b) The listed entity has maintained proper records under the provisions of the above Regulations and circulars/ guidelines issued there under insofar as it appears from our examination of those records.

- (c) The following are the details 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 there under:

Sr. No.	Action taken by	Details of Violation	Details of Action taken, e.g. fines, warning, letter, debarment etc.	Observations/Remarks of the practising Company Secretary, if any
None				

- (d) The listed entity has taken the following actions to comply with the observations made in previous reports:

Sr. No.	Observations of the Practising Company Secretary in the previous reports	Observations made in the Secretarial Compliance Report for the year ended 31-03-2020	Actions taken by the listed entity, if any	Comments of the Practising Company Secretary, on the actions taken by the listed entity
			None	

**Dinesh Kumar Deora-Partner**  
**DM & Associates Company Secretaries LLP**  
**Practicing Company Secretaries**  
**FCS 5683 COP No. 4119**

**Place: Mumbai**

**Date: April 27, 2021**

**UDIN Number: F005683C000188481**

**MANAGEMENT DISCUSSION AND ANALYSIS REPORT****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. FINANCIAL & OPERATING 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, 2021

**FINANCIAL PERFORMANCE**

The Total Revenue of the company increased in March 2021 to Rs. 15259.80 Lacs as compared to previous year revenue which amounted to Rs. 13299.69 Lacs. Also Profit after Tax of the company is Rs. 138.21 Lacs.

**IMPACT OF COVID-19 ON THE MARKET:**

- The market for spices and seasonings have witnessed a rapid uptick with the onset of the coronavirus crisis, wherein some select spices that are meant to provide immunity, such as turmeric, ginger, and garlic, has received tremendous response from consumers, globally. Developed economies that are largely dependent on imports from the developing countries, initially, supply chain risk persisted, however, being one of the most sought-after destinations for herbs, spices, and seasonings, as well as products having a recognizable value and local demand, the market entry at present is less impacted by the same.
- As the crisis has also emphasized the vulnerability of agricultural supply chains and consumers’ long-term dependence on farmers and their workers, the shift toward a sustainable agricultural supply chain has evolved that will eventually address such a global pandemic on the agricultural sector. For instance, the Royal Dutch Spice Association of the Netherlands entered into an Agreement on International Responsible Business Conduct to cater to negative social and environmental impacts.

**2. ASIA-PACIFIC - THE FASTEST GROWING MARKET**

Asia-Pacific is the fastest-growing market in the global spices and seasonings market. China is the largest market in the region followed by the Indian market. The climatic conditions of the region are favorable for the growth of various spices and seasonings. Thus the Asia-Pacific produces the best quality of spices, which brings the major players to the region. Most of the nations in Asia-Pacific use locally produced spices and seasonings. Moreover, an increasing demand is found in the organic spice and seasoning segment. Additionally, a significant percentage of spices from the region are exported to Europe and North America.

Ready-to-cook spices mixes are increasingly gaining popularity among consumers owing to their time- and effort-saving features. These pre-mix packages provide consistency in the taste of food with minimum effort.

Furthermore, organic product variants in this category have witnessed significant demand owing to the perception that these ingredients are healthier than processed foods.

### 3. Global Spice Industry

- In FY20, spices worth US\$ 3.62 billion were exported.
- Top importers of Indian spices in FY21 were US, UAE, UK, Hong Kong, Australia, and Canada.
- The total spices export during April 2020 to March 2021 was US\$ 4.00 billion and for the month of March 2021 it was US\$ 448.77 million.
- In April 2021, export of spices stood at US\$ 398.50 million.
- During FY19, India's chilli export stood at 468,500 tonnes, cumin export at 180,300 tonnes, turmeric export at 133,600 tonnes and cardamom large export at 860 tonnes.
- In FY20 (till December 2019), ginger export showed the highest growth of 47% with 19,410 tonnes, followed by cardamom with 31% at 1,060 tonnes and cumin with 14% at 7,350 tonnes.

### 4. INDIAN MARKET OVERVIEW

The India spices market grew at a CAGR of 15% during 2015-2020. Spices refer to the food additives that are primarily used for flavoring, coloring, or preserving food items. They are usually manufactured by processing a wide range of aromatic seeds, dried fruits or vegetables, roots, barks, etc. Spices offer exquisite aroma, texture, and taste to food without adding any extra fat or calories. India currently represents one of the largest producers of spices in the world. Some of the common spices that are widely available in the country, include chili, turmeric, coriander, tamarind, cumin, mustard, fenugreek, etc.

The increasing demand for innovative flavors, authentic cuisines, and ethnic tastes in foods and snacks is augmenting the market for spices in India. Additionally, a significant growth in the food processing industry along with hectic work schedules and sedentary lifestyles of the consumers are also propelling the demand for convenient food options. As a result, the growing utilization of spices in processed and ready-to-eat food products is further driving the market growth in the country. Apart from this, the expanding HoReCa sector in India is also bolstering the market growth. Moreover, the increasing penetration of western food trends is further catalyzing the demand for a variety of newer spices. Additionally, the Indian government has introduced stringent regulations to curb the adulteration of spices, thereby inducing the production of safer product variants. Furthermore, the rising consumer concerns towards the negative health impact of synthetic additives in spices are augmenting the demand for natural and organic spices in the country. Looking forward, IMARC Group expects the India spices market to continue its strong growth during the next five years.

Despite the COVID-19 Pandemic, export of spices from India continued its upward trend during 2020-21 and crossed the 3.5 billion US \$ mark. Estimated export of spices/ spice products from the country during 2020-21 is 15,65,000 tons valued Rs.27193.20 crores (US \$3624.76 million) against the 12,08,400 tons valued Rs.22062.80 crores (US \$3110.63 million) of the previous financial year. Export of spices attained an all-time record in terms of both volume and value in the year registering an increase of 30% in volume, 23% in rupee terms and 17% in dollar terms of value compared to the previous year.

#### SPICES BOARD OF INDIA

The Spices Board of India works towards the development and worldwide promotion of Indian spices. It provides quality control and certification, registers exporters, documents trade information and provides inputs to the central government on policy matters. The board participates in major international fairs and food exhibitions to promote Indian spices, apart from organizing various domestic events.

### 5. RISKS AND CONCERNS

The Company continuously works towards de-risking its business by adopting preventive measures. However, there are certain potential risks being more industry oriented and the management strongly feels the same could be mitigated by having systematic decisions and measures. These Industry Oriented risks are as listed below:

**Procurement Risk:** Adequate availability of key raw materials at the right prices is crucial for the Company. The major raw material being agro based, availability of same depends on the vagaries of nature. Therefore, any disruption in the supply due to a natural or other calamity or violent changes in the cost structure could adversely affect the Company's ability to reach its consumers with the right value proposition. However, the Company is adopting best possible measures to ensure constant supply at right prices.

**Intense competition from unorganized sector:** One of the characteristics of this industry is the presence of unorganized sector offering products in loose unbranded form which intensifies competition. The Company has invested significantly in building strong brands which helps differentiate its products.

**Exchange Rate Fluctuation:** The Company being engaged in exports, derives approximately 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

**Interest Rate Risk:** The market is highly competitive with no fiscal barriers and entry of large MNCs into the country with inorganic growth strategies. Our Company continues to focus on increasing its market share and taking marketing initiatives that help create differentiation and provide optimum service to its customers

**Credit Risk:** The Company has the capability of producing spices and spices products ware to suit the budget and tastes of customers across the globe and hence is optimistic of growth in the both export and domestic market. It also enjoys customer loyalty and large percentage of its export business comes from long standing customers.

## **6. INFRASTRUCTURE**

We have with us, dependable and sophisticated infrastructure that helps us in quality processing and packaging of our range of Indian Spices. This well equipped infrastructure is spread across a wide area and has separate hulling unit and cleaning unit, which are ISO 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:**

1. Roaster cum Blender
2. Packaging Machine
3. Grinding Machine
4. Shrink Wrap & Vacuum Pack Machine

## **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. COMPANY OVERVIEW**

The roots of NHC Foods Limited go back to 1960 with the establishment of N. Himatlal & Co. The Company was founded by Himatlal Shah with the aim of promoting export of Indian spices and foodstuff to the world. Today it is 3<sup>rd</sup> generation in working. 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 85 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, Egypt, Mauritius, Sri Lanka, Brazil, Ukraine, Iran, Bangladesh, South Africa, Morocco.

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, Bangladesh, New Zealand, Zimbabwe, Taiwan, Thailand, Jamaica, Trinidad & Tobago, Mauritius, Spain, Bulgaria, Turkey, Egypt, Jordan,

South Africa, Morocco 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 various Trade shows like Gulf Food Exhibition in Dubai, ANUGA in Germany, SIAL in Paris, etc, various online B2B Portals like Alibaba.com, etc and also personal visits to our clients in his country.

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. We are also promoting brand SAAZ in International Market in Consumer and Bulk Packaging.

## 9. CERTIFICATIONS

Our company holds various certificates:

- |                              |                           |
|------------------------------|---------------------------|
| 1. ISO 22000:2005            | 11. GHP & GAP             |
| 2. HALAL CERTIFICATE         | 12. HACCP & GMP           |
| 3. STAR K KOSHER CERTIFICATE | 13. FIEO CERTIFICATION    |
| 4. SPICE BOARD CERTIFICATE   | 14. APEDA CERTIFICATE     |
| 5. IMC CERTIFICATE           | 15. FSSAI CERTIFICATE     |
| 6. IOPEPC                    | 16. COCONUT BOARD         |
| 7. CHEMEXCIL                 | 17. TWO STAR EXPORT HOUSE |
| 8. SHELLAC                   | 18. TEA BOARD CERTIFICATE |
| 9. IEC CERTIFICATE           | 19. COFFEE BOARD          |
| 10. US FDA                   |                           |

With these certificates, our company gets its audit done every year for safety measures, cleanliness measures, operational measures, etc as we cater to International market.

## 10. HUMAN RESOURCE STRATEGY

In NHC Foods Limited, we work as a one big family from more than 25 years with effective training, rewards and recognition, and also help to encourage superior performance and a competitive mind set. Also the management of Human Resources is 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 31st March 2021, the statement of Profit and Loss (Including Other Comprehensive Income), the Statement of Change in Equity and the Statement of Cash Flows for the year ended on that date, and a summary of significant accounting policies and other explanatory information (hereinafter referred to as 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 Ind AS 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 31st March 2021, 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 of the financial statements in accordance with the Standards on Auditing (“SA”)s specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor’s Responsibility 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 (“ICAI”) 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 obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

**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 statement as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

Sr. No.	Key Audit Matter	Auditors Response
1.	<p><b>Trade receivables and other financial assets and Impairment</b></p> <p>The Company has significant trade receivables and other financial assets at year end. Given the size of the balances and the risk that some of the trade receivables and other financial assets may not be recoverable, judgement is required to evaluate whether any allowance should be made to reflect the risk. The Company recognizes loss allowance for trade receivables and other financial assets at the expected credit loss (‘ECL’).</p> <p>Assessment of the recoverability of trade receivables and other financial assets is inherently subjective and requires significant management judgment (which includes repayment history and financial position of entities from whom these balances are recoverable, terms of underlying arrangements, overdue balances, market conditions etc.).</p>	<p><b>Principal Audit Procedures:</b></p> <p>In view of the significance of the matter, we applied the following key audit procedures:</p> <ul style="list-style-type: none"> <li>• Obtaining an understanding of and assessing the design, implementation and operating effectiveness of the Company’s key internal controls over the process of estimating the loss allowance for trade receivables and other financial assets including adherence to the requirements of the relevant accounting standards.</li> <li>• Assessing the Company’s methodology for provisioning towards trade receivables and other financial assets.</li> <li>• Understanding the key inputs used in the provisioning model by the Company such as repayment history, overdue balances, market conditions.</li> <li>• As a part of substantive audit procedures, we tested on sample basis the ageing of trade receivable having different overdue period and checked the computation</li> </ul>

		<p>of ECL is appropriate and in line with the Company's policy.</p> <ul style="list-style-type: none"> <li>• In case of overdue debts inquired with management for any dispute which may require additional provisions.</li> <li>• Assessing the disclosures made against the relevant accounting standards.</li> </ul>
<b>2.</b>	<p><b>Accuracy and completeness of disclosure of related party transaction and compliance with the provision of companies act 2013 and SEBI (Listing Obligations and Disclosure requirements) Regulations, 2015 as amended ('SEBI (LODR) 2015')</b></p>	<p><b>Principle Audit Procedures:</b></p>
	<p>we identified the accuracy and completeness of disclosure of related party transactions as set out in respective notes to the Ind AS financial statements as a key audit matter due to:</p> <ul style="list-style-type: none"> <li>• The significance of transactions with related parties during the year ended March 31, 2021</li> <li>• Related party transactions are subject to the compliance requirement under the Companies act 2013 and SEBI (LODR) 2015.</li> </ul>	<p>Our audit procedure in relation to the disclosure of related party transactions included the following:</p> <ul style="list-style-type: none"> <li>• We obtained an understanding, evaluated the design and tested operating effectiveness of the controls related to capturing of related party transactions and management's process of ensuring all transactions and balances with related parties have been disclosed in the Ind AS Financial statements.</li> <li>• We obtained an understanding of the Companies policies and procedures in respect of evaluating arms-length pricing and approval process by the audit committee and the board of directors.</li> <li>• We agreed the amounts disclosed with underlying documentation and read relevant agreements, evaluation of arms-length by management, on a sample basis, as part of our evaluation of the disclosure.</li> <li>• We assessed management evaluation of compliance with the provision of section 177 and section 188 of Companies act 2013 and SEBI (LODR) 2015.</li> <li>• We evaluated the disclosures through reading of statutory information books and records and other documents obtained during the course of our audit.</li> </ul>
<b>3.</b>	<p><b>Claims and exposures relating to taxation and litigation</b></p>	<p><b>Principle Audit Procedures:</b></p>
	<p>The company has disclosed in Note 30(b) of the Ind AS financial statements contingent liabilities of Rs. 41.09 lakhs. In respect of disputed claims/levies under various tax and legal matters Taxation and litigation exposures have been identified as a key audit matter due to:</p> <ul style="list-style-type: none"> <li>• Significance of these amounts and large number of disputed matters with various authorities.</li> <li>• Significant judgement and assumptions required by management in assessing the</li> </ul>	<p>Our audit procedures included the following:</p> <ul style="list-style-type: none"> <li>• We obtained understanding, evaluated the design, and tested the operating effectiveness of the controls related to the identification, recognition and measurement of provisions for disputes, potential claims and litigation, and contingent liabilities.</li> <li>• We obtained details of legal and tax disputed matters and evaluation made by the management and assessed management's position through discussions on both the probability of success in significant cases, and the magnitude of any potential loss.</li> </ul>

	<p>exposure of each case to evaluate whether there is a need to set up a provision and measurement of exposures as well as the disclosure of contingent liabilities. We focus on this matter because of the potential financial impact on the Ind AS financial statements. Additionally, the treatment of taxation and litigation cases require significant judgement due to the complexity of the cases, timescales for resolution and involvement of various authorities.</p>	<ul style="list-style-type: none"> <li>• We read external legal opinions (where considered necessary) and other evidence to corroborate management's assessment of risk profile in respect of legal claims.</li> <li>• We assessed the relevant disclosures made in the Ind AS financial statements for compliance In accordance with the requirements of Ind AS 37.</li> </ul>
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**Emphasis of Matter**

We draw attention to Note no. 37 to the Ind AS financial Statements, which explain that as per management assessment lockdown did not have any material impact in the operations of the Company for the year ended March 31, 2021. The company will continue to evaluate the pandemic related uncertainty arising from second wave and update its assessment.

Our opinion is not modified in respect of this matter.

**Information Other than the Financial Statements and Auditor's Report Thereon**

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Board's Report including Annexures to Board's Report, Corporate Governance Report and Shareholder Information, but does not include the financial statements and our auditor's report thereon.

The Board's Report, Annexures to Board's Report, Corporate Governance Report and Shareholder Information is expected to be made available to us after the date of this auditor's report. Our opinion on the Ind AS Financial Statements does not cover the other information and we will not express any form of assurance conclusion thereon. In connection with our audit of the Ind AS Financial Statements, our responsibility is to read the other information identified above when it becomes available 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.

When we read the Board's Report, Report on Corporate governance and Business Responsibility report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance and describe actions applicable in the applicable laws and regulations.

**Responsibilities of Management and Those Charged with Governance for the Ind AS Financial Statements:**

The Company's board of directors are responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these Ind AS Financial Statements that give a true and fair view of the financial position, financial performance, including other comprehensive Income, changes in equity and cash flows of the Company in accordance with the Ind AS and other accounting principles generally accepted in India, including the accounting standards specified under section 133 of the Act. 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 judgements 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 statement 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 are also responsible for overseeing the Company's financial reporting process.

### **Auditor's Responsibility for the Audit of the Ind AS 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 scepticism throughout the audit. We also:

- Identifying and assess the risks of material misstatements 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.
- Obtaining an understanding of internal financial control relevant to the audit in order design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, 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 the 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 standalone 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**

1. 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.
2. As required by Section 143(3) of the Act, based on our audit 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;
  - b. In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
  - c. The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, Statement of Changes in Equity and the Statement of Cash Flows dealt with by this Report are in agreement with the relevant books of account;
  - d. In our opinion, the aforesaid Ind AS Financial Statements comply with the Ind AS specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended;
  - e. On the basis of the written representations received from the directors as on 31<sup>st</sup> March 2021 taken on records by the Board Directors, none of the disqualified as on 31<sup>st</sup> March 2021 from being appointed as a director in terms of Section 164 (2) of the Act;
  - f. With respect to the adequacy of the Internal Financial Controls over financial reporting of the Company with reference to these Standalone Financial Statements and the operating effectiveness of such controls, refer to our separate report in "Annexure B"; Our report expresses an unmodified opinion on adequacy and operative effectiveness of the Company's internal financial controls over financial reporting;
  - g. 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 / provided by the Company to its directors during the year is in accordance with the provisions of section 197 read with Schedule V of the Act. The Ministry of Corporate Affairs has not prescribed other details under Section 197(16) which are required to be commented upon by us.

- h. 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, as amended 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 standalone financial statements as referred to Note 30(b) to the Ind AS Financial Statements.
  - 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 JMMK & Co.**

(earlier known as JMK & Co.)

**Chartered Accountants**

ICAI Firm Registration No. 120459W

**CA Jitendra Doshi**

Partner

Membership No: 151274

Place: Mumbai

Date: 10<sup>th</sup> June, 2021

UDIN : 21151274AAAABV6522

## **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 situation of Property, Plant and Equipment and is in the process of updating quantitative and situation details with respect to certain fixed assets in the records maintained by the company.
  - 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 by the management of the Company and based on our examination of the books and records of the Company, immovable properties of freehold land, factory building which was self-constructed, and office premises whose title deed have been pledged as security for loans and not available for our verification, are held in the name of the Company.
- ii. In respect to Inventories:
  - a) As explained to us, the inventories of finished goods and raw materials were physically verified during the year by the Management. In our opinion, the frequency of such verification is reasonable.
  - b) In our opinion and according to the information and explanations given to us, the procedures of physical verification of inventories followed by the Management were reasonable and adequate in relation to the size of the Company and the nature of its business.
  - c) In our opinion and according to the information and explanations given to us, the Company has maintained proper records of its inventories and no material discrepancies were noticed on physical verification.
- iii. In our opinion and accordingly to the information, explanations and Management Explanation given to us, the Company has not granted any loans, secured or unsecured to companies, firms, Limited Liability partnerships or other parties covered in the Register maintained under section 189 of the Act. Accordingly, the provisions of clause 3 (iii) (a) to (c) of the Order are not applicable to the Company.
- iv. In our opinion and according to the information and explanations given to us, there are no loans, guarantees or securities granted in respect of which provisions of Section 185 and 186 of the Act are applicable to the Company. The Company has complied with the provision of section 186 of the Act in respect of the investment made.
- v. According to the information and explanations given to us, the Company has not accepted any deposits from the public hence the directives issued by the Reserve Bank of India and provisions of section 73 to Section 76 of the Act and Rules framed there under, are not applicable to it. According to information and explanation provided to us no order has been passed by Company Law Board or National Company Law Tribunal or Reserve Bank of India or any court or any other tribunal in the current year. Accordingly, the provisions of Clause 3(v) of the Order are not applicable to the Company.
- vi. We have broadly reviewed the books of account and records maintained by the Company pursuant to the rules made by the Central Government of India for the maintenance of cost records prescribed under sub-section (1) of section 148 of the Act in respect of manufacturing activities of the Company and are of the opinion that prima facie, the prescribed accounts and records have been maintained. We have however, not made a detailed examination of the records with a view to determine whether they are accurate or complete.
- vii. In respect of Statutory Dues:
  - a) According to the information and explanation given to us and on the basis of our examination of books and records of the Company, the Company has been regular in depositing undisputed statutory dues including Provident Fund, Employees State Insurance, Income Tax, Sales Tax, Goods and Services Tax, Service Tax, duty of Customs, duty of Excise, Value Added Tax, Cess and other Material Statutory Dues, applicable to it to the appropriate authorities.
  - b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, no amounts deducted / accrued in the books of account in respect of undisputed statutory dues including provident fund, Income-Tax, Cess, Goods and Service Tax and other material statutory dues, in arrears as at March 31, 2021 for a period of more than six months from the date they became payable.
  - c) According to the information and explanations given to us and on the basis of our examination of the records of the Company produced before us in accordance with the generally accepted auditing practices in India, following are the dues which have not been deposited as at 31<sup>st</sup> March, 2020 on account of dispute:

Sr. No.	Nature of the Statute	Nature of dues	Forum where dispute is pending	Period to which the amount Relates	Disputed amount (Rs.)	Amount paid as Appeal Fees (Rs.)
1.	Central Excise Act, 1962	Excise Duty	Custom, Excise and Service Tax Appellate Tribunal	F.Y. 1992-1995	2.27	–
2.	The Income Tax 1961	Income Tax	ITAT has referred back the case to assessing Officer	A.Y. 2012-13	5.48	–
			ITAT	A.Y. 2012-13	28.04	5.61
			ITAT	A.Y. 2014-15	5.30	–

- viii. In our opinion and according to the information and explanation given to us, the Company has not defaulted in repayment of dues to banks and Financial Institutions during the year. The Company did not have dues relating to any loans or borrowing from Government or debenture holders.
- ix. In our opinion, and according to the information and explanations given to us, the money raised by way of term loans have been applied for the purposes for which they were obtained. As the Company has not raised any moneys by way of initial public offer and further public offer (including debt instruments), the provisions of Clause 3(ix) of the Order, to that extent, are not applicable to the Company.
- x. During the course of our examination of the books and records of the company carried out in accordance with generally accepted auditing practices in India and according to the information and explanations given to us, we have neither come across any fraud by the company or any fraud on the company by its officers or employees noticed or reported during the year nor have we been informed of such case by management.
- xi. In our opinion and according to the information and explanations given to us, 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 Act.
- xii. In our opinion and according to Information and explanations provided to us, the Company is not a Nidhi Company. Accordingly, provisions of the clause 3(xii) of the Order are not applicable to the Company.
- xiii. In our opinion and according to the information and explanations given to us, the Company is in compliance with Section 177 and 188 of the Companies Act, 2013 where applicable, for all transactions with the related parties and the details of related party transactions have been disclosed in the financial statements as required by the applicable accounting standard.
- xiv. During the year, the Company has not made any preferential allotment or private placement of shares or fully or partly paid convertible debentures. Accordingly, provision of the clause 3(xiv) of the Order is not applicable to the Company.
- xv. According to the information and explanations given to us, during the year the Company has not entered into any non-cash transactions with its Directors or persons connected with them and hence provisions of section 192 of the Companies Act, 2013 are not applicable to the Company. Accordingly, clause 3(xv) of the Order is not applicable to the Company.
- xvi. According to the information and explanations given to us the Company the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

**For JMMK & Co.**

(earlier known as JMK & Co.)

**Chartered Accountants**

ICAI Firm Registration No. 120459W

**CA Jitendra Doshi**

Partner

Membership No: 151274

Date: 10<sup>th</sup> June, 2021

Place: Mumbai

UDIN: 21151274AAAABV6522

## **Annexure B to the Independent Auditor's Report**

**(Referred to in paragraph 2(f) under 'Report on Other Legal and Regulatory Requirements' section of our report to the Members of NHC FOODS LIMITED of even date)**

### **Report on the Internal Financial Controls Over Financial Reporting 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 31<sup>st</sup> March, 2021 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

#### **Management's Responsibility for Internal Financial Controls**

The Company's Management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India (the "Guidance Note"). 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 the respective 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 ('the Act).

#### **Auditor's Responsibility**

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit in accordance with the Guidance Note and the Standards on Auditing prescribed under Section 143(10) Act, to the extent applicable to an audit of internal financial controls. 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 with reference to Ind AS Financial Statement and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting with reference to Ind AS Financial Statement, 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 with reference to Ind AS Financial Statement.

#### **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 authorisations of the management and directors of the company; and (3) Provide reasonable assurance regarding prevention or timely detection of unauthorised 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 with reference to these Ind AS Financial Statement, 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, to the best of our information and according to the explanations given to us, 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 31<sup>st</sup> March, 2021, based on the internal financial 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 ICAI.

**For JMMK & Co.**

(earlier known as JMK & Co.)

**Chartered Accountants**

ICAI Firm Registration No. 120459W

**CA Jitendra Doshi**

Partner

Membership No: 151274

Date: 10<sup>th</sup> June, 2021

**BALANCE SHEET AS AT 31ST MARCH, 2021**
**(Amount in Lakhs)**

PARTICULARS	Note	As at March 31, 2021	As at March 31, 2020
<b>1. Non-Current Assets</b>			
Property, Plant and Equipment (Note no. 3)		989.73	1,057.61
Goodwill	4(i)	309.26	347.94
Right to Use Assets	4(ii)	94.17	125.59
Other Non Current Assets	5	503.11	31.67
<b>Total Non-Current Assets</b>		<b>1,896.27</b>	<b>1,562.81</b>
<b>2. Current Assets</b>			
Inventories	6	2,034.00	1,448.84
Financial Assets			
Investments	7	0.60	0.60
Trade Receivables	8	1,997.43	2,402.26
Cash and Cash Equivalents	9	111.24	112.00
Other Balances with Bank	10	331.86	-
Other Financial Assets	11	347.68	176.38
Other Current Assets	12	213.92	516.66
<b>Total Current Assets</b>		<b>5,036.73</b>	<b>4,656.74</b>
<b>Total Assets</b>		<b>6,933.00</b>	<b>6,219.55</b>
<b>Equity and Liabilities</b>			
<b>1. Equity</b>			
Equity Share Capital	13	1,185.50	1,185.50
Other Equity	14	1,041.32	903.40
<b>Total Equity</b>		<b>2,226.82</b>	<b>2,088.90</b>
<b>2. Liabilities</b>			
Non-Current Liabilities			
Financial Liabilities			
Borrowings	15	691.09	466.13
Lease Liabilities		106.56	123.82
Provisions	16	54.86	34.93
Deferred Tax Liabilities (Net)	17	6.32	38.88
Other Non Current Liabilities	18	10.75	10.00
<b>Total Non-Current Liabilities</b>		<b>869.58</b>	<b>673.75</b>
Current Liabilities			
Financial Liabilities			
Borrowings	19	1,929.36	1,279.33
Lease Liabilities		5.40	15.70
<b>Trade Payables</b>	20		
Total outstanding dues of micro enterprises and small enterprises		4.51	0.69
Total outstanding dues of creditors other than micro enterprises and small enterprises		1,682.76	1,715.67
Provisions	21	47.10	37.68
Other Current Liabilities	22	167.47	407.84
<b>Total Current Liabilities</b>		<b>3,836.60</b>	<b>3,456.89</b>
<b>Total Liabilities</b>		<b>4,706.18</b>	<b>4,130.65</b>
<b>Total Equity and Liabilities</b>		<b>6,933.00</b>	<b>6,219.55</b>
<b>Significant Accounting Policies and Notes Forming Part of the Financial Statements.</b>	1-44		

As per our report of even date attached

For **JMMK & CO.**  
**Chartered Accountants**  
**Firm Reg. No. : 120459W**  
**CA JITENDRA DOSHI**  
*(Partner)*  
M. No. 151274  
**Place: Mumbai**  
**Date: June 10, 2021**

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

<b>Apoorva Shah</b> <i>Chairman &amp; Managing Director</i> DIN: 00573184	<b>Alpa Shah</b> <i>Whole Time Director</i> DIN: 00573190
<b>Awdheshkumar Kannaujia</b> <i>Chief Financial Officer</i>	<b>Krina Mehta</b> <i>CS &amp; Compliance Officer</i>

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31ST, 2021

(Amount in Lakhs)

PARTICULARS	Note	For the year ended March 31, 2021	For the year ended March 31, 2020
<b>I. Revenue</b>			
Revenue from Operations	23	15,177.96	13,160.91
Other Income	24	81.84	138.78
<b>Total Revenue</b>		<b>15,259.80</b>	<b>13,299.69</b>
<b>II. Expenses</b>			
Cost of Materials Consumed	25	7.05	13.20
Purchase of Traded Goods		14,304.00	11,928.73
Changes in inventories of Finished goods, Work in progress and Traded Goods	26	(586.79)	(3.85)
Employee Benefits Expense	27	208.13	210.94
Finance Cost	28	166.78	161.29
Depreciation and Amortisation Expenses	3 & 4	121.72	139.50
Other Expenses	29	855.06	659.48
<b>Total</b>		<b>15,075.95</b>	<b>13,109.29</b>
<b>Profit Before Tax</b>		<b>183.85</b>	<b>190.40</b>
<b>Tax Expenses</b>			
Current Tax		69.81	42.19
Less : MAT Utilised		36.44	6.44
Tax paid / adjustment of earlier year		8.39	8.87
Deferred Tax		3.88	(8.26)
<b>Total Tax Expenses</b>		<b>45.64</b>	<b>49.24</b>
<b>Profit After Tax</b>		138.21	141.17
<b>Other Comprehensive Income</b>			
<b>Items that would not be classified subsequently to Profit and Loss</b>			
Actuarial (loss)/gain on defined benefit obligation		(0.29)	(6.29)
Income tax relating to these items			1.75
		<b>(0.29)</b>	<b>(4.54)</b>
<b>Total comprehensive income for the period</b>		<b>137.92</b>	<b>136.63</b>
Earnings Per Equity Share of Face Value of 10/- each			
Basic Earnings per share (Rs.)		1.17	1.19
Diluted Earnings per share (Rs.)		1.17	1.19
<b>Significant Accounting Policies and Notes Forming Part of the Financial Statements.</b>	<b>1-44</b>		

As per our report of even date attached

For **JMMK & CO.**  
**Chartered Accountants**  
**Firm Reg. No. : 120459W**  
**CA JITENDRA DOSHI**  
*(Partner)*  
 M. No. 151274  
**Place: Mumbai**  
**Date: June 10, 2021**

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

<b>Apoorva Shah</b> <i>Chairman &amp; Managing Director</i> DIN: 00573184	<b>Alpa Shah</b> <i>Whole Time Director</i> DIN: 00573190
<b>Awdheshkumar Kannuajia</b> <i>Chief Financial Officer</i>	<b>Krina Mehta</b> <i>CS &amp; Compliance Officer</i>

**Cash flow statement for the year ended 31st March, 2021 (Amount in Lakhs)**

Particulars	For the year Ended March 31, 2021	For the year ended March 31, 2020
<b>A. Cash Flows from Operating Activities</b>		
<b>Profit before taxes</b>	183.85	190.40
Adjustments for:		
Depreciation and amortisation expense	121.72	139.50
Interest expense	152.35	134.38
Interest income	(3.48)	31.42
Bad Debts written off	7.77	17.97
Sundry Balance Written back	(5.37)	(9.13)
Profit on sale of Property, Plant and Equipment	–	(15.01)
Other Adjustments including other comprehensive income	0.29	6.29
Effect of Expected Credit Loss	10.96	13.56
<b>Operating profit before working capital changes</b>	<b>468.09</b>	<b>509.39</b>
Changes In Working Capital :		
(Increase) in Inventories	(585.15)	(0.83)
(Increase)/Decrease in Trade receivables	386.11	(550.32)
(Increase)/Decrease in Loans and advances and other assets(652.50)	(7.47)	
(Increase)/Decrease in Trade payables, other liabilities and provisions	(131.65)	(512.94)
<b>Net Changes In Working Capital</b>	<b>(983.19)</b>	<b>(1,071.57)</b>
<b>Cash generated from the operations</b>	<b>(515.10)</b>	<b>(562.18)</b>
Direct tax paid	(72.83)	(42.70)
<b>Net Cash provided by/ (used in) operating activities (A)</b>	<b>(587.93)</b>	<b>(604.89)</b>
<b>B. Cash Flow from Investing Activities</b>		
Purchase of Property, Plant and equipment (Including Capital Advances)	(3.97)	(26.84)
Proceeds from Sale of Property, Plant and Equipment	–	38.46
Interest income	3.48	1.34
<b>Net Cash provided by/ (used in) investing activities (B)</b>	<b>(0.49)</b>	<b>12.96</b>
<b>C. Cash Flow from Financing Activities</b>		
Proceeds from Director	334.93	344.04
(Repayment) of Loan to Director	(311.51)	(216.59)
Proceeds from Bank	19,106.10	6,632.48
(Repayment) of borrowings to Bank	(18,177.80)	(6,263.23)
Proceeds from Others borrowin	56.52	519.78
(Repayment) of Other borrowin	(233.31)	(309.93)
Repayment of Lease Liability (Including interest)	(9.12)	(1.77)
Interest expense	(153.02)	(113.38)
<b>Net Cash provided by/ (used in) financing activities (C)</b>	<b>612.80</b>	<b>591.39</b>
<b>Net increase/ (decrease) in Cash and Cash Equivalents (A+B+C)</b>	<b>24.38</b>	<b>(0.54)</b>
<b>Cash and Cash Equivalents at the beginning of the year</b>	<b>112.00</b>	<b>112.54</b>
<b>Cash and Cash Equivalents at the end of the year</b>	<b>136.38</b>	<b>112.00</b>
Earmarked Deposits with Banks	306.72	–
<b>Cash and Bank Balances at the end of the year</b>	<b>443.10</b>	<b>112.00</b>

Note : 1. The above Statement of Cash Flows has been prepared under the 'Indirect Method' as set out in Ind AS 7, 'Statement of Cash Flows'

**Components of Cash and Bank Balances at the end of the year:**

	As At 31st March, 2021	As At 31st March, 2020
Balance with Bank	102.37	105.31
Cash in Hand	8.88	6.69
Total Cash and Cash equivalents as per Balance Sheet	111.25	112.00
<b>Other Bank balances disclosed under current assets (Note 10)</b>	<b>331.86</b>	<b>–</b>
<b>Total Cash and Cash equivalent as per Balance Sheet</b>	<b>443.10</b>	<b>112.00</b>

As per our report of even date attached

For **JMMK & CO.**  
Chartered Accountants  
Firm Reg. No. : 120459W  
**CA JITENDRA DOSHI**  
(Partner)  
M. No. 151274  
Place: Mumbai  
Date: June 10, 2021

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 changes in equity for the year ended 31st March 2021:

A. Equity Share Capital

₹ in Lakhs (Except No. of Shares)

Particulars	Number of Shares	Amount
As at April 1, 2019	1,18,55,000	1,185.50
Changes in equity share capital		
As at March 31, 2020	1,18,55,000	1,185.50
Changes in equity share capital		
As at March 31, 2021	1,18,55,000	1,185.50

B. Other Equity

Attributable to equity holders of the Company

(Amount in Lakhs)

Particulars	Reserves & Surplus		Other Comprehensive Income (OCI)	Total
	Securities Premium Reserves	Retained earnings	Remeasurements of net defined	
As at April 1, 2019	174.29	588.16	4.33	766.78
Profit for the year	–	141.17	–	141.17
Other Comprehensive income for the year	–	–	(4.54)	(4.54)
Other Adjustments	–	–	–	–
As at March 31, 2020	174.29	729.33	-0.21	903.41
As at April 01, 2020	174.29	729.33	-0.21	903.41
Profit for the year	–	138.21	–	137.92
Other Comprehensive income for year (OCI)	–	–	(0.29)	(0.29)
Tax adjustment of OCI items	–	–	–	–
Balance at 31st March, 2021	174.29	867.53	(0.50)	1,041.33

For JMMK & CO.  
(Earlier known as JMK & Co.)  
Chartered Accountants  
Firm Reg. No. : 120459W

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

CA Jitendra Doshi  
(Partner)  
Membership No. 151274

Apoorva Shah  
Chairman & Managing Director  
DIN: 00573184

Alpa Shah  
Whole Time Director  
DIN: 00573190

Place: Mumbai  
Date: 10th June, 2021

Awdheshkumar Kannuajia  
Chief Financial Officer

Krina Mehta  
CS & Compliance Officer

## Notes to Financial Statements for the year ended March 31, 2021

### 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 June 10, 2021.

### 2 Significant Accounting Policies

#### 2.1 Basis of preparation of financial statements

- (a) These financial statements have been prepared in accordance with Indian Accounting Standard (Ind AS) as notified under section 133 of the Companies Act, 2013 ("the Act") read with Companies (Indian Accounting Standard) Rules 2015 and relevant amendment rules issued thereafter.

The financial statements have been prepared on a historical cost convention on the accrual basis of accounting except for certain financial assets and liabilities (including derivative instruments) which are measured at fair values at end of each reporting period, as stated in Summary of significant accounting policies below

Accounting policies have been consistently applied except where a newly issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy as mentioned in note (b) below

#### (b) Application of New Accounting pronouncements

Pursuant to issuance of the Companies (Indian Accounting Standards) Amendment Rules, 2019 and the Companies (Indian Accounting Standards) Second Amendment Rules, 2019, Ind AS 116 – "Leases" (Ind AS 116) supersedes Ind AS 17 – "Leases". The Company has adopted Ind AS 116 using the modified retrospective approach with effect from 1st April, 2019.

#### 2.2 Use of Estimates and Judgements:

The preparation of the financial statements in conformity with Ind AS requires the Management to make estimates, judgments and assumptions. These estimates, judgments and assumptions affect the application of accounting policies and the reported amounts of assets and liabilities, the disclosures of contingent assets and liabilities at the date of the financial statements and reported amounts of revenues and expenses during the period. The application of accounting policies that require critical accounting estimates involving complex and subjective judgments and the use of assumptions in these financial statements have been disclosed in Note 2.4. Accounting estimates could change from period to period

#### 2.3 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.

**(c) Depreciation methods, estimated useful lives and residual value**

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

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

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

**(d) Intangible assets**

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

**Amortisation methods and periods**

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

**(e) Impairment of non financial assets**

The Company assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's

recoverable amount. An asset's recoverable amount is the higher of an asset's fair value less costs of disposal and its value in use. Recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. When the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

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

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

**(f) Leases**

**(i) As a lessee**

The Company, as a lessee, recognizes a right-of-use asset and a lease liability for its leasing arrangements, if the contract conveys the right to control the use of an identified asset. The contract conveys the right to control the use of an identified asset, if it involves the use of an identified asset and the Company has substantially all of the economic benefits from use of the asset and has right to direct the use of the identified asset.

Effective April 1, 2019, the Company adopted Ind AS 116 "Leases" and applied the standard to the lease contract existing on April 1, 2019 using the modified retrospective approach. Accordingly, comparatives for the year ended March 31, 2019 have not been retrospectively adjusted. The standard permits a choice on initial adoption, on a lease-by-lease basis, to measure the right-of-use (ROU) asset at either its carrying amount as if Ind AS 116 had been applied since the commencement of the lease, or an amount equal to the lease liability adjusted for accruals or prepayments. The Company has elected to measure the right-of-use asset equal to the lease liability, with the result of no net impact on retained earnings and no restatement of prior period comparatives.

The company recognizes a right of use asset and a lease liability at the lease commencement date. The right of use asset is initially measured at costs which comprise the initial amount of lease liability adjusted for any lease payments made before the commencement date. The right of use asset is subsequently depreciated using the straight-line method of the balance lease term. In addition, the right of use asset is periodically reduced by impairment loss, if any and adjusted for certain Remeasurements of lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Company's incremental borrowing rate. Generally, the Company uses its incremental borrowing rate as the discount rate.

Lease payments included in the measurement of the lease liability comprise the amounts expected to be payable over the period of lease. The lease liability is measured at amortized cost using effective interest rate method. It is remeasured when there is a change in future lease payments arising from change in the index or rate

Lease liability and ROU asset have been separately presented in the Balance Sheet and lease payments (including interest) have been classified as financing cash flows

**Short-term leases and leases of low-value assets**

The Company has elected not to recognize right-to-use assets and lease liabilities for short term lease that have a lease term of 12 months or less and leases of low-value assets. The Company recognize the lease payments associated with these leases as an expenses on a straight-line basis over the lease term.

**(ii) As a lessor**

When the Company acts as a lessor, it determines at lease inception whether each lease is a finance lease or an operating lease

To classify each lease, the Company makes an over all assessment of whether the lease transfers substantially all of the risks and rewards incidental to ownership of the underlying asset. If this is the case, then the lease is a finance lease; if not, then it is an operating lease. As part of this assessment, the Company considers certain indicators such as whether the lease is for the major part of the economic life of the asset



To classify each lease, the Company makes an overall assessment of whether the lease transfers substantially all of the risks and rewards incidental to ownership of the underlying asset. If this is the case, then the lease is a finance lease; if not, then it is an operating lease. As part of this assessment, the Company considers certain indicators such as whether the lease is for the major part of the economic life of the asset

The Company recognizes lease payments received under operating leases as income on a straight-line basis over the lease term. Contingent rents are recognised as revenue in the period in which they are earned. The accounting policies applicable to the Company as a lessor in the comparative period were not different from IndAS 116

**(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.

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 which give rise to a financial asset of one entity and financial liability or equity of another entity.

**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.

#### **(q) 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.

**(r) 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.

**(s) 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.

**(t) 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.

**(u) 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.

**(v) 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.

**(w) Events after reporting date**

Where events occurring after the Balance Sheet date provide evidence of conditions that existed at the end of the reporting period, the impact of such events is adjusted within the financial statements. Otherwise, events after the Balance Sheet date of material size or nature are only disclosed.

## **2.4 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 useful lives and residual values of Company's assets are determined by the management at the time the asset is acquired and reviewed at each financial year end. The lives are based on historical experience with similar assets as well as anticipation of future events, which may impact their life, such as changes in technical or commercial obsolescence arising from changes or improvements in production or from a change in market demand of the product or service output of the asset.

### **(iii) Income Taxes**

The company tax jurisdiction is india. Significant judgements are involved In estimating budgeted profit for the purpose of paying advance tax,determining the provision for income taxes, including amount expected to be paid/recovered for uncertain tax positions.

### **(iv) 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.

### **(v) 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.

### **(vi) 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.



**(vii) 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.

**(viii) Estimation of uncertainties relating to the global health pandemic from COVID - 19**

The outbreak of Coronavirus (COVID-19) pandemic globally and in India is causing significant disturbance and slowdown of economic activity. In many countries, businesses are being forced to cease or limit their operations for long or indefinite periods of time. Measures taken to contain the spread of the virus, including travel bans, quarantines, social distancing, and closures of non-essential services have triggered significant disruptions to businesses worldwide, resulting in an economic slowdown. COVID19 is significantly impacting business operation of the companies, by way of interruption in production, supply chain disruption, unavailability of personnel, closure/lockdown of production facilities etc.

The Company has considered the possible effects that may result from the pandemic relating to COVID-19 on the carrying amounts of receivables, other assets, etc. In developing the assumptions relating to the possible future uncertainties in the global economic conditions because of this pandemic, the Company, as at the date of approval of these financial statements has used internal and external sources of information including credit reports and related information, economic forecasts. The Company has performed sensitivity analysis on the assumptions used and based on current estimates expects the carrying amount of these assets will be recovered. The impact of COVID-19 on the Company's financial statements may differ from that estimated as at the date of approval of these financial statements.

**2.5 Recent accounting pronouncements**

On 24th march 2021, the Ministry of Corporate Affairs ("MCA") through a notification, amended schedule III Of companies act 2013. The amendments revise Division I,II,III of schedule III and are applicable from 1st april 2021. Key amendments relating to division II which relate to companies whose financial statements are required to comply with companies (Indian Accounting Standards) Rules 2015 are:

**Balance Sheet:**

- lease liabilities should be separately disclosed under the head 'financial liabilities', duly distinguished as current or non current.
- Certain additional disclosures in the statement of changes in equity such as changes in equity share capital due to prior period errors and restated balances at the beginning of the current reporting period.
- Specified format for disclosure of shareholding of promoters.
- Specified format for ageing schedule of trade receivables, trade payables, capital work in progress and intangible assest under development
- If a company has not used funds for the specific purpose for which it was borrowed from banks and financial institutions, then disclosure of details of where it has been used.
- Specific disclosure under 'additional regulatory requirement' such as compliance with approved schemes of arrangements, compliance with number of layers of companies, title deeds of immovable property not held in name of company, loan and advances to promoters, directors, key managerial personnel(KMP) and related parties, details of benami property held etc.

**Statement of Profit and Loss:**

- Additional disclosures relating to Corporate Social Responsibility (CSR), undisclosed income and Crypto or virtual currency specified under the head ' additional information' in the notes forming

Sr. No.	Descriptions	Gross Block			Depreciation			Net block			As at March 31, 2020		
		As at April 1, 2019	Additions	Deduction	As at April 1 2020	Additions	Deduction	As at March 31, 2021	For the year ended March 31, 2020	Amount transferred to Reserves		As at April 1, 2021	For the year ended March 31, 2021
<b>Note 3:</b>													
<u>Tangible assets</u>													
1	Freehold land	21.19	-	-	21.19	-	-	21.19	-	-	-	21.19	21.19
2	Factory Building	595.72	-	-	595.72	-	-	595.72	23.62	-	93.29	116.84	478.88
3	Office Premises	286.32	-	-	286.32	-	-	286.32	5.05	-	20.05	25.08	266.27
4	Leasehold Improvement*	165.81	2.75	-	168.56	-	-	168.56	16.06	-	30.48	46.47	138.09
5	Machinery	160.55	0.48	35.31	125.72	-	-	125.72	15.13	13.63	47.77	60.04	77.95
6	Furniture	27.85	-	-	27.85	-	-	27.85	4.25	-	17.16	21.07	6.78
7	Vehicles	48.92	22.39	7.66	63.65	-	-	63.65	9.44	6.72	34.23	42.76	20.89
8	Office Equipment	17.26	1.22	-	18.48	-	-	18.48	1.59	-	12.31	13.65	4.83
9	Computer	5.32	-	-	5.32	-	-	5.32	0.10	-	3.97	4.29	5.00
10	Electrical Fittings	41.77	-	4.14	37.63	-	-	37.63	9.80	3.30	33.59	34.48	4.04
	<b>Total (A)</b>	<b>1,370.72</b>	<b>26.84</b>	<b>47.11</b>	<b>1,350.45</b>	<b>3.97</b>	<b>1,354.41</b>	<b>1,354.41</b>	<b>85.03</b>	<b>23.65</b>	<b>292.84</b>	<b>364.68</b>	<b>989.73</b>
	Previous year	1,314.87	55.84	-	1,370.72	26.84	1,370.72	1,370.72	82.56	231.47	85.03	1,057.61	1,139.25
<b>Note 4:</b>													
<u>Intangible assets</u>													
1	Goodwill on amalgamation	503.30	-	-	503.30	-	-	503.305	116.59	-	155.37	194.04	347.94
2	Right to Use (Lease)	141.29	-	-	141.29	-	-	-	121.1	-	15.70	26.91	125.59
	<b>Total (B)</b>	<b>644.59</b>	<b>-</b>	<b>-</b>	<b>644.59</b>	<b>-</b>	<b>624.4</b>	<b>624.4</b>	<b>20.2</b>	<b>-</b>	<b>171.07</b>	<b>220.94</b>	<b>403.44</b>
	Previous year	503.30	-	-	644.59	-	503.3	503.3	77.9	-	116.59	171.07	473.53
	<b>Total (A+B)</b>	<b>2,015.31</b>	<b>26.84</b>	<b>47.11</b>	<b>1,995.04</b>	<b>3.97</b>	<b>1,978.8</b>	<b>1,978.8</b>	<b>139.5</b>	<b>23.7</b>	<b>463.91</b>	<b>585.63</b>	<b>1,393.17</b>
	Previous year	1,818.18	55.84	-	2,015.31	26.84	1,874.0	1,874.0	121.2	-	348.06	463.91	1,531.14
	<b>Total</b>	<b>1,818.18</b>	<b>55.84</b>	<b>-</b>	<b>2,015.31</b>	<b>26.84</b>	<b>1,874.0</b>	<b>1,874.0</b>	<b>121.2</b>	<b>-</b>	<b>348.06</b>	<b>463.91</b>	<b>1,531.14</b>

Notes -

- I) Property, Plant and Equipment pledged as security against borrowings by the group, if any Refer to Note : 41 Assets Hypothecated as security
- II) There are no Contractual Obligations for the year

(Amount in Lakhs)

	As at March 31, 2021	As at March 31, 2020
<b>Note 5: Other Non-Current Assets (Unsecured, Considered good)</b>		
Security Deposits	11.17	11.17
Deduction of Income tax (Net of provision for income tax)	–	7.17
Loans to Employees*	9.28	13.34
Other Loans & Advances	482.66	–
<b>Total</b>	<b>503.11</b>	<b>31.67</b>

\* Includes Rs. Nil (2020 Rs. 2.36 lakhs) due from KMP

**Note 6: Inventories**

Raw Material	0.82	1.50
Work in Progress	0.91	1.06
Packing material	25.33	26.29
Finished Goods	0.12	0.31
Stock in Trade	2,006.82	1,419.68
<b>Total</b>	<b>2,034.00</b>	<b>1,448.84</b>

**Note 7: Current Financial Assets - Investments**

**Non - Trade Investments**

**In Government and Other Securities**

**Unquoted**

National Saving Certificates *(6 Units of INR 10,000 each)	0.60	0.60
<b>Total</b>	<b>0.60</b>	<b>0.60</b>

\*Under lien with Sales Tax Department

**Note 8: Trade Receivables**

**(Unsecured)**

Considered Good	1,997.43	2,402.26
Considered Doubtful	149.62	149.62
Which have significant increase in credit risk	–	–
Less: Provision for Doubtful Debts	–	–
	<b>2,147.05</b>	<b>2,551.88</b>
Less: Allowance for Expected credit loss	149.62	149.62
<b>Total</b>	<b>1,997.43</b>	<b>2,402.26</b>

- 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, 2021	As at March 31, 2020
<b>Note 9: Cash and Cash equivalents</b>		
<b>Cash and Cash equivalents</b>		
<b>Balance with banks:</b>		
In current account	102.36	105.31
<b>Cash in hand</b>	8.88	6.69
	<b>111.24</b>	<b>112.00</b>

**Note 10: Other Balance with Bank**

**Other Bank Balances**

Earmarked Fixed Deposits with maturity more than 3 months but less than 12 months	306.72	–
Recurring Deposits	25.13	–
<b>Total</b>	<b>331.86</b>	<b>–</b>

**Note 11: Other Financial Assets**

Interest receivable	0.47	0.47
Export incentives receivable	344.59	174.65
Loan to Employees*	2.62	1.25
<b>Total</b>	<b>347.68</b>	<b>176.38</b>

\* Includes Rs. Nil (2020 Rs. 2.36 lakhs) due from KMP

**Note 12: Other Current Assets  
(Unsecured, Considered good)**

Advance Given to Suppliers	38.14	39.22
Prepaid Expenses	16.05	7.92
Other Loans and Advances	39.89	436.99
Balances with Statutory, Government Authorities*	119.83	32.52
<b>Total</b>	<b>213.92</b>	<b>516.66</b>

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

**Note 13: Equity Share Capital**

Name of Shareholders	As at March 31, 2021		As at March 31, 2020	
	No. of Shares	Amount	No. of Shares	Amount
<b>Authorised</b>				
2,40,00,000 Equity Shares of Rs. 10 each/-	2,40,00,000	2,400.00	2,40,00,000	2,400.00
	<b>2,40,00,000</b>	<b>2,400.00</b>	<b>2,40,00,000</b>	<b>2,400.00</b>
<b>Issued, Subscribed and Fully Paid-up</b>				
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
	<b>1,18,55,000</b>	<b>1,185.50</b>	<b>1,18,55,000</b>	<b>1,185.50</b>

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

Particulars	As at March 31, 2021		As at March 31, 2020	
	No. of Shares	Amount	No. of Shares	Amount
<b>Equity Share Capital</b>				
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	–	–	–	–
	<b>1,18,55,000</b>	<b>1,185.50</b>	<b>1,18,55,000</b>	<b>1,185.50</b>

**(b) Terms/rights attached to equity shares**

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

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

**(c) The Company does not have a holding company.**
**(d) Details of Share holders holding more that 5% shares in the company:**

Name of Shareholders	As at March 31, 2021		As at March 31, 2020	
	No. of Shares	% of Holding	No. of Shares	% of Holding
<b>Equity Shares</b>				
Alpa Shah	10,01,435.00	8.45%	10,01,435.00	8.45%
Apoorva Himatlal Shah	39,16,299.00	33.03%	38,52,816	32.33%
	<b>49,17,734.00</b>	<b>41.48%</b>	<b>48,54,251</b>	<b>40.78%</b>

**Note 14: Other Equity**

<b>Securities Premium</b>	174.29	174.29
Add : Received During The Year		
	<b>174.29</b>	<b>174.29</b>

(Amount in Lakhs)

	As at March 31, 2021	As at March 31, 2020
<b>Retained Earnings</b>		
Opening Balance	729.33	588.16
Add: Profit for the year	138.21	141.17
Other Comprehensive Income	<b>867.53</b>	<b>729.33</b>
<b>Remeasurements of net defined benefit plans</b>		
Opening Balance	-0.22	4.32
Add: Profit/(loss) for the year	-0.29	-4.54
	-0.51	-0.22
<b>Total</b>	<b>1,041.32</b>	<b>903.40</b>
<b>Note 15: Non-Current Borrowings</b>		
<b>Secured</b>		
MEME Loan from banks	302.29	-
Less: Current Maturity of Loan	2.29	-
<b>Total</b>	<b>300.00</b>	<b>-</b>
<b>Unsecured</b>		
From Others :		
Loan From Related parties	458.16	434.74
Less: Current Maturity of Non Current Borrowing	131.16	107.74
	327.00	327.00
Loan From Others (Long Terms Maturities)	179.38	358.65
Less: Current Maturity of Non Current Borrowing	115.29	219.52
	64.09	139.13
<b>Total</b>	<b>691.09</b>	<b>466.13</b>
Lease Liabilities	106.56	123.82
<b>Total</b>	<b>106.65</b>	<b>123.82</b>

**Net Debt Reconciliation : Refer Note No. 42**

\*Details Of Security

- (i) MSME loan from axis bank
  - A. Entire curent assets of the company.
  - B. Factory land and building at survey no.777, Mauje Umarsadi, Umarsadi-Desaiwad Road, Taluka Pardi, Dist.Valsad, Gujrat 396175
  - C. Office Premises of 2/13 in Swagatham CHS Ltd. NHC House, Anand Nagar, Santacruz East, Mumbai 400055.
  - D. 100% Credit Guarantee by NCGTC.
  - E. Flat no 904, 9th floor, Sangath shops offices & apart. Owners association, Survey no-275 paiki, Final plot no-48/2 of vejalpur, Ahmedabad city, Ahmedabad-4 (Paldi), Ahmedabad and city Survey no: 854, Near Jail chawk area, Wadhwan Surendranagar.
  - F. LIC policy in the name of Apoorva shah with surrender value of Rs. 25.00 lacs
  - G. Personal Guarantee
    - 1. Apoorva Shah
    - 2. Alpa Shah
- (ii) Unsecured loans from others carries rate of interest of 18-20% p.a.
- (iii) For Repayment Schedule refer Note No.38 (B) (i)

	As at March 31, 2021	As at March 31, 2020
<b>Note 16: Long Term Provisions</b>		
Provision for Gratuity	34.93	34.93
Provision for Tax (Net Tax Liability)	15.23	-
<b>Total</b>	<b>54.86</b>	<b>34.93</b>
<b>Note 17: Deferred Tax Liability (Net)</b>		
Deferred Tax Liability		
On Fixed Assets	238.98	238.13
	238.98	238.13

(Amount in Lakhs)

	As at March 31, 2021	As at March 31, 2020
<b>Deferred Tax Asset</b>		
Disallowances under Income Tax Act, 1961	121.38	124.41
	121.38	124.41
<b>Less: Mat Credit Entitlement</b>	111.28	74.84
<b>Deferred Tax Liability/Assets (Net)</b>	<b>6.32</b>	<b>38.88</b>
Income Tax Reconciliation : Refer Note No. 43		
<b>Note 18: Other Non-Current Liabilities</b>		
Other Liabilities-Rent Deposites	10.75	10.00
<b>Total</b>	<b>10.75</b>	<b>10.00</b>

	As at March 31, 2021	As at March 31, 2020
<b>Note 19: Short-Term Borrowings</b>		
<b>Secured*</b>		
Working Capital Borrowings from Banks	1,262.37	1,171.59
Bank Overdraft Facility	197.16	-
<b>Unsecured</b>		
Loans from Bank	338.67	-
Loan from Related parties (Director's Loan for Bank Limit Repayment of which depends on Bank Loan)	131.16	107.74
<b>Total</b>	<b>1,929.36</b>	<b>1,279.33</b>
Lease Liabilities	5.40	15.70
<b>Total</b>	<b>5.40</b>	<b>15.70</b>

**\* Details of Security**

A Working Capital Borrowings and Bank Overdraft from Axis Bank is secured against stock in trade, Trade Receivables and immovable property and Personal Guarantee of Directors. It includes Packing Credit carrying rate of interest LIBOR + 2.5% p.a. which is repayable as per PCFC sanction terms.

	As at March 31, 2021	As at March 31, 2020
<b>Note 20: Trade Payables</b>		
Trade Payables (Refer Note 31)		
Total outstanding dues of micro enterprises and small enterprises	4.51	0.69
Total outstanding dues of creditors other than micro enterprises and small enterprises	1,682.76	1,715.67
<b>Total</b>	<b>1,687.27</b>	<b>1,716.36</b>

**Note 21: Short-Term Provisions**

Provision for Gratuity	6.98	6.56
Provision for Tax ( Net of Advance Tax)	33.42	24.99
Provision for Leave Encashment	2.93	2.27
Bonus Payable	3.78	3.86
<b>Total</b>	<b>47.10</b>	<b>37.68</b>

**Note 22: Other Current Liabilities**

Current Maturities of Long-Term Debts	117.58	219.52
Interest Accrued but not due on borrowings	1.86	2.54
Advances From Customers	19.61	167.12
Other Payables*	28.41	18.64
<b>Total</b>	<b>167.47</b>	<b>407.82</b>

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

\* Includes salary amount of Rs.18,12,900 lakhs (2020 Rs.7,70,253) payable to Related parties

(Amount in Lakhs)

	As at March 31, 2021	As at March 31, 2020
<b>Note 23 : Revenue from Operations</b>		
Sale of Ready to eat and Bulk Agriculture items	14,981.88	12,818.39
<b>Other Operating Revenues</b>		
Export Incentives	196.08	342.52
<b>Total</b>	<b>15,177.96</b>	<b>13,160.91</b>
<b>Note 24: Other Income</b>		
Interest Income :		
On Others	3.48	31.42
Other non-operating income	–	15.43
Maturity of Keyman Insurance	–	82.80
Sundry Balance W/Back	5.37	9.13
Foreign Exchange fluctuation Gain (Net)	72.99	–
<b>Total</b>	<b>81.84</b>	<b>138.78</b>
<b>Note 25: Cost of Raw Material Consumed</b>		
<b>Raw Material</b>		
As at beginning of the year	1.50	3.10
Add : Purchase	2.65	6.12
Add : Direct Expense	2.73	3.81
Less : As at end of the year	0.82	1.50
	<b>6.07</b>	<b>11.52</b>
<b>Packing Material Consumed</b>		
<b>Packing Material</b>		
As at beginning of the year	26.29	27.71
Add : Purchase	0.02	0.26
Less : As at end of the year	25.33	26.29
	<b>0.98</b>	<b>1.68</b>
<b>Total</b>	<b>7.05</b>	<b>13.20</b>
<b>Note 26: Changes in Inventories of Finished Goods, Work-in-Progress and Stock-in-Trade</b>		
Inventories as at the end of the year		
Work in progress	0.91	1.06
Finished goods	0.12	0.31
Stock in Trade	2,006.81	1,419.68
	<b>2,007.84</b>	<b>1,421.05</b>
<b>Inventories as at the beginning of the year</b>		
Work in progress	1.06	2.25
Finished goods	0.31	0.92
Stock in Trade	1,419.68	1,414.03
	<b>1,421.05</b>	<b>1,417.20</b>
	–	–
<b>Net Decrease / (Increase) in Inventories</b>	<b>(568.79)</b>	<b>(3.85)</b>
<b>Note 27: Employee Benefits Expense</b>		
Salaries, Wages and Bonus	195.16	196.60
Contribution to Provident and Other funds	11.53	11.99
Staff Welfare Expenses	1.44	2.35
<b>Total</b>	<b>208.13</b>	<b>210.94</b>
<b>Note 28: Finance Cost</b>		
Interest Expense	141.69	118.15
Other Borrowing Costs	14.44	26.91
Interest on Lease liability	10.65	16.23
<b>Total</b>	<b>166.78</b>	<b>161.29</b>

**Note 29 :**

Transportation	570.06	262.54
Travelling Expenses	8.71	29.65
Sales promotion expenses	66.16	48.68
Electricity	11.91	14.77
Legal and Professional Fees	41.30	59.22
Bad Debts written off	7.77	17.97
<b>Repairs and Maintenance</b>	–	–
- Plant and Machinery	0.46	0.55
- Building	2.41	1.47
- Others	4.27	8.33
Rent	0.42	3.73
Rates and Taxes	0.46	2.27
<b>Payments to auditors</b>	–	–
Statutory Audit Fees	3.45	3.45
Tax Audit Fees	0.55	0.55
Other services	0.15	0.05
Foreign exchange fluctuation loss (net)	–	105.20
Insurance	7.11	5.56
Donations	0.15	0.14
Expected Credit Loss	10.96	13.56
Miscellaneous Expenses	118.75	81.79
<b>Total</b>	<b>855.06</b>	<b>659.48</b>

**Note 30: Commitments and Contingencies**

**30(a)** Estimated amount of contracts remaining to be executed on capital account and not provided for (net of Advances) Rs. Nil (2020-: Rs. Nil)

**30(b)** Contingent Liabilities not provided for: **(Amount in Lakhs)**

Particulars	2020-21	2019-20
A. Bills discounted and outstanding	803.21	480.57
B. Bank certificate for cancelled guarantees.	–	
C. Disputed Demands Outstanding:*		
Income Tax	38.82	38.82
Excise Duty	2.27	2.27

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

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

The information regarding Micro, Small and Medium Enterprises has been determined to the extent such parties have been identified on the basis of information available with the Company.

**(Amount in Lakhs)**

Particulars	March 31, 2021	March 31, 2020
<b><u>Total outstanding dues of micro enterprises and small enterprises :</u></b>		
a) Principal amount and interest due thereon remaining unpaid*	<b>4.51</b>	<b>0.69</b>
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 which are outstanding for more than 45 days as at March 31, 2021 and no interest payment during the year to any Micro, Small and Medium Enterprises. This information as required to be disclosed under the Micro, Small and Medium Enterprises Development Act, 2006 has been determined to the extent such parties have been identified on the basis of information available with the Company. This has been relied upon by the auditors.

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

<b>Secondary Segment Information</b>		<b>(Amount in Lakhs)</b>	
<b>Particulars</b>	<b>2020-21</b>	<b>2019-20</b>	
<b>Segment Revenue- External Turnover</b>			
Within India	5855.25	7049.91	
Outside India	9322.71	6111.00	
<b>Total Revenue</b>	<b>15177.96</b>	<b>13160.91</b>	
<b>Segment Assets</b>			
Within India	6646.76	6114.16	
Outside India*	286.24	105.39	
<b>Total Assets</b>	<b>6933.00</b>	<b>6219.55</b>	
<b>Segment Liability</b>			
Within India	3636.37	2792.10	
Outside India	1269.81	1338.54	
<b>Total Liability</b>	<b>4706.18</b>	<b>4130.65</b>	
<b>Capital Expenditure</b>			
Within India	3.97	26.84	
Outside India	–	–	
<b>Total Expenditure</b>	<b>3.97</b>	<b>26.84</b>	

\* Net of bill discounted of Rs. 8,03,20,924 (2020-Rs.4,80,56,609), which is disclosed as contingent liability.

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

<b>Particulars</b>	<b>As at</b>	<b>As at</b>
	<b>March 31, 2021</b>	<b>March 31, 2020</b>
(i) Total Comprehensive Income (Amount in Lakhs)	138.21	141.17
(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.)	1.17	1.19
(vi) Diluted earning per Share (Rs.)	1.17	1.19

34. Transition to IND AS 116 ‘Leases’

The Ministry of Corporate Affairs (“MCA) through the Companies (Indian Accounting Standards) Amendment Rules, 2019 has notified IND AS 116 Leases (“IND AS 116”) which replaces the existing Lease Standard, IND AS 17 Leases. IND AS 116 sets out the principle for recognition, measurement, presentation and disclosure of leases for both lessees and lessors.

Effective 1st April 2020, the Company has adopted IND AS 116 - ‘Leases’ and applied the Standards to all lease contracts existing on April 1, 2020 using the modified retrospective method. The Company has recorded the lease liability at the present value of the lease payments discounted at the incremental borrowing rate at the date of initial application and right of use asset at an amount equal to the lease liability adjusted for any prepayments/ accruals recognized in the balance sheet as on March 31, 2020. There is no impact on retained earnings as on April 1, 2020.

a. The movement in lease liabilities during the year: (Amount in Lakhs)

Particulars	Amount
Lease liabilities as on 01.04.2020 (on adoption of IND AS 116 - Leases)	141.29
Additions during FY 2020-21	20.21
Finance costs incurred during the year	10.65
Payment of lease liabilities and interest	(18.00)
<b>Lease liabilities as on 31.03.2021</b>	<b>113.73</b>

b. The carrying value of the Right of use and depreciation charged during the year:

Particulars	Amount
Recognition on Initial application of Ind AS 116 as at April 01, 2020	141.29
Additions during FY 2020-21	20.21
Depreciation charged during the year	26.91
Right to use asset as on 31.03.2021	94.17

c. Amount recognized in the statement of profit & loss:

Particulars	Amount
Depreciation on Right of use asset	15.70
Finance costs incurred during the year	10.65
Total amounts recognised in the statement of profit & loss	26.35

d. Maturity Analysis of contractual undiscounted cash flows:

Particulars	Amount
Less than one year	18.00
One to Three years	65.54
Three to Five Years	55.34
More than five years	31.89

### 35. 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. Awdhesh Kannujia	- Chief Financial Officer
Miss. Krina Mehta	- Company Secretary

##### Relatives of KMP Key Management Personnel

Miss. Aneri Shah – (Daughter of Managing Director)
Mr. Apar Shah - (Son 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	334.93 (344.04)	- (-)	- -
2. Repayment of Loans taken	311.51 (216.59)	- (-)	- (-)
3. Remuneration	101.83 (100.95)	- (-)	18.98 (18.98)

4. Royalty	(-)	0.10	(-)
		(0.10)	
5. Loans and Advances given	2.00	-	-
	(2.00)		
6. Received back Loans and Advances given	2.56	-	-
	(3.30)		
<b>Balance payable at the end of Year</b>			
7. Loan Payable	458.16	-	-
	(434.74)	(-)	(-)
8. Loans and Advances given	1.80	-	-
	(2.36)		
9. Remuneration Payable	16.40	-	1.72
	(6.35)		(1.35)
10. Royalty Payable	-	0.10	-
		(0.10)	

(Figures in bracket indicate previous year figures)

**b) Key management personnel compensation**

Particulars	(Amount in Lakhs)	
	March 31, 2021	March 31, 2020
Short term employee benefits	101.83	100.95
Post-employment benefits (refer Note No. viii)	-	-
	<b>101.83</b>	<b>100.95</b>

**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.334.93 (2020: Rs. 344.04)
- ii) Repayment of Loans taken includes to Mr. Apoorva H. Shah Rs. 311.51 (2020: Rs. 216.59)
- iii) Remuneration includes to Mr. Apoorva H. Shah Rs.43.10 (2020: Rs.43.10), to Mrs. Alpa A. Shah Rs. 43.10 (2020: Rs. 43.10), to Mr. Awdheshkumar Kannaujia Rs.12.33 (2020 : Rs. 11.70), to Miss. Krina Mehta Rs. 3.29 (2020 : 3.05)
- iv) Remuneration includes to Miss. Aneri A. Shah Rs.12.65 (2020: Rs. 12.65), to Mr. Apar A. Shah Rs.6.33 (2020 : Rs. 6.33)
- v) Loan payable includes from Mr. Apoorva H. Shah Rs.458.16 (2020: Rs. 434.74)
- vi) Remuneration Payable includes to Mr. Apoorva H. Shah Rs.7.17 (2020: Rs. 2.48); to Mrs. Alpa A. Shah Rs.7.17 (2020: Rs. 2.48 ); to Mr. Awdheshkumar Kannaujia Rs.1.60 (2020: Rs. 1.17); to Miss. Krina Mehta Rs.0.46 (2020: Rs. 0.23)
- vii) Remuneration Payable includes to Miss. Aneri A. Shah Rs.1.11 (2019: Rs. 0.87 ), to Mr. Apar A. Shah Rs.0.62 (2019 : Rs. 0.48)
- viii) Loans & Advances given and received back includes amount given to and received back from Mr. Awdheshkumar Kannaujia
- ix) Post-Employment benefits are actuarially determined on overall company basis and separate amount attributable to KMPs and relatives of KMPs are not identifiable and hence not disclosed separately.

**36. 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) 2020-21	Gratuity (Unfunded) 2019-20
Present Value of the Obligation as at the beginning of the year	41.48	31.79
Interest Cost	2.77	2.41
Past Service Cost	–	
Current Service Cost	2.07	1.59
Benefits Paid	–	(0.59)
Actuarial (gain)/ loss on obligations	0.29	6.29
Present Value of the Obligation as at the end of the Year	46.60	41.48

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

Particulars	Gratuity (Unfunded) 2020-21	Gratuity (Unfunded) 2019-20
Present Value of the Obligation as at the end of the year	46.60	41.48
Fair value of plan assets	–	–
Un-funded Liability	46.60	41.48
Unrecognized actuarial gains/ losses	–	–
Un-funded liability recognized in Balance Sheet	46.60	41.48

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

Particulars	Gratuity (Unfunded) 2020-21	Gratuity (Unfunded) 2019-20
Interest Cost	2.77	2.41
Current Service Cost	2.07	1.59
Past Service Cost	–	
Expected Return on Plan Assets	–	
Actuarial (gain)/ loss on obligations	0.29	6.29
Total expense recognized in the Profit and Loss Account	5.12	10.29

**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	0.29
Actuarial (Gain) / Loss on Obligations – Total	0.29

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

Particulars	Gratuity 2020-21	Gratuity 2019-20
Discount Rate	6.79%	6.67%
Expected Rate of increase in compensation levels	5.00%	3.00%
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 2020-21		Gratuity 2019-20	
	DBO Change	Percentage	DBO Change	Percentage
Under Base Scenario	46.60	0.00%	41.48	0.00%
Salary Escalation - Up by 1%	48.54	4.20%	42.98	3.60%
Salary Escalation - Down by 1%	44.98	-3.50%	40.07	-3.40%
Withdrawal Rates - Up by 1%	47.74	2.40%	42.73	3.00%
Withdrawal Rates - Down by 1%	45.23	-2.90%	40.03	-3.50%
Discount Rates - Up by 1%	43.44	-6.80%	38.74	-6.60%
Discount Rates - Down by 1%	50.38	8.10%	44.69	7.70%

**Expected Cash flow for following year**

Year	Maturity Profile of Defined Benefit Obligations		(Amount in Lakhs)
	Gratuity 2020-21	Gratuity 2019-20	
Year 1	6.98	6.56	
Year 2	0.92	0.88	
Year 3	0.96	0.91	
Year 4	3.79	0.93	
Year 5	19.14	3.47	
Year 6	0.60	18.80	
Year 7	18.15	0.56	
Year 8	0.26	17.83	
Year 9	0.27	0.22	
Year 10	0.28	0.22	

The weighted average duration of the defined benefit obligation is 15.87

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

**b) Defined contribution plans - Provident fund**

The company also has defined contribution plans. Contributions are made to provident fund in India for employees at the rate of 12% of basic salary as per regulations. The contributions are made to registered provident fund administered by the government. The obligation of the company is limited to the amount contributed and it has neither contractual nor any constructive obligation. The expense recognised during the period towards defined contribution plan is INR 11.53 Lakhs (March 31, 2020: INR 11.99 Lakhs).

37. The company has taken into account the possible impact of COVID-19 in preparation of audited financial statements including its assessment of recoverable value of its assets based on internal and external information for the year ended 31st march 2021. Based on the assessment done by the management of the company, there is not much impact of COVID-19 on the result for the year ended 31st march 2021. The company will closely monitoring any material changes to future economic conditions.

**38. FAIR VALUE MEASUREMENTS**

**i. Financial Instruments by Category**

(Amount in Lakhs)

Particulars	Carrying Amount		Fair Value	
	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020
<b>Amortised cost</b>				
Investments	0.60	0.60	0.60	0.60
Trade Receivables	1,997.43	2,402.27	1,997.43	2,402.27
Cash and Cash Equivalents	111.25	112.00	111.25	112.00
Bank Balances other than above	331.86	–	331.86	–
Other Financial Assets	347.68	176.38	347.68	176.38
<b>Total</b>	<b>2,788.81</b>	<b>2,691.24</b>	<b>2,788.81</b>	<b>2,691.24</b>

**FINANCIAL LIABILITIES**
**Amortised cost**

Borrowings	2,620.45	1,745.46	2,620.45	1,745.46
Lease Liabilities	111.96	139.52	111.96	139.52
Trade Payables	1,687.27	1,716.37	1,687.27	1,716.37
<b>Total</b>	<b>4,419.68</b>	<b>3,601.34</b>	<b>4,419.68</b>	<b>3,601.34</b>

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

**ii. Fair Value Measurement**

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

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

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

**iii. Valuation technique used to determine fair value**

Specific Valuation techniques used to value financial instruments include:

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

**iv. Valuation processes**

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

**39. FINANCIAL RISK MANAGEMENT**

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

**i. Credit risk management**

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

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

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

**iv. Reconciliation of loss allowance provision - Trade receivables**

Particulars	(Amount in Lakhs)
<b>Loss allowance on March 31, 2019</b>	<b>246.75</b>
Changes in loss allowance	(97.14)
<b>Loss allowance on March 31, 2020</b>	<b>149.62</b>
Changes in loss allowance	–
<b>Loss allowance on March 31, 2021</b>	<b>149.62</b>

**(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 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
<b>March 31, 2021</b>					
Borrowings	208.19	901.91	989.80	311.14	327.00
Trade payables	927.26	760.01	–	–	–
<b>Total liabilities</b>	<b>1,135.45</b>	<b>1,661.92</b>	<b>989.80</b>	<b>311.14</b>	<b>327.00</b>
<b>March 31, 2020</b>					
Borrowings	–	841.19	657.66	448.52	17.61
Trade payables	503.08	1,021.98	191.30	–	–
<b>Total liabilities</b>	<b>503.08</b>	<b>1,863.17</b>	<b>848.96</b>	<b>448.52</b>	<b>17.61</b>

**(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 (Rs. in Lakh)
<b>March 31, 2021</b>		
Trade Receivables	14.82	1,089.45
Bill Discounting	(10.93)	(803.21)
Advance from Customer	(0.10)	(7.44)
PCFC	(17.17)	(1,262.37)
<b>Net exposure to foreign currency risk</b>	<b>(13.38)</b>	<b>(983.57)</b>
Particulars	USD	Total (Rs. in Lakh)
<b>March 31, 2020</b>		
Trade Receivables	7.72	581.82
Trade Payables	(6.37)	(480.57)
Advance from Customer	(2.32)	(166.96)
PCFC	(15.54)	(1,171.59)
<b>Net exposure to foreign currency risk</b>	<b>(16.52)</b>	<b>(1,237.29)</b>

**(b) Foreign currency sensitivity**

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

	2020-21		2019-20	
	1% Increase	1% Decrease	1% Increase	1% Decrease
<b>Decrease</b>				
<b>Net Increase/(Decrease) in profit or loss</b>	<b>(9.84)</b>	<b>9.84</b>	<b>(12.37)</b>	<b>12.37</b>



**(ii) Interest rate risk**

Interest rate can be either fair value interest risk or cash flow uinterest risk. Fair value interest rate risk is the risk of change in fair values of fixed interest rate bearing instruments because of interest rate fluctuation in interest rate. Cash flow interest rate risk is the risk that the future cash flow of floating interest bearing instruments will fluctuate because of fluctuation risk

However, During the year presented in these financial statement, the company had primarily borrowed funds under fixed interest rate arrangements with banks and financial institution and therefore the company is not exposed to interest rate risk

**(iii) Price Risk**

**(a) Exposure**

Commodity price risk - The company is affected by the price volatility of certain commodities. Its operating activities require the ongoing purchase and manufacture of spices and therefore require a continuous supply of commodities. Due to the significantly increased volatility of the price of the commodities, the company also entered into various purchase contracts for various commodities for which there is an active market.

**Equity price risk** - The company is not exposed to other Equity price risk during the year presented in these financials statement.

**40. CAPITAL MANAGEMENT**

For the 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, 2021	March 31, 2020
Borrowings	2,620.45	1,745.46
Trade payables	1,687.27	1,716.37
Other payables	28.41	18.64
Less: cash and cash equivalents	(111.25)	(112.00)
<b>Net Debt</b>	<b>4,224.89</b>	<b>3,368.46</b>
Equity	2,226.83	2,088.90
<b>Total Capital</b>	<b>2,226.83</b>	<b>2,088.90</b>
<b>Capital and net debt</b>	<b>6,451.72</b>	<b>5,457.36</b>
<b>Gearing ratio</b>	<b>65.48</b>	<b>61.72</b>

In order to achieve this overall objective, the Company's capital management, amongst other things, aims to ensure that it meets financial covenants attached to the borrowings that define capital structure requirements as follows.

- the gearing ratio must be not more than 75% and
- the ratio of net finance cost to EBITDA must be not more than 50%

**41. ASSETS PLEDGED AS SECURITY**

(Amount in Lakhs)

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

Particulars	March 31, 2021	March 31, 2020
<b>CURRENT ASSETS</b>		
<b>i. Financial Assets</b>		
<b>First Charge</b>		
Trade Receivables	1997.43	2,402.27
<b>ii. Non Financial Assets</b>		
<b>First Charge</b>		
Inventories	2034.00	1,448.84
<b>Total Current Assets Pledge as Security</b>	<b>4,031.43</b>	<b>3,851.10</b>
<b>NON CURRENT ASSETS</b>		
<b>First Charge</b>		
Office Premises	261.23	266.27
Factory Building	478.88	502.43
<b>Total Non Current Assets Pledge as Security</b>	<b>740.11</b>	<b>768.70</b>

**42. Net debt Reconciliation**

This section sets out an analysis of net debt and the movements in net debt for each of the periods presented

(Amount in Lakhs)

Particulars	March 31, 2021	March 31, 2020
Current Borrowings	2,046.94	1,498.85
Non-current Borrowings	691.09	466.13
<b>Net Debt</b>	<b>2,738.03</b>	<b>1,964.98</b>

(Amount in Lakhs)

Particulars	Liabilities from financing activities			
	Non Current Borrowings	Current Borrowings	Total Interest on Borrowings	Total
<b>Net Debt as at March 31, 2020</b>	466.13	1,498.85	2.54	1,967.51
Cash Inflow - Taken	663.92	19,497.54		20,161.47
Cash Out Flow - Repaid	(438.96)	(18,724.49)	–	(19,163.45)
Interest Expense			166.78	166.78
Interest Paid			(167.46)	(167.46)
<b>Net Debt as at March 31, 2021</b>	<b>691.09</b>	<b>2,271.90</b>	<b>1.86</b>	<b>2,964.85</b>

(Amount in Lakhs)

Particulars	Liabilities from financing activities			
	Non Current Borrowings	Current Borrowings	Total Interest on Borrowings	Total
<b>Net Debt as at March 31, 2019</b>	339.02	919.42	1.46	1,259.89
Cash Inflow –Taken	756.08	6,740.22	–	7,496.30
Cash Out Flow –Repaid	(628.97)	(6,160.79)	–	(6,789.76)
Interest Expense	–	–	118.15	118.15
Interest Paid	–	–	(117.07)	(117.07)
<b>Net Debt as at March 31, 2020</b>	<b>466.13</b>	<b>1,498.85</b>	<b>2.54</b>	<b>1,967.51</b>

43. INCOME TAX

<b>Deffered Tax</b>		<b>(Amount in Lakhs)</b>	
<b>Particulars</b>	<b>March 31, 2021</b>	<b>March 31, 2020</b>	
<b>Deferred tax relates to the following:</b>			
Accelerated Depreciation for tax purposes	(212.78)	(203.19)	
Right to use	(26.20)	(34.93)	
	(238.98)	(238.13)	
<b>Deferred tax relates to the following:</b>			
Gratuity	12.97	11.54	
Lease Liabilities & Provisions	31.15	38.81	
Expected Credit Loss	75.40	72.35	
Bonus	1.05	1.07	
Leave Encashment	0.82	0.63	
Others - Mat Credit Entitlement			
Tax Credit available			
Others - Mat Credit Entitlement	111.28	74.84	
<b>Net Deferred Tax Assets / (Liabilities)</b>	<b>(6.32)</b>	<b>(38.88)</b>	

<b>Movement in deferred tax liabilities/assets</b>		<b>(Amount in Lakhs)</b>	
<b>Particulars</b>	<b>March 31, 2021</b>	<b>March 31, 2020</b>	
<b>Opening balance at the opening of the year</b>	38.88	21.44	
Tax income/(expense) during the period recognised in statement of profit or loss	3.88	(8.26)	
Tax income/(expense) during the period recognised in other comprehensive Income	–	(1.75)	
Other	–	–	
MAT Adjustments recognised in the statement of Profit or Loss	(36.44)	15.31	
MAT Adjustment through Balance Sheet	–	12.13	
<b>Closing balance as at March 31</b>	<b>6.32</b>	<b>38.88</b>	

The Company off sets 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, 2021 and March 31, 2020 are as follows:**

<b>i. Income tax recognised in profit or loss</b>		<b>(Amount in Lakhs)</b>	
<b>Particulars</b>	<b>2020-21</b>	<b>2019-20</b>	
Current income tax charge	69.81	42.19	
MAT Adjustment	36.44	15.31	
<b>Deferred tax</b>			
Relating to origination and reversal of temporary differences	(12.27)	(8.26)	
<b>Income tax expense recognised in profit or loss</b>	<b>45.64</b>	<b>49.24</b>	

**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.

<b>ii. Income Tax recognised in OCI</b>		<b>(Amount in Lakhs)</b>	
<b>Particulars</b>	<b>2020-21</b>	<b>2019-20</b>	
Net loss/(gain) on remeasurement of defined benefit plans	–	1.75	
<b>Income tax expense recognised in profit or loss</b>	<b>–</b>	<b>1.75</b>	

**Reconciliation of tax expense and accounting profit multiplied by income tax rate for March 31, 2021 and March 31, 2020**

		<b>(Amount in Lakhs)</b>	
<b>Particulars</b>	<b>March 31, 2021</b>	<b>March 31, 2020</b>	
Profit before tax from continuing operations	183.85	190.40	
<b>Accounting profit before income tax</b>	<b>183.85</b>	<b>190.40</b>	
Enacted tax rate in India	27.82%	27.82%	
<b>Income tax on accounting profits</b>	<b>51.15</b>	<b>52.97</b>	
<b>Effect of</b>			
Other non taxable income	18.66	23.04	
Due to temporary differences	3.88	(8.26)	
Non-deductible expenses for tax purposes	(36.44)	(33.82)	
Other non deductible expenses	8.39	15.31	
<b>Tax at effective income tax rate</b>	<b>45.64</b>	<b>49.24</b>	

**44. Previous year's figures have been regrouped or reclassified to confirm with the current years' presentation wherever considered necessary.**

For **JMMK & CO.**  
*(Earlier known as JMK & Co.)*  
**Chartered Accountants**  
**Firm Reg. No. : 120459W**

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

**CA Jitendra Doshi**  
*(Partner)*  
Membership No. 151274

<b>Apoorva Shah</b> <i>Chairman &amp; Managing Director</i> DIN: 00573184	<b>Alpa Shah</b> <i>Whole Time Director</i> DIN: 00573190
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**Place: Mumbai**  
**Date: 10th June, 2021**

<b>Awdheshkumar Kannaujia</b> <i>Chief Financial Officer</i>	<b>Krina Mehta</b> CS & Compliance Officer
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Tel.: 91 22 48815100

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Website: [www.nhcgroup.com](http://www.nhcgroup.com)

### Factory & Registered Office :

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