


**NHC FOODS LIMITED**

Draft Letter of Offer
Dated: September 11, 2024
For Eligible Equity Shareholders Only

Our Company was incorporated in the name of “Midpoint Software & Electro Systems Limited” on August 04, 1992, in Mumbai, Maharashtra, as a Public Limited Company under the Companies Act, 1956, pursuant to a certificate of incorporation issued by the Registrar of Companies – Mumbai, Maharashtra. A certificate of commencement of business was granted to our Company on August 12, 1992 by Registrar of Companies – Mumbai, Maharashtra. Pursuant to the scheme of amalgamation under Section 391-394 and other relevant provisions of the Companies Act, 1956, NHC Industries Private Limited has been merged with our Company with effect from September 07, 2010. Subsequently, the name of our Company was changed to NHC Foods Limited pursuant to a certificate of incorporation dated October 15, 2010 issued by the Registrar of Companies – Mumbai, Maharashtra. For details of change in the name and registered office of the Company, refer chapter titled “**General Information**” on page 29.

Registered Office: Survey No. 777, Umarsadi Desaiwad Road, Village Umarsadi, Taluka Pardi, Valsad - 396175, Gujarat, India
Corporate Office: 419/420, C Wing, Atrium 215, Andheri-Kurla Road, Chakala, Andheri East, J. B. Nagar, Mumbai – 400059, Maharashtra, India
Contact Person: Mrs. Alesha Hakim Khan, Company Secretary & Compliance Officer; **Tel No:** +91 8104472565
E-Mail ID: cs@nhcgroup.com; **Website:** www.nhcgroup.com
CIN: L15122GJ1992PLC076277

OUR PROMOTER: APOORVA HIMATLAL SHAH		
FOR PRIVATE CIRCULATION TO THE ELIGIBLE EQUITY SHAREHOLDERS OF OUR COMPANY		
<p>ISSUE OF UP TO [●] EQUITY SHARES OF FACE VALUE OF ₹1/- (RUPEES ONE ONLY) (“RIGHTS EQUITY SHARES”) EACH AT A PRICE OF ₹[●]/- PER RIGHTS EQUITY SHARE (INCLUDING A PREMIUM OF ₹[●]/- PER RIGHTS EQUITY SHARE) AGGREGATING UP TO ₹4,900.00 LAKHS⁽¹⁾ ON A RIGHTS BASIS TO THE ELIGIBLE EQUITY SHAREHOLDERS OF OUR COMPANY IN THE RATIO OF [●] RIGHTS EQUITY SHARE FOR EVERY [●] FULLY PAID-UP EQUITY SHARE HELD BY THE ELIGIBLE EQUITY SHAREHOLDERS AS ON THE RECORD DATE, [●] (“THE ISSUE”). FOR FURTHER DETAILS, KINDLY REFER TO THE CHAPTER TITLED “TERMS OF THE ISSUE” BEGINNING ON PAGE 178 OF THIS DRAFT LETTER OF OFFER.</p> <p>⁽¹⁾Assuming full subscription with respect to Rights Equity Shares</p>		
WILFUL DEFAULTER OR A FRAUDULENT BORROWER		
<p>Neither the Company nor the Promoters or any of the Directors have been or are identified as Wilful Defaulter and/or Fraudulent Borrower by any bank or financial institution (as defined under the Companies Act, 2013) or consortium thereof, in accordance with the guidelines on Wilful Defaulter(s) or Fraudulent Borrower(s) issued by the Reserve Bank of India.</p>		
GENERAL RISKS		
<p>Investment in equity and equity related securities involve a degree of risk and investors should not invest any funds in this Issue unless they can afford to take the risk of losing their investment. Investors are advised to read the Risk Factors carefully before taking an investment decision in this Issue. For taking an investment decision, Investors must rely on their own examination of our Company and the Issue including the risks involved. The Rights Equity Shares being offered in this Issue have not been recommended or approved by Securities and Exchange Board of India (“SEBI”) nor does SEBI guarantee the accuracy or adequacy of the contents of this Draft Letter of Offer. Investors are advised to refer to the “Risk Factors” on page 20 of this Draft Letter of Offer before making an investment in the Issue.</p>		
ISSUER’S ABSOLUTE RESPONSIBILITY		
<p>The Company, having made all reasonable inquiries, accepts responsibility for and confirms that this Draft Letter of Offer contains all information with regard to the Company and the Issue, which is material in the context of the Issue, that the information contained in this Draft Letter of Offer is true and correct in all material aspects and is not misleading in any material respect, that the opinions and intentions expressed herein are honestly held and that there are no other facts, the omission of which makes this Draft Letter of Offer as a whole or any of such information or the expression of any such opinions or intentions misleading in any material respect.</p>		
LISTING		
<p>The existing Equity Shares of the Company are listed on BSE Limited (“BSE”). The Company has received “in-principle” approval from BSE for listing of the Right Equity Shares to be allotted pursuant to this Issue vide its letter dated [●]. The Company shall make an application to BSE to obtain trading approval for the Rights Entitlement as enshrined under the SEBI circular bearing reference number ‘SEBI/HO/CFD/DIL2/CIR/P/2020/13 dated 22 January, 2020’. For the purpose of this issue, BSE shall be the Designated Stock Exchange.</p>		
LEAD MANAGER TO THE ISSUE		REGISTRAR TO THE ISSUE
 <p>FINSHORE <i>Creating Enterprise Managing Values</i></p> <p>FINSHORE MANAGEMENT SERVICES LIMITED “Anandlok”, Block-A, 2nd Floor, Room No. 207, 227 A.J.C Bose Road, Kolkata-700020, West Bengal Telephone: +91 33 22895101 / +91 33 4603 2561 Email Id: info@finshoregroup.com Website: www.finshoregroup.com Investor Grievance Email Id: investors@finshoregroup.com Contact Person: Mr. S. Ramakrishna Iyengar SEBI Registration No: INM000012185 CIN No: U74900WB2011PLC169377</p>		 <p>SKYLINE FINANCIAL SERVICES PRIVATE LIMITED D-153A, First Floor, Okhla Industrial Area, Phase-I, New Delhi-110020 Telephone: 011-40450193-197 Fax: 011-26812683 Email: ipo@skylinerta.com Website: https://www.skylinerta.com/ Investor Grievance Email Id: grievances@skylinerta.com Contact Person: Mr. Anuj Rana SEBI Registration No: INR000003241 CIN: U74899DL1995PTC071324</p>
ISSUE PROGRAMME*		
ISSUE OPENS ON	LAST DATE FOR ON MARKET RENUNCIATION**	ISSUE CLOSES ON***
[●]	[●]	[●]

*Pursuant to the SEBI Circular on Rights Issue dated January 22, 2020 SEBI has introduced the concept of credit of Rights Entitlements into the demat account of the Eligible Equity Shareholders, which can be renounced by them by way of On Market Renunciation or Off Market renunciation. Further, the credit of Rights Entitlements and Allotment of Rights Equity Shares shall be made only in dematerialised form.

**Eligible Equity Shareholders are requested to ensure that renunciation through off-market transfer is completed in such a manner that the Rights Entitlements are credited to the demat account of the Renounees on or prior to the Issue Closing Date.

*** Our Board of Directors will have the right to extend the Issue Period as it may determine from time to time, provided that this Issue will not remain open in excess of 30 (thirty) days from the Issue Opening Date (inclusive of the Issue Opening Date). Further, no withdrawal of Application shall be permitted by any Applicant after the Issue Closing Date.

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SECTION I: GENERAL

DEFINITIONS AND ABBREVIATIONS

This Draft Letter of Offer uses certain definitions and abbreviations which, unless the context otherwise indicates or implies, shall have the respective meanings given below. References to statutes, regulations, rules, guidelines and policies will be deemed to include all amendments and modifications thereto as amended from time to time.

The words and expressions used in this Draft Letter of Offer, but not defined herein shall have, to the extent applicable, the meaning ascribed to such terms under the SEBI ICDR Regulations, the Companies Act, the SCRA, the Depositories Act, and the rules and regulations made thereunder.

General Terms

TERMS	DESCRIPTIONS
“NHC Foods Limited”, “NHC”, “NHC Foods”, “The Company”, “Our Company”, or “Issuer”	Unless the context otherwise indicates or implies, “NHC Foods Limited”, a public limited company incorporated under the provision of Companies Act, 1956 and having its Registered Office at Survey No. 777, Umarsadi Desaiwad Road, Village Umarsadi, Taluka Pardi, Valsad - 396175, Gujarat, India
“We”, “Our”, or “us”	Unless the context otherwise indicates or implies, refers to our Company together with our Subsidiaries
Our Promoter or Promoter of the Company	The promoter of our Company being Mr. Apoorva Himatlal Shah
Promoter Group	Includes such persons and entities constituting the promoter group of our Company in terms of Regulation 2(1) (pp) of the SEBI (ICDR) Regulations, 2018 and as disclosed by our Company to the Stock Exchange from time to time
“NHC Group” or “Our Group”	Unless the context otherwise indicates or implies, refers to our Company together with its subsidiary.

Conventional Terms

TERMS	DESCRIPTIONS
ACIT	Assistant Commissioner of Income Tax.
AIF(s)	The alternative investment funds, as defined in, and registered with SEBI under the Securities and Exchange Board of India (Alternative Investment Funds) Regulations, 2012.
Air Act, 1981	Air (Prevention and Control of Pollution) Act, 1981.
CAGR	Compounded annual growth rate
Category I Foreign Portfolio Investor(s)	FPIs who are registered as “Category I foreign portfolio investor” under the SEBI FPI Regulations.
Category II Foreign Portfolio Investor(s)	FPIs who are registered as “Category II foreign portfolio investor” under the SEBI FPI Regulations.
Category III Foreign Portfolio Investor(s)	FPIs who are registered as “Category III foreign portfolio investor” under the SEBI FPI Regulations.
Companies Act, 1956	Companies Act, 1956 (without reference to the provisions thereof that have ceased to have effect upon notification of the sections of the Companies Act, 2013) along with the relevant rules made there under.
Companies Act/Companies Act, 2013	Companies Act, 2013, to the extent in force pursuant to the notification of sections of the Companies Act, 2013, along with the relevant rules made there under.
Competition Act	The Competition Act, 2002.
Consolidated FDI Policy	Consolidation FDI Policy dated October 15, 2020, issued by the Department of Industrial Policy and Promotion, Ministry of Commerce and Industry, Government of India, and any modifications thereto or substitutions thereof, issued from time to time.
CST Act	Central Sales Tax Act, 1956.
COVID/COVID-19	A public health emergency of international concern as declared by the World Health Organization on January 30, 2020 and a pandemic on March 11, 2020

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TERMS	DESCRIPTIONS
Exchange Information	Collectively constitutes and includes, but is not limited to, a description of the nature of our Company's business and our Company's most recent balance sheet and profit and loss account, and similar statements for preceding years together with press releases, announcements, investor education presentations and annual reports.
FCNR Account	Foreign currency non-resident account.
FEMA	Foreign Exchange Management Act, 1999, read with rules and regulations there under.
FEMA Regulations	Foreign Exchange Management (Transfer or Issue of Security by a Person Resident Outside India) Regulations 2000.
FII(s)	Foreign Institutional Investors as defined under the SEBI FPI Regulations.
Financial Year/ Fiscal/ Fiscal Year/F.Y.	Period of twelve (12) months ended March 31 of that particular year, unless otherwise stated.
Foreign Portfolio Investor or FPI	Foreign Portfolio Investors, as defined under the SEBI FPI Regulations and registered with SEBI under applicable laws in India.
Fugitive economic offender	"Fugitive economic offender" shall mean an individual who is declared a fugitive economic offender under section 12 of the Fugitive Economic Offenders Act, 2018 (17 of 2018)
FVCI	Foreign Venture Capital Investor, registered under the FVCI Regulations.
FVCI Regulations	Securities and Exchange Board of India (Foreign Venture Capital Investors) Regulations, 2000.
Hazardous Waste Rules, 2008	Hazardous Wastes (Management, Handling and Trans boundary Movement) Rules, 2008.
HUF	Hindu Undivided Family.
IBC	The Insolvency and Bankruptcy Code, 2016
Income Tax Act or the I.T. Act / IT Act	The Income Tax Act, 1961, as amended till date.
Ind AS	New Indian Accounting Standards notified by Ministry of Corporate Affairs on February 16, 2015, applicable from Financial Year commencing April 1, 2016, as amended.
Ind GAAP	Generally Accepted Accounting Principles in India.
IFRS	International Financial Reporting Standards
LLP Act	The Limited Liability Partnership Act, 2008.
Notified Sections	The sections of the Companies Act, 2013, that have been notified by the Government as having come into effect prior to the date of this Draft Letter of Offer.
NRE Account	Non-resident external account.
NRO Account	Non-resident ordinary account.
RBI	Reserve Bank of India
RBI Act	Reserve Bank of India Act, 1934.
SCRA	Securities Contracts (Regulation) Act, 1956.
SCR	Securities Contracts (Regulation) Rules, 1957.
SEBI	The Securities and Exchange Board of India, constituted under the SEBI Act.
SEBI Act	Securities and Exchange Board of India Act, 1992.
SEBI AIF Regulations	Securities and Exchange Board of India (Alternative Investment Funds) Regulations, 2012 as amended thereto.
SEBI Takeover Regulations	Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011.
SEBI VCF Regulations	The erstwhile Securities and Exchange Board of India (Venture Capital Funds) Regulations, 1996, as repealed pursuant to the SEBI AIF Regulations
Securities Act	U.S. Securities Act of 1933, as amended.
State Government	The government of a state of the Union of India.
STT	Securities Transaction Tax.
Sub-account	Sub-accounts registered with SEBI under the SEBI FII Regulations other than sub-accounts which are foreign corporate or foreign individuals.
VCFs	Venture Capital Funds as defined and registered with SEBI under the SEBI VCF Regulations or the SEBI AIF Regulations, as the case may be.
Water Act, 1974	Water (Prevention and Control of Pollution) Act, 1974.

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Issue Related Terms

TERMS	DESCRIPTIONS
“Abridged Letter of Offer” or “ALOF”	Abridged letter of offer to be sent to the Eligible Equity Shareholders with respect to this Issue in accordance with the provisions of the SEBI ICDR Regulations and the Companies Act, 2013.
“Allot”, “Allotment” or “Allotted”	Allotment of Rights Equity Shares pursuant to this Issue.
“Allotment Accounts”	The accounts opened with the Bankers to this Issue, into which the Application Money lying credit to the Escrow Account and amounts blocked by Application Supported by Blocked Amount in the ASBA Account, with respect to successful Applicants will be transferred on the Transfer Date in accordance with Section 40(3) of the Companies Act, 2013.
“Allotment Date”	Date on which the Allotment shall be made pursuant to this Issue.
“Allottee(s)”	Person(s) who shall be Allotted Rights Equity Shares pursuant to the Allotment.
“Application”	Application made through submission of the Application Form or plain paper Application to the Designated Branch of the SCSBs or online/ electronic application through the website of the SCSBs (if made available by such SCSBs) under the ASBA process.
“Application Form” or Composite Application Form / CAF	The form used by an Investor to make an application for the Allotment of Rights Equity Shares in the Issue.
“Applicant(s)” or “Investor(s)”	Eligible Equity Shareholder(s) and/or Renouncee(s) who are entitled to apply or make an application for the Rights Equity Shares pursuant to this Issue in terms of this Draft Letter of Offer.
Application Amount	The number of Equity Shares applied for and as indicated in the Application Form or Composite Application Form / CAF multiplied by the price per Equity Share payable by the Applicants on submission of the Application Form.
Acknowledgement Slip	The slip or document issued by the Designated Intermediary to an Applicant as proof of having accepted the Application Form.
Allot/Allotment/Allotted of Equity Shares	Unless the context otherwise requires, allotment of the Equity Shares pursuant to the Issue of Equity Shares to the successful Applicants.
Allotment Advice	Note or advice or intimation of Allotment sent to the Applicants who have been allotted Equity Shares after the Basis of Allotment has been approved by the Designated Stock Exchange.
Application Supported by Blocked Amount/ASBA	An application, whether physical or electronic, used by ASBA Bidders, to make a Bid authorizing a SCSB to block the Bid Amount/Application money in the ASBA Account.
ASBA Account	A bank account maintained with an SCSB and specified in the ASBA Form submitted by Applicants for blocking the Bid Amount mentioned in the ASBA Form
ASBA Applicant(s)	Any prospective investors in this Issue who apply for Equity Shares of our Company through the ASBA process in terms of this Draft Letter of Offer.
ASBA Application Location(s)/Specified Cities	Such Branches of the SCSBs which shall collect the Application Forms used by the Applicants applying through the ASBA process and a list of which is available on https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes or at such other website as may be prescribed by SEBI from time to time
ASBA Bid	Bid made by an ASBA Bidder including all revisions and modifications thereto as permitted under the SEBI (ICDR) Regulations;
ASBA Circulars	Collectively, the SEBI circulars bearing reference numbers SEBI/CFD/DIL/ASBA/1/2009/30/12 dated December 30, 2009, CIR/CFD/DIL/1/2011 dated April 29, 2011, and SEBI/HO/CFD/DIL2/CIR/P/2020/13 dated January 22, 2020
ASBA Forms	An application form, whether physical or electronic, used by ASBA Applicants, which will be considered as the application for Allotment in terms of the Draft Letter of Offer.
Banker to the Issue/Refund Bank/Escrow Collection Bank	Bank which are clearing members and registered with SEBI as banker to an issue/Refund Bank and with whom the Rights Issue Account will be opened, in this case being “/”

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TERMS	DESCRIPTIONS
Banker to the Issue Agreement	Agreement dated [●] entered into by and amongst the Company, Lead Manager, the Registrar and the Banker of the Issue for collection of the Application Money from Investors making an application through the ASBA facility, transfer of funds to the Allotment Account from the Escrow Account and SCSBs, release of funds from Allotment Account to our Company and other persons and where applicable, refunds of the amounts collected from Investors and providing such other facilities and services as specified in the agreement.
Basis of Allotment	The basis on which the Equity Shares will be Allotted to successful Applicants in consultation with the Designated Stock Exchange under the Issue, as described in the Section “ <i>Terms of the Issue</i> ” beginning on page 211 of this Draft Letter of Offer.
Business Day	Monday to Saturday (except public holidays).
BSE	BSE Limited
CAN or Confirmation of Allocation Note	The note or advice or intimation sent to each successful Applicant indicating the Equity Shares which will be Allotted, after approval of Basis of Allotment by the Designated Stock Exchange.
Client ID	Client Identification Number maintained with one of the Depositories in relation to demat account.
Collection Centers	Centers at which the Designated Intermediaries shall accept the ASBA Forms.
Collecting Depository Participant or CDP	A depository participant as defined under the Depositories Act, 1996, registered with SEBI and who is eligible to procure Applications at the Designated CDP Locations in terms of circular no. CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015, issued by SEBI.
Consolidated certificate	The certificate that would be issued for Rights Equity Shares Allotted to each folio in case of Eligible Equity Shareholders who hold Equity Shares in physical form;
Controlling Branches of SCSBs	Such branches of the SCSBs which coordinate Applications under this Issue made by the Applicants with the Lead Manager, the Registrar to the Issue and the Stock Exchange, a list of which is provided on http://www.sebi.gov.in or at such other website as may be prescribed by SEBI from time to time.
Demographic Details	The demographic details of the Applicants such as their Address, PAN, Occupation and Bank Account details.
Depository/Depositories	A depository registered with SEBI under the SEBI (Depositories and Participant) Regulations, 1996, as amended from time to time, being NSDL and CDSL.
Depository Participant/DP	A depository participant as defined under the Depositories Act, 1996.
Designated CDP Locations	Such locations of the CDPs where Applicant can submit the Application Forms to Collecting Depository Participants. The details of such Designated CDP Locations, along with names and contact details of the Collecting Depository Participants eligible to accept Application Forms are available on the websites of the Stock Exchange.
Designated Date	The date on which the funds are transferred by the Escrow Collection Bank from the Escrow Account(s) or the instructions are given to the SCSBs to unblock the ASBA Accounts including the accounts linked with UPI ID and transfer the amounts blocked by SCSBs as the case may be, to the Rights Issue Account, as appropriate in terms of the Letter of Offer and the aforesaid transfer and instructions shall be issued only after finalisation of the Basis of Allotment in consultation with the Designated Stock Exchange.
Designated Intermediaries/Collecting Agent	An SCSB with whom the bank account to be blocked, is maintained, a syndicate member (or sub-syndicate member), a Registered Broker, Designated CDP Locations for CDP, a registrar to an issue and share transfer agent (RTA) (whose names are mentioned on website of the Stock Exchange as eligible for this activity).
Designated RTA Locations	Such locations of the RTAs where Applicant can submit the Application Forms to RTAs. The details of such Designated CDP Locations, along with names and contact details of the Collecting Depository Participants eligible to accept Application Forms are available on the websites of the Stock Exchange.
Designated Stock Exchange	BSE Limited

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TERMS	DESCRIPTIONS
DP	Depository Participant.
DP ID	Depository Participant's Identity number.
Eligible Equity Shareholder(s)	Holder(s) of the Equity Shares of our Company as on the Record Date. Please note that the investors eligible to participate in the Issue exclude certain overseas shareholders. For further details, see "Notice to Investors" on page 11 of this Draft Letter of Offer
Eligible NRI(s)	NRI(s) from such jurisdiction outside India where it is not unlawful to make an Issue or invitation under the Issue and in relation to whom this Draft Letter of Offer constitutes an invitation to subscribe for the Equity Shares Issued herein on the basis of the terms thereof.
Eligible QFIs	Qualified Foreign Investors from such jurisdictions outside India where it is not unlawful to make an offer or invitation under the Issue and in relation to whom the Letter of Offer constitutes an invitation to purchase the Equity Shares Issued thereby and who have opened demat accounts with SEBI registered qualified depository participants.
Electronic Transfer of Funds	ECS, NEFT, Direct Credit or RTGS as applicable.
Equity Shares	Equity Shares of our Company of face value ₹1/- each.
FII/Foreign Institutional Investors	Foreign Institutional Investor (as defined under SEBI (Foreign Institutional Investors) Regulations, 1995, as amended) registered with SEBI under applicable laws in India.
First/Sole Applicant	The Applicant whose name appears first in the Application Form or Revision Form.
Foreign Venture Capital Investors	Foreign Venture Capital Investors registered with SEBI under the SEBI (Foreign Venture Capital Investor) Regulations, 2000.
FPI / Foreign Portfolio Investor	A Foreign Portfolio Investor who has been registered pursuant to the Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2014, provided that any FII who holds a valid certificate of registration shall be deemed to be a foreign portfolio investor till the expiry of the block of three years for which fees have been paid as per the SEBI (Foreign Institutional Investors) Regulations, 1995, as amended
Issue/Rights Issue	Rights Issue of "[●]" Equity Shares of face value of ₹1/- each of our Company for cash at a price of "[●]" per Equity Share aggregating to ₹4,900.00 lakhs by our Company, in terms of this Draft Letter of Offer.
Issue Agreement	The Issue Agreement dated August 08, 2024 between our Company and Lead Manager.
Issue Closing Date	The date on which Issue Closes for Subscription.
Issue Opening Date	The date on which Issue Opens for Subscription.
Issue Period	The period between the Issue Opening Date and the Issue Closing Date, inclusive of both days, during which prospective Investors may submit their application.
Issue Price	The price at which the Equity Shares are being issued by our Company being [●] per Equity Share.
Issue Proceeds	The proceeds of the Issue that are available to our Company.
Lead Manager/LM	Finshore Management Services Limited
Listing Agreement	Unless the context specifies otherwise, this means the Equity Listing Agreement to be signed between our Company and BSE Limited
Mutual Fund(s)	Mutual fund (s) registered with SEBI pursuant to the SEBI (Mutual Funds) Regulations, 1996, as amended from time to time.
NPCI	National Payments Corporation of India (NPCI), a Reserve Bank of India (RBI) initiative, is an umbrella organization for all retail payments in India. It has been set up with the guidance and support of the Reserve Bank of India (RBI) and Indian Banks Association (IBA)
"On Market Renunciation"	The renunciation of Rights Entitlements undertaken by the Investor by trading them over the secondary market platform of the Stock Exchange through a registered stock broker in accordance with the SEBI Rights Issue Circulars and the circulars issued by the Stock Exchange, from time to time, and other applicable laws, on or before [●].
Off Market Renunciation	The renunciation of Rights Entitlements undertaken by the Investor by transferring them through off market transfer through a depository participant in accordance with the SEBI Rights Issue Circulars and the circulars issued by the Depositories, from time to time, and other applicable laws.

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TERMS	DESCRIPTIONS
Overseas Corporate Body/OCB	Overseas Corporate Body means and includes an entity defined in clause (xi) of Regulation 2 of the Foreign Exchange Management (Withdrawal of General Permission to Overseas Corporate Bodies (OCB's) Regulations 2003 and which was in existence on the date of the commencement of these Regulations and immediately prior to such commencement was eligible to undertake transactions pursuant to the general permission granted under the Regulations. OCBs are not allowed to invest in this Issue.
Other Investors	Investors other than Retail Individual Investors. These include individual Applicants other than retail individual investors and other investors including corporate bodies or institutions irrespective of the number of specified securities applied for.
Person/ Persons	Any individual, sole proprietorship, unincorporated association, unincorporated organization, body corporate, corporation, company, partnership, limited liability company, joint venture, or trust, or any other entity or organization validly constituted and/or incorporated in the jurisdiction in which it exists and operates, as the context requires.
“Record Date”	Designated date for the purpose of determining the Equity Shareholders eligible to apply for Rights Equity Shares, being [●].
“Renounee(s)”	Any person(s) who, not being the original recipient has/have acquired the Rights Entitlement, in accordance with the SEBI ICDR Regulations read with the SEBI Rights Issue Circulars.
“Renunciation Period”	The period during which the Investors can renounce or transfer their Rights Entitlements which shall commence from the Issue Opening Date. Such period shall close on [●] in case of On Market Renunciation. Eligible Equity Shareholders are requested to ensure that renunciation through off-market transfer is completed in such a manner that the Rights Entitlements are credited to the demat account of the Renounee on or prior to the Issue Closing Date.
“Rights Entitlements” / “REs”	The right to apply for the Rights Equity Shares, being offered by way of this Issue, by an Investor, in accordance with the SEBI ICDR Regulations read with the SEBI Rights Issue Circulars, in this case being [●] Rights Equity Share for every [●] Equity Shares of face value Rs. 1/- each held by an Eligible Equity Shareholder, on the Record Date.
“Rights Entitlement Letter”	Letter including details of Rights Entitlements of the Eligible Equity Shareholders.
“Rights Equity Shareholders”	A holder of the Rights Equity Shareholders, from time to time.
“Rights Equity Shares”	Equity shares of our Company to be Allotted pursuant to this Issue, on fully paid-up basis on Allotment.
Rights Issue Account	The Bank Account opened with the Banker(s) to this Issue under Section 40 of the Companies Act, 2013 to receive monies from the SCSBs from the bank accounts of the ASBA Accounts on the Designated Date.
Qualified Institutional Buyers or QIBs	A qualified institutional buyer as defined under Regulation 2(1)(ss) of the SEBI ICDR Regulations.
Registered Brokers	Stockbrokers registered with the Stock Exchange having nationwide terminals, other than the Members of the Syndicate.
Registrar and Share Transfer Agents or RTAs	Registrar and share transfer agents registered with SEBI and eligible to procure Applications at the Designated RTA Locations in terms of circular no. CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015, issued by SEBI.
Registrar to the Company / Registrar to this Rights Issue / Registrar / RTI	Registrar to the Issue in our case is “Skyline Financial Services Private Limited” .
Registrar to the Issue / RTI Agreement	The agreement dated September 03, 2024 entered into between our Company and the Registrar to the Issue in relation to the responsibilities and obligations of the Registrar pertaining to the Issue.
Regulations	SEBI (Issue of Capital and Disclosure Requirement) Regulations, 2018 as amended from time to time.
Reserved Category(ies)	Categories of persons eligible for making application under reservation portion.

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TERMS	DESCRIPTIONS
Retail Individual Investors/ RIIs	Applicants or minors applying through their natural guardians, (including HUFs in the name of Karta and Eligible NRIs) who have applied for an amount less than or equal to ₹ 2 Lakh in this Issue.
Revision Form	The form used by the Applicants to modify the quantity of Equity Shares or the Application Amount in any of their Application Forms or any previous Revision Form(s), as applicable.
Self-Certified Syndicate Bank(s) or SCSB(s)	Banks registered with SEBI, Issuing Services in relation to ASBA, a list of which is available on the website of SEBI at www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes
SEBI (ICDR) Regulations / ICDR Regulation / Regulation	SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018 issued by SEBI on September 11, 2018, as amended from time to time, including instructions and clarifications issued by SEBI from time to time.
SEBI Insider Trading Regulations	The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 as amended, including instructions and clarifications issued by SEBI from time to time.
SEBI Takeover Regulations or SEBI (SAST) Regulations	Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeover) Regulations, 2011, as amended from time to time.
SEBI Listing Regulations, 2015/ SEBI Listing Regulations/ Listing Regulations/ SEBI (LODR)	Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015/ Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) (Amendment) Regulations, 2020 and as amended thereto, including instructions and clarifications issued by SEBI from time to time.
SEBI (Venture Capital) Regulations	The erstwhile Securities Exchange Board of India (Venture Capital) Regulations, 1996 as amended from time to time.
Transaction Registration Slip /TRS	The slip or document issued by a member of the Syndicate or an SCSB (only on demand), as the case may be, to the applicants, as proof of registration of the Application
UPI	Unified Payments Interface (UPI) is an instant payment system developed by the NPCI. It enables merging several banking features, seamless fund routing & merchant payments into one hood. UPI allows instant transfer of money between any two persons' bank accounts using a payment address which uniquely identifies a person's bank a/c.
U.S. Securities Act	U.S. Securities Act of 1933, as amended
Working Days	In terms of Regulation 2(1)(mmm) of SEBI ICDR Regulations, working day means all days on which commercial banks in Mumbai are open for business. Further, in respect of Issue Period, working day means all days, excluding Saturdays, Sundays and public holidays, on which commercial banks in Mumbai are open for business. Furthermore, the time period between the Issue Closing Date and the listing of Equity Shares on the Stock Exchange, working day means all trading days of the Stock Exchange, excluding Sundays and bank holidays, as per circulars issued by SEBI.
Willful Defaulter(s) or a Fraudulent Borrower (s)	A person or an issuer who or which is categorized as a willful defaulter or a fraudulent borrower by any bank or financial institution (as defined under the Companies Act, 2013) or consortium thereof, in accordance with the guidelines on willful defaulters or a fraudulent borrower issued by the Reserve Bank of India, as defined under Regulation 2(1)(lll) of SEBI ICDR Regulations 2018.

Company Related Terms

TERMS	DESCRIPTIONS
AGM	Annual General Meeting
“Articles” or “Articles of Association” or “AOA”	The Articles of Association of our Company, as amended from time to time.
Auditor / Statutory Auditor	The Statutory Auditors of our Company, being M/s. JMMK & Co. (earlier known as JMK & Co.), Chartered Accountants, having its office at B-10, Western Edge II, Behind Metro Cash & Carry, Off W.E. Highway, Borivali East, Mumbai – 400066, Maharashtra, India.
Audit Committee	Audit Committee of our Company constituted in accordance with the Companies Act, 2013 as disclosed by our Company to the Stock Exchange from time to time.

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TERMS	DESCRIPTIONS
“Board of Director(s)” or “the/our Board”	Unless otherwise specified, The Board of Directors of our Company, as duly constituted from time to time, including any committee(s) thereof.
“CFO” or Chief Financial Officer	The Chief Financial Officer of our Company being “ Mr. Archit Wahale ”.
CIN	Corporate Identification Number being L15122GJ1992PLC076277 .
Company Secretary & Compliance Officer	The Company Secretary & Compliance Officer of our Company being “ Mrs. Alesha Hakim Khan ”.
DIN	Directors Identification Number.
Director/Director(s)	The directors of our Company, unless otherwise specified
Equity Shares	The Equity Shares of our Company of face value of ₹1/- each, fully paid-up, unless otherwise specified in the context thereof.
Equity Shareholders	Persons/Entities holding Equity Shares of our Company.
Group Companies/Entities	Such companies with which there were related party transactions, during the period for which financial information is disclosed in this Draft Letter of Offer, which are covered under the applicable accounting standards and other companies as considered material by our Board, as identified in “Our Group Companies”
Independent Director	Non-executive & Independent Director as per the Companies Act, 2013
JV / Joint Venture	A commercial enterprise undertaken jointly by two or more parties which otherwise retain their distinct identities.
ISIN	International Securities Identification Number, in this case being “ INE141C01036 ”
KMP / Key Managerial Personnel	Key managerial personnel of our Company in terms of Regulation 2(1)(bb) of the SEBI ICDR Regulations 2018, Section 2(51) of the Companies Act, 2013 and as disclosed in the chapter titled “ Our Management ” beginning on page 51 of this Draft Letter of Offer.
MD	Managing Director of our Company
Materiality Policy	A policy adopted by our Company for identification of material litigation(s) for the purpose of disclosure of the same in this Draft Letter of Offer.
Memorandum/Memorandum of Association/MoA	The Memorandum of Association of our Company, as amended from time to time.
Nomination and Remuneration Committee	Nomination and Remuneration committee of our Company constituted in accordance with the Companies Act, 2013 as disclosed by our Company to the Stock Exchange from time to time.
Non-Residents	A person resident outside India, as defined under FEMA Regulations, 2000
Promoters	Shall mean promoters of our Company as mentioned in this Draft Letter of Offer.
Registered & Corporate Office	Registered Office of the Company is presently situated at Survey No. 777, Umarsadi Desaiwad Road, Village Umarsadi, Taluka Pardi, Valsad – 396175, Gujarat, India and the Corporate Office of the Company is presently situated at 419/420, C Wing, Atrium 215, Andheri-Kurla Road, Chakala, Andheri East, J. B. Nagar, Mumbai – 400059, Maharashtra, India
RoC/Registrar of Companies	The Registrar of Companies, Ahmedabad, Gujarat located at ROC Bhavan, Opp Rupal Park Society, Behind Ankur Bus Stop, Naranpura, Ahmedabad-380013, Gujarat, India
Rights Issue Committee	The committee of our Board constituted through the Board Resolution dated May 30, 2024, for purposes of the Issue and incidental matters thereof.
Shareholders	Shareholders of our Company
Subscriber to MOA / Initial Promoters	Initial Subscriber to MOA
WTD	Whole Time Director

Technical and Industry related terms

TERMS	DESCRIPTIONS
ASSOCHAM	Associated Chambers of Commerce of India
AHF	Affordable Housing Fund
CPI	Consumer Price Index

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EPFO	Employees' Provident Fund Organisation
ESI	Employee State Insurance
EPCG Scheme	Export Promotion Capital Goods Scheme
EU	European Union
FCNR	Foreign Currency Non-Resident
FY	Financial Year
GDP	Gross Domestic Product
GVA	Gross Value Added
GIC	Government of Singapore Investment Corporation
HFC	Housing Finance Company
HDFC	Housing Development Finance Corporation Limited
IBEF	India Brand Equity Foundation
ICRA	Investment Information and Credit Rating Agency
INR	Indian Rupees Rate
IT	Information Technology
MOCI	Ministry of Commerce and Industry
MSME	Micro & Small Enterprise
MT	Metric Tonne
NHB	National Housing Bank
NRI	Non-Resident Indian
PE Investments	Private Equity Investments
PMAY	Pradhan Mantri Awas Yojana
SEZ	Special Economic Zone
REIT	Real Estate Investment Trust
SOP	Standard Operating Procedures

Abbreviations

TERMS	DESCRIPTIONS
Rs. or ₹ or Rupees or INR	Indian Rupees.
AGM	Annual General Meeting.
AS/Accounting Standards	Accounting Standards issued by the Institute of Chartered Accountants of India.
A. Y.	Assessment year.
BC	Before Christ.
BPLR	Bank Prime Lending Rate.
BSE	BSE Limited
CAPEX	Capital expenditures
CARO	Companies (Auditor's Report) Order, 2020.
CDSL	Central Depository Services (India) Limited.
CIN	Corporate Identity Number.
CSR	Corporate Social Responsibility.
DIN	Director Identification Number.
DP ID	Depository participant's identification.
ECS	Electronic Clearing System.
EBITDA	Earnings before Interest, Tax Depreciation and Amortisation.
EGM	Extraordinary General Meeting of the Shareholders of the Company.
EPS	Earnings Per Share.
ESOS	Employee Stock Option Scheme.
FDI	Foreign direct investment.
FIPB	Foreign Investment Promotion Board.
GIR	General index register.
GoI/Government	Government of India.
GST	Goods & Service Tax

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TERMS	DESCRIPTIONS
HNI	High Net Worth Individual.
HUF	Hindu Undivided Family.
ICAI	Institute of Chartered Accountants of India.
IEPF	Investor Education Protection Fund
IFRS	International Financial Reporting Standards.
Indian GAAP	Generally Accepted Accounting Principles in India.
ISO	International Organization for Standardization.
IT Act	The Income Tax Act, 1961, as amended.
IT Rules	The Income Tax Rules, 1962, as amended.
JV	Joint Venture.
MCA	Ministry of Corporate Affairs, Government of India.
MoU	Memorandum of Understanding.
N.A.	Not Applicable.
NAV/Net Asset Value	Net asset value being paid up equity share capital plus free reserves (excluding reserves created out of revaluation) less deferred expenditure not written off (including miscellaneous expenses not written off) and debit balance of profit and loss account, divided by number of issued Equity Shares.
NECS	National Electronic Clearing Services.
NEFT	National Electronic Fund Transfer.
NoC	No Objection Certificate.
No.	Number.
NR	Non-Resident.
NSDL	National Securities Depository Limited.
NSE	The National Stock Exchange of India Limited
NTA	Net Tangible Assets.
p.a.	Per annum.
PAN	Permanent Account Number.
PAT	Profit After Tax.
PBT	Profit Before Tax.
PCB	Pollution Control Board.
P/E Ratio	Price per Earnings Ratio.
Pvt.	Private.
RBI	Reserve Bank of India.
RoC	Registrar of Companies.
RONW	Return on Net Worth.
RTGS	Real Time Gross Settlement.
SCN	Show Cause Notice.
SCSB	Self-Certified Syndicate Bank.
SME	Small and Medium Enterprises
STT	Securities Transaction Tax
Sq. ft.	Square feet
TAN	Tax Deduction Account Number
TIN	Taxpayers Identification Number
UIN	Unique Identification Number.
US	United States.
VAT	Value Added Tax.
w.e.f.	With effect from
YoY	Year on Year.

The words and expressions used but not defined in this Draft Letter of Offer will have the same meaning as assigned to such terms under the Companies Act, the SEBI ICDR Regulations, the SCRA, the Depositories Act and the rules and regulations made there-under.

NOTICE TO INVESTORS

The distribution of this Draft Letter of Offer, the Letter of Offer, the Abridged Letter of Offer, the Application Form, the Rights Entitlements Letter and any other Issue material and the issue of Rights Entitlements and the Rights Equity Shares on a rights basis to persons in certain jurisdictions outside India are restricted by legal requirements prevailing in those jurisdictions. Persons into whose possession this Draft Letter of Offer, the Letter of Offer, the Abridged Letter of Offer, the Application Form or the Rights Entitlements Letter may come, are required to inform themselves about and observe such restrictions.

Our Company is making this Issue on a rights basis to the Eligible Equity Shareholders and will dispatch the Letter of Offer/Abridged Letter of Offer, Application Form, Rights Entitlements Letter and other Issue material (i) only to e-mail addresses of the resident Eligible Equity Shareholders who have provided their e-mail addresses; (ii) physical delivery only to the Indian address of resident Eligible Equity Shareholders, on a reasonable effort basis, whose e-mail addresses are not available with our Company or the Eligible Equity Shareholders have not provided the valid email address to our Company; (iii) physical delivery only to the Indian addresses of the non-resident Eligible Equity Shareholders, on a reasonable effort basis, who have provided an Indian address to our Company or to their email address; and (iv) to the e-mail addresses of the foreign corporate or institutional shareholders.

The Letter of Offer will also be provided by our Company to any existing Shareholder who makes a request in this regard. Investors can also access the Draft Letter of Offer, the Abridged Letter of Offer and the Application Form from the websites of the Registrar, our Company, the Lead Managers, the Stock Exchange.

No action has been or will be taken to permit the Issue in any jurisdiction where action would be required for that purpose, except that the Draft Letter of Offer has been filed with BSE for observation. Accordingly, this Draft Letter of Offer, the Letter of Offer, Abridged Letter of Offer, the Rights Entitlements Letter or the Application Form or any Issue materials or advertisements in connection with the Issue may not be distributed, in whole or in part, in or into any jurisdiction, except in accordance with the legal requirements applicable in such jurisdiction and the Rights Entitlements and the Rights Equity Shares may not be offered or sold, directly or indirectly, in any jurisdiction, except in accordance with legal requirements applicable in such jurisdiction. Receipt of this Draft Letter of Offer, the Letter of Offer, Abridged Letter of Offer, the Rights Entitlements Letter or the Application Form (including by way of electronic means) will not constitute an offer, invitation to or solicitation by anyone in any jurisdictions or in any circumstances in which such an offer, invitation or solicitation is unlawful or not authorized or to any person to whom it is unlawful to make such an offer, invitation or solicitation. In those circumstances, this Draft Letter of Offer, Abridged Letter of Offer, the Rights Entitlements Letter or the Application Form must be treated as sent for information only and should not be acted upon for subscription to Rights Equity Shares and should not be copied or re-distributed or passed on, directly or indirectly, to any other person or published, in whole or in part, for any purpose. Accordingly, persons receiving a copy of this Draft Letter of Offer, the Letter of Offer, Abridged Letter of Offer, the Rights Entitlements Letter or the Application Form should not, in connection with the issue of the Rights Equity Shares or the Rights Entitlements, distribute or send this Draft Letter of Offer, the Letter of Offer, Abridged Letter of Offer, the Rights Entitlements Letter or the Application Form in or into any jurisdiction where to do so, would or might contravene local securities laws or regulations or would subject our Company or its affiliates or the Lead Managers or their respective affiliates to any filing or registration requirement (other than in India). If this Draft Letter of Offer, the Letter of Offer, Abridged Letter of Offer, the Rights Entitlements Letter or the Application Form is received by any person in any such jurisdiction, or by their agent or nominee, they must not seek to subscribe to the Rights Equity Shares or the Rights Entitlements referred to in this Draft Letter of Offer, the Letter of Offer, Abridged Letter of Offer, the Rights Entitlements Letter or the Application Form. Envelopes containing the CAF should not be dispatched from the jurisdiction where it would be illegal to make an offer and all the person subscribing for the Rights Equity Shares in the Issue must provide an Indian address.

Any person who makes an application to acquire Rights Entitlements and the Rights Equity Shares offered in the Issue will be deemed to have declared, represented, warranted and agreed that such person is authorized to acquire the Rights Entitlements and the Rights Equity shares in compliance with all applicable laws and regulations prevailing in such person's jurisdiction and India, without requirement for our Company or our affiliates or the Lead Manager or its affiliates to make any filing or registration (other than in India).

Our Company, the Registrar, the Lead Manager or any other person acting on behalf of our Company reserves the right to treat any Application Form as invalid where they believe that Application Form is incomplete or acceptance of such Application Form may infringe applicable legal or regulatory requirements and we shall not be bound to allot or issue any Rights Equity Shares or

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Rights Entitlement in respect of any such Application Form. Neither the delivery of this Draft Letter of Offer, Letter of Offer, the Abridged Letter of Offer nor any sale hereunder, shall, under any circumstances, create any implication that there has been no change in our Company's affairs from the date hereof or the date of such information or that the information contained herein is correct as at any time subsequent to the date of this Draft Letter of Offer, Letter of Offer and the Abridged Letter of Offer or the date of such information.

The contents of this Draft Letter of Offer should not be construed as business, financial, legal, tax or investment advice. Prospective investors may be subject to adverse foreign, state or local tax or legal consequences as a result of the offer of Rights Equity Shares or Rights Entitlements. As a result, each investor should consult its own counsel, business advisor and tax advisor as to the legal, business, tax and related matters concerning the offer of the Rights Equity Shares or Rights Entitlements. In addition, neither our Company nor the Lead Manager is making any representation to any offeree or purchaser of the Rights Equity Shares regarding the legality of an investment in the Rights Equity Shares by such offeree or purchaser under any applicable laws or regulations.

NO OFFER IN THE UNITED STATES

The Rights Equity Shares or Rights Entitlements have not been recommended by any U.S. federal or state securities commission or regulatory authority. Furthermore, the foregoing authorities have not confirmed the accuracy or determined the adequacy of the Letter of Offer, Abridged Letter of Offer and the CAF. Any representation to the contrary is a criminal offence in the United States. The rights and securities of the Company, including the Rights Equity Shares and Right Entitlements have not been and will not be registered under the United States Securities Act, 1933, as amended (the "**Securities Act**"), or any U.S. state securities laws and may not be offered, sold, resold or otherwise transferred within the United States or the territories or possessions thereof (the "**United States**" or "**U.S.**") or to, or for the account or benefit of, "U.S. persons" (as defined in Regulation S under the Securities Act ("**Regulation S**"), except in a transaction exempt from the registration requirements of the U.S. Securities Act. The Rights Equity Share referred to in this Draft Letter of Offer are being offered in India, but not in the United States. The offering to which this Draft Letter of Offer relates is not, and under no circumstances is to be construed as, an offering of any Rights Equity Shares or Rights Entitlements for sale in the United States or as a solicitation therein of an offer to buy any of the said securities or rights. Accordingly, this Draft Letter of Offer/ Abridged Letter of Offer and the enclosed CAF should not be forwarded to or transmitted in or into the United States at any time.

Neither our Company nor any person acting on behalf of our Company, will accept a subscription or renunciation from any person, or the agent of any person, who appears to be, or who our Company or any person acting on behalf of our Company, has reason to believe is, either a U.S. person (as defined in Regulation S) or otherwise in the United States when the buy order is made. No application form should be postmarked in the United States, electronically transmitted from the United States or otherwise dispatched from the United States or from any other jurisdiction where it would be illegal to make an offer under this Draft Letter of Offer, and all persons subscribing for the Rights Shares and wishing to hold such Rights Shares in registered form must provide an address for registration of the Rights Shares in India. Our Company is making this issue of Rights Equity Shares on a rights basis to the eligible equity shareholders and the Letter of Offer/Abridged Letter of Offer and CAF will be dispatched to (i) only to e-mail addresses of resident Eligible Equity Shareholders who have provided their e-mail addresses; (ii) physical delivery only to the Indian addresses of the resident Eligible Equity Shareholders, on a reasonable effort basis, whose e-mail addresses are not available with our Company or the Eligible Equity Shareholders have not provided the valid e-mail address to our Company; (iii) physical delivery only to the Indian addresses of the non-resident Eligible Equity Shareholders, on a reasonable effort basis, who have provided an Indian address to our Company or to their email address; and (iv) to the e-mail addresses of foreign corporate or institutional shareholders.

Any person who acquires Rights Entitlements and the Rights Equity Shares will be deemed to have declared, represented, warranted and agreed, (i) that it is not and that at the time of subscribing for the Rights Equity Shares or the Rights Entitlements, it will not be, in the United States when the buy order is made, (ii) it is not a U.S. person (as defined in Regulation S), and does not have a registered address (and is not otherwise located) in the United States, and (iii) is authorized to acquire the Rights Entitlements and the Rights Equity Shares in compliance with all applicable laws and regulations.

Our Company and the Lead Manager are not making, and will not make, and will not participate or otherwise be involved in any offers or sales of the Rights Entitlements, the Rights Equity Shares or any other security with respect to this Issue in the United States.

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Our Company, in consultation with the Lead Manager, reserves the right to treat as invalid any Application Form which: (i) appears to our Company or its agents to have been executed in or dispatched from the United States of America; (ii) does not include the relevant certification set out in the Application Form headed “Overseas Shareholders” to the effect that the person accepting and/or renouncing the Application Form does not have a registered address (and is not otherwise located) in the United States of America, and such person is complying with laws of the jurisdictions applicable to such person in connection with the Issue, among others; or (iii) where our Company believes that the Application Form is incomplete or the acceptance of such Application Form may infringe applicable legal or regulatory requirements; or (iv) where a registered Indian address is not provided, and our Company shall not be bound to issue or allot any Rights Equity Shares in respect of any such Application Form. Rights Entitlement may not be transferred or sold to any person in the United States of America.

The above information is given for the benefit of the Applicants / Investors. Our Company and the Lead Manager are not liable for any amendments or modification or changes in applicable laws or regulations, which may occur after the date of this Draft Letter of Offer. Investors are advised to make their independent investigations and ensure that the number of Rights Equity Shares applied for do not exceed the applicable limits under laws or regulations.

THIS DOCUMENT IS SOLELY FOR THE USE OF THE PERSON WHO RECEIVED IT FROM OUR COMPANY FROM THE LEAD MANAGER FROM THE REGISTRAR. THIS DOCUMENT IS NOT TO BE REPRODUCED OR DISTRIBUTED TO ANY OTHER PERSON.

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CERTAIN CONVENTIONS, USE OF FINANCIAL INDUSTRY & MARKET DATA, AND CURRENCY PRESENTATION

Certain Conventions

Unless otherwise specified or the context otherwise requires, all references to “India” in this Draft Letter of Offer are to the Republic of India.

Unless stated otherwise, all references to page numbers in this Draft Letter of Offer are to the page numbers of this Draft Letter of Offer.

In this Draft Letter of Offer, the terms “we”, “us”, “our”, “the Company”, “our Company”, “Issuer”, “Issuer Company”, “NHC” and “NHC Foods” unless the context otherwise indicates or implies, refers to “NHC Foods Limited”.

In this Draft Letter of Offer, unless the context otherwise requires, all references to one gender also refers to another gender and the word “Lac / Lakh” means “one hundred thousand”, the word “million (mn)” means “Ten Lacs / Lakhs”, the word “Crore” means “ten millions” and the word “billion (bn)” means “one hundred crores”. In this Draft Letter of Offer, any discrepancies in any table between total and the sum of the amounts listed are due to rounding-off.

Financial Data

Unless stated otherwise, the financial information in this Draft Letter of Offer is extracted from Audited Financial Statements for the period ended 31 March 2024, Audited Financial Statements of the Company for the financial Year ended 31 March 2023 and Limited Reviewed Unaudited Standalone and Consolidated Financial Results for the quarter ended June 30, 2024 and comparative financials for June 30, 2023 which have been prepared in accordance with Indian Accounting Standard (Ind AS).

Our fiscal year commences on 1st April of each year and ends on 31st March of the next year. All references to a particular fiscal year are to the 12 months period ended 31st March of that year. In this Draft Letter of Offer, any discrepancies in any table between the total and the sums of the amounts listed are due to rounding-off. All decimals have been rounded off to two decimal points.

Unless otherwise indicated, any percentage amounts, as set forth in this Draft Letter of Offer, including in the Sections titled “*Risk Factors*”, “*Our Business*”, “*Management’s Discussion and Analysis of Financial Condition and Results of Operations*” beginning on page no. 20, 70, and 195 respectively, have been calculated on the basis of the Audited Financial Statements of our Company included in this Draft Letter of Offer.

Currency and Units of Presentation

All references to “Rupees”, “Rs.”, “INR” or “₹” are to Indian Rupees, the official currency of the Republic of India. All references to “\$”, “US\$”, “USD”, “U.S. \$” or “U.S. Dollars” are to United States Dollars, the official currency of the United States of America

Our Company has presented certain numerical information in this Draft Letter of Offer in “Lakh” units. One lakh represents 1,00,000. In this Draft Letter of Offer, any discrepancies in any table between the total and the sums of the amounts listed therein are due to rounding-off.

Industry and Market Data

Unless stated otherwise, industry and market data used throughout this Draft Letter of Offer has been derived from India Brand Equity Foundation (IBEF) and other publicly available sources. Industry publications generally state that the information contained in those publications has been obtained from sources believed to be reliable but that their accuracy and completeness are not guaranteed, and their reliability cannot be assured. Although, we believe that the industry and market data used in this Draft Letter of Offer is reliable, neither we nor the Lead Manager nor any of their respective affiliates or advisors have prepared or verified it independently. The extent to which the market and industry data used in this Draft Letter of Offer is meaningful depends on the reader’s familiarity with and understanding of the methodologies used in compiling such data.

Such data involves risks, uncertainties and numerous assumptions and is subject to change based on various factors, including those discussed in the Section titled “*Risk Factors*” beginning on page 20 of this Draft Letter of Offer. Accordingly, investment decisions should not be based on such information.

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Exchange Rates

This Draft Letter of Offer may contain conversions of certain other currency amounts into Indian Rupees that have been presented solely to comply with the SEBI ICDR Regulations. These conversions should not be construed as a representation that these currency amounts could have been, or can be converted into Indian Rupees, at any particular rate or at all.

The following table sets forth, for the periods indicated, information with respect to the exchange rate between the Indian Rupee and other foreign currencies:

Currency	As at	
	March 28, 2024 (₹) *	March 31, 2023 (₹)
1 USD	83.37	82.23
1 EUR	90.22	89.61

(In case March 31 of any of the respective years is a public holiday, the previous working day has been considered.)

Source: RBI reference rate and <https://www.fbil.org.in/>

*Data for March 29, 30 and 31, 2024 is not available.

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FORWARD LOOKING STATEMENT

The Company has included statements in this Draft Letter of Offer which contain words or phrases such as “may”, “will”, “aim”, “believe”, “expect”, “will continue”, “anticipate”, “estimate”, “intend”, “plan”, “seek to”, “future”, “objective”, “goal”, “project”, “should”, “potential” and similar expressions or variations of such expressions, that are or may be deemed to be forward looking statements.

All statements regarding the expected financial condition and results of operations, business, plans and prospects are forward-looking statements. These forward-looking statements include statements as to the business strategy, the revenue, profitability, planned initiatives. These forward-looking statements and any other projections contained in this Draft Letter of Offer (whether made by us or any third party) are predictions and involve known and unknown risks, uncertainties and other factors that may cause the actual results, performance or achievements to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements or other projections. Important factors that could cause actual results, performance or achievements to differ materially include, but are not limited to, those discussed under the Section titled “*Risk Factors*”; “*Industry Overview*”; “*Our Business*”; and “*Management’s Discussion and Analysis of Financial Condition and Results of Operations*”; beginning on page no. 20, 53 and 195, respectively, of this Draft Letter of Offer.

The forward-looking statements contained in this Draft Letter of Offer are based on the beliefs of our management, as well as the assumptions made by and information currently available to our management. Although we believe that the expectations reflected in such forward-looking statements are reasonable at this time, we cannot assure investors that such expectations will prove to be correct. Given these uncertainties, investors are cautioned not to place undue reliance on such forward-looking statements. If any of these risks and uncertainties materializes, or if any of the underlying assumptions prove to be incorrect, the actual results of operations or financial condition could differ materially from that described herein as anticipated, believed, estimated or expected. All subsequent written and oral forward-looking statements attributable to us are expressly qualified in their entirety by reference to these cautionary statements.

Certain important factors that could cause actual results to differ materially from our Company’s expectations include, but are not limited to, the following:

- Adequate availability of key raw materials at the right prices is crucial for the Company;
- Intense competition from unorganized sector offering products in loose unbranded form.
- Occurrences of natural disasters or calamities affecting the areas in which we have operations;
- Any disruption in our sources of funding or increase in costs of funding;
- Our ability to obtain certain approval and licenses;
- Our ability to manage our operations at our current size or to manage any future growth effectively;
- The spices industry faces challenges related to price volatility, primarily driven by fluctuations in raw material costs and global market dynamics;
- Our inability to effectively manage our rapid growth, which could place significant demands on our management personnel, systems and resources; and
- Exchange rate fluctuations and exchange controls and policies.

By their nature, certain market risk disclosures are only estimates and could be materially different from what actually occurs in the future. As a result, actual future gains or losses could materially differ from those that have been estimated. Our Company, the Lead Manager, or their respective affiliates do not have any obligation to, and do not intend to, update or otherwise revise any statements reflecting circumstances arising after the date hereof or to reflect the occurrence of underlying events, even if the underlying assumptions do not come to fruition. In accordance with SEBI requirements, our Company and the Lead Manager will ensure that investors are informed of material developments until the time of the grant of final listing and trading permissions with respect to Equity Shares being issued in this Issue, by the Stock Exchange. Our Company will ensure that investors are informed of material developments in relation to statements about our Company in this Draft Letter of Offer until the Equity Shares are allotted to the investors.

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SECTION II: SUMMARY OF DRAFT LETTER OF OFFER

The following is a general summary of certain disclosures included in this Draft Letter of Offer and is not exhaustive, nor does it purport to contain a summary of all the disclosures in this Draft Letter of Offer or all details relevant to prospective Investors.

(A) PRIMARY BUSINESS OF OUR COMPANY:

Founded in 1992 under the visionary leadership of Mr. Apoorva Himatlal Shah, our company has established itself as a prominent exporter of spices and agricultural commodities. With a focus on quality and sustainability, we have positioned ourselves as a fast-growing entity in the spice and agro-commodities sector. Our commitment to excellence begins with the careful selection of raw materials from diverse regions across the country.

Our Company, NHC Foods Limited is primarily engaged in the business of Trading of diverse array of food products including Spices, Food Grains, Oil Seeds, Pulses, dry fruits and other agro-commodities. Our company is recognized for its commitment to supplying bulk quantities of these carefully selected products to our esteemed customers, catering to their diverse needs in both domestic and international markets. With a robust export network, NHC Foods Limited proudly serves clients in more than 30 countries around the globe, establishing us as a key player in the international food trade industry. Our export sales accounts for 82.88% and 83.74% of total revenue from operations for the period ended March 31, 2024 and March 31, 2023 respectively.

For further detailed information, please refer to the chapter titled **“Our Business”** beginning from page no. **70** of this Draft Letter of Offer.

(B) OBJECTS OF THE ISSUE:

Our Company proposes to utilize the funds which are being raised through this Issue towards the below mentioned objects:

Sr. No.	Particulars	Amount (₹ in Lakhs)	In % of Gross Proceeds
A	To meet the Working Capital Requirements	2500.00	[●]
B	To make the repayment of Secured Loan	1500.00	[●]
C	General corporate purposes	[●]	[●]
D	Issue related expenses	[●]	[●]
	Total Issue Proceeds	[●]	[●]
F	Less: Issue Related Expenses	[●]	[●]
	Net Issue Proceeds	[●]	[●]

For further details, please refer chapter **“Objects of the Issue”** beginning from page no. 47 of this Draft Letter of Offer.

(C) INTENTION AND EXTENT OF PARTICIPATION IN THE ISSUE BY THE PROMOTER:

Our Promoter and entities forming part of our Promoter Group have, vide their letters dated July 29, 2024 (the **“Subscription Letters”**) undertaken that the Rights Issue is only for the Public Shareholders and there will be no Rights Entitlement to the Promoter and entities forming part of the Promoter Group. In the eventuality of an under-subscription in the Issue the Promoter and entities forming part of the Promoter Group will not purchase any additional Rights Entitlements either on-market or off-market and will not subscribe to the unsubscribed portion of the Issue, if any.

Our Company is in compliance with Regulation 38 of the SEBI (LODR) Regulations and will continue to comply with the minimum public shareholding requirements under applicable law, pursuant to this Issue. For further details, please see **“General Information - Minimum Subscription”** on page 33.

(D) SUMMARY OF OUTSTANDING LITIGATIONS:

NHC FOODS LTD

Sr No.	Outstanding Litigation	Number of Matter	Financial Implications to the Extent Quantifiable In INR
1.	Filed against the Company		
	<i>Criminal & Civil Cases</i>	-	-
	<i>Direct Tax & Indirect Tax</i>	3	29,25,987
2.	Filed against Promoters & Directors		
	<i>Criminal & Civil Cases</i>	-	-
	<i>Direct Tax & Indirect Tax</i>	1	53,167
	TOTAL	4	29,79,154

For further details, please refer chapter “*Outstanding Litigations and Material Developments*” beginning from page 102 of this Draft Letter of Offer.

(E) CROSS REFERENCE TO THE SECTION TITLED “RISK FACTORS”:

Investments in equity and equity-related securities involve a degree of risk and investors should not invest any funds in this Issue unless they can afford to take the risk of losing their investment. Investors are advised to read the risk factors carefully before taking an investment decision in this offering. For taking an investment decision, investors must rely on their own examination of our Company and the Issue including the risks involved. The Equity Shares offered in the Issue have neither been recommended nor approved by Securities and Exchange Board of India nor does Securities and Exchange Board of India guarantee the accuracy or adequacy of this Draft Letter of Offer. For the details pertaining to the internal and external risk factors relating to the Company, kindly refer to the chapter titled “*Risk Factors*” beginning on page no. 20 of this Draft Letter of Offer.

(F) SUMMARY OF CONTINGENT LIABILITIES AS DISCLOSED IN THE FINANCIAL STATEMENTS:

For details pertaining to Related Party Transactions, kindly refer to the chapter titled “*Financial Information*” beginning on page no. 83 of this Draft Letter of Offer.

(G) SUMMARY OF RELATED PARTY TRANSACTIONS AS DISCLOSED IN THE FINANCIAL STATEMENTS:

For details pertaining to Related Party Transactions, kindly refer to the chapter titled “*Financial Information*” beginning on page no. 83 of this Draft Letter of Offer.

(H) DETAILS OF ISSUE OF EQUITY SHARES FOR CONSIDERATION OTHER THAN CASH IN THE LAST ONE YEAR PRECEDING THE DATE OF THIS DRAFT LETTER OF OFFER:

Our Company has not issued any Equity Shares for consideration other than cash in the last one (1) year preceding the date of this Draft Letter of Offer.

RISK FACTOR

Any investment in equity securities involves a high degree of risk. Investor should carefully consider all the information in this Draft Letter of Offer, including the risks and uncertainties described below, before making an investment in our Equity Shares. To obtain a more complete understanding, you should read this section together with Sections titled, **Our Business**, and **Management's Discussion and Analysis of Financial Condition and Results of Operations** beginning on page no. 70 and 195 respectively, as well as the other financial and statistical information contained in this Draft Letter of Offer.

Any of the following risks, as well as the other risks and uncertainties discussed in this Draft Letter of Offer, could have an adverse effect on our business, financial condition, results of operations and prospects and could cause the trading price of our Equity Shares to decline, which could result in the loss of all or a part of your investment. The risks and uncertainties described in this section are not the only risks that we may face. Additional risks and uncertainties not known to us or that we currently believe to be immaterial may also have an adverse effect on our business, results of operations, financial condition and prospects.

This Draft Letter of Offer contains forward-looking statements that involve risks and uncertainties. Our actual results could differ materially from those anticipated in these forward-looking statements because of certain factors, including the considerations described below and elsewhere in this Draft Letter of Offer.

The financial and other related implications of risks concerned, wherever quantifiable, have been disclosed in the risk factors mentioned below. However, there are certain risk factors where the effect is not quantifiable and hence has not been disclosed in such risk factors. You should not invest in this Issuing unless you are prepared to accept the risk of losing all or part of your investment, and you should consult your tax, financial and legal advisors about the consequences to you of an investment in the Equity Shares.

The financial information in this section is, unless otherwise stated, derived from our Audited Financial Statements for the period ended March 31, 2024 and 2023 prepared in accordance with Indian AS, as per the requirements of the Companies Act, 2013, and SEBI (ICDR) Regulations.

The Risk factors have been determined on the basis of their materiality. The following factors have been considered for determining the materiality.

1. Some risks may not be material individually but may be material when considered collectively.
2. Some risks may have material impact qualitatively instead of quantitatively.
3. Some risks may not be material at present but may have a material impact in the future.

INTERNAL RISK FACTOR:

1. **Our Company, Promoter and Director is party to certain legal proceedings. Any adverse decision in such proceedings may have a material adverse effect on our business, result of operations and financial conditions.**

Our Company, Promoter and Director is party to certain legal proceedings which are pending at different levels of adjudication before competent authority. We cannot assure you that these proceedings will be decided in favor of our Company. Further, there is no assurance that similar proceedings will not be initiated against us in the future. Any adverse outcome in any of the below mentioned proceedings could have an adverse effect on our reputation and may affect our future business, prospects, financial condition and results of operations. It further may divert the attention of our management and promoters and waste our corporate resources. For details of these proceedings, see **"Outstanding Litigation and Material Developments"** on beginning from page 103 of this Draft Letter of Offer. A classification of these legal and other proceedings is given below:

NHC FOODS LTD

Sr No.	Outstanding Litigation	Number of Matter	Financial Implications to the Extent Quantifiable In INR
1.	Filed against the Company		
	<i>Criminal & Civil Cases</i>	-	-
	<i>Direct Tax & Indirect Tax</i>	3	29,25,987
2.	Filed against Promoters & Directors		
	<i>Criminal & Civil Cases</i>	-	-
	<i>Direct Tax & Indirect Tax</i>	1	53,167
	TOTAL	4	29,79,154

Note: The amount mentioned above may be subject to additional interest, rates or Penalties being levied by the concerned authorities for delay in making payment or otherwise. In the absence of Order copy of the Income Tax Department, the nature, extents and status of the Cases cannot be ascertained.

2. *Trading of the Company was suspended in the past.*

The Trading of the Company was suspended in the Past on the Platform of the BSE Limited. The Stock Exchange vide its notice dated 20100120-19 dated 20th January, 2010 revoked the above suspension with effect from 27th January, 2010. We cannot assure you that, the trading of the Company will not be suspended in future for any non-compliances. Such a situation may adversely affect our business, financial condition and results of operations.

3. *Certain aspects of our business, including procurement of materials are seasonal in nature.*

We are largely dependent on the agricultural industry for almost all of our materials. The agricultural industry is largely dependent on various factors including monsoon and weather conditions. Meteorologically, our country has diversified and different weather conditions that prevail at different places. Any vagaries of weather and abnormal monsoon may affect crop production, destroy crops and subsequently increase the prices of our raw materials which can have an adverse effect on our results of operations. Although the demand for our products is continuous throughout the year, we are affected by seasonality in procurement of raw materials. Therefore, our results of operations and cash flows across quarters in a Fiscal may not be comparable and any such comparisons may not be meaningful, or may not be indicative of our annual financial results or our results in any future quarters or periods.

4. *The company's business is dependent on certain suppliers and the loss of one or more of them would have a material adverse effect on the business.*

A substantial portion of the company's purchases has been dependent upon a few suppliers. Our inability to obtain raw material in a timely manner, in sufficient quantities could adversely affect our operations, financial condition and/or profitability. We depend on a number of suppliers, for procurement of raw materials required for processing and trading of our products. For the financial year ended March 31, 2024 and March 31, 2023, top ten suppliers accounted for 58.62% and 40.66% of our total purchases respectively. We have not entered into long term contracts with our suppliers and prices for raw materials are normally based on the quotes we receive from various suppliers. Inadequate and unavailability / substandard quality of the raw materials used in the processing of our products, could have a material adverse effect on our business. Further, any discontinuation of production by these suppliers or a failure of these suppliers to adhere to the delivery schedule or the required quality and quantity could hamper our delivery schedule. There can be no assurance that strong demand, capacity limitations or other problems experienced by our suppliers will not result in occasional shortages or delays in their supply of raw materials to us. Further, we cannot assure you that our suppliers will continue to be associated with us on reasonable terms, or at all. Since our suppliers are not contractually bound to deal with us exclusively, we may face the risk of our competitors offering better terms to such suppliers, which may cause them to cater to our competitors alongside. In the event that we fail to secure sufficient quantities of such raw materials from our suppliers at acceptable quality and prices in a timely manner, our business, financial performance and cash flows may be adversely affected.

5. *Substantial portion of our revenues has been dependent upon few customers. The loss of any one or more of our major customers would have a material effect on our business operations and profitability.*

A portion of the Company's revenues has been dependent upon a few customers. For the financial year ended March 31, 2024 and March 31, 2023, our top ten customers accounted for approximately 51.85% and 33.08 % of our revenue from operations. However, the loss of any significant customer would have a material effect on our financial results.

Our business from customers is dependent on our continuing relationship with such customers, the quality of our products and our ability to deliver on their orders, and there can be no assurance that such customers will continue to do business with us in the future on commercially acceptable terms or at all. However, in case of any change in the buying pattern of our end users or disassociation of major customers can adversely affect our business or if our customers do not continue to purchase products from us, or reduce the volume of products purchased from us, our business prospects, results of operations and financial condition may be adversely affected. Further, loss of or interruption of work by, a significant customer or a number of significant customers or the inability to procure new orders on a regular basis or at all may have an adverse effect on our revenues, cash flows and operations.

While we are constantly striving to increase our customer base and reduce dependence on any particular customer, there is no assurance that we will be able to broaden our customer base in any future periods or that our business or results of operations will not be adversely affected by a reduction in demand or cessation of our relationship with any of our major customers.

6. *The improper handling, processing or storage of our products or raw materials, or spoilage of and damage to such products or raw materials, or any real or perceived contamination in our products or raw materials, could subject us to regulatory action, damage our reputation and have an adverse effect on our business, results of operations and financial condition.*

Our products and raw materials are subject to risks such as contamination, adulteration etc. during their processing, transport or storage. Any actual or alleged contamination of our products or raw materials could damage our reputation, adversely affect our sales and result in legal proceedings being initiated against us, irrespective of whether such allegations have any factual basis. However, our Company has not faced any instance of spoilage of and damage to such products or raw materials, or any real or perceived contamination in our products or raw materials which had material impact on the financial and result of operations of our Company. Any allegation relating to, or the discovery of, unauthorized contaminants in our products or raw materials processed by us, which causes or is alleged to cause injury or illness, allegations that our products were not produced in accordance with our customer's specifications and/or have not performed adequately, even where food safety or other product safety is not a concern could damage our reputation, adversely affect our sales and may cause product liability or other legal proceedings being initiated against us by our customers, irrespective of whether such allegations have any factual basis. We may also be subject to regulatory action and mandatory product recalls. We cannot assure you that we will not be subject to such product liability claims in the future, whether or not legitimate, or product recalls, whether voluntary or mandatory. Defending such claims or regulatory action could be time-consuming and may also result in unexpected expenditures, and our reputation, business, financial condition, cash flows and results of operations may be adversely affected.

7. *Our Company maintains high level of inventory for uninterrupted production activities.*

Our inventory for the financial year ended March 31, 2024 and March 31, 2023 were ₹ 4,287.99 lakhs and ₹ 2,885.59 lakhs respectively. While our Revenue from Operations during the Fiscal 2023-24 was ₹ 20,924.40 Lakhs. Our requirement of maintaining inventory is high when compared to other companies in the same industry. Maintaining such high level of inventory requires extensive investments in working capital and strains our financial resources. Further, stocking high inventory may also lead to risks of scrapping of raw material, decay due to time, wear and tear. While we believe, we do maintain optimum level of inventory in consideration to our production level, our major portion of inventory is towards stocking of Raw Material. We continue to assess and maintain inventory level strategically giving importance to both operational and financial performance.

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The results of operations of our business are also dependent on our ability to effectively manage our inventory and stocks. To effectively manage our inventory, we must be able to accurately estimate customer demand and supply requirements accordingly. If our management has miscalculated expected customer demand it could adversely impact the results by causing either a shortage of products or an accumulation of excess inventory. Further, if we fail to sell the inventory, we may be required to write-down our inventory or pay our suppliers without new purchases or create additional vendor financing, which could have an adverse impact on our income and cash flows.

8. ***Any increase in the cost of our raw material or other purchases or a shortfall in the supply of our raw materials, may adversely affect the pricing and supply of our products and have an adverse effect on our business, results of operations and financial condition.***

The success of our operations depends on a variety of factors, including our ability to source raw materials at competitive prices. Raw material supply and pricing can be volatile due to a number of factors beyond our control, including demand and supply, general economic and political conditions, transportation and labour costs, natural disasters, pandemic, competition and there are inherent uncertainties in estimating such variables, regardless of the methodologies and assumptions that we may use.

We seek to source our raw materials from our suppliers and typically seek quotations from multiple suppliers. We may be required to track the supply demand dynamics and regularly negotiate prices with our suppliers in case of significant fluctuations in raw material prices or foreign currency fluctuations. Further, we procure a large portion of our raw materials from a few suppliers, any disruption of supply of raw materials from such suppliers could adversely impact our operations and business if we are unable to replace such suppliers in a timely manner. However, we have not entered into any definitive agreements with any of our suppliers. We cannot assure you that we will be able to enter into new arrangements with suppliers on terms acceptable to us, which could have an adverse effect on our ability to source raw materials in a commercially viable and timely manner, if at all, which may impact our business and profitability. We are also subject to the risk that one or more of our existing suppliers may discontinue their operations, which may adversely affect our ability to source raw materials at a competitive price. Additionally, there can be no assurance that demand, capacity limitations or other problems experienced by our suppliers will not result in occasional shortages or delays in their supply of raw materials.

If we were to experience a significant or prolonged shortage of raw materials from any of our suppliers, and we cannot procure the raw materials from other sources, we would be unable to deliver such products to our customers in a timely manner, which would adversely affect our sales, margins and customer relations. Therefore, we cannot assure you that we will be able to procure adequate supplies of raw materials in the future, as and when we need them and on commercially acceptable terms.

For further details about business of our Company, please refer chapter titled “***Our Business***” beginning on Page 70 of this Draft Letter of Offer.

9. ***Our inability to manage our inventory and foresee accurate demand for our products for a future period may adversely affect our reputation, business, results of operation and our financial performance.***

The estimations on demands of our products are typically based on our projections, inventory levels, our understanding of the anticipation of consumption and spending by our consumers. If we overestimate demand for our products, we may face difficulty on storage of such products due to lower shelf life and complications with respect to storage of perishable products. Further, if we are unable to provide our products to our consumers due to shortage of raw materials, we may incur the risk of customers choosing other products over our products. While we closely monitor our inventory requirements for our product, we may be exposed to various risks including the aforementioned risks. All of these factors could adversely affect our reputation, business, results of operation and our financial performance.

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10. *Our operations are subject to high working capital requirements. If we are unable to generate sufficient cash flows to allow us to make required payments, there may be an adverse effect on our results of operations.*

Our business requires significant amount of working capital and major portion of our working capital is utilized towards debtors and inventories. Our Trade Receivables for the financial year March 31, 2024 and March 31, 2023 were ₹ 2,769.42 lakhs and ₹ 1,981.69 lakhs respectively and our inventories for the financial year March 31, 2024 and March 31, 2023 were ₹ 4,287.99 lakhs and ₹ 2,885.59 lakhs respectively.

The results of operations of our business are dependent on our ability to effectively manage our inventory and trade receivables. To effectively manage our trade receivables, we must be able to accurately evaluate the credit worthiness of our customers and ensure that suitable terms and conditions are given to them in order to ensure our continued relationship with them. However, if our management fails to accurately evaluate the terms and conditions with our customers, it may lead to write-offs bad debts and/ or delay in recoveries which could lead to a liquidity crunch, thereby adversely affecting our business and results of operations. A liquidity crunch may also result in increased working capital borrowings and, consequently, higher finance cost which will adversely impact our profitability.

Our inability to maintain sufficient cash flow, credit facility and other sourcing of funding, in a timely manner, or at all, to meet the requirement of working capital or pay out debts, could adversely affect our financial condition and result of our operations. In the event we are not able to recover our dues from our trade receivables or sell our inventory, we may not be able to maintain our Sales level and thus adversely affecting our financial health.

For further details of working capital requirements, please refer to the chapter titled **“Objects of the Issue”** on page 47 of the Draft Letter of Offer.

11. *We do not own certain premises which we use for the purpose of our business operations.*

Our Corporate Office is situated at 419/420, C Wing, Atrium 215, Andheri-Kurla Road, Chakala, Andheri East, J. B. Nagar, Mumbai – 400059, Maharashtra, India, and our warehouse is situated at D-22/8, TTC Industrial Area, MIDC, Turbhe, Navi Mumbai – 400705 is not owned by us. We have entered into rent agreements with the owner of the said premises. For further details, see section **“Our Business”** on page 70 of this Draft Letter of Offer. If we are required to vacate the current premises, we would be required to make alternative arrangements for new offices and other infrastructure, and we cannot assure that the new arrangements will be on commercially acceptable/favourable terms. If we are required to relocate our business operations during this period, we may suffer a disruption in our operations or have to pay higher charges, which could have an adverse effect on our business, prospects, results of operations and financial condition.

12. *We have not entered into any long-term contracts with any of our customer.*

We do not have any long-term contracts with our customer and any change in the business pattern of our existing customers could adversely affect the business of our Company. As a result, our customers can terminate their relationships with us due to a change in preference or any other reason on immediate basis, which could materially and adversely impact our business. Consequently, our revenue may be subject to variability because of fluctuations in demand for our products. Our Company's customers have no obligation to work with us and may either cancel, reduce, or delay the business. The business by our Company's customers is dependent on factors such as the customer satisfaction with the level of service that our Company provides, fluctuation in demand for our Company's products, customer's inventory management, amongst others. Although we have satisfactory business relations with our customers and have received continued business from them in the past, there is no certainty that the same will continue in the years to come and may affect our profitability. Although, we have a strong emphasis on quality, timely delivery of our products and raw materials and personal interaction by the management with the customers and suppliers, any change in the buying pattern of buyers and preferences of suppliers can adversely affect the business and the profitability of our Company.

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13. ***Our business requires us to obtain and renew certain licenses and permits from government, regulatory authorities and the failure to obtain or renew them in a timely manner may adversely affect our business operations.***

Our business requires us to obtain and renew from time to time, certain approvals, licenses, registrations and permits. In addition, we require certain approvals, licenses, registrations and permissions under various regulations, guidelines, circulars and statutes regulated by authorities such as the Government of India, the State Governments and certain other regulatory and government authorities, for operating our business. In particular, we are required to obtain certificate of registrations for carrying on certain of our business activities from the Government of India, the State Governments and other such regulatory authorities that are subject to numerous conditions. If we fail to maintain such registrations and licenses or comply with applicable conditions, our certificate of registration for carrying on a particular activity may be suspended and/or cancelled and we will not then be able to carry on such activity. This could materially and adversely affect our business, financial condition and results of operations.

We may require various regulatory approvals, sanctions, licenses, registrations and permissions including environmental clearances in connection with our operations and the various development activities involved in such orders. We may face significant uncertainties due to various factors in obtaining or maintaining such approvals. If such approvals are not obtained in a timely manner or at all, there may be a material adverse effect on various development activities, including our operations, thereby adversely affecting our results of operations and financial condition. Furthermore, our government approvals and licenses are subject to numerous conditions, some of which are onerous and require us to incur substantial expenditures. If we fail to comply or a regulator alleges that we have not complied with these conditions, our business, prospects, financial condition and results of operations may be adversely affected. While we typically apply for the renewal of any existing regulatory approvals prior to their expiry dates, there can be no assurance that we will receive such renewal in time or at all.

14. ***Our Company had negative cash flow in recent fiscals, details of which are given below. Sustained negative cash flow could adversely impact our business, financial condition and results of operations.***

The detailed break up of cash flows is summarized in below mentioned table and our Company has reported negative cash flow in certain financial years:

	(₹ in lakhs)	
Particulars	31-03-2024	31-03-2023
Net cash from operating activities	-222.08	-165.17
Net Cash (used in) / from investing activities	-596.46	109.38
Net Cash used in financing activities	652.63	48.96
Net increase/(decrease) in cash and cash equivalent	-165.92	-6.83

There can be no assurance that our net cash flows shall be positive in the future. Any negative cash flows in the future over extended periods, or significant negative cash flows in the short term, could materially impact our ability to operate our business and implement our growth plans. As a result, our cash flows, business, future financial performance and results of operations could be materially and adversely affected. For further details, see “**Financial Information**” beginning on page 54 of this Draft Letter of Offer.

15. ***An inability to renew quality accreditations in a timely manner or at all, or any deficiencies in the quality of our products may adversely affect our business prospects and financial performance.***

We obtain and maintain quality certifications and accreditations from independent certification entities and also comply with prescribed specifications and standards of quality approved by the Government in connection with the products we sell. Such specifications and standards of quality is an important factor in the success and wide acceptability of our products. If we fail to comply with applicable quality standards or if the relevant accreditation institute or agency declines to certify our products, or if we are otherwise unable to obtain such quality accreditations in the future, in a timely manner or at all, our business prospects and financial performance will be materially and adversely affected.

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16. *Orders placed by customers may be delayed, modified, cancelled or not fully paid for by our customers, which may have an adverse effect on our business, financial condition and results of operations.*

We may encounter problems in executing the orders in relation to our products, or executing it on a timely basis. Moreover, factors beyond our control or the control of our customers may postpone the delivery of such products or cause its cancellation, including delays or failure to obtain necessary permits, authorizations, permissions and other types of difficulties or obstructions. Due to the possibility of cancellations or changes in scope and schedule of delivery of such products, resulting from our customer's discretion or problems we encounter in the delivery of such products or reasons outside our control or the control of our customers, we cannot predict with certainty when, if or to what extent we may be able to deliver the orders placed. Additionally, delays in the delivery of such products can lead to customers delaying or refusing to pay the amount, in part or full, that we expect to be paid in respect of such products. In addition, even where a delivery proceeds as scheduled, it is possible that the contracting parties may default or otherwise fail to pay amounts owed. While we have not yet experienced any material delay, reduction in order, cancellation, execution difficulty, payment postponement or payment default with regard to the orders placed with us, or disputes with customers in respect of any of the foregoing, any such adverse event in the future could materially harm our cash flow position and income. Further, we operate in highly competitive markets in relation to our products where it is difficult to predict whether and when we will receive such orders. As a result, our results of operations can fluctuate from quarter to quarter and year to year depending on whether and when such orders are awarded to us. For further details of our business, please refer chapter titled "***Our Business***" beginning on Page 70 of this Draft Letter of Offer.

17. *Certain relevant copies of educational qualification and experience certificates of our promoters/Directors are not traceable.*

Some of our Directors/Promoter i.e. Karan Hareshlal Nagdev have been unable to trace copies of documents pertaining to their educational qualifications and prior professional experiences. Accordingly, reliance has been placed on signed resume, declarations, undertakings and affidavits furnished by these Directors/Promoters to the Lead Manager to disclose details of their educational qualifications and professional experience in this Draft Letter of Offer. Accordingly, the Lead Manager has been unable to independently verify these details prior to inclusion in this Draft Letter of Offer. Further, there can be no assurances that our Directors/Promoters will be able to trace the relevant documents or provide accurate and complete details pertaining to the above information in the future, or at all.

18. *Non-traceability of certain secretarial and statutory records of the company since incorporation*

Since the company was incorporated on August 04, 1992, our Company is unable to trace certain corporate and other documents such as copies of certain prescribed forms filed with the RoC from the date of our incorporation up to 2006. While we believe that we had filed these forms with the RoC in a timely matter, we have not been able to obtain copies of these forms. While there is no outstanding litigation or regulatory proceeding on the date of this Draft Letter of Offer which requires these forms, there can be no assurance that these forms will not be required in the legal proceedings in the future. We cannot assure you that we will be able to locate or obtain access to the documentation pertaining to such historical, legal and secretarial data or information or that we will not be subject to any penalty imposed by any relevant regulatory authority due to our inability to locate or obtain access to such documentation.

19. *We operate in an industry with several competitors and we may fail to compete successfully against existing or new competitors, which may reduce the demand for our products and services which may lead to reduced prices, operating margins, profits and further result in loss of market share across product categories.*

We operate in an industry with several competitors, and face competition from domestic and international competitors in the markets in which we operate. It is possible that some of our existing and potential competitors may have greater brand recognition in India or globally, longer operating histories, greater financial, research, distribution and technological resources, product development, sales and marketing, more experienced management, access to a cheaper cost of capital and other resources than we do. Some of our competitors may have lower costs, or be able to offer lower prices and a larger variety of products in order to gain market share. If market prices are substantially reduced by our competitors in the respective markets, our business in those markets could be adversely affected. Our competitors may also make acquisitions or establish cooperative or other strategic relationships, among themselves or with third parties, thereby

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increasing their ability to address the needs of our targeted customers and offering lower cost products and services than we do which may have a negative effect on our sales. Further, new competitors may emerge at any time. Further, some of our competitors may have the ability to devote greater resources to the marketing, advertising and product endorsement. As a result, these competitors may be better equipped to influence consumer preferences or otherwise increase their market share. Increased competition could result in, among other things, a slowdown in the growth of our corporate customers, a loss of our market share, price reductions, reduced demand for our products, reductions in revenues and reduced margins and profitability.

20. ***The success of our business strategy depends on our ability to enhance our own brands and product portfolio. If we fail to maintain and enhance our brand and reputation, consumers' recognition of our brands, and trust in us, our business may be materially and adversely affected.***

Our brand and reputation are among our most important assets and we believe our brands serve in attracting consumers to our products in preference over those of our competitors. Enhancing our own brands, including various schemes, direct marketing is one of our most important business strategies. Consumers in existing or new markets may be unfamiliar with our brand and products and we may need to build or increase brand awareness in the relevant markets by increasing investments in advertising and promotional activities than we originally planned. We face, and will continue to face, competition with established brands in the new markets we intend to enter. Our success in marketing our products also depend on our ability to adapt to a rapidly changing market environment. If we do not successfully maintain, extend and expand our reputation and brand image, then our brands, product sales, financial condition, future cash flows and results of operations could be materially and adversely affected.

21. ***Our Company has entered into certain related party transactions and may continue to do so in the future.***

We have entered into and may in the ordinary course of our business continue to enter into transactions with related parties that include certain of our Promoter, Promoter Group, Directors and Group Companies. For further details in relation to our related party transactions, see "***Financial Statements - Related Party Transaction***" beginning on page 83 of the Draft Letter of Offer. While we have entered into such transactions on an arm's length basis and are in compliance with the applicable provisions of Companies Act, 2013 and other applicable law, there is no assurance that we could not have achieved more favorable terms had such transactions not been entered into with related parties. There can be no assurance that such transactions, will not have an adverse effect on our business, prospects, results of operations and financial condition. In addition, our business and growth prospects may decline if we cannot benefit from our relationships with them in the future.

22. ***In addition to our existing indebtedness for our operations, we may be required to obtain further loan during the course of business. There can be no assurance that we would be able to service our existing and/or additional indebtedness.***

In addition to our existing indebtedness for our existing operations we may be required to raise further debt in the form of term loans and working capital loans in the course of business. Increased borrowings, if any, would adversely affect our debt-equity ratio and our ability to further borrow at competitive rates. Any failure to service our indebtedness or otherwise perform our obligations under our financing agreements could lead to a termination of one or more of our credit facilities, trigger cross default provisions, penalties and acceleration of amounts due under such facilities which may adversely affect our business, financial condition and results of operations.

23. ***Our debt financing agreements contain certain restrictive covenants that may adversely affect our Company's business, credit ratings, prospects, results of operations and financial condition.***

Certain debt financing agreements that our Company has entered into contain restrictive covenants that limit our ability to undertake certain types of transactions. Under our debt financing agreements our Company is required to maintain certain financial covenants.

There can be no assurance that our Company has complied with all such restrictive covenants in a timely manner or at all or that we will be able to observe compliance with all such restrictive covenants in the future. A failure to observe the

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restrictive covenants under our debt financing agreements may result in termination of our financing agreements, levy of default interest, acceleration of all amounts due under such facilities and the enforcement of any security provided in relation thereto. Any acceleration of amounts due under such debt financing agreements may trigger cross-default or cross-acceleration provisions under other debt financing agreements, which may compel us to dedicate a substantial portion of our cash flow from operations or sell certain assets to make such payments thereby reducing the availability of cash for our working capital requirements and other general corporate purposes. Further, in the event of any of the circumstances coming into effect our business, prospects, results of operations and financial condition may be adversely affected.

24. *Our ability to protect or use intellectual property right may adversely affect our business.*

As on the date of this Draft Letter of Offer, our Company has several registered trademarks in India. For details of intellectual properties, see “**Our Business**” on page 70 of this Draft Letter of Offer. If we are unable to renew or register our trademark for various reasons or used by a third party in India or abroad, we may not be able to claim registered ownership of such trademark and consequently, we may not be able to seek remedies for infringement of those trademarks by third parties other than relief against passing off by other entities, causing damage to our business prospects, reputation and goodwill in India and abroad. Apart from this, any failure to register or renew registration of our registered trademark may affect our right to use such trademark in future. Further, our efforts to protect our intellectual property in India and abroad may not be adequate and any third-party claim on any of our unprotected intellectual property may lead to erosion of our business value and our reputation, which could adversely affect our operations. Third parties may also infringe or copy our registered brand name in India and abroad which has been registered by us in India. We may not be able to detect any unauthorized use or take appropriate and timely steps to enforce or protect our trademarks in India and abroad.

25. *Our Company has availed certain unsecured loan which can be recalled at any time.*

Our Company has availed certain unsecured loan amounting to ₹ 58.74 lakhs as on March 31, 2024. The unsecured loan taken by our Company from Related Parties may be recalled at any time. Though our Company intends to repay the loan amount in near future, sudden recall may disrupt our operations and also may force us to find alternative sources of financing, which may not be available on commercial reasonable terms or at all. opt for funding at higher interest rates, resulting in higher financial burden. We may not have adequate working capital to meet business requirements of our Company, and, as a result, any such demand by the lenders may affect our business, cash flows, financial condition and results of operations. Further, in respect of such unsecured loan, no proper agreement has been executed between the parties.

26. *Our lenders have charge over our Machinery, book debts, stocks in respect of finance availed by us.*

We have secured our lenders by creating a charge over our Immovable Property, Inventory, Receivables, Building etc. in respect of loans / facilities availed by us from banks. The total amounts outstanding and payable by us as secured loans were ₹ 3,260.90 Lakhs as on March 31, 2024. In the event we default in repayment of the loans / facilities availed by us and any interest thereof, our assets may be forfeited by lenders, which in turn could have significant adverse effect on business, financial condition or results of operations.

27. *We are dependent on third party transportation providers for procuring raw material from our suppliers and delivery of products to our clients. Any failure on the part of such service providers to meet their obligations could have a material adverse effect on our business, financial condition and results of operation.*

We are dependent on third party transportation for raw material and supply of our products. Our success depends on the smooth supply and transportation of the Raw Material and trading materials from our suppliers to us/ or to our buyers/clients, both of which are subject to various uncertainties and risks. Though our business has not experienced any disruptions due to transportation strikes in the past, any future transportation strikes may have an adverse effect on our business.

In addition, materials may be lost or damaged in transit for various reasons including occurrence of accidents or natural disasters. There may also be delay in delivery of materials which may also affect our business and our results of operation negatively. A failure to maintain a continuous supply of materials to us as well as to our clients in an efficient and reliable

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manner could have a material and adverse effect on our business, financial condition and results of operations.

- 28. *Our Promoter & Promoter Group have provided personal guarantees for loans availed by our Company. Our business, financial condition, results of operations, cash flows and prospects may be adversely affected by the invocation of all or any personal guarantees provided by our Promoter.***

Our Promoter & Promoter Group have provided personal guarantees to secure a significant portion of our existing borrowings, and may post listing continue to provide such guarantees and other security. In case of a default under our loan agreements, any of the personal guarantees provided by our Promoter may be invoked, which could negatively impact the reputation of our Company. Also, we may face certain impediments in taking decisions in relation to our Company, which in turn would result in a material adverse effect on our financial condition, business, results of operations and prospects and would negatively impact our reputation. In addition, our Promoters may be required to liquidate their shareholding in our Company to settle the claims of the lenders, thereby diluting their shareholding in our Company. Also, if our Promoters revoke their personal guarantees and we may not be successful in procuring alternate guarantees and property satisfactory to the lenders, as a result we may need to repay outstanding amounts under such facilities or seek additional sources of capital, which could affect our financial condition and cash flows.

- 29. *Our success depends largely on our Directors, Promoters and other key managerial personnel and the loss of or our inability to attract or retain such persons with specialized technical know-how could adversely affect our business, results of operations, cash flows and financial condition.***

Our performance depends largely on the efforts and abilities of our Directors, Promoters and other key personnels. We believe that the inputs and experience of our Directors, Promoters and key managerial personnel are valuable for the development of business and operations and the strategic directions taken by our Company. We cannot assure you that we will be able to retain these employees or find adequate replacements in a timely manner, or at all. We may require a long period of time to hire and train replacement personnel when qualified personnel terminate their employment with our Company. We may also be required to increase our levels of employee compensation more rapidly than in the past to remain competitive in attracting employees that our business requires. The loss of the services of such persons may have an adverse effect on our business and our results of operations. The continued operations and growth of our business is dependent upon our ability to attract and retain personnel who have the necessary and required experience and expertise. Competition for qualified personnel with relevant industry expertise in India is intense. A loss of the services of our key personnel may adversely affect our business, results of operations and financial condition.

- 30. *Our success depends heavily upon our Promoters and Directors for their continuing services, strategic guidance and financial support.***

Our success depends heavily upon the continuing services of Promoters & Directors who are the natural person in control of our Company. Our Promoters have a vast experience in the field of Agriculture Industry. They have established cordial relations with various customers over the past several years, which have immensely benefitted our Company's current customer relations. We believe that our relation with our Promoters, who have rich experience the industry, managing customers and handling overall businesses, has enabled us to experience growth and profitability. We benefit from our relationship with our Promoters and our success depends upon the continuing services of our Promoters who have been responsible for the growth of our business and are closely involved in the overall strategy, direction and management of our business. Further, our Promoters are also part of certain other ventures and may continue to do so. If they divert their attention to such other concerns, we may not be able to function as efficiently and profitably as before. We may have to incur additional costs to replace the services of our Promoters or we may not be able to do so at all, which could adversely affect our business operations and affect our ability to continue to manage and expand our business.

- 31. *We could be harmed by employee misconduct or errors that are difficult to detect and any such incidences could adversely affect our financial condition, results of operations and reputation.***

Employee misconduct or errors could expose us to business risks or losses, including regulatory sanctions and cause serious harm to our reputation and goodwill of our Company. There can be no assurance that we will be able to detect or deter such misconduct. Moreover, the precautions we take to prevent and detect such activity may not be effective in all cases.

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Our employees may also commit errors that could subject us to claims and proceedings for alleged negligence, as well as regulatory actions on account of which our business, financial condition, results of operations and goodwill could be adversely affected.

32. *The future operating results are difficult to predict and may fluctuate or adversely vary from the past performance.*

The company's operating results may fluctuate or adversely vary from past performances in the future due to a number of factors, many of which are beyond the company's control. The results of operations during any financial year or from period to period may differ from one another or from the expected results of operation. Its business, results of operations and financial conditions may be adversely affected by, inter alia, a decrease in the growth and demand for the products and services offered by us or any strategic alliances which may subsequently become a liability or non-profitable. Due to various reasons including the above, the future performance may fluctuate or adversely vary from our past performances and may not be predictable. For further details of our operating results, section titled "**Financial Information**" beginning on Page 83 of this Draft Letter of Offer.

33. *We have not entered into any long-term contracts with any of our clients.*

We do not have any long-term contracts with our clients and any change in the business pattern of our existing clients could adversely affect the business of our Company. As a result, our customers can terminate their relationships with us due to a change in preference or any other reason on immediate basis, which could materially and adversely impact our business. Consequently, our revenue may be subject to variability because of fluctuations in demand for our products and services. Our Company's customers have no obligation to work with us and may either cancel, reduce, or delay the business. The business by our Company's customers is dependent on factors such as the customer satisfaction with the level of service that our Company provides, fluctuation in demand for our Company's products, customer's inventory management, amongst others. Although we have satisfactory business relations with our clients and have received continued business from them in the past, there is no certainty that the same will continue in the years to come and may affect our profitability. Although, we have a strong emphasis on quality, timely delivery of our products and raw materials and personal interaction by the senior management with the customers and suppliers, any change in the buying pattern of buyers and preferences of suppliers can adversely affect the business and the profitability of our Company.

34. *Our Company has significant portion of Property Plant and Equipment. Any destruction, breakdown, theft of our major plants or equipment or failures to repair or maintain the same may adversely affect our business, cash flows, financial condition and results of operations.*

We own a number of equipment and machinery used in our operations. To maintain our capability to undertake projects, we may have to purchase additional machines and equipment built with the latest technologies and knowhow. We cannot assure you that we will be immune from the associated operational risks such as the obsolescence of our plants or equipment, destruction, theft or major equipment breakdowns or failures to repair our major plants or equipment, which may result in their unavailability, project delays, cost overruns and even defaults in our order book.

The latest technologies used in newer models of equipment may improve productivity significantly and render our older equipment obsolete. Obsolescence, destruction, theft or breakdowns of our major plants or equipment may significantly increase our equipment purchase cost and the depreciation of our plants and equipment, as well as change the way our management estimates the useful life of our plants and equipment. We may have to incur high cost when our plants or equipment are not readily available from the market or requires services from original equipment manufacturers. We may experience significant price increases due to supply shortages, inflation, transportation difficulties or unavailability of bulk discounts. Such replacement, repair or maintenance failures or price increases may not be adequately covered by the insurance policies availed by our Company and may have an adverse effect on our business, cash flows, financial condition and results of operations.

35. *Delays or defaults in customer payments could adversely affect our financial condition.*

We are exposed to payment delays and/or defaults by our customers and our financial position and financial performance

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are dependent on the creditworthiness of our customers. Further, we may not receive advance payment from our customers after signing the purchase orders. Delays in customers' payments may require us to make a working capital investment. If a customer defaults in making payments where we have devoted significant resources or where we have invested significant resources is delayed, cancelled, or does not proceed to completion, it could have an adverse effect on our operating results. For the period ending March 31, 2024 and March 31, 2023, our trade receivables were ₹ 2,769.42 lakhs and ₹ 1,981.69 lakhs, respectively. However, in the past, our Company has not faced any such instance of default but there is no guarantee that the timeliness of all or any part of our customers' payments and whether they will be able to fulfil their obligations, which may arise from their financial difficulties, cash flow difficulties, deterioration in their business performance, or a downturn in the global economy. If such events or circumstances occur, our financial performance and our operating cash flows may be adversely affected.

36. *General economic and market conditions in India and globally could have a material adverse effect on our business, financial condition, cash flows, results of operations and prospects.*

Our business is highly dependent on economic and market conditions in India and overseas jurisdictions where we operate. General economic and political conditions in India and abroad, such as macroeconomic and monetary policies, industry-specific trends, mergers and acquisitions activity, legislation and regulations relating to the financial and securities industries, household savings rate, investment in alternative financial instruments, upward and downward trends in the market, business and financial sectors, volatility in security prices, perceived lack of attractiveness of the Indian capital markets, inflation, foreign direct investment, consumer confidence, currency and interest rate fluctuations, availability of short-term and long-term market funding sources and cost of funding, could affect our business. Global economic and political conditions may also adversely affect the Indian economic conditions. Market conditions may change rapidly and the Indian capital markets have experienced significant volatility in the past. The Indian economy has had sustained periods of high inflation in the recent past. If inflation or real interest rates were to rise significantly, the trends towards increased financial savings might slow down or reverse, our employee costs may increase and the sales of many of our products and services may decline.

37. *We are subject to risks resulting from foreign exchange rate fluctuations, which could adversely affect our results of operations.*

Our revenue from international operations during the period ended March 31, 2024 and March 31, 2023 as a percentage of total revenue was 82.88% and 83.74%, respectively. Our Company also imports certain of its raw materials and for the period March 31, 2024 and March 31, 2023, our imports accounted for 0.80% and 0.00% of total purchases respectively. Changes in currency exchange rates influence our results of operations.

Over dependence on exports and imports may adversely affect our profitability in case the trade relations of India with any of these countries get strained in the future or these countries face any sort of problems due to internal issues of their countries. Also, the exchange rate between the Indian Rupee and currencies of the export countries as well as import countries may fluctuate and adversely affect our results of operations. The exchange rate between the Indian Rupee and foreign currencies has fluctuated significantly in recent years and may continue to fluctuate in the future. Volatility in the exchange rate and/or sustained appreciation of the Indian Rupee will negatively impact our revenue and operating results. We presently do not enter into hedging contracts for hedging our foreign exchange risks.

38. *We may not be successful in implementing our business strategies.*

The success of our business depends substantially on our ability to implement our business strategies effectively. Even though we have successfully executed our business strategies in the past, there is no guarantee that we can implement the same on time and within the estimated budget going forward, or that we will be able to meet the expectations of our targeted clients. Changes in regulations applicable to us may also make it difficult to implement our business strategies. Failure to implement our business strategies would have a material adverse effect on our business and results of operations.

39. *Our insurance coverage may not be adequate to protect us against certain operating hazards and this may have a material adverse effect on our business.*

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We maintain several insurance policies, including Marine Export Import Insurance Open Policy, Burglary Insurance Policy, Car Policy etc. For further information on the **“Our Business”** please refer to page 70 of this Draft Letter of Offer. While it is believed that the insurance coverage maintained by the company would reasonably be adequate to cover all normal risks associated with the operation of our business, there can be no assurance that any claim under the insurance policies maintained by the company will be honoured fully, in part or on time, nor that we have taken out sufficient insurance to cover all material losses. If we were to suffer loss or damage resulting from not obtaining or maintaining insurance or exceeding our insurance coverage, the loss would have to be borne by us and it could have a material adverse effect on our results of operations and financial condition.

40. ***Our funding requirements and proposed deployment of the Net Proceeds are based on management estimates and have not been independently appraised and may be subject to change based on various factors, some of which are beyond our control. Further, we may not be able to utilise the proceeds from this Issue in a timely manner or at all.***

Our funding requirements and deployment of the Net Proceeds are based on internal management estimates based on current market conditions and have not been appraised by any bank or financial institution or other independent agency. Furthermore, in the absence of such independent appraisal, our funding requirements may be subject to change based on various factors which are beyond our control. For further details, see **“Objects of the Issue”** on page 47 of this Draft Letter of Offer. Further, our funding requirements and the deployment of the proceeds from this Issue are based on our current business plan and strategy and therefore we may have to reconsider our estimates or business plans due to changes in underlying factors, some of which are beyond our control, such as fluctuations in raw material prices, changes in input cost, and other financial and operational factors. Accordingly, we may not be able to utilize the proceeds from this Issue in the manner set out in this Draft Letter of Offer in a timely manner or at all. As regards utilization of Net Proceeds for repayment of loans or prepayment of loan will be based on various factors, including the factors specified in the section **“Objects of the Issue”** on page 47 of this Draft Letter of Offer.

41. ***Industry information included in this Draft Letter of Offer has been derived from industry reports. There can be no assurance that such third-party statistical, financial and other industry information is either complete or accurate.***

We have relied on the reports of certain independent third party for purposes of inclusion of such information in this Draft Letter of Offer. These reports are subject to various limitations and based upon certain assumptions that are subjective in nature. We have not independently verified data from such industry reports and other sources. Although we believe that the data may be considered to be reliable, their accuracy, completeness and underlying assumptions are not guaranteed and their dependability cannot be assured. While we have taken reasonable care in the reproduction of the information, the information has not been prepared or independently verified by us or any of our respective affiliates or advisors and, therefore, we make no representation or warranty, express or implied, as to the accuracy or completeness of such facts and statistics. Due to possibly flawed or ineffective collection methods or discrepancies between published information and market practice and other problems, the statistics herein may be inaccurate or may not be comparable to statistics produced for other economies and should not be unduly relied upon. Further, there is no assurance that they are stated or compiled on the same basis or with the same degree of accuracy as may be the case elsewhere. Statements from third parties that involve estimates are subject to change, and actual amounts may differ materially from those included in this Draft Letter of Offer.

42. ***Any future issuance of Equity Shares may dilute your shareholdings, and sale of the Equity Shares by our major shareholders may adversely affect the trading price of our Equity Shares.***

Any future equity issuances by our Company may lead to the dilution of investors’ shareholdings in our Company. In addition, any sale of substantial Equity Shares in the public market after the completion of this Issue, including by our major shareholders, or the perception that such sales could occur, could adversely affect the market price of the Equity Shares and could significantly impair our future ability to raise capital through offerings of the Equity Shares. We cannot predict what effect, if any, market sales of the Equity Shares held by the major shareholders of our Company or the availability of these Equity Shares for future sale will have on the market price of our Equity Shares.

RISKS RELATING TO RIGHTS ISSUE

43. *If our Company does not receive the minimum subscription of 90% of the total Issue Size, the Issue may fail.*

Our Promoter and entities forming part of our Promoter Group have, vide their letters dated July 29, 2024 (the “Subscription Letters”) undertaken that the Rights Issue is only for the Public Shareholders and there will be no Rights Entitlement to the Promoter and entities forming part of the Promoter Group. In the eventuality of an under-subscription in the Issue the Promoter and entities forming part of the Promoter Group will not purchase any additional Rights Entitlements either on-market or off-market and will not subscribe to the unsubscribed portion of the Issue, if any.

In accordance with Regulation 86 of the SEBI ICDR Regulations, if our Company does not receive the minimum subscription of at least 90% of the Equity Shares being offered under this Issue, on an aggregate basis, of the Issue Size, or the subscription level falls below 90% of the Issue Size, our Company shall refund the entire subscription amount received within 4 (four) days from the Issue Closing Date in accordance with SEBI circular bearing reference number SEBI/HO/CFD/DIL1/CIR/P/2021/47 dated March 31, 2021. If there is any delay in the refund of the subscription amount beyond such period as prescribed by applicable laws, our Company will pay interest for the delayed period, at such rates as prescribed under the applicable laws. For further details, please see “*General Information - Minimum Subscription*” on page 33.

44. *Failure to exercise or sell the Rights Entitlements will cause the Rights Entitlements to lapse without compensation and result in a dilution of Investor’s shareholding.*

The Rights Entitlements that are not exercised prior to the end of the Closing Date will expire and become null and void, and Eligible Equity Shareholders will not receive any consideration for them. The proportionate ownership and voting interest in our Company of Eligible Equity Shareholders who fail (or are not able) to exercise their Rights Entitlements will be diluted. Even if you elect to sell your unexercised Rights Entitlements, the consideration you receive for them may not be sufficient to fully compensate you for the dilution of your percentage ownership of the equity share capital of our Company that may be caused as a result of the Rights Issue. Renounees may not be able to apply in case of failure in completion of renunciation through off-market transfer in such a manner that the Rights Entitlements are credited to the demat account of the Renounees prior to the Issue Closing Date. Further, in case, the Rights Entitlements do not get credited in time, in case of On Market Renunciation, such Renounee will not be able to apply in this Rights Issue with respect to such Rights Entitlements.

45. *SEBI has recently, by way of Master Circular no. SEBI/HO/CFD/PoD-2/P/CIR/2023/00094 dated June 21, 2023, streamlined the process of rights issues. Eligible Equity Shareholders should follow the instructions carefully, as stated in such SEBI circulars and in this Draft Letter of Offer.*

The concept of crediting Rights Entitlements into the demat accounts of the Eligible Equity Shareholders has recently been introduced by the SEBI. Accordingly, the process for such Rights Entitlements has been recently devised by capital market intermediaries. Eligible Equity Shareholders are encouraged to exercise caution, carefully follow the requirements as stated in the SEBI Master Circular dated June 21, 2023, and ensure completion of all necessary steps in relation to providing/updating their demat account details in a timely manner. For details, see “Terms of the Issue” on page 180. In accordance with Regulation 77A of the SEBI ICDR Regulations read with the SEBI Rights Issue Circular the credit of Rights Entitlements and Allotment of Rights Equity Shares shall be made in dematerialized form only. Prior to the Issue Opening Date, our Company shall credit the Rights Entitlements to (i) the demat accounts of the Eligible Equity Shareholders holding the Equity Shares in dematerialised form; and (ii) a demat suspense escrow account opened by our Company, for the Eligible Equity Shareholders which would comprise Rights Entitlements relating to (a) Equity Shares held in a demat suspense account pursuant to Regulation 39 of the SEBI Listing Regulations; or (b) Equity Shares held in the account of IEPF authority; or (c) the demat accounts of the Eligible Equity Shareholder which are frozen or details of which are unavailable with our Company or with the Registrar on the Record Date; or (d) credit of the Rights Entitlements returned/reversed/failed; or (e) the ownership of the Equity Shares currently under dispute, including any court proceedings.

46. *There is no guarantee that the Rights Equity Shares issued pursuant to this Rights Issue will be listed on the Stock Exchange in a timely manner.*

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In accordance with Indian law and regulations and the requirements of the Stock Exchange, in principle and final approvals for listing and trading of the Rights Equity Shares issued pursuant to this Rights Issue will not be applied for or granted until after the Rights Equity Shares have been issued and allotted. Approval for listing and trading will require all relevant documents authorising the issuing of Rights Equity Shares to be submitted. Accordingly, there could be a failure or delay in listing the Rights Equity Shares on the Stock Exchange. If there is a delay in obtaining such approvals, we may not be able to credit the Rights Equity Shares allotted to the Investors to their depository participant accounts or assure ownership of such Rights Equity Shares by the Investors in any manner promptly after the Closing Date. In any such event, the ownership of the Investors over Rights Equity Shares allotted to them and their ability to dispose of any such Equity Shares may be restricted. For further information on issue procedure, see **“Issue Information”** beginning on page 32.

47. ***The Eligible Equity Shareholders holding Equity Shares in physical form will have no voting rights in respect of Equity Shares until they provide details of their demat account and Equity Shares are transferred to such demat account from the demat suspense account thereafter.***

The Equity Shares will be credited to a demat suspense account to be opened by our Company, in case of Allotment in respect of resident Eligible Equity Shareholders holding Equity Shares in physical form and who have not provided the details of their demat account to the Registrar or our Company at least two Working Days prior to the Issue Closing Date. Such Eligible Equity Shareholders are required to send, amongst others, details of their demat accounts to our Company or the Registrar to enable our Company to transfer, after verification of the details of such demat account by the Registrar, the Equity Shares from the demat suspense account to the demat accounts of such Eligible Equity Shareholders. Unless and until such Eligible Equity Shareholders provide details of their demat account and the Equity Shares are transferred from demat suspense account to such demat accounts thereafter, they will have no voting rights in respect of Equity Shares. For details, see **“Terms of the Issue”** on page 112.

48. ***The Rights Entitlement of Eligible Equity Shareholders holding Equity Shares in physical form (“Physical Shareholder”) may lapse in case they fail to furnish the details of their demat account to the Registrar.***

The concept of crediting Rights Entitlements into the demat accounts of the Eligible Equity Shareholders has recently been introduced by the SEBI. Accordingly, the process for such Rights Entitlements has been recently devised by capital market intermediaries. Eligible Equity Shareholders are encouraged to exercise caution, carefully follow the requirements as stated in the SEBI circulars dated January 22, 2020 and May 6, 2020, read with SEBI circular SEBI/HO/CFD/DIL1/CIR/P/2020/136 dated July 24, 2020, SEBI circular SEBI/HO/CFD/DIL1/CIR/P/2021/13 dated January 19, 2021 and SEBI circular bearing reference number SEBI/HO/CFD/DIL2/CIR/P/2021/552 dated April 22, 2021, and ensure completion of all necessary steps in relation to providing/updating their demat account details in a timely manner. For details, see **“Terms of the Issue”** on page 112. In accordance with Regulation 77A of the SEBI ICDR Regulations read with the SEBI Rights Issue Circulars, the credit of Rights Entitlements and Allotment of Rights Equity Shares shall be made in dematerialized form only.

49. ***Applicants to this Issue are not allowed to withdraw their Applications after the Issue Closing Date.***

In terms of the SEBI ICDR Regulations, Applicants in this Issue are not allowed to withdraw their Applications after the Issue Closing Date. The Allotment in this Issue and the credit of such Equity Shares to the Applicant’s demat account with its depository participant shall be completed within such period as prescribed under the applicable laws. There is no assurance, however, that material adverse changes in the international or national monetary, financial, political or economic conditions or other events in the nature of force majeure, material adverse changes in our business, results of operation or financial condition, or other events affecting the Applicant’s decision to invest in the Equity Shares, would not arise between the Issue Closing Date and the date of Allotment in this Issue. Occurrence of any such events after the Issue Closing Date could also impact the market price of our Equity Shares. The Applicants shall not have the right to withdraw their applications in the event of any such occurrence. We cannot assure you that the market price of the Equity Shares will not decline below the Issue Price. To the extent the market price for the Equity Shares declines below the Issue Price after the Issue Closing Date, the shareholder will be required to purchase Equity Shares at a price that will be higher than the actual market price of the Equity Shares at that time. Should that occur, the shareholder will suffer an immediate unrealized loss as a result. We may complete the Allotment even if such events may limit the Applicants’ ability to sell our Equity Shares after this Issue or cause the trading price of our Equity Shares to decline.

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50. *Holders of Equity Shares could be restricted in their ability to exercise pre-emptive rights under Indian law and could thereby suffer future dilution of their ownership position.*

Under the Companies Act, any company incorporated in India must offer its holders of equity shares preemptive rights to subscribe and pay for a proportionate number of shares to maintain their existing ownership percentages prior to the issuance of any new equity shares, unless the pre-emptive rights have been waived by the adoption of a special resolution by holders of three-fourths of the shares voted on such resolution, unless our Company has obtained government approval to issue without such rights. However, if the law of the jurisdiction that you are in does not permit the exercise of such pre-emptive rights without us filing an offering document or registration statement with the applicable authority in such jurisdiction, you will be unable to exercise such pre-emptive rights unless we make such a filing. We may elect not to file a registration statement in relation to pre-emptive rights otherwise available by Indian law to you. To the extent that you are unable to exercise pre-emptive rights granted in respect of the Equity Shares, your proportional interests in us would be reduced.

51. *Rights of shareholders under Indian law may be more limited than under the laws of other jurisdictions.*

Our Articles of Association and Indian law govern our corporate affairs. Legal principles relating to these matters and the validity of corporate procedures, Director's fiduciary duties and liabilities, and shareholders' rights may differ from those that would apply to a corporate entity in another jurisdiction. Shareholders' rights under Indian law may not be as extensive as shareholders' rights under the laws of other countries or jurisdictions. Investors may have more difficulty in asserting their rights as one of our shareholders than as a shareholder of a bank or corporate entity in another jurisdiction. In accordance with the provisions of the Companies Act, the voting rights of an equity shareholder in a company shall be in proportion to the share of a person in the paid-up equity share capital of that company.

52. *No market for the Rights Entitlements may develop and the price of the Rights Entitlements may be volatile.*

No assurance can be given that an active trading market for the Rights Entitlements will develop on the Stock Exchange during the Renunciation Period or that there will be sufficient liquidity in Rights Entitlements trading during this period. The trading price of the Rights Entitlements will not only depend on supply and demand for the Rights Entitlements, which may be affected by factors unrelated to the trading in the Equity Shares, but also on the quoted price of the Equity Shares, amongst others. Factors affecting the volatility of the price of the Equity Shares, as described herein, may magnify the volatility of the trading price of the Rights Entitlements, and a decline in the price of the Equity Shares will have an adverse impact on the trading price of the Rights Entitlements. Since the trading of the Equity Shares will be on a separate segment compared to the Equity Shares on the floor of the Stock Exchange, the trading of Equity Shares may not track the trading of Equity Shares. The trading price of the Rights Entitlements may be subject to greater price fluctuations than that of the Equity Shares.

EXTERNAL RISK FACTORS

53. *Changes in government regulations or their implementation could disrupt our operations and adversely affect our business and results of operations.*

Our business and industry are regulated by different laws, rules and regulations framed by the Central and State Government. These regulations can be amended/ changed on a short notice at the discretion of the Government. If we fail to comply with all applicable regulations or if the regulations governing our business or their implementation change adversely, we may incur increased costs or be subject to penalties, which could disrupt our operations and adversely affect our business and results of operations.

54. *You may be subject to Indian taxes arising out of capital gains on the sale of the Equity Shares.*

Under current Indian tax laws, capital gains arising from the sale of equity shares within 12 months in an Indian company are classified as short term capital gains and generally taxable. Any gain realized on the sale of listed equity shares on a stock exchange that are held for more than 12 months is considered as long-term capital gains and is taxable at 10%, in excess of Rs. 1,00,000. Any long-term gain realized on the sale of equity shares, which are sold other than on a recognized

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stock exchange and on which no STT has been paid, is also subject to tax in India. Capital gains arising from the sale of equity shares are exempt from taxation in India where an exemption from taxation in India is provided under a treaty between India and the country of which the seller is resident. Generally, Indian tax treaties do not limit India's ability to impose tax on capital gains. As a result, residents of other countries may be liable to pay tax in India as well as in their own jurisdiction on a gain on the sale of equity shares.

55. *Political instability or a change in economic liberalization and deregulation policies could seriously harm business and economic conditions in India generally and our business in particular.*

The Government of India has traditionally exercised and continues to exercise influence over many aspects of the economy. Our business and the market price and liquidity of our Equity Shares may be affected by interest rates, changes in Government policy, taxation, social and civil unrest and other political, economic or other developments in or affecting India. The rate of economic liberalization could change, and specific laws and policies affecting the sector, foreign investment and other matters affecting investment in our securities could change as well. Any significant change in such liberalization and deregulation policies could adversely affect business and economic conditions in India, generally, and our business, prospects, financial condition and results of operations, in particular.

56. *Global economic, political and social conditions may harm our ability to do business, increase our costs and negatively affect our stock price.*

Global economic and political factors that are beyond our control, influence forecasts and directly affect performance. These factors include interest rates, rates of economic growth, fiscal and monetary policies of governments, inflation, deflation, foreign exchange fluctuations, consumer credit availability, fluctuations in commodities markets, consumer debt levels, unemployment trends and other matters that influence consumer confidence, spending and tourism. Increasing volatility in financial markets may cause these factors to change with a greater degree of frequency and magnitude, which may negatively affect our stock prices.

57. *Foreign investors are subject to foreign investment restrictions under Indian law that limits our ability to attract foreign investors, which may adversely impact the market price of the Equity Shares.*

Under the foreign exchange regulations currently in force in India, transfer of shares between non-residents and residents are freely permitted (subject to certain exceptions) if they comply with the pricing guidelines and reporting requirements specified by the RBI. If the transfer of shares, which are sought to be transferred, is not in compliance with such pricing guidelines or reporting requirements or fall under any of the exceptions referred to above, then the prior approval of the RBI will be required. Additionally, shareholders who seek to convert the Rupee proceeds from a sale of shares in India into foreign currency and repatriate that foreign currency from India will require a no objection/ tax clearance certificate from the income tax authority. There can be no assurance that any approval required from the RBI or any other government agency can be obtained on any particular terms or at all.

58. *Any downgrading of India's sovereign rating by an independent agency may harm our ability to raise financing.*

Any adverse revisions to India's credit ratings for domestic and international debt by international rating agencies may adversely impact our ability to raise additional financing, and the interest rates and other commercial terms at which such additional financing may be available. This could have an adverse effect on our business and future financial performance, our ability to obtain financing for capital expenditures and the trading price of our Equity Shares.

59. *Natural calamities could have a negative impact on the Indian economy and cause our Company's business to suffer.*

The current Covid-19 pandemic had brought the world to a standstill affecting all sectors and the livelihood of many are at stake including the Indian economy. However, our Country is achieving normalcy by various measures taken by the Government. The pandemic is still to be controlled and any major outbreak will seriously impact our business. Further, our Country in the past has experienced natural calamities such as earthquakes, tsunami, floods etc. The extent and severity of these natural disasters determine their impact on the Indian economy. Prolonged spells of abnormal rainfall or other

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natural calamities could have a negative impact on the Indian economy, which could adversely affect our business, prospects, financial condition and results of operations as well as the price of the Equity Shares.

60. *Terrorist attacks, civil unrest and other acts of violence or war involving India or other countries could adversely affect the financial markets, our business, financial condition and the price of our Equity Shares.*

Any major hostilities involving India or other acts of violence, including civil unrest or similar events that are beyond our control, could have a material adverse effect on India's economy and our business. Incidents such as the terrorist attacks in India, other incidents such as those in US, Indonesia, Madrid and London, and other acts of violence may adversely affect the Indian stock markets where our Equity Shares will trade as well the global equity markets generally. Such acts could negatively impact business sentiment as well as trade between countries, which could adversely affect our Company's business and profitability. Additionally, such events could have a material adverse effect on the market for securities of Indian companies, including the Equity Shares.

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SECTION IV: INTRODUCTION

ISSUE DETAIL IN BRIEF

The present Issue of [●] Equity Shares on Rights basis in terms of this Draft Letter of Offer including terms of the Issue has been authorized pursuant to a resolution of our Board of Directors held on May 30, 2024 passed under Section 62(1)(a) and other applicable provisions of the Companies Act, 2013. The terms and conditions of the Issue including the Rights Entitlement, Issue Price, Record Date, timing of the Issue and other related matters, have been approved by a resolution passed by the Board of Directors/ Rights Issue Committee at its meeting held on [●].

The following is a summary of this Issue, and should be read in conjunction with and is qualified entirely by the information detailed in “**Terms of the Issue**” beginning on page no. 211 of this Draft Letter of Offer.

Rights Equity Shares being offered by our Company	Up to [●]* Rights Equity Shares.
Rights Entitlement	[●] Rights Equity Share(s) for every [●] fully paid-up Equity Share(s) held on the Record Date
Record Date	[●]
Face Value per Equity Share	₹1/- per Equity Share
Issue Price per Rights Equity Share	₹ [●] per Equity Share
Issue Size	Issue of up to [●] Equity Shares of face value of ₹1 each for cash at a price of ₹ [●] per Rights Equity Share for an amount aggregating upto ₹4900.00 Lakhs. (Assuming Full Subscription)
Equity Shares issued, subscribed and paid-up prior to the Issue	11,85,50,000 Equity Shares
Voting Rights and Dividend	The Rights Equity Shares issued pursuant to the issue shall rank pari passu in all respects with the existing Equity Shares of our Company.
Equity Shares issued, subscribed and paid-up after the Issue (assuming full subscription for and allotment of the Rights Entitlement)	[●] Equity Shares
Security Code for the Equity Shares	ISIN: INE141C01036 BSE: 517554
ISIN for Rights Entitlement	[●]
Use of Issue Proceeds	For details, see “ Objects of the Issue ” beginning on page 39 of this Draft Letter of Offer.
Terms of the Issue	For details, see “ Terms of the Issue ” beginning on page 111 of this Draft Letter of Offer.
Issue Open Date	[●]
Issue Close Date	[●]
Terms of Payment	The full amount is payable on application

*To be updated upon finalisation of the Issue Price

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GENERAL INFORMATION

Our Company was incorporated in the name of “*Midpoint Software & Electro Systems Limited*” on August 04, 1992, in Mumbai, Maharashtra, as a Public Limited Company under the Companies Act, 1956, pursuant to a certificate of incorporation issued by the Registrar of Companies – Mumbai, Maharashtra. A certificate of commencement of business was granted to our Company on August 12, 1992 by Registrar of Companies – Mumbai, Maharashtra. Pursuant to the scheme of amalgamation under Section 391-394 and other relevant provisions of the Companies Act, 1956, NHC Industries Private Limited has been merged with our Company with effect from September 07, 2010. Subsequently, the name of our Company was changed to NHC Foods Limited pursuant to a certificate of incorporation dated October 15, 2010 issued by the Registrar of Companies – Mumbai, Maharashtra.

Pursuant to the name change, the object clause was altered by shareholders by passing Special Resolution at their General Meeting held on November 11, 2010 and confirmed by Registrar of Companies, Mumbai vide its certificate dated December 08, 2010. The Registered Office of the Company shifted from the state of Maharashtra to the State of Gujarat vide Special Resolution passed by the Equity Shareholders of the Company through Postal Ballot on September 21, 2012 and confirmed by an order of Regional Director, Western Region, Mumbai, Maharashtra vide its order dated July 09, 2013.

The equity shares of our Company are listed on BSE Limited bearing **Scrip Code ‘517554’**, and **ISIN ‘INE141C01036’**.

Brief of Company and Issue Information	
Name & CIN	NHC FOODS LIMITED L15122GJ1992PLC076277
Registered & Corporate Office	NHC Foods Limited Registered Office: Survey No. 777, Umarsadi Desaiwad Road, Village Umarsadi, Taluka Pardi, Valsad - 396175, Gujarat, India Corporate Office: 419/420, C Wing, Atrium 215, Andheri-Kurla Road, Chakala, Andheri East, J. B. Nagar, Mumbai – 400059, Maharashtra, India Contact No.: +91 8104472565 Contact Person: Mrs. Alesha Hakim Khan E-mail ID: grievances@nhcgroup.com Website: www.nhcgroup.com
Address of Registrar of Companies	Registrar of Companies – Ahmedabad, Gujarat ROC Bhavan, Opp Rupal Park Society, Behind Ankur Bus Stop, Naranpura, Ahmedabad-380013, Gujarat, India
Designated Stock Exchange	BSE Limited (“ BSE ”)
Company Secretary and Compliance Officer	Mrs. Alesha Hakim Khan NHC Foods Limited Registered Office: Survey No. 777, Umarsadi Desaiwad Road, Village Umarsadi, Taluka Pardi, Valsad - 396175, Gujarat Contact No.: +91 8104472565 E-mail ID: cs@nhcgroup.com Website: www.nhcgroup.com
Chief Financial Officer	Mr. Archit Wahale NHC Foods Limited Registered Office: Survey No. 777, Umarsadi Desaiwad Road, Village Umarsadi, Taluka Pardi, Valsad - 396175, Gujarat Contact No.: 022-69875000 E-mail ID: vpfin5@nhcgroup.com Website: www.nhcgroup.com
Statutory Auditor of the company	JMMK & Co. (Earlier known as JMK & Co.) Chartered Accountants B-10, Western Edge II, Behind Metro Cash & Carry,

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	Off W.E. Highway, Borivali East, Mumbai-400066, Maharashtra Contact Person: CA Jitendra Doshi Designation: Partner Membership No: 151274 Contact No: +91 22 40101784 E-mail ID: info@jmkco.in Firm Registration No: 120459W
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Details of Key Intermediaries pertaining to this Issue and our Company:

LEAD MANAGER TO THE ISSUE	REGISTRAR TO THIS ISSUE
FINSHORE MANAGEMENT SERVICES LIMITED “Anandlok”, Block-A, 2 nd Floor, Room No. 207, 227 A.J.C Bose Road, Kolkata-700020, West Bengal Telephone: + 91 33 22895101 / +91 33 4603 2561 Email: ramakrishna@finshoregroup.com Website: www.finshoregroup.com Investor Grievance Email: info@finshoregroup.com Contact Person: Mr. S. Ramakrishna Iyengar SEBI Registration No: INM000012185 CIN No: U74900WB2011PLC169377	SKYLINE FINANCIAL SERVICES PRIVATE LIMITED D-153A, First Floor, Okhla Industrial Area, Phase-I, New Delhi 110020 Telephone: 011-40450193-197 Email: ipo@skylinerta.com Investor Grievance Email: grievances@skylinerta.com Contact Person: Mr. Anuj Rana Website: https://www.skylinerta.com/ SEBI Registration Number: INR000003241 CIN No: U74899DL1995PTC071324
LEGAL ADVISOR TO THE ISSUE	BANKER TO THE ISSUE/REFUND BANK
J MUKHERJEE & ASSOCIATES Room 6, 2 nd Floor, Saraf House, 4/1, Red Cross Place, Kolkata-700001, West Bengal, India Telephone: +91 9830640366 Email: jmukherjeeandassociates@gmail.com Contact Person: Mr. Jayabrata Mukherjee	[•]

Note: Investors may contact our Company Secretary and Compliance Officer and/or the Registrar to the Issue, in case of any pre-issue or post-issue related problems, such as non-receipt of letters of allotment, credit of allotted Equity Shares in the respective beneficiary account or refund orders, etc. All grievances in relation to the application may be addressed to the Registrar to the Issue, with a copy to the relevant Designated Intermediary, giving full details such as name, address of the Applicant, contact number(s), e-mail address of the sole/ first holder, folio number or demat account, number of Equity Shares applied for, amount blocked, ASBA Account number and the Designated Branch of the SCSB where the Application Forms, or the plain paper application, as the case may be, was submitted by the Investors along with a photocopy of the acknowledgement slip..

Self-Certified Syndicate Banks (“SCSBs”)

The lists of banks that have been notified by SEBI to act as SCSB for the ASBA process are provided on <https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=34>. For details of the Designated Branches which shall collect Application Forms, please refer to the above-mentioned SEBI link.

Collecting Depository Participants

The list of the CDPs eligible to accept Application Forms at the Designated CDP Locations, including details such as name and contact details, are provided on the website of nationalized Stock Exchange, as updated from time to time. The list of branches of the SCSBs named by the respective SCSBs to receive deposits of the Application Forms from the Designated Intermediaries will be available on the website of the SEBI (www.sebi.gov.in) and updated from time to time.

Statement of Inter Se Allocation of Responsibilities

Finshore Management Services Limited is the sole Lead Manager to this Issue and all the responsibilities relating to co-ordination and other activities in relation to the Issue shall be performed by them and hence a statement of inter-se allocation of responsibilities is not required.

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Credit Rating

This being an Issue of Right Equity Shares, credit rating is not required.

Debenture Trustees

As the Issue is of Right Equity Shares, the appointment of Debenture trustees is not required.

Monitoring Agency

As the Issue Size is below ₹ 10,000 lakhs, the appointment of a monitoring agency is not required.

Underwriting

This Issue of Rights Equity Shares is not being underwritten and no standby support is being sought for the said Issue.

Filing of Draft Letter of Offer/Letter of Offer

The Draft Letter of Offer shall not be filed with SEBI, nor will SEBI issue any observation on the Draft Letter of Offer as the size of issue is less than Rs. Fifty Crores.

The Draft Letter of Offer has been filed with BSE for obtaining their in-principle approval.

However, our Company will submit a copy of the Letter of Offer to SEBI for the purpose of their information and dissemination on its website by mailing it to the e-mail address: cfdil@sebi.gov.in.

Minimum Subscription

The Issue is subject to being in receipt of minimum subscription of at least 90% of the Equity Shares being offered under this Issue, on an aggregate basis, of the Issue Size, in accordance with the provisions of Regulation 86 of SEBI (ICDR) Regulations. If in the event our Company does not receive the minimum subscription of 90% of the Issue Size, our Company shall refund the entire subscription amount received within 4 (four) days from the Issue Closing Date in accordance with SEBI circular bearing reference number SEBI/HO/CFD/DIL1/CIR/P/2021/47 dated March 31, 2021. If there is any delay in the refund of the subscription amount beyond such period as prescribed by applicable laws, our Company will pay interest for the delayed period, at such rates as prescribed under the applicable laws.

Our Company is in compliance with Regulation 38 of the SEBI Listing Regulations and will continue to comply with the minimum public shareholding requirements pursuant to the Issue.

Issue Schedule

The subscription will open upon the commencement of the banking hours and will close upon the close of banking hours on the dates mentioned below:

Last Date for credit of Rights Entitlements [@] (on or before)	[•]
Issue Opening Date	[•]
Last date for On Market Renunciation*	[•]
Issue Closing Date #	[•]
Finalisation of Basis of Allotment with the Designated Stock Exchange (on or about)	[•]
Date of Allotment (on or about)	[•]
Date of credit (on or about)	[•]
Date of listing / Commencement of trading of Equity Shares on the Stock Exchange (on or about)	[•]

Note: The above timetable is indicative in nature and does not constitute any obligation on the Company or the Lead Manager. While our Company shall ensure that all the steps for completion of all the necessary formalities for the listing and trading of our equity shares on the BSE main board platform are taken within the prescribed timelines, the time table may change due to various factors such as extension of the issue period by the Company or any delay in receiving final listing and trading approval from the BSE. The Commencement of the trading of Equity shares will be entirely at the discretion of Stock Exchange in accordance with the applicable laws.

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@In accordance with the SEBI Circular SEBI/HO/CFD/DIL2/CIR/P/2020/13 dated January 22, 2020, the Physical Shareholders as on Record Date, have to furnish the details of their demat account to the Registrar or the Company at least two Working Days prior to the Issue Closing Date to enable us to process the credit of Rights Entitlement

** Eligible Equity Shareholders are requested to ensure that renunciation through off-market transfer is completed in such a manner that the Rights Entitlements are credited to the demat account of the Renounees on or prior to the Issue Closing Date.*

*# The Board of Directors or the Rights Issue Committee will have the right to extend the Issue period as it may determine from time to time, provided that this Issue will not remain open in excess of 30 (thirty) days from the Issue Opening Date. **Further, no withdrawal of Application shall be permitted by any Applicant after the Issue Closing Date.***

Please note that if Eligible Equity Shareholders holding Equity Shares in physical form as on Record Date, have not provided the details of their demat accounts to our Company or to the Registrar, they are required to provide their demat account details to our Company or the Registrar not later than two Working Days prior to the Issue Closing Date, i.e., [●] to enable the credit of the Rights Entitlements by way of transfer from the demat suspense escrow account to their respective demat accounts, at least one day before the Issue Closing Date, i.e., [●]. For details, see “**Terms of the Issue**” beginning on page 111 of this Draft Letter of Offer.

Investors are advised to ensure that the Applications are submitted on or before the Issue Closing Date. Our Company, the Lead Manager or the Registrar to the Issue will not be liable for any loss on account of non-submission of Applications on or before the Issue Closing Date. Further, it is also encouraged that the applications are submitted well in advance before Issue Closing Date. Please note that if no Application is made by the Eligible Equity Shareholders of Rights Entitlements on or before Issue Closing Date, such Rights Entitlements shall get lapsed and shall be extinguished after the Issue Closing Date. No Equity Shares for such lapsed Rights Entitlements will be credited, even if such Rights Entitlements were purchased from market and purchaser will lose the premium paid to acquire the Rights Entitlements. Persons who are credited the Rights Entitlements are required to make an application to apply for Equity Shares offered under Rights Issue for subscribing to the Equity Shares offered under Issue.

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CAPITAL STRUCTURE

The Capital Structure of our company before the Issue and after giving effect to the Issue, as at the date of this Draft Letter of Offer, is set forth below:

(₹ in Lakhs except share data)

No.	Particulars	Aggregate Nominal Value	Aggregate Value at Issue Price
A	Authorized Share Capital		
	65,00,00,000 Equity Shares of face value ₹1/- each	6500.00	--
B	Issued, Subscribed & Paid-up Share Capital prior to the Issue		
	11,85,50,000 Equity Shares of face value ₹1/- each	1185.50	--
C	Present issue in terms of the Draft Letter of Offer*		
	Up to [●] Equity Shares for cash at a price of ₹ [●] per Equity Share**	[●]	Up to 4,900.00
D	Issued, Subscribed & Paid-up Share Capital after the Issue***		
	[●] Equity Shares of ₹1/- each		[●]

* This Rights Issue has been authorized pursuant to a resolution of our Board dated May 30, 2024.

** Investors will have to pay the entire offer price i.e., ₹ [●] per Rights Equity Share at the time of Application.

*** Assuming full subscription to the Rights Entitlements and Allotment of the Rights Equity Shares.

Note: Pursuant to an Ordinary Resolution passed through Postal Ballot dated June 30, 2024 the Company obtained shareholders' approval for the purpose of split of face value of the equity shares from ₹ 10/- to ₹ 1/- per equity share.

Notes to the Capital Structure:

1. Our Company does not have any employee stock option scheme or employee stock purchase scheme.
2. Our Company does not have any outstanding warrants, options, convertible loans, debentures or any other securities convertible at a later date into Equity Shares, as on the date of this Draft Letter of Offer, which would entitle the holders to acquire further Equity Shares.
3. All Equity Shares are fully paid-up and there are no partly paid Equity Shares outstanding as on the date of this Draft Letter of Offer. The Rights Equity Shares, when issued, shall be fully paid-up.
4. **Shareholding of Promoter and Promoter Group:**

The statement showing holding of Equity Shares of persons belonging to the category “Promoter and Promoter Group” including the details of lock-in, pledge of and encumbrance thereon as on the date of this Draft Letter of Offer i.e. after taking into effect of split are set forth hereunder:

Sr No.	Name of the Promoters & Promoter Group	No of Equity Shares held	% of Total Share Capital	Details of Equity Shares pledged/encumbered		Details of Equity Shares locked-in	
				Number of Shares	Holding in %	Number of Shares	Holding in %
1	Apoorva Himatlal Shah	3,91,93,680	33.06%	Nil	-	Nil	-
2	Alpa Apoorva Shah	86,41,820	7.29%	Nil	-	Nil	-
3	Apar Apoorva Shah	2,76,500	0.23%	Nil	-	Nil	-
4	Aneri Apoorva Shah	1,93,000	0.16%	Nil	-	Nil	-
5	Apoorva H Shah HUF	81,550	0.07%	Nil	-	Nil	-
	Total	4,83,86,550	40.82%	Nil	-	Nil	-

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5. **The statement showing specified securities acquired by the promoter and promoter group in the last one year immediately preceding the date of filing of this Draft Letter of Offer with the designated stock exchange:**

No Equity Shares have been acquired by our Promoter or Promoter Group in the last one year immediately preceding the date of this Draft Letter of Offer.

6. **Intention and extent of participation in the Issue by the Promoter:**

Our Promoter and entities forming part of our Promoter Group have, vide their letters dated July 29, 2024 (the “Subscription Letters”) undertaken that the Rights Issue is only for the Public Shareholders and there will be no Rights Entitlement to the Promoter and entities forming part of the Promoter Group. In the eventuality of an under-subscription in the Issue the Promoter and entities forming part of the Promoter Group will not purchase any additional Rights Entitlements either on-market or off-market and will not subscribe to the unsubscribed portion of the Issue, if any.

Our Company is in compliance with Regulation 38 of the SEBI (LODR) Regulations and will continue to comply with the minimum public shareholding requirements under applicable law, pursuant to this Issue. For further details, please see “*General Information - Minimum Subscription*” on page 33.

7. The ex-rights price per Equity Share arrived as per regulation 10(4)(b) of the SEBI Takeover Regulations is ₹ [●].

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8. Shareholding Pattern of our Company as per the last filing with the Stock Exchange in compliance with the provisions of the SEBI Listing Regulations:

a) The table below presents the shareholding pattern of our Company for the Quarter ending June 30, 2024

Category (I)	Category of shareholder (II)	Nos. Of shareholders (III)	No. of fully paid-up equity shares held (IV)	No. of Partly paid-up equity shares held (V)	No. of shares underlying Depository Receipts (VI)	Total nos. shares held (VII) = (IV)+(V)+ (VI)	Shareholding as a % of total no. of shares (calculated as per SCRR, 1957) (VIII) As a % of (A+B+C2)	Number of Voting Rights held in each class of securities (IX)				No. of Shares Underlying Outstanding convertible securities (including Warrants) (X)	Shareholding, as a % assuming full conversion of convertible securities (as a percentage of diluted share capital) (XI)= (VII)+(X) As a % of (A+B+C2)	Number of Locked in shares (XII)		Number of Shares pledged or otherwise encumbered (XIII)		Number of equity shares held in dematerialized form (XIV)
								No of Voting Rights			Total as a % of (A+B+C)			No (a)	As a % of total Shares held (b)	No. (a)	As a % of total Shares held (Sb)	
								Class: X	Class: y	Total								
A	Promoter & Promoter Group	5	48,38,655	-	-	48,38,655	40.82%	48,38,655	-	48,38,655	40.82%	-	40.82%	-	-	-	-	48,38,655
B	Public	11,252	70,16,345	-	-	70,16,345	59.18%	70,16,345	-	70,16,345	59.18%	-	59.18%	-	-	-	-	67,81,944
C	Non-Promoter-Non-Public	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
C1	Shares underlying DRs	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
C2	Shares held by Employee Trusts	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total		11,257	1,18,55,000	-	-	1,18,55,000	100.00%	1,18,55,000	-	1,18,55,000	100.00%	-	100.00%	-	-	-	-	1,16,20,599

(Source: <https://www.bseindia.com/stock-share-price/nhc-foods-ltd/nhcfoods/517554/shareholding-pattern/>)

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9. Details of shareholders of our Company holding 1% or more of the paid-up capital of the issuer as last disclosed to the Stock Exchange as on June 30, 2024 is as follows:

For Promoters and Promoters Group Category

<https://www.bseindia.com/corporates/shpPromoterNGroup.aspx?scripcd=517554&qtrid=122.00&QtrName=June%202024>

For Public Category

<https://www.bseindia.com/corporates/shpPublicShareholder.aspx?scripcd=517554&qtrid=122.00&QtrName=June%202024>

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SECTION V: PARTICULARS OF THE ISSUE

OBJECTS OF THE ISSUE

This offer is for the issuance and allotment of fresh Equity Shares on Right basis in the ratio of [●] rights equity share for every [●] fully paid-up equity share at an issue price of Rs. [●]/- each share having face value of Rs. 1/- each and at a premium of Rs. [●]/- per share. The tentative offer size would be for upto Rs. 4,900 Lakhs (Assuming full subscription in the Issue).

We intend to utilize the Right Issue proceeds for the following objects:

- A. To meet the working capital requirement
- B. To make the repayment of Secured Loan
- C. To meet the Issue Expenses
- D. General Corporate Purposes

The main objects clause of our Memorandum enables our Company to undertake the activities for which funds are being raised in the Issue. The existing activities of our Company are within the object clause of our Memorandum.

Requirement of Funds

The following table summarizes the requirement of funds:

Sr. No.	Particulars	Amount (₹ in Lakhs)	In % of Gross Proceeds
A	To meet the Working Capital Requirements	2500.00	[●]
B	To make the repayment of Secured Loan	1500.00	[●]
C	General corporate purposes	[●]	[●]
D	Issue related expenses	[●]	[●]
	Total Issue Proceeds	[●]	[●]
F	Less: Issue Related Expenses	[●]	[●]
	Net Issue Proceeds	[●]	[●]

Details breakup of the Use of the Proceeds

A. Working Capital Requirement and basis of estimation:

Our business is working capital intensive and our company funds a majority of our working capital requirement through internal accruals and banking limits. For the expansion of our business and to enter new geographical areas, our company requires additional working capital which is based on our management estimations of the future business plan for the FY 2024-25. Details of estimation of working capital requirement are as follows:

	<i>(Rs. In Lakh)</i>				
Year	31-03-2022	31-03-2023	31-03-2024	31-03-2025	31-03-2026
Particulars	(AUDITED)	(AUDITED)	(AUDITED)	(ESTIMATED)	(ESTIMATED)
Current Assets					
Inventories	2254.11	2885.59	4287.99	2786.45	3080.21
Trade Receivables	2740.74	2604.12	2769.42	6613.37	7023.59
Cash and Cash Equivalents	79.69	231.61	61.92	374.96	329.90
Fixed Deposits with Banks	223.54	64.78	68.55	75.41	82.95
Other Receivables & Other Current Assets	529.45	537.04	572.52	629.77	692.75
Total A)	5827.51	6323.15	7760.40	10479.97	11209.40
Current Liabilities					
Trade Payables	1178.50	1185.29	2908.57	1019.43	1320.09
Short-Term Provisions and Payables	123.77	76.19	112.20	319.47	476.50
Other Current Liabilities	141.91	194.25	161.94	368.23	460.29
Total B)	1444.18	1455.73	3182.72	1707.14	2256.88
Net Working Capital (A-B)	4383.34	4867.42	4577.68	8772.83	8952.52
Sources of working capital (Means of finance)					
Short-Term Borrowings	3068.45	2650.33	2930.29	2473.33	2473.33
Working Capital Funding through Rights Issue	-	-	-	2500.00	-
Internal Accrual (Capital + Long Term Borrowings)	1314.89	2217.10	1647.39	3799.49	6479.19

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Assumption on working capital requirement

Particulars	31-03-2026	31-03-2025	31-03-2024	31-03-2023	31-03-2022
Sundry Debtors Holding period (In Days)	66	58	48	80	70
Inventory Holding Period (In Days)	64	73	78	41	35
Sundry Creditor Holding Period (In Days)	33	30	53	15	15

Justification for Holding Period:

Particulars	Details
Sundry Debtors Holding period	<p>The average holding period of sundry debtors has increased from 57 days in FY 2021-22, FY 2022-23, and FY 2023-24 to 80 days in FY 2024-25 and is expected to reduce to 70 days in FY 2025-26. This increase in the holding period is primarily attributed to delays in international sea transport, which have caused longer transit times for goods being shipped overseas.</p> <p>The ongoing global disruptions in the shipping industry, such as port congestion, container shortages, and logistical bottlenecks, have directly impacted the timely delivery of goods to customers. As a result, the collection period from debtors has been extended, leading to a longer holding period for sundry debtors.</p> <p>It is anticipated that these issues will gradually improve, resulting in a reduction of the holding period to 70 days in FY 2025-26 as international shipping conditions stabilize.</p>
Inventory Level Holding Period	<p>The holding period of inventory has decreased significantly from an average of 72 days in FY 2021-22, FY 2022-23, and FY 2023-24 to an expected 41 days in FY 2024-25, with a further reduction to 35 days in FY 2025-26. This reduction is a result of the company's strategic decision to maintain inventory levels around ₹30 crore in line with its operational and financial objectives.</p> <p>This policy is aimed at optimizing inventory management by balancing stock availability with demand while minimizing excess holding costs. The streamlined inventory strategy allows the company to improve efficiency and liquidity by reducing unnecessary stockpiling. The reduced holding period also indicates faster inventory turnover, aligning with the company's goal to enhance operational agility.</p> <p>By FY 2025-26, the further decrease in the holding period to 35 days reflects the company's ongoing commitment to efficient inventory management while maintaining adequate stock to meet market demands.</p>
Sundry Creditor Holding Period	<p>The average payment period for creditors has been reduced from 39 days in FY 2021-22, FY 2022-23, and FY 2023-24 to 15 days in FY 2024-25, with the same 15-day period projected for FY 2025-26. This reduction is driven by the company's strategic initiative to strengthen relationships with key suppliers and take advantage of early payment discounts.</p> <p>By shortening the payment cycle, the company aims to improve its negotiation power, secure more favourable terms, and potentially receive better pricing or preferential treatment from suppliers. This policy is also aligned with the company's focus on enhancing operational efficiency and financial discipline, ensuring prompt payment and better cash flow management.</p> <p>The consistent 15-day payment period reflects the company's commitment to maintaining strong supplier relationships while ensuring liquidity and financial stability in the coming fiscal years.</p>
Cash & cash Equivalent	<p>The Key items under this head are Fixed Deposit lying with bank, accrued interest there on, Cash-in-hand and Bank Balance in current account. The increase in amount of Cash and Cash Equivalent is considered on account of increase in operations and turnover, and such amounts will be required to meet the day-to-day expenses and to take advantage of situations of price fluctuations, etc.</p>

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Particulars	Details
Other Current Assets	'Other Current Assets include advances to suppliers, balances with revenue authorities, export incentives receivables, and other recoverable loans and advances. The level of other current assets average above 10 days which we anticipated to bring down below average existing days
Other Current Liabilities	'Other Current Liabilities are advances received from buyers which we will maintain at same level to continue the relation with customers.

Rationale for change in working capital requirements

The revenue from operations has been increased from ₹15245.06 lakhs in FY 2021-22 to ₹20924.40 lakhs in FY 2023-24 i.e. revenue from operation increased by ₹5679.33 lakhs (37.25% for the said period). Wherein, working capital gap for the same period has been increased from ₹4383.34 lakhs to ₹4577.68 lakhs i.e. working capital gap increased by ₹194.35 lakhs (i.e. 4.43% for the said period).

Going forward, the management has estimated that their current assets is going to be increased from ₹7760.40 Lakhs to ₹10479.97 Lakhs in FY 2024-25 and ₹11209.40 Lakhs in FY 2025-26 majorly due to debtor holding period is going to be increased by more than 60 days due to delay in our export realisations. However, our current liability is estimated to be decreased from ₹3182.72 Lakhs in FY 2023-24 to ₹1707.14 lakhs in FY 2024-25 and ₹2256.88 lakhs in FY 2025-26. In brief, the management has estimated that working capital gap is going to be increased to ₹8772.73 Lakhs in FY 2024-25 and ₹8952.52 Lakhs in FY 2025-26 respectively.

Our Company proposed to utilise ₹2500.00 lakhs of the Net Proceeds towards funding the incremental working capital requirements of our Company in the ordinary course of business and the balance will be met from internal accruals and borrowings at an appropriate time as per the requirement. As on date of this draft offer documents, the aggregate amount sanctioned by the banks to our Company to meet working capital requirement is ₹3850.00 lakhs consist of fund based working capital out of which we have proposed to repay the loan to the extent of ₹1500.00 Lakhs also.

B. Repayment of Secured Loan

As per the Limited Reviewed Unaudited Standalone Financial Results for the period ended June 30, 2024, the Company has an outstanding short-term secured loan from a bank amounting to Rs. 2,890.90 Lakhs. This loan has been utilized to meet the working capital requirements of the Company. The Company now intends to repay a portion of the said loan using the proceeds from the proposed rights issue.

The details of the outstanding loans that are proposed to be repaid in part from the net proceeds of the rights issue are outlined below:

Name of Lender	Purpose	Sanctioned Amount	Outstanding as on 30.06.2024	Proposed to be Repaid from Rights Issue Proceeds#
Axis Bank Limited	Working Capital Requirement	38.50	28.57	15.00
Total				15.00

The amount outstanding as on 30/06/2024 and certified by our statutory auditor vide their certificate dated September 05, 2024. Further our auditor also certified that they have verified the terms of loan and above borrowing is utilised for the purpose for which such borrowing were availed.

C. General Corporate Purpose

The Net Proceeds will be first utilized towards the Objects as mentioned above. The balance is proposed to be utilized for general corporate purposes, subject to such utilization not exceeding 25% of the amount being raised by our Company through this issue, in compliance with the Chapter IX, Regulation 230 (2) of SEBI ICDR Regulations, 2018. Our Company intends to deploy the balance Net Proceeds i.e., Rs. [●] Lakhs, which is [●]% of the amount being raised by our company through this issue, towards general corporate purposes, subject to above mentioned limit, as may be approved by our management, including but not restricted to, the following:

- i. Strategic initiatives

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- ii. brand building and strengthening of marketing activities; and
- iii. ongoing general corporate exigencies or any other purposes as approved by the Board subject to compliance with the necessary regulatory provisions.

The quantum of utilization of funds towards each of the above purposes will be determined by our Board of Directors based on the permissible amount actually available under the head “General Corporate Purposes” and the business requirements of our Company, from time to time. We, in accordance with the policies of our Board, will have flexibility in utilizing the balance Net Proceeds for general corporate purposes, as mentioned above.

D. Issue Related Expenses

The expenses for this Issue include issue management fees, registrar fees, legal advisor fees, printing and distribution expenses, issue related advertisement expenses, depository charges and listing fees etc. to the Stock Exchange, among others. All the Issue related expenses shall be met out of the proceeds of the Issue and the breakup of the same is as follows:

Activity	Estimated Expenses (Rs. In Lakhs)	As a % of Total Estimated Expenses	As a % of Total Issue Size
Fees payable to the intermediaries like Lead Manager, RTA, Legal Advisor, Banker including Brokerage, Selling Commission and upload Fees etc.	[•]	[•]	[•]
Advertising and Marketing Expenses	[•]	[•]	[•]
Fees payable to Regulators Including Stock Exchange	[•]	[•]	[•]
Printing and Other Miscellaneous charges	[•]	[•]	[•]

Means of Finance:

We propose to meet the requirement of funds for the stated objects of the Issue from the Issue Proceeds only. Hence, no amount is required to be raised through means other than the Issue Proceeds. Accordingly, the requirements under Regulation 62(1) of the SEBI ICDR Regulations (which requires firm arrangements of finance through verifiable means for 75% of the stated means of finance, excluding the Issue Proceeds and existing identifiable internal accruals) are not applicable.

In case of variations in the actual utilization of funds allocated for the purposes set forth above, increased fund requirements for a particular purpose may be financed by surplus funds, if any, available in respect of the other purposes for which funds are being raised in this Issue. If surplus funds are unavailable, the required financing will be through our internal accruals and/or debt.

We may have to revise our fund requirements and deployment as a result of changes in commercial and other external factors, which may not be within the control of our management. This may entail re-scheduling, revising or cancelling the fund requirements and increasing or decreasing the fund requirements for a particular purpose from its fund requirements mentioned below, at the discretion of our management. In case of any shortfall or cost overruns, we intend to meet our estimated expenditure from internal accruals and/or debt. In case of any such re-scheduling, it shall be made by compliance of the relevant provisions of the Companies Act, 2013 / Companies Act, 1956.

Appraisal by Appraising Fund

None of the Objects have been appraised by any bank or financial institution or any other independent third-party organization. The funding requirements of our Company and the deployment of the proceeds of the Issue are currently based on management estimates. The funding requirements of our Company are dependent on a number of factors which may not be in the control of our management, including variations in interest rate structures, changes in our financial condition and current commercial conditions and are subject to change in light of changes in external circumstances or in our financial condition, business or strategy.

Shortfall of Funds

Any shortfall in meeting the fund requirements will be met by way of internal accruals and or unsecured Loans.

Bridge Financing Facilities

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As on the date of this Draft Letter of Offer, we have not raised any bridge loans which are proposed to be repaid from the Issue Proceeds.

Interim Use of Proceeds

Pending utilization for the purposes described above, our Company intends to invest the funds with scheduled commercial banks included in the second schedule of Reserve Bank of India Act, 1934. In accordance with Section 27 of the Companies Act, 2013, our Company confirms that it shall not use the Net Proceeds for buying, trading or otherwise dealing in the equity shares of any other listed company. Our management, in accordance with the policies established by our Board of Directors from time to time, will deploy the Net Proceeds which shall be as per applicable laws. Further, our Board of Directors hereby undertake that full recovery of the said interim investments shall be made without any sort of delay as and when need arises for utilization of process for the objects of the issue subject to applicable laws.

Monitoring Utilization of Funds

As the Issue size is less than ₹ 10,000 Lakhs, under the SEBI (ICDR) Regulations it is not mandatory for us to appoint a monitoring agency.

Our Board and the management will monitor the utilization of the Issue Proceeds through its audit committee. Pursuant to Regulation 32 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, our Company shall on half-yearly basis disclose to the Audit Committee the applications of the proceeds of the Issue. On an annual basis, our Company shall prepare a statement of funds utilized for purposes other than stated in this Draft Letter of Offer and place it before the Audit Committee. Such disclosures shall be made only until such time that all the proceeds of the Issue have been utilized in full. The statement will be certified by the Statutory Auditors of our Company.

No part of the Issue Proceeds will be paid by our Company as consideration to our Promoters, our Directors, Key Managerial Personnel or Senior Management or companies promoted by the Promoters, except as may be required in the usual course of business.

Key Industry Regulation for the proposed objects of the issue (If different from existing business of issuer)

The object of the issue is to utilize the fund in the existing business activity of our Company. So specific key industry regulations are same as the present industry regulations applicable to our Company.

Interest of Promoter, Promoter Group and Directors, in the objects of the Issue

Our Promoter, Promoter Group and Directors do not have any interest in the objects of the Issue. No part of the Net Proceeds will be paid by our Company as consideration to our Promoter, Promoter Group and Directors of our Company.

To,
The Board of Directors
NHC Foods Limited
419 420 C Wing Atrium 215 Andheri,
Kurla Road Chakala Andheri East,
J.B. Nagar, Mumbai, Mumbai 400059, Maharashtra

Dear Sirs,

Sub: Statement of possible Special tax benefit available to NHC Foods Limited, its shareholders and its material subsidiaries (if any).

Ref: Proposed Right Issue of Equity Shares of NHC Foods Limited.

We report that there are no possible special direct tax benefits available to the Company, its shareholders and its material subsidiaries under the Income-tax Act, 1961, presently in force in India.

This statement is only intended to provide general information to the investors and is neither designed nor intended to be a substitute for professional tax advice. In view of the individual nature of the tax consequences and the changing tax laws, each investor is advised to consult his or her own tax consultant with respect to the specific tax implications arising out of their participation in the Issue.

Neither we are suggesting nor advising the investor to invest money based on this statement. The contents of this statement are based on information, explanations and representations obtained from the Company and on the basis of our understanding of the business activities and operations of the Company.

We hereby give consent to include this statement of tax benefits in the Draft Letter of Offer, the Letter of Offer and in any other material used in connection with the Issue.

No assurance is given that the revenue authorities / courts will concur with the views expressed herein. The views are based on the existing provisions of law and its interpretation, which are subject to change from time to time. We would not assume responsibility to update the view, consequence to such change.

We shall not be liable to Company for any claims, liabilities or expenses relating to this assignment except to the extent of fees relating to this assignment, as finally judicially determined to have resulted primarily from bad faith of intentional misconduct.

Signed in terms of our separate report of even date.

For and on behalf of
M/s. JMMK & Co.
(Earlier known as JMK & Co.)
Chartered Accountants
ICAI Firm Registration No: 120459W

Sd/-

CA Jitendra Doshi
(Partner)
Membership No: 151274
Place: Kolkata
Dated: 05/09/2024
UDIN No: 24151274BKEXKU5369

SECTION VI: ABOUT THE INDUSTRY, COMPANY AND MANAGEMENT

INDUSTRY OVERVIEW

Unless noted otherwise, the information in this section is obtained or extracted from “www.ibef.org” and also extracted from publicly available information, data and statistics and has been derived from various government publications and industry sources. Neither we nor any other person connected with the Issue have independently verified this information. The data may have been re-classified by us for the purposes of presentation. Industry sources and publications generally state that the information contained therein has been obtained from sources generally believed to be reliable, but that their accuracy, completeness and underlying assumptions are not guaranteed and their reliability cannot be assured and, accordingly, investment decisions should not be based on such information. Industry sources and publications are also prepared based on information as of specific dates and may no longer be current or reflect current trends. Industry sources and publications may also base their information on estimates, projections, forecasts and assumptions that may prove to be incorrect. Accordingly, investors must rely on their independent examination of, and should not place undue reliance on, or base their investment decision solely on this information. The recipient should not construe any of the contents in this report as advice relating to business, financial, legal, taxation or investment matters and are advised to consult their own business, financial, legal, taxation, and other advisors concerning the transaction.

INDIAN ECONOMY

INTRODUCTION

Strong economic growth in the first quarter of FY23 helped India overcome the UK to become the fifth-largest economy after it recovered from the COVID-19 pandemic shock. Nominal GDP or GDP at Current Prices in the year 2023-24 is estimated at Rs. 295.36 lakh crores (US\$ 3.54 trillion), against the First Revised Estimates (FRE) of GDP for the year 2022-23 of Rs. 269.50 lakh crores (US\$ 3.23 trillion). The growth in nominal GDP during 2023-24 is estimated at 9.6% as compared to 14.2% in 2022-23. Strong domestic demand for consumption and investment, along with Government’s continued emphasis on capital expenditure are seen as among the key driver of the GDP in the second half of FY24. During the period April-June 2025, India’s exports stood at US\$ 109.11 billion, with Engineering Goods (25.35%), Petroleum Products (18.33%) and electronic goods (7.73%) being the top three exported commodity. Rising employment and increasing private consumption, supported by rising consumer sentiment, will support GDP growth in the coming months.



Future capital spending of the government in the economy is expected to be supported by factors such as tax buoyancy, the streamlined tax system with low rates, a thorough assessment and rationalisation of the tariff structure, and the digitization of tax filing. In the medium run, increased capital spending on infrastructure and asset-building projects is set to increase growth multipliers. The contact-based services sector has demonstrated promise to boost growth by unleashing the pent-up demand. The sector’s success is being captured by a number of HFIs (High-Frequency Indicators) that are performing well, indicating the beginnings of a comeback.

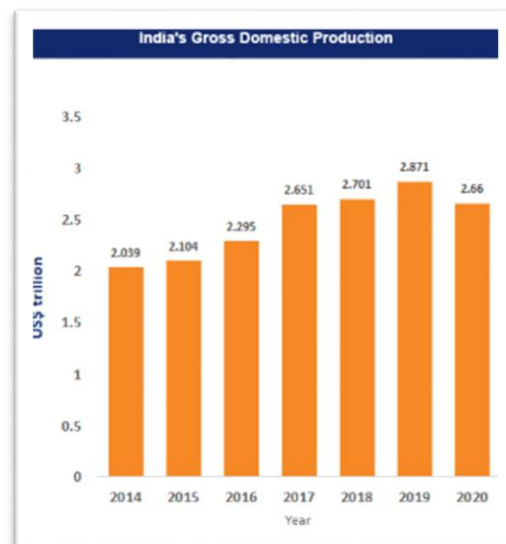
India has emerged as the fastest-growing major economy in the world and is expected to be one of the top three economic powers in the world over the next 10-15 years, backed by its robust democracy and strong partnerships.

India’s appeal as a destination for investments has grown stronger and more sustainable because of the current period of global unpredictability and volatility, and the record amounts of money raised by India-focused funds in 2022 are evidence of investor faith in the “Invest in India” narrative.

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MARKET SIZE

Real GDP or GDP at Constant (2011-12) Prices in the year 2023-24 is estimated at Rs. 173.82 lakh crores (US\$ 2.08 trillion), against the First Revised Estimates (FRE) of GDP for the year 2022-23 of Rs. 160.71 lakh crores (US\$ 1.92 trillion). The growth in real GDP during 2023-24 is estimated at 8.2% as compared to 7.0% in 2022-23. There are 113 unicorn startups in India, with a combined valuation of over US\$ 350 billion. As many as 14 tech startups are expected to list in 2024 Fintech sector poised to generate the largest number of future unicorns in India. With India presently has the third-largest unicorn base in the world. The government is also focusing on renewable sources by achieving 40% of its energy from non-fossil sources by 2030. India is committed to achieving the country's ambition of Net Zero Emissions by 2070 through a five-pronged strategy, 'Panchamrit'. Moreover, India ranked 3rd in the renewable energy country attractive index.



According to the McKinsey Global Institute, India needs to boost its rate of employment growth and create 90 million non-farm jobs between 2023 to 2030 in order to increase productivity and economic growth. The net employment rate needs to grow by 1.5% per annum from 2023 to 2030 to achieve 8-8.5% GDP growth between same time periods. India's current account deficit (CAD) narrowed to 0.7% of GDP in FY24. The CAD stood at US\$ 23.2 billion for the 2023-24 compared to US\$ 67.0 billion or 2.0% of GDP in the preceding year. This was largely due to decrease in merchandise trade deficit.

Exports fared remarkably well during the pandemic and aided recovery when all other growth engines were losing steam in terms of their contribution to GDP. Going forward, the contribution of merchandise exports may waver as several of India's trade partners witness an economic slowdown. According to Minister of Commerce and Industry, Consumer Affairs, Food and Public Distribution and Textiles Mr. Piyush Goyal, Indian exports are expected to reach US\$ 1 trillion by 2030.

RECENT DEVELOPMENTS

India is primarily a domestic demand-driven economy, with consumption and investments contributing to 70% of the economic activity. With an improvement in the economic scenario and the Indian economy recovering from the Covid-19 pandemic shock, several investments and developments have been made across various sectors of the economy. According to World Bank, India must continue to prioritise lowering inequality while also putting growth-oriented policies into place to boost the economy. In view of this, there have been some developments that have taken place in the recent past. Some of them are mentioned below.

- According to HSBC Flash India PMI report, business activity surged in April to its highest level in about 14 years as well as sustained robust demand. The composite index reached 62.2, indicating continuous expansion since August 2021, alongside positive job growth and decreased input inflation, affirming India's status as the fastest-growing major economy.
- As of July 5, 2024, India's foreign exchange reserves stood at US\$ 657.15 billion.
- In May 2024, India saw a total of US\$ 6.9 billion in PE-VC investments.
- Merchandise exports in June 2024 stood at US\$ 35.20 billion, with total merchandise exports of US\$ 109.96 billion during the period of April 2024 to June 2024.
- India was also named as the 48th most innovative country among the top 50 countries, securing 40th position out of 132 economies in the Global Innovation Index 2023. India rose from 81st position in 2015 to 40th position in 2023. India ranks 3rd position in the global number of scientific publications.
- In June 2024, the gross Goods and Services Tax (GST) stood at highest monthly revenue collection at Rs. 1.74 lakh crore (US\$ 20.83 billion) vs Rs. 1.73 lakh crore (US\$ 20.71 billion)
- Between April 2000–March 2024, cumulative FDI equity inflows to India stood at US\$ 97 billion.
- In May 2024, the overall IIP (Index of Industrial Production) stood at 154.2. The Indices of Industrial Production for the mining, manufacturing and electricity sectors stood at 136.5, 149.7 and 229.3, respectively, in May 2024.

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- According to data released by the Ministry of Statistics & Programme Implementation (MoSPI), India's Consumer Price Index (CPI) based retail inflation reached 5.08% (Provisional) for June 2024.
- Foreign Institutional Investors (FII) inflows between April-July (2023-24) were close to Rs. 80,500 crore (US\$ 9.67 billion), while Domestic Institutional Investors (DII) sold Rs. 4,500 crore (US\$ 540.56 million) in the same period. As per depository data, Foreign Portfolio Investors (FPIs) invested (US\$ 13.89 billion) in India during January- (up to 15th July) 2024.
- The wheat procurement during Rabi Marketing Season (RMS) 2024-25 (till May) was estimated to be 266 lakh metric tonnes (LMT) and the rice procured in Kharif Marketing Season (KMS) 2024-25 was 400 LMT.

GOVERNMENT INITIATIVES

Over the years, the Indian government has introduced many initiatives to strengthen the nation's economy. The Indian government has been effective in developing policies and programmes that are not only beneficial for citizens to improve their financial stability but also for the overall growth of the economy. Over recent decades, India's rapid economic growth has led to a substantial increase in its demand for exports. Besides this, a number of the government's flagship programmes, including Make in India, Start-up India, Digital India, the Smart City Mission, and the Atal Mission for Rejuvenation and Urban Transformation, is aimed at creating immense opportunities in India. In this regard, some of the initiatives taken by the government to improve the economic condition of the country are mentioned below:

- In February 2024, the Finance Ministry announced the total expenditure in Interim 2024-25 estimated at Rs. 47,65,768 crore (US\$ 571.64 billion) of which total capital expenditure is Rs. 11,11,111 crore (US\$ 133.27 billion).
- On January 22, 2024, Prime Minister Mr. Narendra Modi announced the 'Pradhan Mantri Suryodaya Yojana'. Under this scheme, 1 crore households will receive rooftop solar installations.
- On September 17, 2023, Prime Minister Mr. Narendra Modi launched the Central Sector Scheme PM-VISHWAKARMA in New Delhi. The new scheme aims to provide recognition and comprehensive support to traditional artisans & craftsmen who work with their hands and basic tools. This initiative is designed to enhance the quality, scale, and reach of their products, as well as to integrate them with MSME value chains.
- On August 6, 2023, Amrit Bharat Station Scheme was launched to transform and revitalize 1309 railway stations across the nation. This scheme envisages development of stations on a continuous basis with a long-term vision.
- On June 28, 2023, the Ministry of Environment, Forests, and Climate Change introduced the 'Draft Carbon Credit Trading Scheme, 2023'.
- From April 1, 2023, Foreign Trade Policy 2023 was unveiled to create an enabling ecosystem to support the philosophy of 'Aatmanirbhar Bharat' and 'Local goes Global'.
- To enhance India's manufacturing capabilities by increasing investment and production in the sector, the government of India has introduced the Production Linked Incentive Scheme (PLI) for Pharmaceuticals.
- Prime Minister's Development Initiative for North-East Region (PM-DevINE) was announced in the Union Budget 2022-23 with a financial outlay of Rs. 1,500 crore (US\$ 182.35 million).
- Prime Minister Mr Narendra Modi has inaugurated a new food security scheme for providing free food grains to Antyodaya Ann Yojna (AAY) & Primary Household (PHH) beneficiaries, called Pradhan Mantri Garib Kalyan Ann Yojana (PMGKAY) from January 1, 2023.
- The Amrit Bharat Station scheme for Indian Railways envisages the development of stations on a continuous basis with a long-term vision, formulated on December 29, 2022, by the Ministry of Railways.
- On October 7, 2022, the Department for Promotion of Industry, and Internal Trade (DPIIT) launched Credit Guarantee Scheme for Start-ups (CGSS) aiming to provide credit guarantees up to a specified limit by start-ups, facilitated by Scheduled Commercial Banks, Non-Banking Financial Companies and Securities and Exchange Board of India (SEBI) registered Alternative Investment Funds (AIFs).
- Telecom Technology Development Fund (TTDF) Scheme was launched in October 2022 by the Universal Service Obligation Fund (USOF), a body under the Department of Telecommunications. The objective is to fund R&D in rural-specific

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communication technology applications and form synergies among academia, start-ups, research institutes, and the industry to build and develop the telecom ecosystem.

- Home & Cooperation Minister Mr. Amit Shah laid the foundation stone and performed Bhoomi Pujan of Tanot Mandir Complex Project under Border Tourism Development Programme in Jaisalmer in September 2022.
- In August 2022, Mr. Narendra Singh Tomar, Minister of Agriculture and Farmers Welfare inaugurated four new facilities at the Central Arid Zone Research Institute (CAZRI), which has been rendering excellent services for more than 60 years under the Indian Council of Agricultural Research (ICAR).
- In August 2022, a Special Food Processing Fund of Rs. 2,000 crore (US\$ 242.72 million) was set up with National Bank for Agriculture and Rural Development (NABARD) to provide affordable credit for investments in setting up Mega Food Parks (MFP) as well as processing units in the MFPs.
- In July 2022, Deendayal Port Authority (DPA) announced plans to develop two Mega Cargo Handling Terminals on a Build-Operate-Transfer (BOT) basis under Public-Private Partnership (PPP) Mode at an estimated cost of Rs. 5,963 crore (US\$ 747.64 million).
- In July 2022, the Union Cabinet chaired by Prime Minister Mr. Narendra Modi, approved the signing of the Memorandum of Understanding (MoU) between India & Maldives. This MoU will provide a platform to tap the benefits of information technology for court digitization and can be a potential growth area for IT companies and start-ups in both countries.
- India and Namibia entered a Memorandum of Understanding (MoU) on wildlife conservation and sustainable biodiversity utilization on July 20, 2022, for establishing the cheetah into the historical range in India.
- In July 2022, the Reserve Bank of India (RBI) approved international trade settlements in Indian rupees (Rs.) to promote the growth of global trade with emphasis on exports from India and to support the increasing interest of the global trading community.
- The Agnipath Scheme aims to develop a young and skilled armed force backed by an advanced warfare technology scheme by providing youth with an opportunity to serve Indian Army for a 4-year period. It is introduced by the Government of India on June 14, 2022.
- In June 2022, Prime Minister Mr. Narendra Modi inaugurated and laid the foundation stone of development projects worth Rs. 21,000 crore (US\$ 2.63 billion) at Gujarat Gaurav Abhiyan at Vadodara.
- Rajnath Singh, Minister of Defence, launched 75 newly developed Artificial Intelligence (AI) products/technologies during the first-ever 'AI in Defence' (AIDef) symposium and exhibition organized by the Ministry of Defence in New Delhi on July 11, 2022.
- In June 2022, Prime Minister Mr. Narendra Modi laid the foundation stone of 1,406 projects worth more than Rs. 80,000 crore (US\$ 10.01 billion) at the ground-breaking ceremony of the UP Investors Summit in Lucknow. The Projects encompass diverse sectors like Agriculture and Allied industries, IT and Electronics, MSME, Manufacturing, Renewable Energy, Pharma, Tourism, Defence & Aerospace, and Handloom & Textiles.
- The Indian Institute of Spices Research (IISR) under the Indian Council for Agricultural Research (ICAR) inked a Memorandum of Understanding (MoU) with Lysterra LLC, a Russia-based company for the commercialization of bio capsule, an encapsulation technology for bio-fertilization on June 30, 2022.
- As of April 2022, India signed 13 Free Trade Agreements (FTAs) with its trading partners including major trade agreements like the India-UAE Comprehensive Partnership Agreement (CEPA) and the India-Australia Economic Cooperation and Trade Agreement (IndAus ECTA).
- 'Mission Shakti' was applicable with effect from April 1, 2022, aimed at strengthening interventions for women's safety, security, and empowerment.
- The Union Budget of 2022-23 was presented on February 1, 2022, by the Minister for Finance & Corporate Affairs, Ms. Nirmala Sitharaman. The budget had four priorities PM GatiShakti, Inclusive Development, Productivity Enhancement and Investment, and Financing of Investments. In the Union Budget 2022-23, effective capital expenditure is expected to increase by 27% at Rs. 10.68 trillion (US\$ 142.93 billion) to boost the economy. This will be 4.1% of the total Gross Domestic Production (GDP).

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- Strengthening of Pharmaceutical Industry (SPI) was launched in March 2022 by the Ministry of Chemicals & Fertilisers to provide credit linked capital and interest subsidy for Technology Upgradation of MSME units in pharmaceutical sector, as well as support of up to Rs. 20 crore (US\$ 2.4 million) each for common facilities including Research centre, testing labs and ETPs (Effluent Treatment Plant) in Pharma Clusters, to enhance the role of MSMEs.
- Under PM GatiShakti Master Plan, the National Highway Network will develop 25,000 km of new highways network, which will be worth Rs. 20,000 crore (US\$ 2.67 billion). In 2022-23. Increased government expenditure is expected to attract private investments, with a production-linked incentive scheme providing excellent opportunities. Consistently proactive, graded, and measured policy support is anticipated to boost the Indian economy.
- In February 2022, The Ministry of Social Justice & Empowerment launched the Scheme for Economic Empowerment of Denotified/Nomadic/SemiNomadic tribal communities (DNTs) (SEED) to provide basic facilities like good quality coaching, and health insurance. livelihoods initiative at a community level and financial assistance for the construction of houses.
- In February 2022, Minister for Finance and Corporate Affairs Ms. Nirmala Sitharaman said that productivity linked incentive (PLI) schemes would be extended to 14 sectors to achieve the mission of Aatmanirbhar Bharat and create 60 lakh jobs with an additional production capacity of Rs. 30 trillion (US\$ 401.49 billion) in the next five years.
- In the Union Budget of 2022-23, the government announced funding for the production-linked incentive (PLI) scheme for domestic solar cells and module manufacturing of Rs. 24,000 crore (US\$ 3.21 billion).
- In the Union Budget of 2022-23, the government announced a production-linked incentive (PLI) scheme for Bulk Drugs which was an investment of Rs. 2,500 crore (US\$ 334.60 million).
- In the Union Budget of 2022, Minister for Finance & Corporate Affairs Ms. Nirmala Sitharaman announced that a scheme for design-led manufacturing in 5G would be launched as part of the PLI scheme.
- In September 2021, Union Cabinet approved major reforms in the telecom sector, which are expected to boost employment, growth, competition, and consumer interests. Key reforms include rationalization of adjusted gross revenue, rationalization of bank guarantees (BGs), and encouragement of spectrum sharing.
- In the Union Budget of 2022-23, the government has allocated Rs. 44,720 crore (US\$ 5.98 billion) to Bharat Sanchar Nigam Limited (BSNL) for capital investments in the 4G spectrum.
- Minister for Finance & Corporate Affairs Ms. Nirmala Sitharaman allocated Rs. 650 crore (US\$ 86.69 million) for the Deep Ocean mission that seeks to explore vast marine living and non-living resources. Department of Space (DoS) has got Rs. 13,700 crore (US\$ 1.83 billion) in 2022-23 for several key space missions like Gaganyaan, Chandrayaan-3, and Aditya L-1 (sun).
- In May 2021, the government approved the production-linked incentive (PLI) scheme for manufacturing advanced chemistry cell (ACC) batteries at an estimated outlay of Rs. 18,100 crore (US\$ 2.44 billion); this move is expected to attract domestic and foreign investments worth Rs. 45,000 crore (US\$ 6.07 billion).
- Minister for Finance & Corporate Affairs Ms. Nirmala Sitharaman announced in the Union Budget of 2022-23 that the Reserve Bank of India (RBI) would issue Digital Rupee using blockchain and other technologies.
- In the Union Budget of 2022-23, Railway got an investment of Rs. 2.38 trillion (US\$ 31.88 billion) and over 400 new high-speed trains were announced. The concept of "One Station, One Product" was also introduced.
- To boost competitiveness, Budget 2022-23 has announced reforming the 16-year-old Special Economic Zone (SEZ) act.
- In June 2021, the RBI (Reserve Bank of India) announced that the investment limit for FPI (foreign portfolio investors) in the State Development Loans (SDLs) and government securities (G-secs) would persist unaffected at 2% and 6%, respectively, in FY22.
- In November 2020, the Government of India announced Rs. 2.65 trillion (US\$ 36 billion) stimulus package to generate job opportunities and provide liquidity support to various sectors such as tourism, aviation, construction, and housing. Also, India's cabinet approved the production-linked incentives (PLI) scheme to provide ~Rs. 2 trillion (US\$ 27 billion) over five years to create jobs and boost production in the country.
- Numerous foreign companies are setting up their facilities in India on account of various Government initiatives like Make in India and Digital India. Prime Minister of India Mr. Narendra Modi launched the Make in India initiative with an aim to

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boost the country's manufacturing sector and increase the purchasing power of the average Indian consumer, which would further drive demand and spur development, thus benefiting investors. The Government of India, under its Make in India initiative, is trying to boost the contribution made by the manufacturing sector with an aim to take it to 25% of the GDP from the current 17%. Besides, the government has also come up with the Digital India initiative, which focuses on three core components: the creation of digital infrastructure, delivering services digitally, and increasing digital literacy.

- On January 29, 2022, the National Asset Reconstruction Company Ltd (NARCL) will acquire bad loans worth up to Rs. 50,000 crore (US\$ 6.69 billion) about 15 accounts by March 31, 2022. India Debt Resolution Co. Ltd (IDRCL) will control the resolution process. This will clean up India's financial system, help fuel liquidity, and boost the Indian economy.
- National Bank for Financing Infrastructure and Development (NaBFID) is a bank that will provide non-recourse infrastructure financing and is expected to support projects from the first quarter of FY23; it is expected to raise Rs. 4 trillion (US\$ 53.58 billion) in the next three years.
- By November 1, 2021, India, and the United Kingdom hope to begin negotiations on a free trade agreement. The proposed FTA between these two countries is likely to unlock business opportunities and generate jobs. Both sides have renewed their commitment to boost trade in a manner that benefits all.
- In August 2021, Prime Minister Mr. Narendra Modi announced an initiative to start a national mission to reach the US\$ 400 billion merchandise export target by FY22.
- In August 2021, Prime Minister Mr. Narendra Modi launched a digital payment solution, e-RUPI, a contactless and cashless instrument for digital payments.
- In April 2021, Dr. Ahmed Abdul Rahman AlBanna, Ambassador of the UAE to India and Founding Patron of IFIICC, stated that trilateral trade between India, the UAE and Israel is expected to reach US\$ 110 billion by 2030.
- India is expected to attract investment of around US\$ 100 billion in developing the oil and gas infrastructure during 2019-23.
- The Government of India is expected to increase public health spending to 2.5% of the GDP by 2025.

ROAD AHEAD

In the second quarter of FY24, the growth momentum of the first quarter was sustained, and high-frequency indicators (HFIs) performed well in July and August of 2023. India's comparatively strong position in the external sector reflects the country's positive outlook for economic growth and rising employment rates. India ranked 5th in foreign direct investment inflows among the developed and developing nations listed for the first quarter of 2022.

India's economic story during the first half of the current financial year highlighted the unwavering support the government gave to its capital expenditure, which, in 2023-24, stood 37.4% higher than the same period last year. In the budget of 2023-24, capital expenditure took lead by steeply increasing the capital expenditure outlay by 37.4 % in BE 2023-24 to Rs.10 lakh crore (US\$ 120.12 billion) over Rs. 7.28 lakh crore (US\$ 87.45 billion) in RE 2022-23. The ratio of revenue expenditure to capital outlay increased by 1.2% in the current year, signalling a clear change in favour of higher-quality spending. Stronger revenue generation because of improved tax compliance, increased profitability of the company, and increasing economic activity also contributed to rising capital spending levels. In February 2024, the Finance Ministry announced the total expenditure in Interim 2024-25 estimated at Rs. 47,65,768 crore (US\$ 571.64 billion) of which total capital expenditure is Rs. 11,11,111 crore (US\$ 133.27 billion).

Since India's resilient growth despite the global pandemic, India's exports climbed at the second-highest rate with a year-over-year (YoY) growth of 8.39% in merchandise exports and a 29.82% growth in service exports till April 2023. With a reduction in port congestion, supply networks are being restored. The CPI-C inflation reduction from June 2022 already reflects the impact. In September 2023 (Provisional), CPI-C inflation was 5.02%, down from 7.01% in June 2022. With a proactive set of administrative actions by the government, flexible monetary policy, and a softening of global commodity prices and supply-chain bottlenecks, inflationary pressures in India look to be on the decline overall.

UNION BUDGET 2024-25

Union Budget 2024–25 builds on the vision set out in the previous budgets and provides a blueprint for steering the economy towards a sustained high-growth trajectory. The Union Minister of Finance and Corporate Affairs Ms. Nirmala Sitharaman presented the Union Budget 2024-25 in the Parliament on July 23, 2024.

Key Highlights:

- Revised target for fiscal deficit estimated at 4.9% of GDP for FY25.
- For 2024-25, the total receipts other than borrowings and the total expenditure are estimated at Rs. 32.07 lakh crore (US\$ 383.93 billion) and Rs. 48.21 lakh crore (US\$ 577.16 billion), respectively.
- The net tax receipts are estimated at Rs. 25.83 lakh crore (US\$ 309.23 billion).
- The standard deduction (under the new tax regime) for salaried employees is proposed to be increased from Rs. 50,000 (US\$ 597) to Rs. 75,000 (US\$ 896), providing relief to about four crore salaried individuals and pensioners.
- The exemption limit for capital gains on certain financial assets is proposed to be increased from Rs. 1 lakh (US\$ 1,194) to Rs. 1.25 lakh (US\$ 1,493) per year.
- Capital gains taxation is proposed to be significantly simplified, with short-term gains on certain financial assets attracting a tax rate of 20% instead of 15%.
- Long-term gains on all financial and non-financial assets, on the other hand, will attract a tax rate of 12.5% instead of 10%.
- The deduction of employer contributions towards NPS (under the new tax regime) is proposed to be increased from 10% to 14% of the employee's salary.
- Securities transaction tax (STT) on Futures and Options (F&O) increased to 0.02% and 0.1%.
- Tax deducted at source (TDS) rate on e-commerce has been reduced to 0.1% from 1.0%.
- The finance minister introduced the prime minister's package of 5 schemes and initiatives to facilitate employment, skilling and other opportunities for 4.1 crore youth over a 5-year period with a central outlay of Rs. 2 lakh crore (US\$ 23.94 billion).
- Allocation of Rs. 11.11 lakh crore (US\$ 133.02 billion) towards infrastructure development, which is 3.4% of GDP.
- Allocation of more than Rs. 3 lakh crore (US\$ 35.92 billion) for schemes benefitting women and girls.
- Scheme for providing internship opportunities in 500 top companies to 1 crore youth in 5 years. Allowance of Rs. 5,000 per month (US\$ 59.75) along with a one-time assistance of Rs. 6,000 (US\$ 71.7) through the CSR funds.
- To make urban housing affordable Rs. 2.2 lakh crore (US\$ 26.34 billion) has been allocated.
- Allocation of Rs. 2.66 lakh crore (US\$ 31.78 billion) for rural development projects.
- For agriculture and allied sectors, Rs. 1.52 lakh crore (US\$ 18.16 billion) approved, with a goal to initiate one crore farmers into natural farming over the next two years.
- Bihar development: Investment in road connectivity projects including Patna-Purnea expressway, Buxar-Bhagalpur highway and an additional two-lane bridge over the Ganga in Buxar for Rs. 26,000 crore (US\$ 3.11 billion) along with a new 2,400 MW power plant at Pirpainti costing Rs. 21,400 crore (US\$ 2.56 billion).
- The government will provide financial support of Rs. 15,000 crore (US\$ 1.80 billion) in the current financial year to Andhra Pradesh through the Andhra Pradesh Reorganization Act.
- Through the Accelerated Irrigation Benefit Programme and other sources, the government will provide financial support for projects with estimated cost of Rs. 11,500 crore (US\$ 1.38 billion).

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- Pradhan Mantri Garib Kalyan Anna Yojana (PMGKAY) extended for five years, benefiting over 80 crore people.
- New assessment model for MSME credit: Public sector banks will internally assess MSMEs for credit and develop a new credit assessment model based on digital footprints, a modern alternative to traditional criteria. This approach will also cater to MSMEs without formal accounting systems.
- Mudra Loans limit extended to Rs. 20 lakh (US\$ 23,896) from Rs. 10 lakh (US\$ 11,948) for those who have availed and repaid previous loans.
- **Budget theme:** The Union Budget 2024–25 is focused on employment, skilling, MSMEs, and the middle class. Prime Minister’s package of 5 schemes and initiatives to facilitate employment, skilling and other opportunities for 4.1 crore youth over a 5-year period with a central outlay of Rs. 2 lakh crore (US\$ 23.94 billion). Provision of Rs. 1.48 lakh crore (US\$ 17.72 billion) for education, employment and skilling.
- **Budget priorities:** In pursuit of ‘Viksit Bharat’ and the strategy set out in the interim budget, this budget includes the following 9 priorities for generating ample opportunities for all:
 - ✓ Productivity and Resilience in Agriculture
 - ✓ Employment & Skilling
 - ✓ Inclusive Human Resource Development and Social Justice
 - ✓ Manufacturing & Services
 - ✓ Urban Development
 - ✓ Energy Security
 - ✓ Infrastructure
 - ✓ Innovation, Research & Development
 - ✓ Next-generation Reforms

Priority 1: Productivity and Resilience in Agriculture

- ✓ **Transforming agriculture research:** The government will undertake a comprehensive review of the agriculture research setup to bring the focus on raising productivity and developing climate-resilient varieties. Funding will be provided in a challenge mode, including to the private sector. Domain experts both from the government and outside will oversee the conduct of such research.
- ✓ **Release of new varieties:** New 109 high-yielding and climate-resilient varieties of 32 field and horticulture crops will be released for cultivation by farmers.
- ✓ **Natural farming:** In the next two years, 1 crore farmers across the country will be initiated into natural farming supported by certification and branding. Implementation will be through scientific institutions and willing gram panchayats. A total of 10,000 need-based bio-input resource centres will be established.
- ✓ **Missions for pulses and oilseeds:** A strategy is being put in place to achieve ‘atmanirbharta’ in oil seeds such as mustard, groundnut, sesame, soybean and sunflower.
- ✓ **Shrimp production & export:** Financing for shrimp farming, processing and export will be facilitated through NABARD.
- ✓ **Vegetable production and supply chains:** Large-scale clusters for vegetable production will be developed closer to major consumption centres. Promotion of farmer-producer organisations, cooperatives and start-ups for vegetable supply chains including for collection, storage and marketing will be encouraged.
- ✓ **Digital public infrastructure (DPI) for agriculture:** The government, along with states, plans to implement DPI in agriculture within 3 years, starting with digital crop surveys in 400 districts this year for kharif. The initiative aims to register the details of 6 crore farmers and their lands and enable the issuance of Jan Samarth based Kisan Credit Cards in 5 states.
- ✓ **Budgetary allocation:** There has been a provision of Rs. 1.52 lakh crore (US\$ 18.20 billion) for the agriculture and allied sector.

Priority 2: Employment & Skilling

- ✓ **Employment Linked Incentive:** The government will introduce three schemes under the Prime Minister's package for 'Employment Linked Incentive' based on EPFO enrolment.
 - Scheme A (First-Timers): One-month salary will be provided to new employees in formal sectors up to Rs. 15,000 (US\$ 179.22) in 3 instalments for those earning up to Rs. 1 lakh per month (US\$ 1,194.82), benefiting 210 lakh youth.
 - Scheme B (Job Creation in manufacturing): Focuses on job creation in manufacturing by incentivising additional employment for first-time employees and their employers, with respect to their EPFO contributions in the first 4 years, benefitting 30 lakh youth.
 - Scheme C (support to employers): Supports employers by reimbursing up to Rs. 3,000 (US\$ 35.84) per month for 2 years towards EPFO contributions for each additional employee within a salary of Rs. 1 lakh (US\$ 1,194.82) per month, aiming to incentivise employment of 50 lakh individuals.
- ✓ **Participation of women in the workforce:** Facilitate a higher participation of women in the workforce by setting up working women hostels in collaboration with the industry and establishing creches, in addition to organising women-specific skilling programmes and promotion of market access for women SHG enterprises.
- ✓ **Skilling programme:** A new scheme under the Prime Minister's package will skill 20 lakh youth over 5 years by upgrading 1,000 Industrial Training Institutes in collaboration with states and the industry. Courses will align with the industry needs by introducing new programmes for emerging skills.
- ✓ **Skilling loans:** The Model Skill Loan Scheme will be revised to facilitate loans up to Rs. 7.5 lakh (US\$ 8,961) with a guarantee from a government promoted fund, helping 25,000 students every year.
- ✓ **Education loans:** Financial support announced for youth ineligible for government schemes, such as loans up to Rs. 10 lakh (US\$ 11,948.21) for higher education in domestic institutions and E-vouchers providing an annual interest subvention of 3% on the loan amount for 1 lakh students yearly.

Priority 3: Inclusive Human Resource Development and Social Justice

- ✓ **Saturation approach:** The government is dedicated to holistic development, focusing on farmers, youth, women and the underprivileged. A saturation approach will be used to cover all eligible individuals through various programmes for education and health to enhance their capabilities. The implementation of schemes supporting economic activities will be intensified.
- ✓ **Purvodaya:** A plan named “Purvodaya” will be developed for the holistic growth of Bihar, Jharkhand, West Bengal, Odisha and Andhra Pradesh in the eastern region. This initiative aims to boost human resources, infrastructure and economic opportunities. It includes support for an industrial node at Gaya along the Amritsar–Kolkata Industrial Corridor, showcasing the “Vikas bhi Virasat bhi” in the growth trajectory. Road projects costing Rs. 26,000 crore (US\$ 3.11 billion) like the Patna–Purnea Expressway will be initiated, along with a new 2,400 MW power plant at Pirpainti costing Rs. 21,400 crore (US\$ 2.56 billion). Additionally, developments in airports, medical colleges and sports infrastructure in Bihar are planned, with increased capital investments and expedited external funding requests from multilateral development banks.
- ✓ **Andhra Pradesh Reorganization Act:** The government is committed to fulfilling the commitments under the Andhra Pradesh Reorganization Act. Special financial support through multilateral development agencies will be facilitated for the state's capital needs, with Rs. 15,000 crore (US\$ 1.80 billion) arranged in the current financial year and additional amounts in the future. Funding for the Polavaram Irrigation Project, crucial for Andhra Pradesh's farmers and national food security, will be ensured for early completion. Industrial development in the Kopparthi and Orvakal nodes will receive funds for essential infrastructure like water, power, railways and roads on key industrial corridors. Additional capital investment will be allocated this year for economic growth, along with grants for the backward regions of Rayalaseema, Prakasam and North Coastal Andhra, as mandated in the Act.
- ✓ **PM Awas Yojana:** Three crore additional houses under the PM Awas Yojana in rural and urban areas in the country have been announced, for which the necessary allocations are being made.
- ✓ **Women-led development:** For promoting women-led development, the budget carries an allocation of more than Rs. 3 lakh crore (US\$ 35.92 billion) for schemes benefitting women and girls, signalling the government's commitment for enhancing women's role in economic development.

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- ✓ **Pradhan Mantri Janjatiya Unnat Gram Abhiyan:** Launch of the Pradhan Mantri Janjatiya Unnat Gram Abhiyan, adopting saturation coverage for tribal families in tribal-majority villages and aspirational districts across 63,000 villages benefitting 5 crore tribal people.
- ✓ **Bank branches in the North-East region:** More than 100 branches of India Post Payment Bank will be set up in the North-East region to expand the banking services.
- ✓ **Budgetary allocation:** This year, there has been a provision of Rs. 2.66 lakh crore (US\$ 31.84 billion) for rural development including rural infrastructure.

Priority 4: Manufacturing & Services

- ✓ **Support for promotion of MSMEs:** Special attention has been given to MSMEs and manufacturing, particularly labour-intensive manufacturing along with formulating a package covering financing, regulatory changes and technology support for MSMEs to help them grow and compete globally. Below are some of the measures specifically designed for MSMEs:
 - **Credit guarantee scheme for MSMEs in the manufacturing sector:** A credit guarantee scheme will be introduced for MSMEs to obtain term loans for machinery and equipment purchase without collateral or third-party guarantee. The scheme will pool credit risks, with a self-financing guarantee fund providing cover up to Rs. 100 crore (US\$ 11.97 million) per applicant, even for larger loan amounts. Borrowers will pay upfront and annual guarantee fees.
 - **New assessment model for MSME credit:** Public sector banks will internally assess MSMEs for credit and develop a new credit assessment model based on digital footprints, a modern alternative to traditional criteria. This approach will also cater to MSMEs without formal accounting systems.
 - **Credit support to MSMEs during stress period:** A new mechanism will support MSMEs in accessing credit during their stress period in the 'special mention account' (SMA) stage. Government-backed guarantees will ensure credit availability to prevent MSMEs from entering the non-performing asset (NPA) stage.
 - **Mudra loans:** The limit of Mudra loans will be enhanced to Rs. 20 lakh (US\$ 23,896) from the current Rs. 10 lakh (US\$ 11,948) for those entrepreneurs who have availed and successfully repaid previous loans under the 'Tarun' category.
 - **Enhanced scope for mandatory onboarding in TReDS:** The turnover threshold for mandatory onboarding on the TReDS platform will be reduced from Rs. 500 crore (US\$ 59.86 million) to Rs. 250 crore (US\$ 29.93 million), adding 22 CPSEs and 7,000 companies. Medium enterprises will also be included as suppliers.
 - **SIDBI branches in MSME clusters:** SIDBI will open new branches to serve all major MSME clusters within 3 years, providing direct credit. By opening 24 branches this year, the service coverage will expand to 168 out of 242 major clusters.
 - **MSME units for food irradiation, quality & safety testing:** Financial support for setting up of 50 multi-product food irradiation units in the MSME sector will be provided. Setting up of 100 food quality and safety testing labs with NABL accreditation will be facilitated.
 - **E-commerce export hubs:** To enable MSMEs and traditional artisans to sell their products in international markets, E-commerce export hubs will be set up in the public private-partnership (PPP) mode.
- **Measures for promotion of manufacturing services:**
 - **Internship in top companies:** A scheme will provide internship opportunities in 500 top companies to 1 crore youth over 5 years. Participants will receive a monthly allowance of Rs. 5,000 and a one-time assistance of Rs. 6,000. Companies will bear the training cost, and 10% of the internship cost can be allocated from their CSR funds.
 - **Industrial parks:** The government will facilitate the development of investment-ready "plug and play" industrial parks with complete infrastructure in or near 100 cities, in partnership with the states and private sector, by better using town planning schemes. A total of 12 industrial parks under the National Industrial Corridor Development Programme will also be sanctioned.
 - **Rental housing:** Rental housing with dormitory-type accommodation for industrial workers will be facilitated in the PPP mode with viability gap funding (VGF) support and commitment from anchor industries.
 - **Shipping industry:** Ownership, leasing and flagging reforms will be implemented to improve the share of the Indian shipping industry and generate more employment.
 - **Critical Mineral Mission:** Setting up of the Critical Mineral Mission for domestic production, recycling of critical minerals and overseas acquisition of critical mineral assets.
 - **Offshore mining of minerals:** The government will launch the auction of the first tranche of offshore blocks for mining, building on the exploration already carried out.
 - **Digital public infrastructure (DPI) applications:** Development of DPI applications at the population scale is proposed to drive productivity and innovation in the services sector. Applications will cover

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credit, e-commerce, education, health, law and justice, logistics, MSME, services delivery and urban governance.

- **Integrated technology platform for IBC eco-system:** An integrated technology platform will be set up for improving the outcomes under the Insolvency and Bankruptcy Code (IBC) for achieving consistency, transparency, timely processing and better oversight for all stakeholders.
- **Voluntary closure of LLPs:** The services of the Centre for Processing Accelerated Corporate Exit (C-PACE) will be extended for the voluntary closure of LLPs to reduce the closure time.
- **National Company Law Tribunals:** The IBC has resolved 1,000+ companies, recovering over Rs. 3.3 lakh crore (US\$ 39.51 billion) for creditors. A total of 28,000 cases involving Rs. 10 lakh crore (US\$ 119.72 billion) have been disposed of. Reforms will be made to speed up insolvency resolution, including establishing additional tribunals to exclusively handle the Companies Act cases.

Priority 5: Urban Development

- ✓ **Urban housing:** PM Awas Yojana Urban 2.0 will address housing needs for 1 crore urban families with an investment of Rs. 10 lakh crore (US\$ 119.72 billion), including Rs. 2.2 lakh crore (US\$ 26.34 billion) central assistance over 5 years. Interest subsidies for affordable loans and improved rental housing market policies will also be implemented.
- ✓ **Transit-oriented development:** Transit-oriented development plans for 14 large cities with a population above 30 lakh will be formulated, along with an implementation and financing strategy.
- ✓ **Stamp duty:** States charging a high stamp duty will be encouraged to lower rates for all and consider further reductions for properties bought by women. This reform will be integrated as a key element of urban development schemes.
- ✓ **Cities as Growth Hubs:** Collaborating with states, the government will promote the development of 'Cities as Growth Hubs' by focusing on economic and transit planning, as well as the organised development of peri-urban areas using town-planning schemes.
- ✓ **Water supply and sanitation:** In collaboration with state governments and multilateral development banks, the government will support water supply, sewage treatment and solid waste management projects for 100 large cities through bankable projects. These initiatives will include the use of treated water for irrigation and filling tanks in nearby areas.
- ✓ **Street markets:** Expanding on the success of the PM SVANidhi Scheme for street vendors, the Government plans to establish 100 weekly 'haats' or street food hubs annually in select cities over the next five years.

Priority 6: Energy Security

- ✓ **Energy transition:** The government will release a policy document outlining energy transition pathways to ensure sustainable economic growth, energy security and environmental sustainability.
- ✓ **PM Surya Ghar Muft Bijli Yojana:** The PM Surya Ghar Muft Bijli Yojana aims to provide free electricity up to 300 units per month through rooftop solar plants to 1 crore households. With over 1.28 crore registrations and 14 lakh applications, the scheme has received significant interest and will be further promoted.
- ✓ **Pumped storage policy:** A policy for promoting pumped storage projects will be brought out for electricity storage and facilitating smooth integration of the growing share of renewable energy with its variable & intermittent nature in the overall energy mix.
- ✓ **Research and development of small and modular nuclear reactors:** The government will collaborate with the private sector to establish Bharat Small Reactors, conduct research on Bharat Small Modular Reactors and develop new technologies for nuclear energy. R&D funding allocated in the interim budget will support these initiatives.
- ✓ **Advanced ultra super critical (AUSC) thermal power plants:** The development of an indigenous technology for AUSC thermal power plants with a much higher efficiency has been completed. A joint venture between NTPC and BHEL will set up a full-scale 800 MW commercial plant using the AUSC technology.
- ✓ **Support to traditional micro and small industries:** An investment-grade energy audit of traditional micro and small industries in 60 clusters, including brass and ceramic, will be facilitated. The scheme will be replicated in another 100 clusters in the next phase.

Priority 7: Infrastructure

- ✓ **Infrastructure investment by central government:** The government has allocated Rs. 11,11,111 crore (US\$ 133.02 billion) for capital expenditure, which is 3.4% of the country's GDP.
- ✓ **Infrastructure investment by state governments:** A provision of Rs. 1.5 lakh crore (US\$ 17.96 billion) for long-term interest free loans has been made this year to support the states in their resource allocation.
- ✓ **Private investment in infrastructure:** Investment in infrastructure by the private sector will be promoted through VGF and enabling policies and regulations.
- ✓ **Pradhan Mantri Gram Sadak Yojana (PMGSY):** Phase IV of PMGSY will be launched to provide all-weather connectivity to 25,000 rural habitations that have become eligible in view of their population increase.
- ✓ **Irrigation and flood mitigation:** The government, through the Accelerated Irrigation Benefit Programme and other sources, will provide financial support for projects with estimated cost of Rs. 11,500 crore (US\$ 1.38 billion) such as the Kosi–Mechi intra-state link and 20 other ongoing and new schemes including barrages, river pollution abatement and irrigation projects. There will be assistance to Assam for flood management and related projects. The government will aid Himachal Pradesh for reconstruction and rehabilitation through multilateral development assistance. There will be additional assistance provided to the states of Uttarakhand and Sikkim due to the massive landslides, floods and cloud bursts experienced by them last year.
- ✓ **Tourism:** Tourism has been an integral part of the country's civilisation. Following are some of the measures that will be taken to boost tourism.
 - The Vishnupad Temple Corridor and Mahabodhi Temple Corridor will be supported and modelled on the successful example of the Kashi Vishwanath Temple Corridor to transform them into world class pilgrim and tourist destinations.
 - Rajgir holds immense religious significance for Hindus, Buddhists and Jains. A comprehensive development initiative for Rajgir will be undertaken.
 - Support the development of Nalanda as a tourist centre besides reviving Nalanda University to its glorious stature.
 - Aid the development of Odisha's tourism spots.

Priority 8: Innovation, Research & Development

- ✓ The government will operationalise the Anusandhan National Research Fund for basic research and prototype development. Further, it will set up a mechanism for spurring private sector-driven research and innovation at commercial scale with a financing pool of Rs. 1 lakh crore (US\$ 11.97 billion) in line with the announcement in the interim budget.
- ✓ **Space economy:** With the government's continued emphasis on expanding the space economy by 5 times in the next 10 years, a venture capital fund of Rs. 1,000 crore (US\$ 119.72 million) will be set up.

Priority 9: Next Generation Reforms

- ✓ **Economic policy framework:** The government will initiate and incentivise reforms for (1) improving productivity of factors of production, and (2) facilitating markets and sectors to become more efficient. For promoting competitive federalism and incentivising states for faster implementation of reforms, the government proposes to earmark a significant part of the 50-year interest-free loan. Working with the states, the government will initiate the following reforms.
- ✓ **Land-related reforms by state governments:** Land-related reforms and actions, both in rural and urban areas, will cover (1) land administration, planning and management, and (2) urban planning, usage and building bylaws and will be incentivised for completion within the next 3 years.
 - **Rural-land-related actions:** This will include:
 - assignment of Unique Land Parcel Identification Number (ULPIN) or Bhu-Aadhaar for all lands;

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- digitalisation of cadastral maps;
 - survey of map sub-divisions as per current ownership;
 - establishment of land registry;
 - linking to the farmers registry.
- **Urban-land-related actions:** Land records in urban areas will be digitalised with GIS mapping. Further, an IT-based system for property record administration, updating, and tax administration will be established.

✓ Labour-related reforms

- **Services to labour:** A comprehensive integration of the e-Shram portal with other portals will facilitate such one-stop solution. Open architecture databases for the rapidly changing labour market, skill requirements and available job roles, and a mechanism to connect job-aspirants with potential employers and skill providers will be covered in these services.
- **Shram Suvidha & Samadhan portals:** Shram Suvidha and Samadhan portals will be revamped to enhance ease of compliance for industry and trade.

✓ Capital and entrepreneurship related reforms

- **Financial sector vision and strategy:** To meet the financing needs of the economy, the government will bring out a financial sector vision and strategy document to prepare the sector in terms of size, capacity and skills and set the agenda for the next 5 years.
- **Taxonomy for climate finance:** The government will develop a taxonomy for climate finance to enhance the availability of capital for climate change adaptation and mitigation.
- **Variable capital company structure:** The government will seek the required legislative approval for providing an efficient and flexible mode for financing leasing of aircraft and ships, and pooled funds of private equity through a 'variable company structure'.
- **Foreign direct investment and overseas investment:** The rules and regulations for foreign direct investment and overseas investments will be simplified to (1) facilitate foreign direct investments, (2) nudge prioritisation and (3) promote opportunities to use the Indian Rupee as a currency for overseas investments.
- **NPS Vatsalya:** NPS Vatsalya, a plan for contribution by parents and guardians for minors will be started. Upon attaining the age of majority, the plan will be converted into a normal NPS account.
- **Use of technology:** Public investment in digital infrastructure and innovations by the private sector have helped in improving access of all citizens, particularly the common people, to market resources, education, health and services.
- **Ease of doing business:** For enhancing 'Ease of Doing Business', the government is already working on the Jan Vishwas Bill 2.0.
- **Data and statistics:** For improving data governance, collection, processing and management of data and statistics, different sectoral data bases, including those established under the Digital India mission, will be utilised with active use of technology tools.
- **New Pension Scheme (NPS):** The committee formed to review NPS has made considerable progress in its work as the Staff Side of the National Council of the Joint Consultative Machinery for Central Government Employees has taken a constructive approach.

✓ Budget Estimates 2024-25

- For 2024-25, the total receipts other than borrowings and the total expenditure are estimated at Rs. 32.07 lakh crore (US\$ 383.93 billion) and Rs. 48.21 lakh crore (US\$ 577.16 billion), respectively.
- The net tax receipts are estimated at Rs. 25.83 lakh crore (US\$ 309.23 billion).

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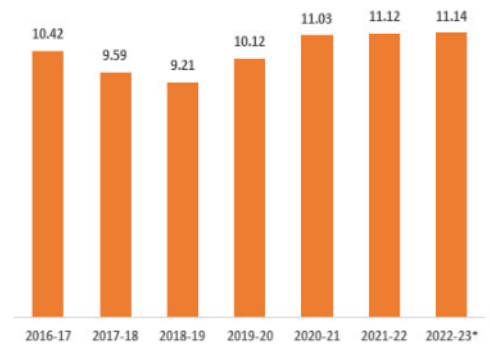
- The fiscal deficit is estimated at 4.9% of GDP.
- The gross and net market borrowings through dated securities during 2024-25 are estimated at Rs. 14.01 lakh crore (US\$ 167.72 billion) and Rs. 11.63 lakh crore (US\$ 139.23 billion), respectively; both will be less than that in 2023-24.
- The fiscal consolidation path announced by the Union Minister of Finance and Corporate Affairs, Ms. Nirmala Sitharaman, in 2021 has served the economy very well, as the economy aims to reach a deficit below 4.5% next year, while the government is committed to staying the course.
- From 2026-27 onwards, the government's endeavour will be to target a fiscal deficit each year such that the central government debt as percentage of GDP will be on a declining path.

INDIAN SPICE INDUSTRY

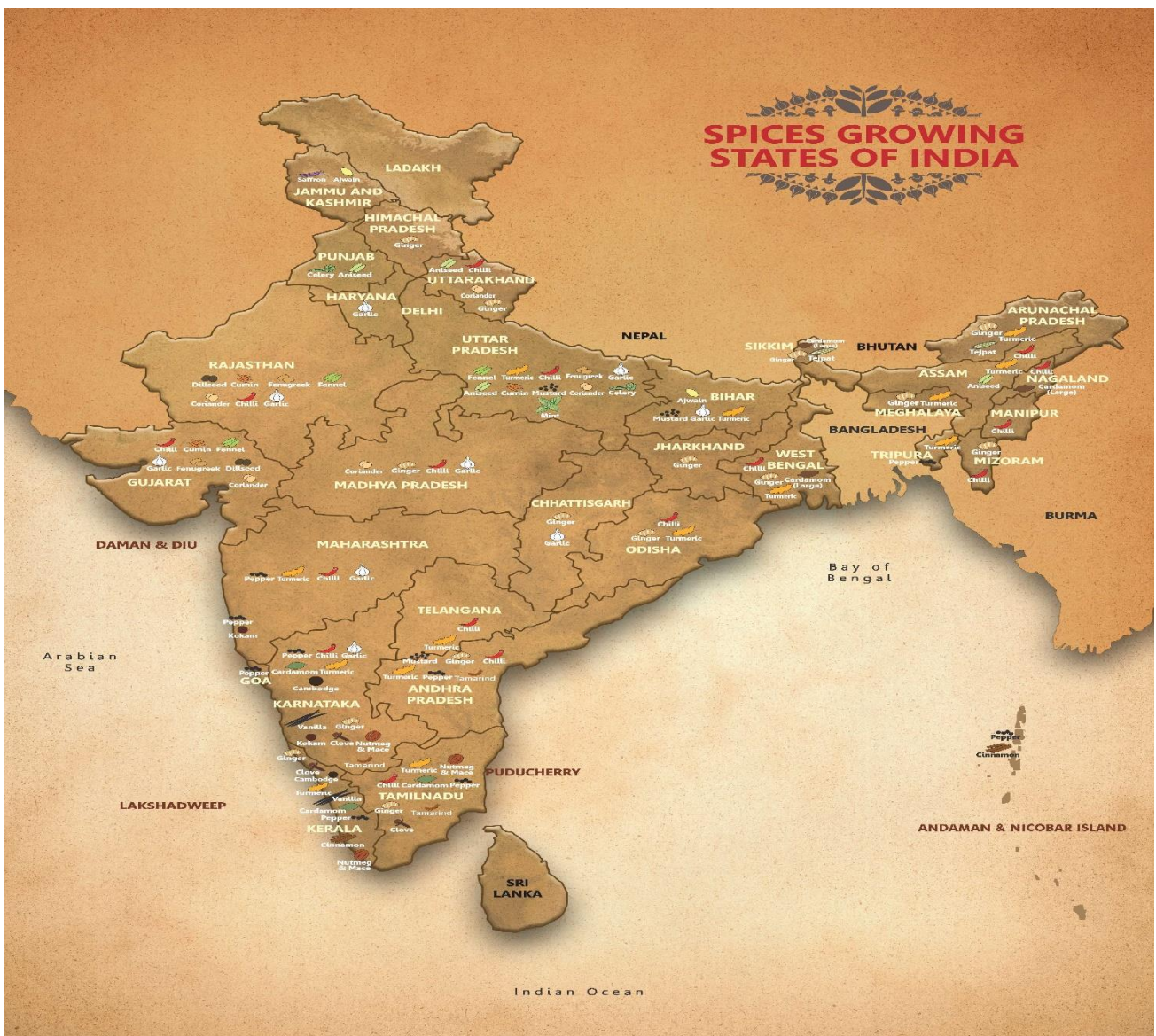
India is the world's largest spice producer. It is also the largest consumer and exporter of spices. The production of different spices has been growing rapidly over the last few years. Production in 2022-23 stood at 11.14 million tonnes compared to 11.12 million tonnes in 2021-22. During 2022-23, the export of spices from India stood at US\$ 3.73 billion from US\$ 3.46 billion in 2021-22. During 2021-22, the single largest spice exported from India was chilli followed by spice oils and oleoresins, mint products, cumin, and turmeric.

India produces about 75 of the 109 varieties which are listed by the International Organization for Standardization (ISO). The most produced and exported spices are pepper, cardamom, chilli, ginger, turmeric, coriander, cumin, celery, fennel, fenugreek, garlic, nutmeg & mace, curry powder, spice oils and oleoresins. Out of these spices, chilli, cumin, turmeric, ginger and coriander makeup about 76% of the total production. The largest spices-producing states in India are Madhya Pradesh, Rajasthan, Gujarat, Andhra Pradesh, Telangana, Karnataka, Maharashtra, Assam, Orissa, Uttar Pradesh, West Bengal, Tamil Nadu and Kerala.

India spice production (million tonnes)



Source: DGCI & S, Spices Board of India, *Advance Estimate



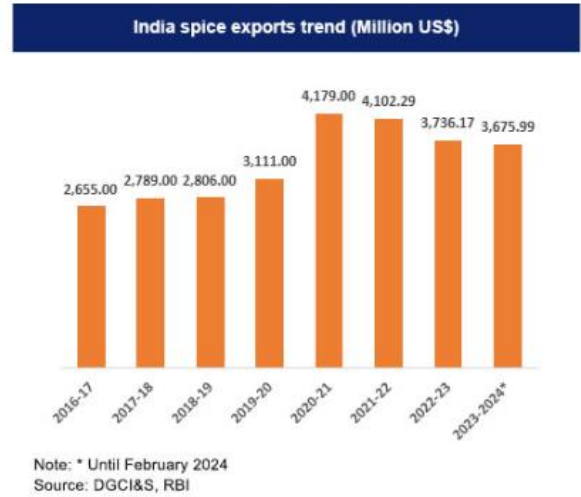
Source: https://www.indianspices.com/sites/default/files/INDIA_SPICE_MAP.jpg

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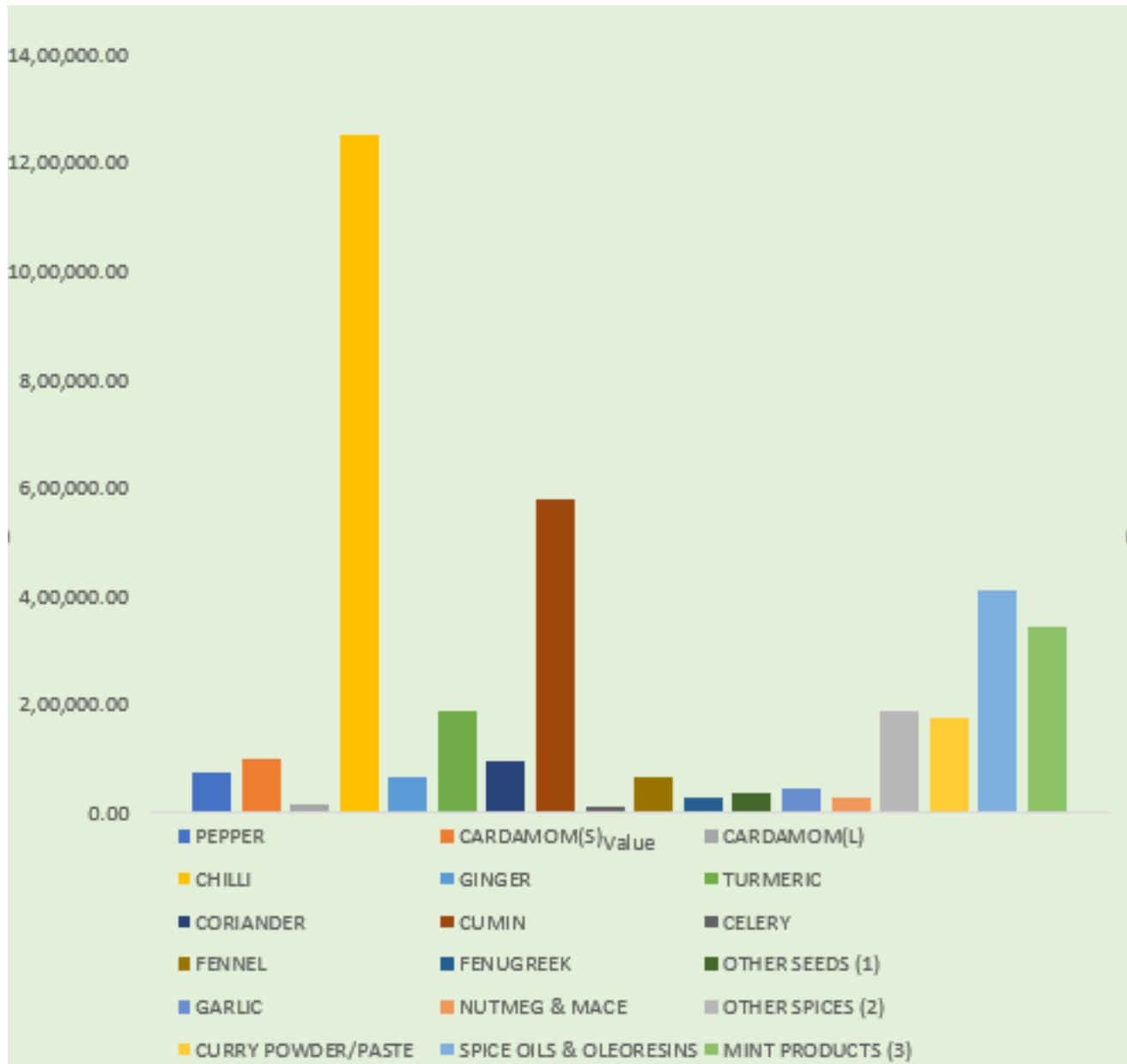
EXPORTS TREND

India is the largest exporter of spice and spice items. During 2023-24 (until February 2024), the country exported spices worth US\$ 3.67 billion. For FY23, the country exported spices worth US\$ 3.73 billion. In July 2023, the exports of spices from India increased to US\$ 298.77 million from US\$ 293.84 million in June 2023. From 2016-17 to 2022-23, the total exported quantity from India grew at a CAGR of 5.85%. For FY23, total volumes of chilli, cumin, turmeric, and ginger exports were 0.51, 0.18, 0.17 and 0.05 million tonnes.

During 2022-23, the export of turmeric, coriander, garlic, curry powder, other spices such as asafoetida, tamarind, etc., expanded both in value and volume as compared to 2021-22.



ITEM-WISE EXPORT OF SPICES FROM INDIA FOR THE FINANCIAL YEAR 2023-24



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MAJOR EXPORT DESTINATIONS

India exported spices and spice products to 159 destinations worldwide as of 2023-24 (until February 2024). The top destinations among them were China, the USA, Bangladesh, the UAE, Thailand, Malaysia, Indonesia, the UK, and Sri Lanka. These nine destinations comprised more than 70% of the total export earnings in 2023-24 (until February 2024).

China imported spice valued at US\$ 725.76 million from India, while the USA imported spices worth US\$ 515.91 million. Bangladesh imported spices amounting to US\$ 296.55 million. Additionally, the UAE imported spices worth US\$ 214.76 million from India during 2023-24 (up to February 2024).

Chilli was the most exported spice from India. During 2022-23, China imported US\$ 409.44 million in chilli. During the same period, the USA imported US\$ 96.38 million in chilli.

The main products imported by the USA are celery, cumin, curry powder, fennel, fenugreek, garlic, chilli, and mint products.

GOVERNMENT INITIATIVES

Export Development and Promotion of Spices

This initiative by the Spices Board of India aims to support the exporter to adopt high-tech processing technologies and upgrade the existing level of technology for the development of industry and to meet the changing food safety standards of the importing countries. The initiative provides benefits of infrastructure development, promoting Indian spice brands abroad, setting up infrastructure in the major spice growing centres, promoting organic spices and special programmes for north-eastern entrepreneurs.

Setting up and maintenance of infrastructure for common processing (Spices Parks)

Spices Board has launched eight crop-specific Spices Parks in key production/market centres intending to facilitate the farmers to get an improved price realization and wider reach for their produce. The purpose of the park is to have an integrated operation for cultivation, post-harvesting, processing, value-addition, packaging and storage of spices and spice products. The common processing facilities for cleaning, grading, packing, and steam sterilization will help the farmers to enhance the quality of the produce, resulting in better price realization.

Spice Complex Sikkim

Spices Board submitted a project proposal to the state's cell for setting up a Spice Complex in Sikkim seeking financial assistance for facilitating and demonstrating common processing and value addition in spices to help farmers and other stakeholders in the state.

Some of the information contained in the following discussion, including information with respect to our plans and strategies, contain forward-looking statements that involve risks and uncertainties. You should read the section “Forward-Looking Statements” for a discussion of the risks and uncertainties related to those statements and also the section “Risk Factors” for a discussion of certain factors that may affect our business, financial condition or results of operations. Our actual results may differ materially from those expressed in or implied by these forward-looking statements. Our fiscal year ends on March 31 of each year, so all references to a particular fiscal are to the Twelve-month period ended March 31 of that year.

You should carefully consider all the information in this Draft Letter of Offer, including, “Risk Factors”, “Industry Overview”, “Financial Statements” and “Management’s Discussion and Analysis of Financial Condition and Results of Operations” beginning on pages 19, 44, 54 and 100 respectively, before making an investment in the Equity Shares. In this section, any reference to the “Company” “we”, “us” or “our” refers to NHC Foods Limited.

BRIEF OVERVIEW

Our Company was incorporated in the name of “**Midpoint Software & Electro Systems Limited**” on August 04, 1992, in Mumbai, Maharashtra, as a Public Limited Company under the Companies Act, 1956, pursuant to a certificate of incorporation issued by the Registrar of Companies – Mumbai, Maharashtra. A certificate of commencement of business was granted to our Company on August 12, 1992 by Registrar of Companies – Mumbai, Maharashtra. Pursuant to the scheme of amalgamation under Section 391-394 and other relevant provisions of the Companies Act, 1956, NHC Industries Private Limited has been merged with our Company with effect from September 07, 2010. Subsequently, the name of our Company was changed to NHC Foods Limited pursuant to a certificate of incorporation dated October 15, 2010 issued by the Registrar of Companies – Mumbai, Maharashtra.

Pursuant to the name change, the object clause was altered by shareholders by passing Special Resolution at their General Meeting held on November 11, 2010 and confirmed by Registrar of Companies, Mumbai vide its certificate dated December 08, 2010. The Registered Office of the Company shifted from the state of Maharashtra to the State of Gujarat vide Special Resolution passed by the Equity Shareholders of the Company through Postal Ballot on September 21, 2012 and confirmed by an order of Regional Director, Western Region, Mumbai, Maharashtra vide its order dated July 09, 2013.

The equity shares of our Company are listed on BSE Limited bearing **Scrip Code ‘517554’**, and **ISIN ‘INE141C01036’**.

Founded in 1992 under the visionary leadership of Mr. Apoorva Himatlal Shah, our company has established itself as a prominent exporter of spices and agricultural commodities. With a focus on quality and sustainability, we have positioned ourselves as a fast-growing entity in the spice and agro-commodities sector. Our commitment to excellence begins with the careful selection of raw materials from diverse regions across the country.

Our Company, NHC Foods Limited is primarily engaged in the business of Trading of diverse array of food products including Spices, Food Grains, Oil Seeds, Pulses, dry fruits and other agro-commodities. Our company is recognized for its commitment to supplying bulk quantities of these carefully selected products to our esteemed customers, catering to their diverse needs in both domestic and international markets. With a robust export network, NHC Foods Limited proudly serves clients in more than 30 countries around the globe, establishing us as a key player in the international food trade industry. Our export sales accounts for 82.88% and 83.74% of total revenue from operations for the period ended March 31, 2024 and March 31, 2023 respectively.

Our company is a government recognised Export house and accorded as ‘Three Star Export House’ by Director General Foreign Trade, Government of India in the year 2023 in accordance with the provisions of the Foreign Trade Policy, 2023. Our company has also obtained Registration of Self Sealing Permission for export of goods in container. Our company is also awarded ‘Certificate of Merit’ for meritorious performance in the export of spices and spice products during the year 2013-14. These accolades are a testament to our unwavering dedication to excellence and our ability to consistently deliver high-quality products to customers worldwide.

Since incorporation, NHC Foods Limited continues to innovate and expand its product offerings. Our integrated business model, combined with a focus on quality and sustainability, has enabled us to remain progressing in the industry. We are proud to serve our customers with products that carry the essence of freshness and the goodness of nature, and we remain committed to maintaining our position as a prominent supplier in the global market for spices and agricultural commodities.

Our company has obtained various certifications i.e. ISO 22000:2005, Good Manufacturing Practice (GMP), Hazard Analysis Critical Control Point (HACCP), Good Hygiene Practice (GHP), Spice Board of India, U.S. Food & Drug Administration (FDA), Agricultural and Processed Food Products Export Development Authority (APEDA), Global G.A.P., HALAL, Star-K Kosher Certification, Department of Health & Human Services, USA etc. Owing to over 3 decades of experience in the agro commodity

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business, NHC Foods Limited has an established track record of operations and longstanding relationships with its customers. The Company's promoters have rich experience of three decades in this industry.

Our unique business model has enabled us to penetrate a niche segment of the market and build a robust customer base across India and abroad. We offer a diverse range of products that consistently meet their expectations. We started our business operations by establishing a production facility at Survey No. 777, Umarsadi Desaiwad Road, at Village Umarsadi, Taluka Pardi, Valsad, Killa Pardi, Gujarat, India, 396175. This facility marked the beginning of our journey in manufacturing turmeric powder (haldi), chili powder (mirchi), and coriander powder (dhaniya). Over the years, we have evolved and expanded our product offerings, delighting customers with an array of spice powders, including cumin, onion, curry, ginger, nutmeg, garlic, and mustard seeds powders. Our products are marketed under the brands "NHC SAAZ Sa Re Kha Na" "Indi Bite Eat the Best," and "Eat'mor Eat again & again" reflecting our commitment to quality and innovation.

Beyond domestic success, our company has emerged as a prominent exporter of agricultural commodities. We have built an unparalleled reputation for excellence, dependability, and superior quality in the international trade of various products such as whole and ground spices, oil seeds, grains, rice and pulses etc. Our extensive reach spans over 30 countries underscores our commitment to serving a diverse clientele and meeting the demands of international markets.

The main objects of our Company as set forth in the Memorandum of Association of our Company are as follows:

1. To design, develop, manufacture, purchase, sell or otherwise import, export and generally deal in any electronic, electrical, and electro systems including software procedures, peripheral products, Computers, data processing machines and systems and components thereof, electric and electromechanical accounting systems, machines for registering data preparation, recording, perforating, tabulating, sorting, printing, typewriting products, facilities, accessories and devices of all kinds in India and Abroad.
2. To carry on business in India or globally as Exporters of all kinds of products such as Indian Masalas, Ready Mixes, Processed Foods, Snacks, Pellets, Namkins, Ready to Eat food, Semi-Processed Foods, Frozen Foods, Cereals and Breakfast Foods, Curry's, Jams, Sauces, Soups, Bakery and Confectionery Products, Chocolate based Products, Spreads, Noodles, Pasta, Sweets, Canned or Retort Food Products, Organic Food Products, specialty Foods, Herb Based Nutritional Foods, vegetable and fruit chips, Food ingredients, Food concentrates, Food Colors and Flavours, Dehydrated and Freeze Dried Foods, Milk and Milk Products, Fruit Drinks, Energy Drinks, Dry Fruits, Nuts, Pickles, Papads, Edible Food Products, Soya Products, Herbal Products, Seasonings and all type of Food and Agricultural Produces or Products, Whole Spices, Spice Powders, Pulses, Oilseeds of all kinds, Edible Oils, Essentials Oils, Perfumeries, Tea Coffee, Sugar, Cereals, Gains, Coarse Grains, Minor Forest Products, Soya bean Meal, Rape Seeds Meal, Tobacco and Tobacco Products, Betel nuts, Whole & Split, all kinds of Foodstuffs, Engineering Goods, Chemicals Pharmaceutical and Cosmetic Products, Agarbatties and so on and so forth and to carry on business in India or globally as manufacturers, importers, Traders, Dealers, Producers, Processors, Packers, Resellers, Collaborators, Contract Manufacturers, Private label manufacturers, Consultants, Franchisee Agents, Franchisers and Contractors, Brokers, Buying Selling Agents, Factors, Distributors, Stockiest in all kinds of Products and Articles of Merchandise and to Undertake, carry on or acquire Agencies of all kinds and for all products and Articles of Merchandise, Commodities and to act as Manufacturers Representatives and to set up import and export Houses for all types of Products required or ordered by customers.

OUR COMPETITIVE STRENGTHS

1. **Unique and sustainable business model:** Our Company is involved in business of spices and other agricultural commodities. We source our products from domestic market and sell our products directly to our customers. Our business operates exclusively on a Business-to-Business ("B2B") model, where our primary focus is on delivering high-quality products directly to customers. This approach allows us to build strong relationships with businesses that value reliability and consistency in their supply chains.

2. **Consistent focus on quality:** We believe that quality is a pre-requisite for a positive consumer experience and long-term brand loyalty. This idea has formed the foundation of the expansion and diversification of our product portfolio since our inception. Our company has obtained certification i.e. ISO 22000:2005, Good Manufacturing Practice (GMP), Hazard Analysis Critical Control Point (HACCP), Good Hygiene Practice (GHP), Spice Board of India, U.S. Food & Drug Administration (FDA), Agricultural and Processed Food Products Export Development Authority (APEDA), Global G.A.P., HALAL, Star-K Kosher Certification, Department of Health & Human Services, USA etc. along with along with FSSAI license under Food Safety and Standards Act 2006. The products are reviewed by our internal team to ensure compliance with quality and safety requirements. Our commitment to stringent quality control has been critical to our success and has contributed to customers associating our brand with trust and transparency. We have long term relations with our suppliers which help us to procure quality raw materials at competitive rates.
3. **Long Standing Relationship with our customers:** We have been in the business of spices since the last three decades and have successfully developed and supplied quality products to our customers. We believe that our product development capabilities and has allowed us to develop a long-standing relationship with our customers. Our past experience in the supply of our products, ability to meet specific taste requirements of our customers, reputation for quality of our products and the price competitiveness of our offerings has enabled us to establish and maintain relationships with our customers. Our sales & marketing network is aided by our in-house sales and marketing team, which liaise with our customers on a regular basis for customer inputs, market demands as well as positioning of our products vis-à-vis products of our competitors. We believe that our existing relationship with our customers represents a competitive advantage in gaining new customers and increasing our business.
4. **Diversified Product Portfolio:** We believe that our understanding of the consumer's culinary taste complements our product development capabilities, which has allowed us to develop a comprehensive portfolio of a variety of spices and other agricultural products. Over the years our brand has witnessed its survival with continued innovation and introduction of new products, including launching of innovative flavors targeted at addressing consumer taste, market trends and providing superior quality products to consumers. Our diversified product portfolio enables us to cater to a wide range of taste preferences and consumer segments. Our ability to continuously upgrade our product range to address shift in customer preferences, just in time inventory availability and changes in demand has helped us to maintain the diversified product portfolio.
5. **Strong and stable management team with proven ability:** We believe that our management team has a long-term vision and has proven its ability to achieve long-term growth of the Company. Our Promoters have prolonged experience in agri industry. We believe that the strength of our management team and their understanding of the industry will enable us to continue to take advantage of current and future market opportunities.
6. **Branding and Packaging:** The company has developed various brands such as "NHC SAAZ Sa Re Kha Na", "Indi Bite Eat the Best", and "Eat'mor Eat again & again". They also focus on attractive and practical packaging to enhance product appeal and safety.

OUR BUSINESS STRATEGIES

1. **Expand our market presence and increase our market reach:** Presently most of our sales is derived from the exports. We also sell marginally to some parts of India. We continually seek to enhance our addressable market through our network. We gradually intend to expand our business operations to other parts of India and abroad. We plan to continue our strategy of diversifying and expanding our presence for the growth of our business. Through further diversification of our operations geographically, we hope to hedge against risks of operations in only specific areas and protection from fluctuations resulting from business concentration in limited geographical areas.
2. **Continue to strengthen our existing product portfolio and diversify into products:** We have consistently focused on expanding and optimizing our product range to offer a wide range of food options. Several decades ago, people used to grind their spices manually at home, make their own blends for use in their cooking but the changing lifestyles and working styles urbanization has led to growth in the organized retail sector; this in turn has led to change in consumer buying behavior. Rising urbanization leads to increase in overall retail spending which would directly benefit the spices and other agricultural products market as the highest share of people's expenditure is on food. We seek to develop new products to cater to the evolving requirements of a large customer base and cover newer customer segments. We propose to expand our presence in existing product categories by increasing the emphasis on processing and packaging a greater proportion of these products under our brand name, thereby reducing our reliance on traded products.

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3. **Improving operational efficiencies:** Our Company aims to enhance efficiencies to achieve cost savings and maintain competitiveness. We believe this can be accomplished through expanding our domestic presence and leveraging economies of scale. By deepening our reach in current regions with a new product range, we can enter new areas within these regions and better utilize our infrastructure. These actions will enable our company to boost market share and profitability.
4. **Value proposition for consumers:** Our growth strategy centers on expanding the number of client relationships, as we believe that a larger client base will bring stability to our business. Over the years, our brand equity has strengthened, thanks to product innovation, cost-efficient production and distribution, and delivering superior value through our diverse product range. We believe that offering higher grammage and strong value to price-conscious middle-class Indian consumers—who represent a significant portion of the market—has played a key role in our brand's growth and market share, particularly in urban, semi-urban, and rural areas across India. We aim to build on our existing relationships while also focusing on adding more clients to our portfolio. Our Company believes that successful business is built on strong relationships, and that long-term relationships with major clients yield significant returns. These lasting connections are founded on trust and consistently meeting customer needs.
5. **Focus on consistently meeting quality standards:** Our Company intends to focus on adhering to the quality standards of the products. Quality of the product is very important for the company from both customer and end user point of view. Continuous quality review of products and timely corrective measures in case of quality diversion are keys for maintaining quality standards of the products. Providing the desired and good quality products help us in enhancing customer trust and maintaining long term relationships with them.
6. **Maintaining cordial relationship with our Suppliers, Customer and employees:** We believe in maintaining good relationship with our suppliers, customers and employees which are the most important factor to keep our Company growing. Our dedicated and focused approach and efficient and timely delivery of products has helped us build strong relationships with our existing customers over the number of years. Further, we believe that establishing strong, mutually beneficial long-term relationships with strategic suppliers is a critical step in improving performance across the supply chain, generating greater cost efficiency and enabling the business to grow and develop.
7. **Improving Efficiency:** Our Company intends to improve operating efficiencies to achieve higher operational effectiveness resulting in higher sales, which allowing us to distribute our fixed costs to the number of units sold, hence profit margins increased.
8. **Strengthening our brand:** We plan to invest in developing and strengthening our brand recognition through various brand-building efforts, communication strategies, and promotional activities such as exhibitions, fairs, food events, industry participation, and public and investor relations initiatives. These efforts will help us maintain and expand our global and local presence. We believe that our branding activities will enhance brand recall and trust among our customers, ultimately driving increased demand for our products.

Recently, the company participated in major international exhibitions, including **Gulfood**, the largest food exhibition in Dubai, and Anuga, one of the world's largest food and beverage industry trade event. Exhibitions are an excellent opportunity for companies to showcase their products or services and connect with potential customers.

9. **Opportunities in Export Market:** Our Company has already got its presence in Countries world-wide like, USA, UK, Canada, Brazil, Singapore, Russia, Romania, China, Malaysia, Vietnam, Taiwan, Iraq, Israel, Jamaica, Turkey, Tunisia, UAE, Egypt, Georgia, South Africa, Morocco, Jordan, Kenya, Kuwait, Lebanon, Oman, Palestine, Croatia, Belarus, Armenia, Estonia etc., 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 and Anuga etc. and also personal visits to overseas clients.

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OUR PRODUCT PORTFOLIO

NHC Foods Limited's product portfolio is both comprehensive and diverse, encompassing a wide range of food items supplied in both domestic and international markets. Our product offerings include, but are not limited to, the following:

Whole Spice				<ul style="list-style-type: none"> ● Chilli with Stem ● Chilli without Stem
		● Turmeric		● Cumin Seeds
		● Black Cumin Seeds		● Fenugreek Seeds
		● Coriander Seeds		● Fennel Seeds
		● Ginger		● Celery Seeds
		● Bay Leaves		● Dill Seeds
		● Green Cardamom		● Big Cardamom
		● Nutmeg		● Black/Yellow Mustard Seeds

Spice Powder



● Chilli Powder



● Turmeric Powder
● Curry Powder
● Dry Ginger Powder



○ Coriander Powder
○ Black Pepper Powder
○ Fenugreek Powder

Oil Seeds



● Natural Sesame Seeds



● Hulled Sesame Seeds



○ Black Sesame Seeds

Grains



● Rice



● Broken Rice



● Wheat



● Yellow Maize



● Millet



● Soya

Raisins



● Golden Raisins



● Malayar Raisins



● Green Raisins



● Black Raisins (Jumbo / Regular)



● Industrial Raisins

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Grains	<ul style="list-style-type: none"> ● Coffee Bean ● Corn Flaxes ● Millets (Green, Yellow) ● Niger Seeds 	<ul style="list-style-type: none"> ● Rice Long Grain ● Soya Wadi Bold ● Sorghum (White, Red, Creamy) 	<ul style="list-style-type: none"> ● Safflower Seeds ● Sago ● Thick Poha ● White Maize
Pulses	<ul style="list-style-type: none"> ● Chick Peas ● Toor Dal ● Moong Dal ● Urad Dal 		 <ul style="list-style-type: none"> ● Roasted Gram (Split - Whole - With Skin)
Dehydrated Products	 <ul style="list-style-type: none"> ● Red / White Onion Flakes ● Red / White Onion Powder 	 <ul style="list-style-type: none"> ● Garlic Flakes ● Galric Powder 	 <ul style="list-style-type: none"> ● Tamarind Slab
Herbs	 <ul style="list-style-type: none"> ● Senna Leaves 	 <ul style="list-style-type: none"> ● Senna Pods 	 <ul style="list-style-type: none"> ● Mixed Herbs
Our Signature Brand	 <p>Exotic Range of Ground & Blended Spices</p>		
	 <p>The secret of tasty food Whole Spices, Cereals & Pulses</p>		

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We have a strong supplier network enabling flexibility and procurement at the most competitive prices. We endeavour to source our products from the regions where such products are widely available or manufactured, to minimise our procurement costs and endeavour to offer quality products at lowest costs. We have a standardised procurement system that enables us to source quality products through the best possible channels available to us. Our team conducts detailed research on an ongoing basis to locate the best product sources available, in relation to both quality and price. Our sustained efforts to improve our strong supplier network have led to a significant advantage in procurement leading to an efficient supply and sale cycle.

SALES AND MARKETING

We are required to consistently focus on branding and promotional activities to enhance our visibility and trust in the Spices and agri-commodity industry. Our marketing initiatives are focused on customer development and maintaining customer relationship. To further create brand visibility, we also participate in exhibitions like we participated in major international exhibitions, including Gulfood, the largest food exhibition in Dubai, and Anuga, one of the world's largest food and beverage industry trade event. The exhibitions and fair give us a platform to exhibit our products. The importance of brand recognition may become greater as our competitors offer products similar to ours. The ability to differentiate our brand and our products from our competitors through our branding, marketing is an important factor in attracting consumers and cementing brand loyalty.

COMPETITION

We operate in an industry with several competitors, and face competition from domestic and international competitors in the markets in which we operate. It is possible that some of our existing and potential competitors may have greater brand recognition in India or globally, longer operating histories, greater financial, research, distribution and technological resources, product development, sales and marketing, more experienced management, access to a cheaper cost of capital and other resources than we do. Some of our competitors may have lower costs, or be able to offer lower prices and a larger variety of products in order to gain market share. If market prices are substantially reduced by our competitors in the respective markets, our business in those markets could be adversely affected. Our competitors may also make acquisitions or establish cooperative or other strategic relationships, among themselves or with third parties, thereby increasing their ability to address the needs of our targeted customers and offering lower cost products and services than we do which may have a negative effect on our sales. Further, new competitors may emerge at any time. Further, some of our competitors may have the ability to devote greater resources to the marketing, advertising and product endorsement. As a result, these competitors may be better equipped to influence consumer preferences or otherwise increase their market share. Increased competition could result in, among other things, a slowdown in the growth of our corporate customers, a loss of our market share, price reductions, reduced demand for our products, reductions in revenues and reduced margins and profitability.

PLANT & MACHINERY

- Grinding Machine
- Roaster cum Blender
- Packaging Machine
- Shrink Wrap & Vacuum

HUMAN RESOURCE

Human resource is an asset to any industry. We believe that our employees are the key to the success of our business and hence we have a structured organization plan to take care of the growth and motivation aspects of our team. Our manpower is a prudent mix of experienced and young personnel which gives us the dual advantage of stability and growth. Our work processes and skilled resources together with our strong management team have enabled us to successfully implement our growth plans. The total strength of manpower as on date of this draft letter of offer is 24 employees including our Directors.

INSURANCE

We have availed various insurance policies i.e. Marine Export Import Insurance Open Policy, Laghu Udyam Suraksha Policy, Sookshma Udyam Suraksha Policy, Burglary Policy, Fidelity Guarantee Policy and Car Policy which we believe is in accordance with industry practices. For further details, please refer to Chapter “Risk factor - *Our insurance coverage may not be adequate to protect us against certain operating hazards and this may have a material adverse effect on our business.*” on page 22 of this Draft Letter of Offer.

INFRASTRUCTURE AND FACILITIES

Registered Office and Processing Unit:

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

Corporate Office:

C WING 419, 420, 215 Atrium,
Andheri Kurla Road,
Near JB Nagar Metro Station,
Andheri East. Mumbai – 400059, India

Warehouse:

D-22/8, TTC Industrial Area,
MIDC, Turbhe,
Navi Mumbai – 400705, India

COLLABORATIONS

We have not entered into any technical or financial or any other collaboration agreement as on the date of filing the Draft Letter of Offer.

NHC FOODS LTD

OUR MANAGEMENT

A) Board of Directors

The present composition of our Board of Directors and its committees are in accordance with the corporate governance requirements provided under the Companies Act, 2013 and SEBI Listing Regulations. As per the Articles of Association, our Company is required to have not less than 3 (Three) directors and not more than 15 (Fifteen) Directors. Our Company currently has 6 (six) directors on its Board. The detailed composition are as follows:

Sl. No.	Name of the Director	DIN	Age	Designation
1	Apoorva Himatlal Shah	00573184	58	Managing Director
2	Manish Jagdishchandra Vyas	08502223	43	Non-Executive Independent Director & Chairman
3	Apar Apoorva Shah	07125733	30	Whole Time Director
4	Karan Hareshlal Nagdev	10728141	33	Additional Director (Non-Executive Independent)
5	Ashish Ashokkumar Shah	06701501	40	Non-Executive Non-Independent Director
6	Neha Mahesh Dhanuka	08502169	31	Non-Executive Independent Director

The following table sets forth details regarding the Board of Directors as on the date of this Draft Letter of Offer:

Sr. No.	Details of Directors	Designation	Other Directorships
1	<p>Name: Mr. Apoorva Himatlal Shah</p> <p>Date of Birth: 01.01.1966</p> <p>Age: 58 Years</p> <p>DIN No: 00573184</p> <p>Address: 1001, 10th Floor, Horizon, 12th Gulmohar Road, Opp. Kaiji Azmi Park, Vidyanidhi Marg Juhu, Mumbai-400049, Maharashtra, India</p> <p>Occupation: Business</p> <p>Term: from 13.11.2021 till 12.11.2024</p> <p>Period of Directorship: Since 13.11.2015</p>	Managing Director	<p>Indian Companies:</p> <p>i) NHC Overseas Private Limited</p> <p>Foreign Companies:</p> <p>Nil</p>
2	<p>Name: Mr. Manish Jagdishchandra Vyas</p> <p>Date of Birth: 01.06.1981</p> <p>Age: 43 Years</p> <p>DIN No: 08502223</p> <p>Address: Room No. 06, Sunder Muneshwar Yadav Chawl, S V Road Ambawadi, Dahisar East, Opposite Shiv Sena Office, Mumbai-400068, Maharashtra, India</p> <p>Occupation: Service</p> <p>Term: from 12.07.2024 till 11.07.2029</p> <p>Period of Directorship: Since 12.07.2019</p>	Non-Executive Independent Director & Chairman	<p>Indian Companies:</p> <p>i) Rockwell Minerals & Metals Private Limited</p> <p>ii) Pandora Food Pvt. Ltd.</p> <p>iii) Edurific Edutech Private Limited</p> <p>iv) Amgir Ashianna Real Estate Private Limited</p> <p>v) Mapula Chemicals Private Limited</p> <p>vi) Bluesun Exports Private Limited</p> <p>vii) Shank Entertainment Private Limited</p> <p>viii) Pioneer Breweries India Private Limited</p> <p>Foreign Companies:</p> <p>Nil</p>
3	<p>Name: Mr. Apar Apoorva Shah</p>	Whole Time Director	<p>Indian Companies:</p>

NHC FOODS LTD

Sr. No.	Details of Directors	Designation	Other Directorships
	<p>Date of Birth: 26.07.1994</p> <p>Age: 30 Years</p> <p>DIN No: 07125733</p> <p>Address: 1001, Horizon Parle CHS Ltd, JVPD Scheme, Gulmohar Cross Road, 12, Vile Parle West, Mumbai-400049, Maharashtra, India</p> <p>Occupation: Business</p> <p>Term: from 10.06.2024 till 09.06.2027</p> <p>Period of Directorship: Since 10.06.2021</p>		<p>i) NHC Overseas Private Limited</p> <p>Foreign Companies:</p> <p>Nil</p>
4	<p>Name: Mr. Karan Hareshlal Nagdev</p> <p>Date of Birth: 03.02.1991</p> <p>Age: 33 years</p> <p>DIN No: 10728141</p> <p>Address: Flat 105, Olympia – 1, Iris Olympia Co-op Housing Society, Reliance NX Road, Pale, Ambernath East – 421501, Kalyan, Thane, Maharashtra, India</p> <p>Occupation: Service</p> <p>Term: from 12.08.2024 till the date of ensuing Annual General Meeting</p> <p>Period of Directorship: Since 12.08.2024</p>	<p>Additional Director (Non-Executive Independent)</p>	<p>Indian Companies:</p> <p>Nil</p> <p>Foreign Companies:</p> <p>Nil</p>
5	<p>Name: Mr. Ashish Ashokkumar Shah</p> <p>Date of Birth: 18.11.1983</p> <p>Age: 40 Years</p> <p>DIN No: 06701501</p> <p>Address: 11 Nandgam Society, Vrundavan Bus Stop, Waghodia Road, Vadodara-390019, Gujarat, India</p> <p>Occupation: Service</p> <p>Term: Liable to retire by rotation</p> <p>Period of Directorship: Since 26.06.2023</p>	<p>Non-Executive Non-Independent Director</p>	<p>Indian Companies:</p> <p>Nil</p> <p>Foreign Companies:</p> <p>Nil</p>
6	<p>Name: Ms. Neha Mahesh Dhanuka</p> <p>Date of Birth: 30.09.1992</p> <p>Age: 31 Years</p>	<p>Non-Executive Independent Director</p>	<p>Indian Companies:</p> <p>Nil</p> <p>Foreign Companies:</p>

NHC FOODS LTD

Sr. No.	Details of Directors	Designation	Other Directorships
	<p><i>DIN No: 08502169</i></p> <p><i>Address: Room No. 8, Lalmahal Co-op Society, Opposite Fire Brigade, Kopri Colony, Thane East, Thane-400603, Maharashtra, India</i></p> <p><i>Occupation: Service</i></p> <p><i>Term: from 12.07.2024 till 11.07.2029</i></p> <p><i>Period of Directorship: Since 12.07.2019</i></p>		<i>Nil</i>

Past Directorships in listed companies

- a) *Details of current and past directorship(s) for a period of five years in listed companies for each Director mentioned above, whose shares have been/were suspended from being traded on any of the Stock Exchange, during his/her tenure:*
None of our Directors are, or were a director of any listed company other than the issuer company, whose shares have been, or were suspended from being traded on any of the Stock Exchange during the term of their directorships in such companies during the last five years preceding the date of this Draft Letter of Offer.
- b) *Details of current and past directorship(s) in listed companies for each Director mentioned above, who have been/were delisted from the stock exchange(s) during his/her tenure in the past ten years:*
None of our Directors are or were a director of any listed company other than the issuer company, which has been, or was delisted from any stock exchange during the term of their directorship in such company during the last ten years preceding the date of this Draft Letter of Offer.

Service Contracts with our Directors for benefit upon termination

Our Company has not executed any service contracts with its directors providing for benefits upon termination of their employment.

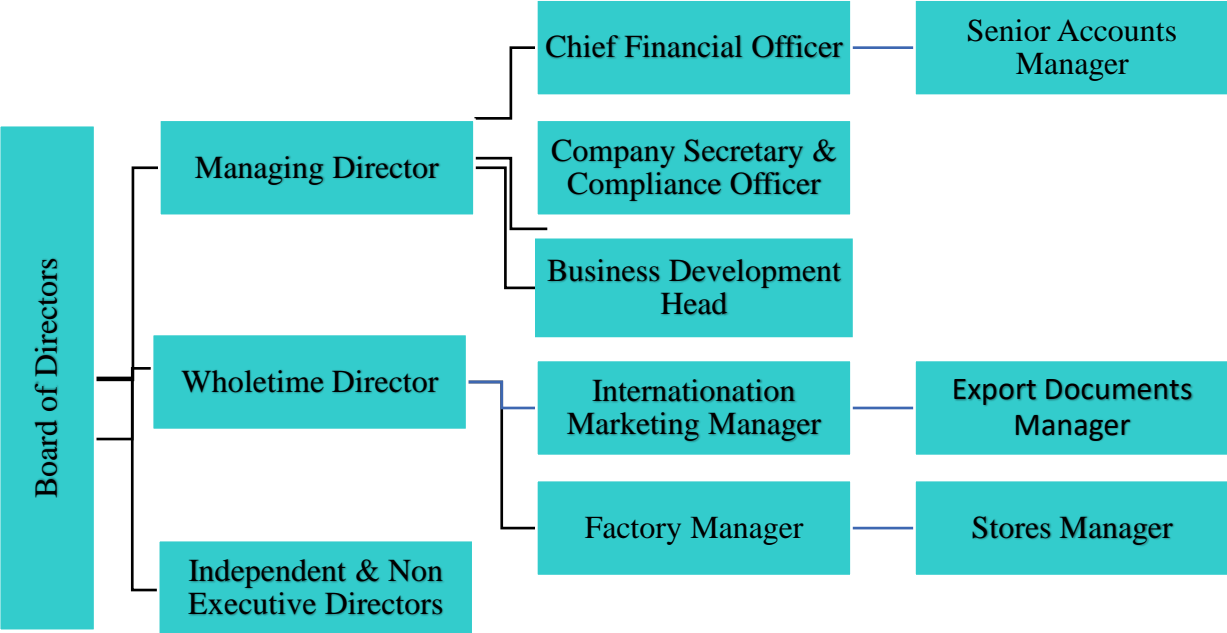
B) Our Senior Management Personnel and Key Managerial Personnel

The details of our senior and the key managerial personnel as on the date of this Draft Letter of Offer are set out below. All the Key Managerial Personnels are permanent employees of our Company. Except for certain statutory benefits, there are no other benefits accruing to the Key Managerial Personnel.

No.	Name of key managerial personnel and senior management personnel	Designation
1	<i>Mr. Apoorva Himatlal Shah</i>	<i>Managing Director</i>
2	<i>Mr. Apar Apoorva Shah</i>	<i>Whole Time Director</i>
3	<i>Mrs. Aneri Shah</i>	<i>Business Development Manager</i>
4	<i>Mr. Archit Wahale</i>	<i>Chief Financial Officer</i>
5	<i>Mrs. Alesha Hakim Khan</i>	<i>Company Secretary & Compliance Officer</i>
6	<i>Rajeev Joshi</i>	<i>International Marketing Manager</i>
7	<i>Shrikant Pralhad Ghadage</i>	<i>Accounts and Finance Manager</i>
8	<i>Ashok Laxman Utekar</i>	<i>Accounts and Finance Manager</i>
9	<i>Ajit Patil</i>	<i>Senior Accounts Manager</i>
10	<i>Sanad Upadhyay</i>	<i>Export Documents Manager</i>
11	<i>Sukhdev Kolge</i>	<i>Stores Manager</i>
12	<i>Dharmendrakumar Thakorlal Rana</i>	<i>Factory Manager</i>

NHC FOODS LTD

C) Current Organizational Structure




FINANCIAL STATEMENTS**LIMITED REVIEWED UNAUDITED STANDALONE AND CONSOLIDATED FINANCIAL RESULTS
FOR THE QUARTER ENDED JUNE 30, 2024**

Independent Auditor's Review Report on the Quarterly Unaudited Standalone Financial Results of the NHC Foods Limited Pursuant to the Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended

**Review Report to
The Board of Directors
NHC Foods Limited**

1. We have reviewed the accompanying statement of unaudited standalone financial results of **NHC Foods Limited** (the 'Company') for the quarter ended June 30, 2024 (the "Statement") attached herewith, being submitted by the Company pursuant to the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended (the Listing Regulation').
2. The preparation of the Statement in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34, (Ind AS 34) "Interim Financial Reporting" prescribed under Section 133 of the Companies Act, 2013, as amended, read with relevant rules issued thereunder and other accounting principles generally accepted in India, read with the Circular is the responsibility of the Company's management and has been approved by the Board of Directors of the Company. Our responsibility is to express a conclusion on the Statement based on our review.
3. We conducted our review of the Statement in accordance with the Standard on Review Engagements (SRE) 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Institute of Chartered Accountants of India. This standard requires that we plan and perform the review to obtain moderate assurance as to whether the Statement is free of material misstatement. A review is limited primarily to inquiries of company personnel and analytical procedures applied to financial data and thus provides less assurance than an audit. We have not performed an audit and accordingly, we do not express an audit opinion.
4. Based on our review conducted as above, nothing has come to our attention that causes us to believe that the accompanying Statement, prepared in accordance with the recognition and measurement principles laid down in the applicable Indian Accounting Standards ('Ind AS') specified under Section 133 of the Companies Act, 2013 as amended, read with relevant rules issued thereunder and other recognized accounting practices and policies has not disclosed the information required to be disclosed in terms of the Regulation, read with the Circular, including the manner in which it is to be disclosed, or that it contains any material misstatement.

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


**Jitendra Doshi
Partner
Membership No. 151274
UDIN: 24151274BKEXKJ6883**



**Place: Mumbai
Date: 12th August, 2024**

NHC FOODS LTD

(Government Recognised Three Star Export House)

An ISO 22000:2005 Certified Company

CIN : L15122GJ1992PLC076277 • GSTIN :- 27AAACM3032B1Z6



Standalone Statement of Un-audited Financial Results for the Quarter Ended June 30, 2024

(Rs. In Lakhs)

Sr. No.	Particulars	Quarter Ended			
		30-Jun-24	31-Mar-24	30-Jun-23	Year Ended 31-Mar-24
		(Un - Audited)	(Audited)	(Un - Audited)	(Audited)
1	Income				
	a) Revenue from operations	6734.43	7,954.06	4,203.85	20,924.40
	b) Other Income	61.76	113.62	65.96	205.71
	Total Income (a+b)	6,796.19	8,067.68	4,269.81	21,130.11
2	Expenses				
	a) Cost of materials consumed				25.28
	b) Purchase of Stock in Trade	4630.94	8,143.89	3,904.83	19,846.72
	c) Changes in Inventories	1092.36	(1,349.69)	(225.23)	(1,427.67)
	d) Employees benefit expense	58.79	59.56	57.10	236.24
	e) Finance Cost	76.36	83.55	84.47	330.92
	f) Depreciation and amortisation expense	40.85	51.44	30.48	144.36
	g) Other expenses	716.96	921.45	360.14	1,662.22
	Total Expenses (a+b+c+d+e+f+g)	6,616.26	7,910.20	4,211.78	20,818.07
3	Profit Before Tax (1-2)	179.93	157.48	58.03	312.04
4	Tax expense				
	(i) Current Tax	12.1	32.21	9.75	65.98
	(ii) Current Tax Expenses relating to prior years		4.79		4.79
	(iii) Deferred Tax Expenses / (Income)	6.2	12.62	7.38	6.54
	Total Tax Expense (i+ii+iii)	18.3	49.62	17.13	77.31
5	Profit for the period (3-4)	161.62	107.86	40.90	234.73
6	Other Comprehensive Income				
	(i) Items that will not be reclassified to statement of Profit and Loss	(3.22)	(5.41)	(1.00)	(6.65)
7	Total Other comprehensive income (net of tax) (i+ii+iii+iv)	(3.22)	(5.41)	(1.00)	(6.65)
8	Total Comprehensive income for the	158.40	102.45	39.90	228.08
9	Paid-up Equity Share Capital - Face Value of Rs. 10/- each	1,185.50	1,185.50	1,185.50	1,185.50
10	Reserves Excluding Revaluation Reserve as per balance sheet date				1,591.54
11	Basic and Diluted Earning Per Share (EPS) (Rs.)	1.36	0.91	0.34	1.98



Warehouse : D-22/8, TTC Industrial Area, MIDC, Turbhe, Navi - Mumbai - 400705.

Factory & Registered Office : Survey No.777, Umarsadi Desaiwad Road, Village Umarsadi, Taluka Pardi, Dist. Valsad, Gujarat - 396175.

Corporate Office : 419 & 420, 4th Floor, C - Wing, Atrium 215, Andheri - Kurla Road, Chakala, Andheri (E), Mumbai - 400059.

Tel: + 91 22 - 698 75000 / Email: contact@nhogroup.com / URL : <http://www.nhogroup.com>

NHC FOODS LTD

(Government Recognised Three Star Export House)



An ISO 22000:2005 Certified Company

CIN : L15122GJ1992PLC076277 • GSTIN :- 27AAACM3032B1Z6



Notes:	
1	The above Un-audited Financial results have been reviewed by the Audit Committee and approved by the Board of Directors of the Company at their respective meetings held on August 12, 2024 and have been subjected to limited review by the Statutory auditors of the company.
2	The above Un-audited Financial results have been prepared in accordance with the Indian Accounting Standards (Ind AS) as prescribed under Section 133 of the Companies Act, 2013 read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and the Companies (Indian Accounting Standards) Amendment Rules, 2016.
3	Company operates in one segment i.e. "Food processing Business" as per Ind AS 108 "Operating Segment".
4	The above Un-audited Financial Results will be uploaded on the Company's website www.nhcgroupp.com and will also be available on the website of BSE Limited www.bseindia.com
5	Figures of previous periods/year have been regrouped/rearranged, wherever considered necessary.

Place: Mumbai
Date: August 12, 2024

For NHC Foods Limited


Apoorva Shah
Managing Director
DIN: 00573184

Warehouse : D-22/8, TTC Industrial Area,
MIDC, Turbhe, Navi - Mumbai - 400705.

Factory & Registered Office : Suevey No.777,
Umarsadi Desaiwad Road, Village Umarsadi,
Taluka Pardi, Dist. Valsad, Gujarat - 396175.

Corporate Office : 419 & 420, 4th Floor, C - Wing,
Atrium 215, Andheri - Kurta Road, Chakalia, Andheri (E),
Mumbai - 400059.

Tel: + 91 22 - 698 75000 / Email: contact@nhcgroupp.com / URL : <http://www.nhcgroupp.com>



JMMK & Co.
CHARTERED ACCOUNTANTS

Independent Auditor's Review Report on the Quarterly Unaudited Consolidated Financial Results of the NHC Foods Ltd Pursuant to the Regulation 33 and 52 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended

**Review Report to
The Board of Directors NHC Foods Limited**

1. We have reviewed the accompanying Statement of Unaudited Consolidated Financial Results of NHC Foods Limited (the "Holding Company") and its subsidiary (the Holding Company and its subsidiary together referred to as "the Group"), for the quarter ended June 30, 2024 (the "Statement") attached herewith, being submitted by the Holding Company pursuant to the requirements of Regulation 33 and 52 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended (the "Listing Regulations").
2. The Holding Company's Management is responsible for the preparation of the Statement in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34, (Ind AS 34) "Interim Financial Reporting" prescribed under Section 133 of the Companies Act, 2013 as amended, read with relevant rules issued thereunder and other accounting principles generally accepted in India and in compliance with Regulation 33 and 52 of the Listing Regulations. The Statement has been approved by the Holding Company's Board of Directors. Our responsibility is to express a conclusion on the Statement based on our review.
3. We conducted our review of the Statement in accordance with the Standard on Review Engagements (SRE) 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Institute of Chartered Accountants of India. This standard requires that we plan and perform the review to obtain moderate assurance as to whether the Statement is free of material misstatement. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

We also performed procedures in accordance with the Master Circular issued by the Securities and Exchange Board of India under Regulation 33(8) of the Listing Regulations, to the extent applicable.

4. The Statement includes the results of the entities mentioned in Annexure I.
5. Based on our review conducted and procedures performed as stated in paragraph 3 above and based on the consideration of the review reports of other auditors referred to in paragraph 7 below, nothing has come to our attention that causes us to believe that the accompanying Statement, prepared in accordance with recognition and measurement principles laid down in the aforesaid Indian Accounting Standards ("Ind AS") specified under Section 133 of the Companies Act, 2013, as amended, read with relevant rules issued thereunder and other accounting principles generally accepted in India, has not



B - 10, Upper Basement, Western Edge II, Behind Metro Cash & Carry, Off W. E. Highway, Borivali East, Mumbai - 400 066.

Telefax : +91 22 40101784 | E-mail : info@jmkco.in | www.jmkco.in

NHC FOODS LTD

disclosed the information required to be disclosed in terms of the Listing Regulations, including the manner in which it is to be disclosed, or that it contains any material misstatement.

6. The subsidiary are located outside India whose financial results and other financial information which have been prepared by Management of the foreign subsidiary in accordance with accounting principles generally accepted in their respective countries and also approved by the Board of Directors under generally accepted auditing standards applicable in their respective countries. The Holding Company's management has converted the financial results of such subsidiary located outside India from accounting principles generally accepted in their respective countries to accounting principles generally accepted in India. We have reviewed these conversion adjustments made by the Holding Company's management. Our conclusion in so far as it relates to the balances and affairs of such subsidiary located outside India is based on the conversion adjustments prepared by the management of the Holding Company and reviewed by us. The foreign subsidiary has been consolidated with the Company from 24th April, 2024 as acquisition of shares and control over the foreign company resulted from the same date.
7. The accompanying Statement includes unaudited interim financial results and other unaudited financial information in respect of:
 - One Foreign subsidiary, whose unaudited interim financial results and other unaudited financial information include total revenues of Rs 631.70 Lakhs, total net Profit after tax of Rs 39.27 Lakhs and total comprehensive income is NIL for the quarter ended 30th June, 2024.

The unaudited interim financial results and other unaudited financial information of these subsidiary have not been reviewed by their auditors however that has been approved by the management and approved by the board of director of holding company, our conclusion on the Statement, in so far as it relates to the affairs of these subsidiary is based solely on such unaudited interim financial results and other unaudited financial information. According to the information and explanations given to us by the Management, these interim financial results are not material to the Group.

Our conclusion on the Statement in respect of matters stated in para 7 above is not modified with respect to our reliance on the work done and the reports of the other auditors and the financial results certified by the Management.

Annexure I - List of entities included in the Audit Report

Subsidiary:

1. Intra Metal Trading LLC

Place: Mumbai
Date: 12th August 2024
UDIN 24151274DKEXKK0575

For JMMK & Co.
Chartered Accountants
ICAI Firm Registration No.: 120459W


Jitendra Doshi
Partner
Membership No.: 151274



NHC FOODS LTD

(Government Recognised Three Star Export House)

An ISO 22000:2005 Certified Company

CIN : L15122GJ1992PLC076277 • GSTIN :- 27AAACM3032B1Z6



Consolidated Statement of Un-audited Financial Results for the Quarter Ended June 30, 2024

Sr. No.	Particulars	(Rs. in Lakhs)			
		Quarter Ended			Year Ended
		30-Jun-24 (Un - audited)	31-Mar-24 (Audited)	30-Jun-23 (Un - audited)	31-Mar-24 (Audited)
1	Income				
	a) Revenue from operations	7,366.12	7,954.06	4,203.85	20,924.40
	b) Other Income	61.77	113.62	65.96	205.71
	Total Income (a+b)	7,427.88	8,067.68	4,269.81	21,130.11
2	Expenses				
	a) Cost of materials consumed	-	-	-	25.28
	b) Purchase of Stock in Trade	5,216.33	8,143.89	3,904.83	19,846.72
	c) Changes in Inventories	1,092.36	(1,349.69)	(225.23)	(1,427.67)
	d) Employees benefit expense	62.20	59.56	57.10	236.24
	e) Finance Cost	76.36	83.55	84.47	330.92
	f) Depreciation and amortisation expense	40.85	51.44	30.48	144.36
	g) Other expenses	720.59	921.45	360.14	1,662.22
	Total Expenses (a+b+c+d+e+f+g)	7,208.69	7,910.20	4,211.78	20,818.06
3	Profit Before Tax (1-2)	219.19	157.48	58.03	312.05
4	Tax expense				
	(i) Current Tax	12.10	32.21	9.75	65.98
	(ii) Current Tax Expenses relating to prior years	-	4.79	-	4.79
	(iii) Deferred Tax Expenses / (Income)	6.20	12.62	7.38	6.54
	Total Tax Expense (i+ii+iii)	18.30	49.62	17.13	77.31
5	Profit for the period (3-4)	200.88	107.86	40.90	234.74
6	Other Comprehensive Income				
	(i) Items that will not be reclassified to statement of Profit and Loss	(3.22)	(5.41)	(1.00)	(6.65)
7	Total Other comprehensive income (net of tax) (i+ii+iii+iv)	(3.22)	(5.41)	(1.00)	(6.65)
8	Total Comprehensive income for the period	197.66	102.45	39.90	228.09
9	Paid-up Equity Share Capital - Face Value of Rs. 10/- each	1,185.50	1,185.50	1,185.50	1,185.50
10	Reserves Excluding Revaluation Reserve as per balance sheet date	-	-	-	1,591.54
11	Basic and Diluted Earning Per Share (EPS) (Rs.)	1.68	0.91	0.34	1.98
	Total Profit or Loss Attributable To	200.89	107.86	40.90	234.74
12	Profit or loss, attributable to owners of parent	199.39	-	-	-
	Profit or loss, attributable to Non controlling interest	1.49	-	-	-
	Comprehensive Income for the period ended attributable to owners of parents	197.66	102.45	39.90	228.09
13	Comprehensive Income, attributable to owners of parent	196.17	-	-	-
	Comprehensive Income, attributable to Non controlling interest	1.49	-	-	-

Warehouse : D-22/B, TTC Industrial Area, MIDC, Turbhe, Navi - Mumbai - 400705.

Factory & Registered Office : Suevey No.777, Umarsadi Desaiwad Road, Village Umarsadi, Taluka Pardi, Dist. Valsad, Gujarat - 396175.

Corporate Office : 419 & 420, 4th Floor, Atrium 215, Andheri - Kurla Road, Chakala, Andheri (E), Mumbai - 400059.

Tel: + 91 22 - 698 75000 / Email: contact@nhcgroup.com / URL : <http://www.nhcgroup.com>



NHC FOODS LTD

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CIN : L15122GJ1992PLC076277 • GSTIN :- 27AAACM3032B1Z6



Notes:	
1	The above Un-audited Financial results have been reviewed by the Audit Committee and approved by the Board of Directors of the Company at their respective meetings held on August 12, 2024 and have been subjected to limited review by the Statutory auditors of the company.
2	The foreign subsidiary has been consolidated with the Company from 24th April, 2024 as acquisition of shares and control over the foreign company resulted from the same date. Intra Metal Trading LLC FZ became Subsidiary of NHC Foods Limited. As a result, the financial figures of Intra Metal Trading LLC FZ have been consolidated in the accompanying quarterly financial results. The consolidation reflects the inclusion of the subsidiary's assets, liabilities, income, and expenses in accordance with the applicable accounting standards.
3	Company operates in one segment i.e. "Food processing Business" as per Ind AS 108 "Operating Segment".
4	The above Un-audited Financial Results will be uploaded on the Company's website www.nhcgroupp.com and will also be available on the website of BSE Limited www.bseindia.com
5	Figures of previous periods/year have been regrouped/rearranged, wherever considered necessary.

Place: Mumbai
Date: August 12, 2024

For NHC Foods Limited

Apoorva Shah
Managing Director
DIN: 00573184

Warehouse : D-22/8, TTC Industrial Area, MIDC, Turbhe, Navi - Mumbai - 400705.

Factory & Registered Office : Suevey No.777, Umarsadi Desaiwad Road, Village Umarsadi, Taluka Pardi, Dist. Valsad, Gujarat - 396175.

Corporate Office : 419 & 420, 4th Floor, C - Wing, Atrium 215, Andheri - Kurla Road, Chakala, Andheri (E), Mumbai - 400059.

Tel: + 91 22 - 698 75000 / Email: contact@nhcgroupp.com / URL : <http://www.nhcgroupp.com>

**INDEPENDENT AUDITORS' REPORT**

To
The Members
NHC FOODS LIMITED

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 2024, 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 2024, 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.



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Sr. No.	Key Audit Matter	Auditor's Response
1.	<p>Trade receivables and other financial assets and Impairment</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.</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>Principal Audit Procedures:</p> <p>In view of the significance of the matter, we applied the following key audit procedures:</p> <ul style="list-style-type: none"> • 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. • Assessing the Company's methodology for provisioning towards trade receivables and other financial assets. • Understanding the key inputs used in the provisioning model by the Company such as repayment history, overdue balances, market conditions. • As a part of substantive audit procedures, we tested on sample basis the ageing of trade receivable having different overdue period. • In case of overdue debts inquired with management for any dispute which may require additional provisions. • Assessing the disclosures made against the relevant accounting standards. • The management has computed and provided Expected Credit Loss (ECL) in accordance with Ind AS 109 in earlier periods. This provisions reversed during the year based on the company's assessment that full recovery of the outstanding balance of debtors, as shown in the financial statements and even it is expected to recover in case outstanding. additionally any non-expected amounts have been written off during the current period ended.



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Sr. No.	Key Audit Matter	Auditor's Response
2.	<p>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')</p>	<p>Principle Audit Procedures:</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"> • The significance of transactions with related parties during the year ended March 31, 2024 • Related party transactions are subject to the compliance requirement under the Companies act 2013 and SEBI (LODR) 2015. 	<p>Our audit procedure in relation to the disclosure of related party transactions included the following:</p> <ul style="list-style-type: none"> • 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. • 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. • 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. • We assessed management evaluation of compliance with the provision of section 177 and section 188 of Companies act 2013 and SEBI (LODR) 2015. • We evaluated the disclosures through reading of statutory information books and records and other documents obtained during the course of our audit.
3.	<p><u>Claims and exposures relating to taxation and litigation</u></p>	<p>Principle Audit Procedures:</p>
	<p>The company has disclosed in Note 31(b) Para B of the Ind AS financial statements contingent liabilities of Rs. 28.04 lakhs. in respect of disputed</p>	<p>Our audit procedures included the following:</p> <ul style="list-style-type: none"> • We obtained understanding, evaluated



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Sr. No.	Key Audit Matter	Auditor's Response
	<p>claims/levies under tax and legal matters.</p> <p>Taxation and litigation exposures have been identified as a key audit matter due to:</p> <ul style="list-style-type: none"> • Significance of these amounts and large number of disputed matters with various authorities. • Significant judgement and assumptions required by management in assessing the 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. <p>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>	<p>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.</p> <ul style="list-style-type: none"> • 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. • We read external legal opinions (where considered necessary) and other evidence to corroborate management's assessment of risk profile in respect of legal claims. • We assessed the relevant disclosures made in the Ind AS financial statements for compliance in accordance with the requirements of Ind AS 37.
4.	<p>Non- Trade Investment in Subsidiary</p> <p>The company has disclosed in Note 5. Non Trade Investments in Intra Metal Trading LLC FZ amounting to Rs. 577.31 Lakhs.</p> <p>The company has remitted Indian Rupees Rs.576.68/- Lakhs, equivalent to USD 6.91 Lakhs, for the purpose of acquiring 2540 shares out of 2640 in M/s Intra Metal Trading L.L.C, located within the free trade zone of the United Arab Emirates and same has been disclosed in to financials "Non Trade investments", as of the aforementioned date, both the issuance, registration, and allotment of shares for M/s Intra Metal Trading L.L.C are still in process. The acquisition itself has not yet been completed even on the date of the signing the financials and audit report.</p> <p>Due to the ongoing nature of this transaction, the management has taken the decision to refrain from preparing the consolidated financial statements for the</p>	<p>Principle Audit Procedures:</p> <ul style="list-style-type: none"> • The company has not completed the acquisition of shares of the foreign company as of the financial closing date. Furthermore, as of the date of signing this report, the company has not produced any share certificates related to this acquisition. • For the period ending 31/03/2024 the company have not completed documentation, issuance, registration, and allotment of shares for M/s Intra Metal Trading L.L.C and investment treated as same amount of transferred fund and classified as Non-current investment. • We have Obtain and review documentation related to the payment made, verified the completeness and accuracy of records regarding the intended investment.



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Sr. No.	Key Audit Matter	Auditor's Response
	period ended March 31, 2024. This decision is based on the uncertainty surrounding the completion timeline of the acquisition and establish control over the entity	<ul style="list-style-type: none"> We assessed the relevant documents relating to payments for the acquisition of shares of the foreign LLC, acquisition and allotment of shares in process.

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



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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



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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, 2020 ("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 31st March 2024 taken on records by the Board Directors, none of the disqualified as on 31st March 2024 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;



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- 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 31(b) to 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.
 - iv. (a) The Management has represented that, to the best of its knowledge and belief, funds (which are material either individually or in the aggregate) have invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company in foreign entity ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

(b) The management has represented that, to the best of its knowledge and belief, as disclosed in Notes the financial statement, no funds have been received by the Company from any persons or entities, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and

(c) Based on such audit procedures that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (a) and (b) contain any material misstatement.
 - v. The dividend has neither declared nor paid during the year by the Company.



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- vi. Based on our examination, which included test checks, the Company has used Tally Edit Log software (Version 3.1) for maintaining its books of account for the financial year ended March 31, 2024, which has a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the software. Further, during the course of our audit we did not come across any instance of the audit trail feature being tampered with.

For JMMK & Co.

(Earlier known as JMK & Co.)

Chartered Accountants

ICAI Firm Registration No. 120459W



Jitendra Doshi

Partner

Membership No: 151274

Place: Mumbai

Date: 17th May, 2024

UDIN: 24151274BKEXJP1284



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Annexure "A" to the Independent Auditor's Report

(Referred to in Paragraph 1 under the heading of 'Report on Other Legal and Regulatory Requirements' section of our report to the Members of NHC Foods Limited of even date")

- (i) (a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, plant and equipment.
- (B) The Company has maintained proper records showing full particulars of Intangible assets.
- (b) All Property, Plant and Equipment have not been physically verified by the management during the year but there is a regular programme of verification 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 verification.
- (c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties (other than immovable properties where the Company is the lessee and the leases agreements are duly executed in favour of the lessee) disclosed in the financial statements are held in the name of the Company as NHC Foods Limited or in name of NHC Industries Private Limited (Name before Amalgamation).
- (d) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not revalued its Property, plant and equipment (including Right-of-use assets) or Intangible assets or both during the year.
- (e) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there are no proceedings initiated or pending against the Company for holding any benami property under the Prohibition of Benami Property Transactions Act, 1988 and rules made thereunder.
- (ii) (a) The inventory has been physically verified by the management during the year. In our opinion, the frequency of such verification is reasonable and procedures and coverage as followed by management were appropriate. No discrepancies were noticed on verification between the physical stocks and the book records that were 10% or more in the aggregate for each class of inventory.
- (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has been sanctioned working capital limits in excess of five crore rupees, in aggregate, from banks on the basis of security of current assets. Details of differences between quarterly returns or statements filed by the company with such banks and books of accounts on the respective dates are given below-



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Quarter Ending	Name of Bank	Amount As Per Books of Accounts (in Lakhs)	Amount as reported in Quarterly return/Statement to Bank (In Lakhs)	Reported Excess /(Shortage) In Lakhs
		A	B	C=B-A
Inventories				
30/06/2023	Axis Bank Ltd	3084.46	3084.44	- .02
30/09/2023	Axis Bank Ltd	3018.92	3018.92	.00
31/12/2023	Axis Bank Ltd	2911.98	2911.68	- .30
31/03/2024	Axis Bank Ltd	4287.99	4287.99	.00
Trade Receivables				
30/06/2023	Axis Bank Ltd	2362.99	2331.05	-31.94
30/09/2023	Axis Bank Ltd	3567.02	3567.02	.00
31/12/2023	Axis Bank Ltd	2910.56	2910.56	.00
31/03/2024	Axis Bank Ltd	4426.56	4427.42	.86

- (iii) (a) The Company during the year has made investment in one to be wholly owned foreign subsidiary. The Company during the year has not granted any secured loans/advances in nature of loans or stood guarantee, or provided security to any parties during the year. The aggregate amount during the year, and balance outstanding at the balance sheet date with respect to such loan to be wholly owned foreign subsidiary.
- (b) According to the information and explanations given to us and based on the audit procedures conducted by us, in our opinion the investments made during the year, are, prima facia, not prejudicial to the interest of the Company.
- (c) The Company has not granted loans and advances in the nature of loans to companies, firms, Limited Liability Partnerships or any other parties. Accordingly, the requirement to report on clauses 3(iii)(c), 3(iii)(d), 3(iii)(e) and 3(iii)(f) of the Order are not applicable to the Company.
- (iv) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not given any loans, or provide any guarantee or security as specified under section 185 and 186 of the Companies Act, 2013 ("the Act"). In respect of the investments made by the Company, in our opinion the provisions of section 186 of the Act have been complied with.
- (v) The Company has not accepted any deposits or amounts which are deemed to be deposits from the public. Accordingly, clause 3(v) of the Order is not applicable.
- (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 we have been informed by the management that provisions of the maintaining the records related with it are not applicable to the company as it is engaged in to the exports business.



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we have not made detailed examination of the records with view to determine whether the records maintained with relating to the cost audit is complete and accurate.

- (vii) (a) The Company is regular in depositing with appropriate authorities undisputed statutory dues including goods and services tax, provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of customs, duty of excise, value added tax, cess and other statutory dues applicable to it. According to the information and explanations given to us and based on audit procedures performed by us, no undisputed amounts payable in respect of these statutory dues were outstanding, at the year end, for a period of more than six months from the date they became payable.
- (b) According to the information and explanations given to us and the records of the Company examined by us, there are no statutory dues of provident fund, employees' state insurance, service tax, duty of customers, duty of excise, cess, goods and service tax, which have not been deposited on account of any disputes. The particulars of others statutory dues referred to in sub-clause (a) as at March 31, 2024 which have not been deposited on account of a dispute, are as follows:

Sr. No.	Nature of the Statute	Nature of dues	Forum where Dispute is Pending	Period to which the Amount Relates	Disputed Amount (Rs. in Lakh)
1.	The Income Tax Act, 1961	Income Tax	Income Tax Appellate Tribunal	A .Y. 2011-12	28.04

- (viii) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not surrendered or disclosed any transactions, previously unrecorded as income in the books of account, in the tax assessments under the Income-tax Act, 1961 as income during the year.
- (ix) (a) Based on our audit procedures and as as per the information and explanations given by the management, the Company has not defaulted in repayment of loans or other borrowings or in payment of interest thereon to any lender.
- (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not been declared a wilful defaulter by any bank or financial institution or government or government authority.
- (c) According to the information and explanations given to us and the records of the Company examined by us, term loans were applied for the purpose for which the loans were obtained.
- (d) On an overall examination of the financial statements of the Company, no funds raised on short-term basis have been used for long-term purposes by the Company.
- (e) On an overall examination of the financial statements of the Company, the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries or joint ventures.



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- (f) According to the information and explanations given to us and procedures performed by us, we report that the Company has not raised loans during the year on the pledge of securities held in its subsidiaries as defined under the Companies Act, 2013. Accordingly, clause 3(ix)(f) of the Order is not applicable.
- (x) (a) The Company has not raised any moneys by way of initial public offer or further public offer (including debt instruments). Accordingly, clause 3(x)(a) of the Order is not applicable.
- (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Accordingly, clause 3(x)(b) of the Order is not applicable.
- (xi) (a) Based on examination of the books and records of the Company and according to the information and explanations given to us, considering the principles of materiality outlined in Standards on Auditing, we report that no fraud by the Company or on the Company has been noticed or reported during the course of the audit.
- (b) According to the information and explanations given to us, no report under sub-section (12) of Section 143 of the Companies Act, 2013 has been filed by the auditors in Form ADT-4 as prescribed under Rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government.
- (c) As represented to us by the management, there are no whistle blower complaints received by the Company during the year.
- (xii) According to the information and explanations given to us, the Company is not a Nidhi Company. Accordingly, clause 3(xii) of the Order is not applicable.
- (Xiii) In our opinion and according to the information and explanations given to us, the transactions with related parties are in compliance with Sections 177 and 188 of the Companies Act, 2013, where applicable, and the details of the related party transactions have been disclosed in the financial statements as required by the applicable Indian Accounting Standards.
- (xiv) (a) Based on information and explanations provided to us and our audit procedures, in our opinion, the Company has an internal audit system commensurate with the size and nature of its business.
- (b) We have considered the internal audit reports of the Company issued till date for the period under audit.
- (xv) In our opinion and according to the information and explanations given to us, the Company has not entered into any non-cash transactions with its directors or persons connected to its directors and hence, provisions of Section 192 of the Companies Act, 2013 are not applicable to the Company.
- (xvi) (a) The provisions of section 45-IA of the Reserve Bank of India Act, 1934 (2 of 1934) are not applicable to the Company. Accordingly, the requirement to report on clause 3(xvi)(a) of the Order is not applicable to the Company.



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- (b) The Company has not conducted any Non-Banking Financial or Housing Finance activities without obtained a valid Certificate of Registration (CoR) from the Reserve Bank of India as per the Reserve Bank of India Act, 1934.
- (c) The Company is not a Core Investment Company as defined in the regulations made by Reserve Bank of India. Accordingly, the requirement to report on clause 3(xvi)(c) of the Order is not applicable to the Company.
- (d) There is no Core Investment Company as a part of the Group; hence, the requirement to report on Clause 3(xvi) (d) of the Order is not applicable to the Company.
- (xvii) The Company has not incurred cash losses in the current and in the immediately preceding financial year.
- (xviii) There has been no resignation of the statutory auditors during the year. Accordingly, clause 3(xviii) of the Order is not applicable.
- (xix) On the basis of the financial ratios disclosed in note 46 (1) to the financial statements, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.
- (xx) According to the information and explanations given to us, there is no liability for the company under provisions of section 135 of the companies Act, relating to corporate social responsibility. Therefore, the provisions of clause 3(xx) of the order are not applicable to the company.

For JMMK & Co.

(Earlier known as JMK & Co.)

Chartered Accountants

ICAI Firm Registration No. 120459W



Jitendra Doshi

Partner

Membership No: 151274

Place: Mumbai

Date: 17th May, 2024

UDIN: 24151274BKEXJP1284



NHC FOODS LTD

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 31st March, 2024 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



NHC FOODS LTD

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 31st March, 2024, 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



Jitendra Doshi

Partner

Membership No: 151274


Place: Mumbai

Date: 17th May, 2024

UDIN: 24151274BKEXJP1284



NHC FOODS LTD

NHC Foods Limited			
CIN-L15122GJ1992PLC076277			
Balance Sheet as at March 31, 2024			
Particulars	Note	Audited As at March 31, 2024	Audited As at March 31, 2023
A. ASSETS			
1. Non-Current Assets			
Property, Plant and Equipment	3	822.88	867.06
Right of use Assets	3a	253.05	78.72
Intangible Assets	4	195.28	234.61
Non-current investments	5	577.91	.60
Other Financial Assets	6	94.11	36.98
Other Non Current Assets	7	33.40	31.36
Total Non-Current Assets		1976.64	1249.32
2. Current Assets			
Inventories	8	4287.99	2885.59
Financial Assets			
Trade Receivables	9	2769.42	1981.69
Cash and Cash Equivalents	10	61.92	231.61
Other Balances with Bank	11	68.55	64.78
Other Financial Assets	12	107.07	248.83
Other Current Assets	13	465.45	288.21
Total Current Assets		7760.40	5700.72
Total Assets		9737.05	6950.04
B. EQUITY AND LIABILITIES			
1. Equity			
Equity Share Capital	14	1185.50	1185.50
Other Equity	15	1591.54	1363.46
Total Equity		2777.04	2548.96
2. Liabilities			
Non-Current Liabilities			
Financial Liabilities			
Borrowings	16	370.00	584.62
Lease Liabilities		259.23	111.48
Long-Term Provisions	17	18.72	22.02
Deferred Tax Liabilities (Net)	18	134.28	127.74
Other Non-Current Liabilities	19	6.03	7.10
Total Non-Current Liabilities		788.26	852.96
Current Liabilities			
Financial Liabilities			
Borrowings	20	2985.19	1988.56
Lease Liabilities	20	49.76	14.01
Trade and other Payables			
Total outstanding dues of micro enterprises and small enterprises	21	223.83	61.88
Total outstanding dues of creditors other than micro enterprises and small enterprises	21	2684.74	1123.41
Short Term Provisions	22	30.75	33.14
Other Current Liabilities	23	197.47	327.13
Total Current Liabilities		6171.74	3548.13
Total Liabilities		6960.00	4401.09
Total Equity and Liabilities		9737.05	6950.04

The accompanying notes form an integral part of the Standalone financial statements.

As per our report of even date attached

For JMMK & Co.
(Earlier known as JMK & Co.)
Chartered Accountants
ICAI Firm Registration No. 120459W



Shashi
CA. Jitendra Doshi
Partner
Membership No.151274
Place : Mumbai
Date : 17/05/2024
UDIN: 24151274BKEXJP1284



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


Apoorva
Apoorva Shah
Chairman & Managing Director
DIN : 00573484

Archit
Archit Wahale
Chief financial officer

Apar
Apar Shah
Whole Time Director
DIN : 07125733

Shanu
Shanu Bhandari
C.S. ICSI M No-A31268

NHC FOODS LTD

NHC Foods Limited CIN-L15122GJ1992PLC076277			
Statement of Profit and Loss for the period ended March 31, 2024			
Particulars	Note	For the year ended March 31, 2024	For the year ended March 31, 2023
I. Revenue			
Revenue from Operations	24	20924.40	16356.04
Other Income	25	205.71	55.31
Total Income		21130.11	16411.34
II. Expenses			
Cost of Materials Consumed	26	25.28	2.65
Purchase of Stock in Trade		19846.72	14428.52
Changes in Inventories	27	-1427.67	-634.14
Employee Benefits Expense	28	236.24	196.87
Finance Cost	29	330.92	280.95
Depreciation and Amortisation Expenses	3/4	144.36	120.60
Other Expenses	30	1662.22	1746.13
Total Expenses		20818.06	16141.59
Profit Before Tax (I-II)		312.05	269.75
Tax Expenses			
Current Tax		65.98	60.52
MAT Adjustment		-	-
Current tax expense relating to prior years		4.79	-
Deferred Tax Expenses(Income)		6.54	33.58
Total Tax Expenses		77.31	94.11
Profit For the Period		234.74	175.64
Other Comprehensive Income			
Items that will not be reclassified to Statement of Profit and Loss			
Defined benefit provision actuarial gain (loss)	28	-6.65	12.44
		-6.65	12.44
Balance carried to Balance sheet		228.09	188.08
Earnings Per Equity Share of Face Value of 10/- each			
Basic Earnings per share (Rs.)		1.98	1.48
Diluted Earnings per share (Rs.)		1.98	1.48
Significant Accounting Policies and Notes Forming Part of the Financial Statements.	01-47		

The accompanying notes form an integral part of the Standalone financial statements
As per our report of even date attached

For JMMK & Co.
(Earlier known as JMK & Co.)
Chartered Accountants
ICAI Firm Registration No. 120459W



(Signature)
CA. Jitendra Doshi
Partner
Membership No.151274
Place : Mumbai
Date : 17/05/2024
UDIN: 24151274BKEXJP1284



For and behalf of the Board of Directors
NHC Foods Limited

(Signature)
Apoorva Shah
Chairman & Managing Director
DIN : 00573184

(Signature)
Apar Shah
Whole Time Director
DIN : 07125733

(Signature)
Archit Wahale
Chief financial officer

(Signature)
Shanu Bhandari
Shanu Bhandari
C.S. ICSI M No-A31268

NHC FOODS LTD

NHC Foods Limited
 CIN-L15122GJ1992PLC076277
 Cash Flow Statement for the year ended March 31, 2024



Particulars	(Amount in Lakhs)	
	For the year ended March 31, 2024	For the year ended March 31, 2023
A. Cash Flows from Operating Activities		
Profit before taxes	312.05	269.75
Adjustments for:		
Depreciation and amortisation expense	144.36	120.60
Interest expense including Lease	319.54	263.30
Interest income	-4.19	-3.83
Sundry Balance/Prior Period Items written off and back	85.27	13.49
(Profit) / Loss on sale of Property, Plant and Equipment	-5.50	-10.50
Other Adjustments including other comprehensive income	-6.65	12.44
Expected Credit Loss	-142.34	-48.76
Ind As Effect on Re-measurement		
Operating profit before working capital changes	707.54	616.49
Changes in Working Capital :		
(Increase)/Decrease in Inventories	-1402.39	-631.49
(Increase)/Decrease in Trade receivables	-730.65	-496.35
(Increase)/Decrease in Loans and advances and other assets	-94.65	290.04
(Decrease)/Increase in Trade payables, other liabilities and provisions	1382.45	125.39
Net Changes in Working Capital	-845.25	-712.41
Cash generated from/(used) in the operations	-137.71	-95.91
Income Tax(Net of Refunds)	-84.37	-69.26
Net cash generated from/(used) in the operations (A)	-222.08	-165.17
B. Cash Flow from Investing Activities		
Purchase of Property, Plant and equipment	-28.34	-4.16
Investment/Fixed Deposits	-577.31	97.22
Interest income	4.19	3.83
Sale of Property, Plant & Equipment's	5.00	12.50
Net Cash From (used in) investing activities (B)	-596.46	109.38
C. Cash Flow from Financing Activities		
Received(Repaid) Liability-Borrowings (Non current)	-66.87	86.76
(Repayment) of borrowings to Bank/Borrowings (Current)	1032.39	222.86
Reversal of Financial Provision	6.65	-12.44
Interest expense	-319.54	-248.23
Net cash flow/(used) from financing activities (C)	652.63	48.96
Net increase/(decrease) in Cash and Cash Equivalents (A+B+C)	-165.92	-6.83
Cash and Cash Equivalents at the beginning of the year	296.39	303.22
Cash and Cash Equivalents at the end of the year	130.48	296.39
Cash and Bank Balances at the end of the year	130.48	296.39

Notes

- 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:

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Balance with Bank	55.01	223.17
Cash in Hand	6.91	8.44
Total Cash and cash equivalents disclosed under current assets	61.92	231.61
Other bank balances*	68.55	64.78
Total Cash and Cash equivalents as per Balance Sheet	130.48	296.39

* Fixed Deposits - Lien to Axis Bank Ltd

As per our report of even date attached

For JMMK & Co.
 (Earlier known as JMK & Co.)
 Chartered Accountants
 ICAI Firm Registration No. 120459W



[Signature]
 CA. Jitendra Doshi
 Membership No.151274
 Place : Mumbai
 Date : 17/05/2024
 UDIN: 24151274BKEXJP1284



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

[Signature]
Apourva Shah
 Chairman & Managing Director
 DIN - 00573184

[Signature]
Apar Shah
 Whole Time Director
 DIN : 07125733

[Signature]
Archit Wahale
 Chief financial officer

[Signature]
Shanu Bhandari
 C.S. ICSI M No-A31268

NHC FOODS LTD

NHC Foods Limited

CIN-L15122GJ1992PLC076277

Notes to the Financial Statements for the period ended March 31, 2024

Statement of Changes in Equity for the year ended March 31, 2024

Amount in lakhs except number of shares

A Equity Share Capital

Particulars	Number of Shares	Amount in INR.
As at April 1, 2023	11,855,000	1185.50
Changes in equity share capital	-	-
As at March 31, 2023	11,855,000	1185.50
Changes in equity share capital	-	-
As at March 31, 2024	11,855,000	1185.50

B Other Equity

Attributable to equity holders of the Company

Amount in Lakhs

Particulars	Reserve & Surplus		Other Comprehensive Income (OCI)	Total
	Securities Premium	Retained Earnings	Remeasurements of net defined	
As at April 01, 2022	174.29	1014.14	-13.05	1175.38
Profit for the year	-	175.64	-	175.64
Other comprehensive income for the year	-	-	12.44	12.44
Tax adjustment of OCI items	-	-	-	-
As at March 31, 2023	174.29	1189.78	-6.1	1363.46
As at April 01, 2023	174.29	1189.78	-6.1	1363.46
Profit for the year	-	234.74	-	234.74
Other comprehensive income for the year	-	-	-6.65	-6.65
Tax adjustment of OCI items	-	-	-	-
As at March 31, 2024	174.29	1424.52	-7.26	1591.54

As per our report of even date attached

For JMMK & Co.

(earlier known as JMK & Co.)

Chartered Accountants

ICAI Firm Registration No. 120459W



J. Doshi
CA. Jitendra Doshi
Partner

Membership No.151274

Place: Mumbai

Date: 17/05/2024

UDIN: 24151274BKEXJP1284



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

Apoorva Shah
Apoorva Shah
Chairman & Managing Director
DIN : 00573184

Archit Wahale
Archit Wahale
Chief financial officer

Apar Shah
Apar Shah
Whole Time Director
DIN : 07125733

Shanu Bhandari

Shanu Bhandari
C.S. ICSI M No-A31268

NHC FOODS LTD

NHC Foods Limited

Notes to the Financial Statements for the year ended March 31, 2024 (Continued)

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 Whole & Ground Spices, Lentils, Pulses, Grains, Oil Seeds and various other Agri - products and Assorted Food Products. Currently NHC Foods Limited is Exporting the above-mentioned Commodities to more than 60 Countries World-wide.

The financial statements were authorised for issue by the board of directors on May 17, 2027.

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 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" (IndAS 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

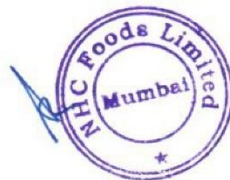
Items included in the financial statements of the entity are measured using the currency of the primary economic environment in which the entity operates ("the functional currency"). The financial statements are presented in Indian rupee (INR), which is entity's functional and presentation currency.

(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.



NHC FOODS LTD

NHC Foods Limited

Notes to the Financial Statements for the year ended March 31, 2024 (Continued)

(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.



NHC FOODS LTD

NHC Foods Limited

Notes to the Financial Statements for the year ended March 31, 2024 (Continued)

(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, 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 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 Ind AS 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.



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Notes to the Financial Statements for the year ended March 31, 2024 (Continued)

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.



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Notes to the Financial Statements for the year ended March 31, 2024 (Continued)

(ii) **Deferred tax**

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

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

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

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

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

(iii) **Minimum Alternate Tax (MAT)**

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.



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Notes to the Financial Statements for the year ended March 31, 2024 (Continued)

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,

The company has remitted Indian Rupees Rs.576.68/- Lakhs, equivalent to USD 6.91 Lakhs, for the purpose of acquiring 2540 shares out of 2640 in M/s Intra Metal Trading L.L.C, located within the free trade zone of the United Arab Emirates and same has been disclosed in to financials "Non Trade investments". as of the aforementioned date, both the issuance, registration, and allotment of shares for M/s Intra Metal Trading L.L.C are still in process. The acquisition itself has not yet been completed even on the date of the signing the financials. Due to the ongoing nature of this transaction, the management has taken the decision to refrain from preparing the consolidated financial statements for the period ended March 31, 2024. This decision is based on the uncertainty surrounding the completion timeline of the acquisition and establish control over the entity

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.



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Notes to the Financial Statements for the year ended March 31, 2024 (Continued)

(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.

(iv) **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.



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Notes to the Financial Statements for the year ended March 31, 2024 (Continued)

(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.

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.



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Notes to the Financial Statements for the year ended March 31, 2024 (Continued)

- (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 Key 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. etc are as under:
- (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.



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Notes to the Financial Statements for the year ended March 31, 2024 (Continued)

- (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.
 This reassessment may result in change in depreciation expense in future period.
- (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.

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 asset 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 part of the financial statements.



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NHC Foods Limited CIN-L15122G1992PLC076277 Notes to the Financial Statements for the period ended March 31, 2024 Property Plant & Equipment																			
Sr No.	Descriptions	Gross Block									Depreciation							(Amount in Lakhs)	
		As at			As at			As at	As at	For the year ended March 31,2023	For the period ended 'APRIL 2023	For the year ended March 31,2024	Deletion	As at		Net block			
		April 1, 2022	Additions	Deducti ons	April 1, 2023	Additio ns	Deducti ons	March 31,2024	April 1, 2022					March 31,2024	March 31,2024	March 31,2024	March 31,2023	March 31,2023	
Note No-3:	Tangible assets																		
1	Freehold land*	21.19			21.19			21.19	-	-	-	-	-	-	-	-	21.19		
2	Factory Building*	595.72			595.72			595.72	140.40	23.56	163.95	23.62	-	-	187.58	408.15	431.77		
3	Office Premises*	286.32			286.32			286.32	30.11	5.03	35.15	5.05	-	-	40.19	246.12	251.17		
4	Leasehold Improvement	168.56			168.56			168.56	62.46	15.99	78.45	16.04	-	-	94.49	74.07	90.11		
5	Machinery	130.70			130.70		10.29	120.41	72.46	12.59	85.05	12.00	5.95	91.10	29.32	45.66			
6	Furniture & Fixtures	27.85			27.85			27.85	24.01	1.35	25.36	.06	-	25.42	2.43	2.50			
7	Vehicles	63.65		40.04	23.61	27.30		50.91	46.35	3.58	49.93	8.15	38.04	20.04	30.87	11.72			
8	Office Equipment	21.09	2.25		23.34	.12		23.46	15.07	2.03	17.10	1.34	-	18.45	5.01	6.24			
9	Computer	9.67	1.91		11.58	.92		12.50	5.52	1.73	7.25	1.92	-	9.16	3.34	4.33			
10	Electrical Fittings	37.63			37.63			37.63	35.23	.01	35.25	-	-	35.25	2.38	2.38			
	Total (A)	1362.39	4.16	40.04	1326.51	28.34	10.29	1344.56	431.62	65.87	497.48	68.18	43.98	521.68	822.88	867.06			
	Previous year	1354.41	7.97	-	1362.39	4.16	40.04	1326.51	364.68	66.93	431.62	65.87	38.04	459.45	867.06	930.77			
Note No-4																			
Sr No.	Intangible assets																		
1	Goodwill of Amalgamation	503.30	-	-	503.30			503.30	232.71	38.67	271.38	38.78	-	310.16	193.15	231.92			
2	Computer Software	-	3.00	-	3.00			3.00	-	.32	.32	.54	-	.86	2.14	2.68			
	Total (4)	503.30	3.00	-	506.30	-	-	506.30	232.71	38.99	271.70	39.32	-	311.02	195.28	234.61			
	Previous year	503.30	-	-	503.30	3.00	-	506.30	194.04	38.67	232.71	38.99	-	271.70	234.61	270.59			
NOTE-3(a)																			
1	Right to Use of Assets-I	121.08		-	121.08			121.08	40.36	15.74	56.10	15.74	13.74	58.10	62.97	78.72			
2	Right to Use of Assets-II	-		-	-	211.20	-	211.20	-	-	21.12	-	21.12	190.08	-	-			
	Total (3a)	121.08	-	-	121.08	211.20	-	332.27	40.36	15.74	56.10	36.86	13.74	79.22	253.05	78.72			
	Previous year	121.08	-	-	121.08	15.70	-	121.08	15.70	11.21	26.91	13.45	-	40.36	80.72	94.17			
	Total	1986.77	7.16	40.04	1953.89	239.54	10.29	2183.14	704.68	120.60	825.28	144.36	57.73	911.92	1271.22	1180.38			
	Previous year	1978.80	7.97	-	1986.77	7.16	40.04	1953.89	585.63	119.06	704.68	120.60	51.78	773.50	1180.38	1282.08			
<p>I) * Property, Plant and Equipment pledged as security against borrowings by the group, if any Refer to Note : 16 & 43 Assets Hypothecated as security</p> <p>II) There are no contractual obligations for the year</p>																			



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Notes to the Financial Statements for the period ended March 31, 2024

(Amount in Lakhs)		
Note 5:	Non Current- Financial Assets-Investments	As at March 31, 2024
		As at March 31, 2023
	A) Non - Trade Investments	
	Investments for shares of subsidiary company*	577.31
	B) Unquoted	
	National Saving Certificates	.60
	Total	577.91
		.60

**Overseas direct investment payments for the acquisition shares of the foreign company, however allotment of shares not completed.*

Note 6:	Non Current -Other Financial Assets	As at March 31, 2024
		As at March 31, 2023
	Export incentives receivable	94.11
	Total	94.11
		36.98

Note 7:	Other Non-Current Assets	As at March 31, 2024
		As at March 31, 2023
	(Unsecured, Considered good)	
	Security Deposits	33.40
	Loans to Employees *	-
	Other Loans & Advances	-
	Total	33.40
		14.76
		.60
		16.00

Note 8:	Inventories	As at March 31, 2024
		As at March 31, 2023
	Packing material	-
	Stock in Trade	4287.99
	Total	4287.99
		25.28
		2860.31

Note 9:	Trade Receivables	As at March 31, 2024
		As at March 31, 2023
	Unsecured & Considered Good*	2769.42
		2769.42
	Total	2769.42
		1981.69
		1981.69

**Netted of extent to the bills discounted/factoring*

(Amount in Lakhs)		
Note 10:	Cash and Cash equivalents	As at March 31, 2024
		As at March 31, 2023
	Cash, Cash Equivalents, Balance with banks	
	In current accounts	55.01
	Cash in hand	6.91
	Total	61.92
		223.17
		8.44
		231.61

Note 11:	Other Balances with Bank	As at March 31, 2024
		As at March 31, 2023
	Other bank balances	
	Fixed Deposits*	68.55
	Total	68.55
		64.78

** Lien to Axis Bank Ltd*

Note 12:	Other Financial Assets	As at March 31, 2024
		As at March 31, 2023
	Export incentives receivable	107.07
	Total	107.07
		248.83
		248.83

Note 13:	Other Current Assets	As at March 31, 2024
		As at March 31, 2023
	Unsecured, Considered Good	
	Advances to Suppliers	16.08
	Other Loans and Advances*	20.03
	Balances with Govt. Authorities**	408.71
	Prepaid Expenses	20.63
	Total	465.45
		76.61
		11.59
		175.65
		24.37
		288.21

provision of taxes netted of extent to advance tax, tax deducted & collected at source. GST credit ledger and availed input tax credit*



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Notes to the Financial Statements for the period ended March 31, 2024

Note 14:	Equity Share Capital	(Amount in Lakhs Except Shares)			
		As at		As at	
		March 31, 2024		March 31, 2023	
		No. of Shares	Amount in	No. of Shares	Amount in
	Authorised				
	2,40,00,000 Equity Shares of Rs. 10 each/-	24000000	2400.00	24000000	2400.00
		24000000	2400.00	24000000	2400.00
	Issued, Subscribed and Fully Paid-up				
	11,85,50,000 Equity Shares of Rs. 10/- each fully paid	11855000	1185.50	11855000	1185.50
		11855000	1185.50	11855000	1185.50

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

Particulars	As at March 31, 2024		As at March 31, 2023	
	No. of Share	Amount in	No. of Share	Amount in
Equity Share Capital				
At the beginning of the year	11855000	1185.50	11855000	1185.50
At the end of the year	11855000	1185.50	11855000	1185.50

(b) Terms/rights attached to equity shares

The Company has only one class of equity shares having a par value of Rs. 10/- per share. Each holder of equity shares is entitled to one vote per share. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

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

(d) Details of Share holders holding more than 5% shares in the company:

Name of Shareholder	As at March 31, 2024		As at March 31, 2023	
	No. of Share	% of Holding	No. of Share	% of Holding
Equity Shares				
Alpa Apoorva Shah	864182	7.29%	1,033,682	8.72%
Apoorva Himatlal Shah	3919368	33.06%	3,919,368	33.06%
Total	4783550	40.35%	4,953,050	42%

Disclosure of shareholding of promoters as at March 31, 2024 is as follows:

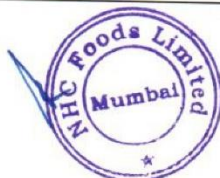
Shareholder name	Shares held by Shareholders		% Change During the Period
	As at March 31, 2024		
	No. of Share	% of Holding	
Equity Shares			
Alpa Apoorva Shah	864182	7.29%	1.43%
Apoorva Himatlal Shah	3919368	33.06%	0.00%
Apoorva H Shah HUF	8155	0.07%	0.00%
Apar Apoorva Shah	27650	0.23%	0.00%
Aneri Apoorva Shah	19300	0.16%	0.00%
	4838655	40.81%	1.43%

Disclosure of shareholding of promoters as at March 31, 2023 is as follows:

Shareholder name	Shares held by Shareholders		% Change During the Year
	As At 31st March 2023		
	No. of Share	% of Holding	
Equity Shares			
Alpa Apoorva Shah	1033682	8.72%	0.00%
Apoorva Himatlal Shah	3919368	33.06%	0.00%
Apoorva H Shah Huf	8155	0.07%	0.07%
Apar Apoorva Shah	27650	0.23%	0.00%
Aneri Apoorva Shah	19300	0.16%	0.00%
	5008155	42.24%	0.07%

Disclosure of shareholding of promoters as at March 31, 2022 is as follows:

Shareholder name	Shares held by Shareholders		% Change During the Year
	As At 31st March 2022		
	No. of Share	% of Holding	
Equity Shares			
Alpa Apoorva Shah	1033682	8.72%	0.00%
Apoorva Himatlal Shah	3919368	33.06%	0.00%
Apar Apoorva Shah	27650	0.23%	0.00%
Aneri Apoorva Shah	19300	0.16%	0.00%
	5000000	42.17%	0.00%



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Notes to the Financial Statements for the period ended March 31, 2024

		(Amount in Lakhs)	
Note 15:	Other Equity	As at March 31, 2024	As at March 31, 2023
	Securities Premium	174.29	174.29
		174.29	174.29
	Retained Earnings		
	Opening Balance	1190.28	1014.64
	Add: Profit for the year	234.74	175.64
	Other Comprehensive Income	1425.02	1190.28
	Remeasurements of net defined benefit plans		
	Opening Balance	-1.11	-13.55
	Add: Profit/(Loss) for the year	-6.65	12.44
		-7.76	-1.11
	Total	1591.54	1363.46

Note 16:	Non-Current Borrowings	As at March 31, 2024	As at March 31, 2023
	Secured*		
	Loan from Banks	370.00	326.02
	Less: Current Maturity of Loan	-	103.85
	Total	370.00	222.17
	Unsecured*		
	From Others :		
	Loan From Related parties	-	391.51
	Less: Current Maturity of Non Current Borrowing	-	64.51
		-	327.00
	Loan From Others (Long Terms Maturities)	-	117.81
	Less: Current Maturity of Non Current Borrowing	-	82.36
		-	35.45
	Total	370.00	584.62
	Lease Liabilities	259.23	111.48
	Total	259.23	111.48

*refer note 20

(a) * Details Of Security for current and non current borrowings

(i) Secured loan from Axis Bank Ltd

- A. Hypnotisation of inventory and receivables (Current assets) of the company.
- B. Land, building at Survey no.777, Umarsadi, Taluka Pardi, Dist.Valsad, Gujrat 396175
- C. Office 2/13, Swagatham CHS Ltd. NHC House, Anand Nagar, Santacruz East, Mumbai-400055
- D. Fixed Deposits -Lien to Axis Bank Ltd
- E. Personal Guarantee of
 1. Apoorva Shah
 2. Alpa Shah
 3. Apar Shah

(ii) Kotak Mahindra Prime Ltd -Secured car loan.

(iii) Unsecured loans from others carrying rate of interest prevailing at the time of borrowing the loan and subject to approval board of directors

(iv) For Repayment Refer Note No. 41 Contractual maturities of financial liabilities



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Notes to the Financial Statements for the period ended March 31, 2024

		(Amount in Lakhs)	
Note 17:	Long Term Provisions	As at March 31, 2024	As at March 31, 2023
	Provision for Gratuity	18.72	22.02
	Total	18.72	22.02
Note 18:	Deferred Tax Liability (Net)	As at March 31, 2024	As at March 31, 2023
	Deferred Tax Liability On Fixed Assets	221.44	210.32
	Deferred Tax Asset Disallowances under Income Tax Act, 1961	87.16	82.58
	Deferred Tax Liability/Assets (Net)	134.28	127.74
<i>Reconciliation : Refer Note No. 43</i>			
Note 19:	Other Non-Current Liabilities	As at March 31, 2024	As at March 31, 2023
	Other Liabilities-Deposits	6.03	7.10
	Total	6.03	7.10
Note 20:	Short-Term Borrowings	As at March 31, 2024	As at March 31, 2023
	a) Loans Secured*		
	Working Capital Borrowings from Banks	2890.90	1841.68
	Unsecured		
	Loans from others*	35.55	82.36
	Loan From Related parties #	58.74	64.51
	Total	2985.19	1988.56
	b) Lease Liabilities	49.76	14.01
	Total	49.76	14.01
<i>*From NBFC and others, # refer note 36 related party transactions</i>			
Note 21:	Trade Payables	As at March 31, 2024	As at March 31, 2023
	Trade Payables		
	Total outstanding dues of micro enterprises and small enterprises	223.83	61.88
	Total outstanding dues of creditors other than micro enterprises and small enterprises	2684.74	1123.41
	Total	2908.57	1185.29
Note 22:	Short-Term Provisions	As at March 31, 2024	As at March 31, 2023
	Provision for Gratuity	7.16	.66
	Provision for Other Expenses	-	.40
	Provision for Tax *	12.15	25.74
	Provision for Leave Encashment	6.28	2.60
	Bonus Payable	5.17	3.73
	Total	30.75	33.14
<i>*provision of taxes netted of extent to advance tax, Tax deducted & collected at source.</i>			
Note 23:	Other Current Liabilities	As at March 31, 2024	As at March 31, 2023
	Current Maturities of Long Term loans	3.84	103.85
	Interest Accrued but not due	.54	1.12
	Advances From Customers	161.94	194.25
	Other Payables*	31.14	27.92
	Total	197.47	327.13
<i>*Includes statutory dues and salary payable</i>			



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Notes to the Financial Statements for the period ended March 31, 2024

(Amount in Lakhs)

Note 24:	As at March 31, 2024	As at March 31, 2023
Revenue from Operations		
Sales- Ready to Eat & Bulk Agriculture Products	20607.83	16214.67
Other Operating Revenues		
Export Incentives	316.57	141.37
Total	20924.40	16356.04

Note 25:	As at March 31, 2024	As at March 31, 2023
Other Income		
Interest Income		
On Deposits & Others	4.19	3.83
Other Than Interest Income		
Non Operating Income	29.89	51.48
Foreign Exchange Gain(Loss)	171.63	-
Total	205.71	55.31

Note 26:	As at March 31, 2024	As at March 31, 2023
Cost of Raw Material Consumed		
Raw Material		
As at beginning of the year	-	2.36
	-	2.36
Packing Material Consumed		
Packing Material		
As at beginning of the year	25.28	25.57
Add : Purchase	-	-
Less : As at end of the year	-	25.28
	25.28	.29
Total	25.28	2.65

Note 27:	As at March 31, 2024	As at March 31, 2023
Changes in Inventories		
Inventories as at the end of the year		
Stock in Trade	4287.99	2860.31
	4287.99	2860.31
Inventories as at the beginning of the year		
Work in progress	-	.86
Finished goods	-	.17
Stock in Trade	2860.31	2225.14
	2860.31	2226.18
Net Decreases(Increase) in Inventories	-1427.67	-634.14



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Notes to the Financial Statements for the period ended March 31, 2024

(Amount in Lakhs)

Note 28: Employee Benefits Expense	As at March 31, 2024	As at March 31, 2023
Salaries, Wages and Bonus*	220.18	180.66
Contribution to Recognised funds	11.31	11.02
Staff Welfare Expenses	4.75	5.19
Total	236.24	196.87

Note 29: Finance Cost	As at March 31, 2024	As at March 31, 2023
Interest Expenses	294.01	248.23
Other Borrowing Costs	11.38	17.65
Interest on Lease liability	25.53	15.07
Total	330.92	280.95

Note 30: Other Expenses	As at March 31, 2024	As at March 31, 2023
Freight, Clearing, Forwarding Expenses	914.50	1378.75
Travelling Expenses	48.88	26.53
Sales promotion expenses	20.99	18.74
Commission & Brokerage Expenses	58.67	64.16
Electricity Expenses	12.05	8.59
Legal and Professional Fees	56.75	55.40
Bank Charges	83.68	67.92
Foreign Exchange Loss(Gain)	-	25.37
Repairs and Maintenance		
Building, Plant and Machinery	.93	3.26
Computers & Others	16.76	18.37
Rates, Taxes, Listing Fees	6.26	21.08
Payments to auditors		
Statutory Audit Fees	3.45	3.45
Tax Audit Fees	.55	.55
Other services-Statutory Auditor	.23	.05
Insurance Expenses	15.34	12.28
Office Expenses	30.53	28.85
Expected Credit Loss(Reversal)	-142.34	-48.76
Other Miscellaneous Expenses & Exports Custom Duty	534.99	61.55
Total	1662.22	1746.13



NHC FOODS LTD

NHC Foods Limited

Notes to the Financial Statements for the year ended March 31, 2024 (Continued)

31. Commitments and contingencies

(a) Estimated amount of contracts remaining to be executed on capital account and not provided for - Nil.

(b) Contingent Liabilities not provided for:

(Amount in Lakhs)

Particulars	F.Y. 2023-24	F.Y. 2022-23
A. Disputed Demands Outstanding:		
Income Tax*	28.04	28.04
Excise Duty**	-	2.27

*Based on the decisions of the 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. ** during the year "CUSTOMS, EXCISE & SERVICE TAX APPELLATE TRIBUNAL' set a side demand order'.

(C) Bill Discounted/Factoring Payables netted off to the receivables.

(Amount in Lakhs)

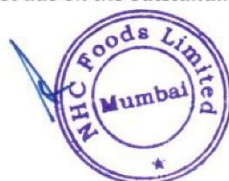
Particulars	F.Y. 2023-24	F.Y. 2022-23
A. Bills discounted and outstanding	16.58	06.22

32. Details of dues to Micro and Small Enterprises as defined under Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act, 2006). Micro, Small and Medium Enterprises Development Act, 2006 has been determined to the extent such parties have been identified on the basis of information provided by the vendors and available with the Company.

(Amount in Lakhs)

Sr. No	Particulars	March 31, 2024	March 31, 2023
	Total outstanding dues of micro enterprises and small enterprises :		
a.	Principal amount and interest due thereon remaining unpaid*	223.83	61.88
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	0.12	0.53
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 considered on accrual basis.



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Notes to the Financial Statements for the year ended March 31, 2024 (Continued)

33. 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, The Chief Operating Decision Maker (CODM) evaluates the Group’s performance and allocates resources based on an analysis of various performance indicators by industry classes. :

Secondary Segment Information		(Amount in Lakhs)	
Segment Revenue- External Turnover	FY 2023-24	FY 2022-23	
Within India	3581.23	2659.76	
Outside India	17342.57	13696.28	
Total Revenue	20924.40	16356.04	
Segment Assets*			
Within India	6524.22	6157.30	
Outside India	3212.83	792.74	
Total Assets	9737.05	6950.04	
Segment Liability			
Within India	6960.00	4401.09	
Outside India	-	-	
Total Liability	6960.00	4401.09	
Capital Expenditure			
Within India	28.34	4.16	
Outside India	-	-	
Total Expenditure	28.34	4.16	

34. Disclosure pursuant to Ind AS 33 – Earnings Per Share (Amount in Lakhs.)

Particulars	As at March 31, 2024	As at March 31, 2023
(i) Total Comprehensive Income	234.73	175.64
(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.)	1.98	1.48
(VI) Diluted earning per Share (Rs.)	1.98	1.48



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Notes to the Financial Statements for the year ended March 31, 2024 (Continued)

35. Impact of IND AS 116 'Leases'

a. The movement in lease liabilities during the year:

(Amount in Lakhs)

Particulars	ASSETS-I	ASSETS-II
Lease liabilities as on 31.03.2022	106.56	00.00
Finance costs incurred during the year	15.07	00.00
Re-measurement the Financial year	29.06	00.00
Payment of lease liabilities and interest	-25.20	00.00
Lease liabilities as on 31.03.2023	125.49	00.00
Lease liabilities Created During the Year	00.00	211.19
Finance costs incurred during the year	13.70	11.81
Re-measurement the Financial year	00.00	00.00
Payment of lease liabilities and interest	-27.72	-25.50
Lease liabilities as on 31.03.2024	111.47	197.51

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

Particulars	ASSETS-I	ASSETS-II
Right to use asset as on 31.03.2022	80.72	0.00
Deductions during Financial year	0.00	0.00
Depreciation charged during the Financial year	-15.74	0.00
Re-measurement the Financial year	13.74	0.00
Right to use asset as on 31.03.2023	78.72	0.00
Right to use assets created during the year	0.00	211.19
Deductions during the financial year	0.00	0.00
Depreciation charged during the year	-15.74	21.11
Re-measurement the Financial year	0.00	0.00
Right to use asset as on 31.03.2024	62.98	190.08

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

Particulars	ASSETS-I	ASSETS-I
Depreciation on Right of use asset	15.74	21.12
Finance cost incurred during the year	13.71	11.81
Total amounts recognized in the profit & loss account	29.45	32.93



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NHC Foods Limited

Notes to the Financial Statements for the year ended March 31, 2024 (Continued)

36. Related Party Disclosure:

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

List of Key Management Personnel and Relatives

Key Management Personnel	Relation/Control
Mr. Apoorva H. Shah	Managing Director
Mr. Apar Apoorva Shah	Whole time Director
Mr. Awdheshkumar Kannaujia	Chief Financial Officer
Mr. Akansh Shah	Chief Financial Officer
Mr. Archit Wahale	Chief Financial Officer
Miss. Shivani Singh	Company Secretary
Mrs. Shanu Bhandari	Company Secretary
Mrs. Aneri Apoorva Shah	Relatives of Key Management Personnel
Mrs. Alpa Apoorva Shah	Relatives of Key Management Personnel
NHC Overseas Private Limited	Company over which key management personnel are able to exercise significant influence

a) Transaction with related Parties at arm's length basis

(Amount in Lakhs.)

Sr. No	Nature of transactions	Transaction in financial years and payable		
		FY 2023-24	FY 2022-23	Payable 31/03/2024
1.	Loan(unsecured) Received (Key Management Personnel)	267.77	942.66	58.74
2.	Loan(unsecured) Repayment (Key Management Personnel)	600.55	948.37	N.A.
3.	Remuneration/Salary (Key Management Personnel)	99.25	79.65	8.01
4.	Remuneration/Salary (Relatives of Key Management Personnel)	20.01	12.68	1.89
5.	Professional Fees (Relatives of Key Management Personnel)	18.00	16.50	0.00
6.	Sale of Fixed Assets (Key Management Personnel)	0.00	12.83	0.00.
7.	Interest on Loan (Key Management Personnel)	9.95	86.45	0.00
8.	Royalty (Company over which key management personnel are able to exercise significant influence)	0.00	0.31	0.00



NHC Foods Limited

Notes to the Financial Statements for the year ended March 31, 2024 (Continued)

37. Employee Benefit Obligations (as per Ind AS 19 "Employee benefits"):

Post-Employment obligations- 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) 2023-24	Gratuity (Unfunded) 2022-23
Present Value of the Obligation as at the beginning of the	22.68	35.11
Interest Cost	1.67	2.52
Current Service Cost	2.41	2.25
Benefits Paid	-	-
Re-measurements Due to Assumptions & other	-0.88	-17.21
Present Value of the Obligation as at the end of the year	25.88	22.68

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

Particulars	Gratuity Unfunded 2023-24	Gratuity Unfunded 2022-23
Present Value of the Obligation as at the end of the year	25.88	22.68
Fair value of plan assets	-	-
Un-funded Liability	25.88	22.68
Unrecognized actuarial gains/ losses	-	-
Un-funded liability recognized in Balance Sheet	25.88	22.68

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

Particulars	Gratuity (Unfunded) 2023-24	Gratuity (Unfunded) 2022-23
Interest Cost	1.67	2.52
Current Service Cost	2.41	2.25
Past Service Cost		
Expected Return on Plan Assets		
Actuarial (gain)/ loss on obligations	-0.88	-12.43
Total expense recognized in the Profit and Loss Account	3.20	7.65



NHC Foods Limited

Notes to the Financial Statements for the year ended March 31, 2024 (Continued)

The weighted average duration of the defined benefit obligation is 22.20

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.

38. Employee Benefit Obligations (as per Ind AS 19 "Employee benefits"):

Defined contribution plans - Provident fund

The company also has defined contribution plans. Contributions are made to provident fund in India for employees at rate of the decided by the board. 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 recognized during the period towards defined contribution plan is INR 11.31 Lakhs (March 31, 2023: INR 11.02 Lakhs).



NHC FOODS LTD

NHC Foods Limited

Notes to the Financial Statements for the year ended March 31, 2024 (Continued)

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	(0.88)
Actuarial (Gain) / Loss on Obligations - Total	(0.88)

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

Particulars	Gratuity 2023-24	Gratuity 2022-23
Discount Rate	7.10%	7.38%
Expected Rate of increase in compensation levels	5.00%	5.00%
Expected Rate of return on plan Assets	N.A.	N.A.

Sensitivity Analysis

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

Summary of Financial & Demographic Assumptions

Scenario	Gratuity 2023-24		Gratuity 2022-23	
	DBO	Percent age	DBO	Percentage Change
Under Base Scenario	25.88	0.0%	22.68	0.0%
Salary Escalation - Up by 1%	27.45	6.1%	24.71	6.1%
Salary Escalation - Down by 1%	24.03	-7.1%	20.94	-6.2%
Withdrawal Rates - Up by 1%	27.85	7.6%	24.45	2.3%
Withdrawal Rates - Down by 1%	23.48	-9.2%	20.55	-2.8%
Discount Rates - Up by 1%	23.10	-10.7%	20.18	-7.9%
Discount Rates - Down by 1%	29.33	13.3%	25.77	9.6%

Expected Cash flow for following years.

(Amount in Lakhs)

Maturity Profile of Defined Benefit Obligations		
Year	Gratuity 2023-24	Gratuity 2022-23
Year 1	7.16	.66
Year 2	.63	6.44
Year 3	.65	.60
Year 4	.68	.63
Year 5	.71	.65
Year 6 TO 10	3.93	3.59



NHC FOODS LTD

Notes to the Financial Statements for the year ended March 31, 2024 (Continued)

39. FAIR VALUE MEASUREMENTS

i. Financial Instruments by Category

Particulars	Carrying Amount		Fair Value	
	March 31, 2024	March 31, 2023	March 31, 2024	March 31, 2023
	(Amount in Lakhs)			
FINANCIAL ASSETS				
Amortised cost				
Investments	577.91	.60	577.91	.60
Trade Receivables	2769.42	2124.03	2769.42	2124.03
Cash and Cash Equivalents	61.92	231.61	61.92	231.61
Other Balances with Bank	68.55	64.78	68.55	64.78
Other Financial Assets	201.18	285.81	201.18	285.81
Total	3678.99	2706.84	3678.99	2706.84
FINANCIAL LIABILITIES				
Amortised cost				
Borrowings	3355.19	2573.18	3355.19	2573.18
Lease Liabilities	308.99	125.49	308.99	125.49
Trade Payables	2908.57	1185.29	2908.57	1185.29
Total	6572.76	3883.96	6572.76	3883.96

The management assessed that the fair value of cash and cash equivalent, other balances with bank, 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.



NHC FOODS LTD

Notes to the Financial Statements for the year ended March 31, 2024 (Continued)

40. 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.

(A) Credit risk

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.



NHC FOODS LTD

Notes to the Financial Statements for the year ended March 31, 2024 (Continued)

41. FINANCIAL RISK MANAGEMENT

9.1- Trade Receivables

Ageing for trade receivables –Outstanding as at March 31, 2024 is as follows:

Amount in Lakhs

Particular	Outstanding for following periods from due date of payment*					Total
	Less than 6 months	6 months to 1 year	1 to 2 year	2-3 Years	More than 3 Years	
I) Undisputed Trade receivable - Considered Good	4425.99	-	-	-	1.43	4427.42
II) Undisputed Trade Receivables -Which have significant increase in credit risk	-	-	-	-	-	-
III) Undisputed Trade Receivables -Credit Impaired*	-	-	-	-	-	-
IV) Disputed Trade Receivables- Considered good	-	-	-	-	-	-
V) Disputed Trade Receivables- Which have significant increase in credit risk	-	-	-	-	-	-
VI) Disputed Trade Receivables -Credit impaired	-	-	-	-	-	-
Total Amount	4425.99	-	-	-	1.43	4427.42
Expected Credit Loss	-	-	-	-	-	-
Bill discounted	-	-	-	-	-	-1658.00
Net Reported	-	-	-	-	-	2769.42

* During the year the company wrote off a long-term receivable amounting to Rs. 85.98 Lakhs. This receivable was deemed uncollectible after extensive efforts to recover the amount proved unsuccessful. The write-off has been recognized as an expense in the income statement under other expenses. The long-term receivable related to a contract Agron Holdings Ltd, management has taken action was in accordance with the company's accounting policy for doubtful debts.

Ageing for trade receivables –Outstanding as at March 31, 2023 is as follows:

Amount in Lakhs

Particular	Outstanding for following periods from due date of payment*					Total
	Less than 6 months	6 months to 1 year	1 to 2 year	2-3 Years	More than 3 Years	
I) Undisputed Trade receivable - Considered Good	2412.32	107.22	139.51	1.43	-	2660.49
II) Undisputed Trade Receivables -Which have significant increase in credit risk	-	-	-	-	-	-
III) Undisputed Trade Receivables -Credit Impaired	-	-	-	85.98	-	85.98
IV) Disputed Trade Receivables- Considered good	-	-	-	-	-	-
V) Disputed Trade Receivables - Which have significant increase in credit risk	-	-	-	-	-	-
VI) Disputed Trade Receivables -Credit impaired	-	-	-	-	-	-
Total Amount	2412.32	107.22	139.51	87.41	-	2746.47
Expected Credit Loss	-	-	-	-	-	-142.34
Bill discounted	-	-	-	-	-	-622.43
Net Reported	-	-	-	-	-	1981.69

* Net of bill discounted for the year ended



NHC FOODS LTD

Notes to the Financial Statements for the year ended March 31, 2024 (Continued)

ii. Reconciliation provision of expected credit loss

Particulars	Amount in Lakhs	
	Rs.	
Provision of expected credit loss on March 31, 2022		191.10
Changes in loss allowance		-48.76
Loss allowance on March 31, 2023		142.34
Reversal of provision		-142.34
Loss allowance on March 31, 2024		-

(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

Particulars	Amount in Lakhs				
	Less than 1 month	1 to 3 months	3 months to 1 year	Between 1 and 3 years	Between 3 and 5 years
March 31, 2024					
Financial Liabilities	740.48	2209.43	35.27	246.48	123.52
Total liabilities	740.48	2209.43	35.27	246.48	123.52
March 31, 2023					
Financial Liabilities	920.05	989.65	122.93	89.39	555.00
Total liabilities	920.05	989.65	122.93	89.39	555.00



NHC FOODS LTD

Notes to the Financial Statements for the year ended March 31, 2024 (Continued)

Contractual maturities of Trade Payables

Ageing for trade payables outstanding as at March 31, 2024 is as follows:

Particular	Outstanding for following periods from due date of payment				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
(i) MSME	223.83	-	-	-	223.83
(ii) Others	2683.46	1.28	-	-	2684.74
(iii) Disputed dues – MSME	-	-	-	-	-
(iv) Disputed dues – others	-	-	-	-	-

Ageing for trade payables outstanding as at March 31, 2023 is as follows:

Particular	Outstanding for following periods from due date of payment				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
(i) MSME	61.88	-	-	-	61.88
(ii) Others	1122.38	1.03	-	-	1123.41
(iii) Disputed dues – MSME	-	-	-	-	-
(iv) Disputed dues – others	-	-	-	-	-

(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 while dealing with imports transactions which are denominated in foreign currency which exposes it to foreign currency risk. To minimise the risk of imports, the company may use forward contract to minimise the risk appetite due to foreign currency.

The company uses a combination of foreign currency 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 forward 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 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 forward 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.



NHC FOODS LTD

Notes to the Financial Statements for the year ended March 31, 2024 (Continued)

(a) Foreign Currency Risk Exposure

Particulars	Amount in Lakhs	
	USD	Total (Rs)
March 31, 2024		
Trade Receivables	5,150,814	4294.23
Bill Discounting	(1,988,728)	-1658.00
Advance from Customer	(157,625)	-131.41
Loan Packing Credit Foreign Currency	(3,418,496)	-2850.00
Net exposure to foreign currency risk	(414,035)	-345.18
March 31, 2023		
Trade Receivables	964,165	792.74
Bill Discounting	(757,034)	-622.43
Advance from Customer	175,344	163.72
Loan Packing Credit Foreign Currency	(2,239,947)	-1841.68
Net exposure to foreign currency risk	(1,857,473)	-1507.66

(b) Foreign currency sensitivity

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

	2023-24		2022-23	
	1% Increase	1% Decrease	1% Increase	1% Decrease
Net Increase/(decrease) in profit or loss	-3.45	3.45	-15.08	15.08

(ii) Interest rate risk

Interest rate can be either fair value interest risk or cash flow interest 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.



NHC FOODS LTD

Notes to the Financial Statements for the year ended March 31, 2024 (Continued)

42. CAPITAL MANAGEMENT

For the purpose of the company's capital management, capital includes issued equity capital, convertible preference shares, share premium and all other equity reserves attributable to the equity holders of the parent. The primary objective of the Company's capital management is to maximise the shareholder value.

The company manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. To maintain or adjust the capital structure, the company may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. The company monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt. The company's policy is to keep the gearing ratio between 20% to 40%. The company includes within debt, interest bearing loans and borrowings, trade and other payables, less cash and cash equivalents, other balances with bank excluding discontinued operations.

Particulars	Amount in Lakhs	
	March 31, 2024	March 31, 2023
Borrowings	3355.19	2573.18
Trade payables	2908.57	1185.29
Other payables	31.14	27.92
Less: cash and cash equivalents	-61.92	-231.61
Less: Other Balances with Banks	-68.55	-64.78
Net Debt	6164.43	3489.99
Equity	2777.04	2548.96
Total Capital	2777.04	2548.96
Capital and net debt	8941.47	6038.95
Gearing ratio	69%	58%

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%



NHC FOODS LTD

Notes to the Financial Statements for the year ended March 31, 2024 (Continued)

43. ASSETS PLEDGED AS SECURITY

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

Particulars	Amount in Lakhs	
	March 31, 2024	March 31, 2023
CURRENT ASSETS		
i. Financial Assets		
First Charge		
Trade Receivables	2769.42	1485.34
Investment	-	.60
cash and cash equivalent	61.92	79.69
Other Balances with Bank	68.55	223.54
Other Financial Assets	201.18	335.47
ii. Non Financial Assets		
First Charge		
Inventories	4287.99	2885.59
Other Current Assets	465.45	288.21
Total Current Assets Pledge as Security	7854.51	5298.44
NON CURRENT ASSETS		
First Charge		
Office Premises*	246.12	251.17
Factory Building*	429.34	452.96
Total Non Current Assets Pledge as Security	675.46	704.12

*Its carrying amount of the assets after depreciation



NHC FOODS LTD

Notes to the Financial Statements for the year ended March 31, 2024 (Continued)

44. Net debt Reconciliation

Indian Accounting Standard (Ind AS) 7, Statement of Cash Flows requiring disclosure of changes in liabilities arising from financing activities.

Particulars	Amount in Lakhs	
	March 31, 2024	March 31, 2023
Current Borrowings	2985.19	1988.56
Non-current Borrowings	370.00	688.46
Lease liabilities	125.49	308.99
Net Debt	3480.68	2986.02

Pursuant to the amendments whereas disclosure of information enabling users of financial statements to evaluate changes in liabilities arising from financing activities however amendments do not define financing activities, instead they clarify that financing activities are based on the existing definition of Ind AS 7, based on this we have reconciled financing activity whereas amendments are first applied, entities are not required to present comparative information for earlier periods.

Particulars	March 31, 2023	Cash Flows	Non-Cash Changes		March 31, 2024
			Acquisition	Fair Value/ Other Change	
Current Borrowings	1988.56	965.52		31.11	2985.19
Non-current Borrowings	688.46	-318.46			370.00
Lease liabilities	308.99		-183.51		125.49
Net Debt	2986.02	647.06	-183.51	31.11	3480.68



NHC FOODS LTD

Notes to the Financial Statements for the year ended March 31, 2024 (Continued)

45. INCOME TAX

Deferred Tax		(Amount in Lakhs.)	
Particulars	March 31, 2024	March 31, 2023	
Deferred tax Liabilities :			
Accelerated Depreciation and amortization for tax purposes	-221.44	-210.32	
	-221.44	-210.32	
Deferred tax Assets :			
Lease Liabilities & Provisions	77.77	34.91	
Gratuity	6.51	6.31	
Expected Credit Loss	-	39.60	
Bonus	1.30	1.04	
Leave Encashment	1.58	.72	
	87.16	82.58	
Net Deferred Tax Assets / (Liabilities)	-134.28	-127.74	

Movement in deferred tax liabilities/assets

		(Amount in Lakhs.)	
Particulars	March 31, 2024	March 31, 2023	
Balance at the opening of the year	-127.74	-94.16	
Tax Income/(Expenses) during the period recognised in the statement of profit or loss	-6.54	-33.58	
MAT Adjustments recognised in the statement of profit or loss			
MAT Adjustments through Balance Sheet			
Closing balance at the end of the year	-134.28	-127.74	

The Company offsets tax assets and liabilities if and only if it has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same tax authority
Considering the probability of availability of future taxable profits in the period in which tax losses expire, deferred tax assets have not been recognised in respect of tax losses carried forward by the Company

Major Components of income tax expense for the years ended March 31, 2024 and March 31, 2023 are as follows:

i. Income tax recognised in profit or loss		(Amount in Lakhs.)	
Particulars	2023-24	2022-23	
Current income tax charge	65.98	60.52	
Current tax expense relating to prior years	4.79	-	
MAT Adjustment	-	-	
Deferred tax			
Relating to origination and reversal of temporary differences	6.54	33.58	
Income tax expense recognised in profit or loss	77.31	94.11	

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.

Reconciliation of tax expense and accounting profit multiplied by income tax rate for March 31, 2024 and March 31, 2023

		(Amount in Lakhs.)	
Particulars	March 31, 2024	March 31, 2023	
Profit before tax from continuing operations	312.05	269.75	
Accounting profit before income tax	312.05	269.75	
Enacted tax rate in India	25.168%	27.820%	
Income tax on accounting profits	78.54	75.04	
Effect of			
Other non taxable income	35.82	59.26	
Non-deductible expenses for tax purposes:	-48.38	-73.78	
Tax at effective income tax rate	65.98	60.52	



NHC FOODS LTD

Notes to the Financial Statements for the year ended March 31, 2024 (Continued)

46: Additional Disclosure requirements as notified by MCA pursuant to amended Schedule III 1) RATIOS

S.R No.	Ratio	Numerator	Denominator	F.Y. 2023-24	F.Y. 2022-23	Variance (%)	Explanation for variance 25% & More(+/-)
1	Current Assets	Current Assets	Current Liabilities	1.27	1.62	-21.84%	Not Applicable
2	Debt Equity	Total Debts	Shareholder's equity	1.98	1.71	15.69%	Not Applicable
3	Debt Service Coverage	Earning available for debt service	Debt Service	2.38	2.39	-0.42%	Not Applicable
4	Return on Equity (ROE)	Net profit after Tax	Average shareholders equity	8.45%	6.89%	22.67%	Not Applicable
5	Trade Receivable Turnover	Revenue	Average Trade Receivable	8.81	9.44	-6.65%	Not Applicable
6	Trade Payable Turnover	Purchase of Goods & Services	Average Trade Payables	9.01	11.67	-22.81%	Not Applicable
7	Net Capital Turnover	Revenue	Working Capital	12.77	7.48	70.67%	Revenue/Sales increased vis a vis working capital
8	Net Profit	Net profit	Revenue	1.12	1.07	4.47%	Not Applicable
9	Return on Capital Employed (ROCE)	Earning before Interest & Tax	Capital Employed	18.03%	16.19%	11.40%	Not Applicable

Notes to the Financial Statements for the year ended March 31, 2024 (Continued)

46: Additional Disclosure requirements as notified by MCA pursuant to amended Schedule III

2	The Company do not have any Benami property, where any proceeding has been initiated or pending against the Company for holding any Benami property.
3	The Company do not have any transactions with companies struck off
4	The Company has not been declared as a willful defaulter by any lender who has powers to declare a company as a willful defaulter at any time during the financial year or after
5	The Company have not traded or invested in Crypto currency or Virtual Currency during the financial year,
6	The Company have not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall: a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company (Ultimate Beneficiaries) or b) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries,
7	The Company have not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall: (a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or (b) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries,
8	The Company have no such transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961).
9	The provisions regarding CSR Expenses under Section 135 of the Companies Act, 2013 are not applicable to the Company,
10	The company has remitted Indian Rupees Rs.576.68/- Lakhs, equivalent to USD 6.91 Lakhs, for the purpose of acquiring 2540 shares out of 2640 in M/s Intra Metal Trading L.L.C, located within the free trade zone of the United Arab Emirates and same has been disclosed in to financials "Non Trade investments". as of the aforementioned date, both the issuance, registration, and allotment of shares for M/s Intra Metal Trading L.L.C are still in process. The acquisition itself has not yet been completed even on the date of the signing the financials. Due to the ongoing nature of this transaction, the management has taken the decision to refrain from preparing the consolidated financial statements for the period ended March 31, 2024. This decision is based on the uncertainty surrounding the completion timeline of the acquisition and establish control over the entity
11	Compliance with regards to the number of layers prescribed under clause (87) of section 2 of the Companies Act 2013 read with Companies (Restrictions on number of Layers) Rules, 2017 is not applicable to the Company



NHC FOODS LTD

NHC Foods Limited CIN-L15122GJ1992PLC076277		
Notes to the Financial Statements for the year ended March 31, 2024 (Continued)		
47. 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 ICAI Firm Registration No. 120459W	For and behalf of the Board of Directors of NHC Foods Limited	
 <i>S. Doshi</i> Ch. S. Doshi Partner Membership No.151274 Place : Mumbai Date : 17/05/2024 UDIN: 24151274BKEXJP1284	 <i>Apoorva Shah</i> Apoorva Shah Chairman & Managing Director DIN : 00573184 <i>Archit Wahale</i> Archit Wahale Chief financial officer	 Apar Shah Whole Time Director DIN : 07125733  Shanu Bhandari Shanu Bhandari Company Secretary

NHC FOODS LTD

STATUTORY AUDITOR'S REPORT AND THE AUDITED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

NHC FOODS LIMITED

INDEPENDENT AUDITOR'S REPORT

To,
The Members
NHC Foods Limited

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 2023, 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 2023, 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>Trade receivables and other financial assets and Impairment</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.</p> <p>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>Principal Audit Procedures:</p> <p>In view of the significance of the matter, we applied the following key audit procedures:</p> <ul style="list-style-type: none"> • 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. • Assessing the Company's methodology for provisioning towards trade receivables and other financial assets. • Understanding the key inputs used in the provisioning model by the Company such as repayment history, overdue balances, market conditions. • 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

		<p>of ECL is appropriate and in line with the Company's policy.</p> <ul style="list-style-type: none"> • In case of overdue debts inquired with management for any dispute which may require additional provisions. • Assessing the disclosures made against the relevant accounting standards.
2.	<p>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')</p>	<p>Principle Audit Procedures:</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"> • The significance of transactions with related parties during the year ended March 31, 2023 • Related party transactions are subject to the compliance requirement under the Companies act 2013 and SEBI (LODR) 2015. 	<p>Our audit procedure in relation to the disclosure of related party transactions included the following:</p> <ul style="list-style-type: none"> • 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. • 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. • 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. • We assessed management evaluation of compliance with the provision of section 177 and section 188 of Companies act 2013 and SEBI (LODR) 2015. • We evaluated the disclosures through reading of statutory information books and records and other documents obtained during the course of our audit.
3.	<p>Claims and exposures relating to taxation and litigation</p> <p>The company has disclosed in Note 31(b) Para B of the Ind AS financial statements contingent liabilities of Rs. 30.31 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"> • Significance of these amounts and large number of disputed matters with various authorities. • Significant judgement and assumptions required by management in assessing the 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. 	<p>Principle Audit Procedures:</p> <p>Our audit procedures included the following:</p> <ul style="list-style-type: none"> • 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. • 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. • We read external legal opinions (where considered necessary) and other evidence to corroborate management's assessment of risk profile in respect of legal claims.

	<p>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"> We assessed the relevant disclosures made in the Ind AS financial statements for compliance in accordance with the requirements of Ind AS 37.
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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 31st March 2023 taken on records by the Board Directors, none of the disqualified as on 31st March 2023 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 31(b) to 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.

iv. (a) The management has represented that, to the best of its knowledge and belief, as disclosed in Notes to the standalone financial statements, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person or entity, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

(b) The management has represented that, to the best of its knowledge and belief, as disclosed in Notes the Standalone financial statement, no funds have been received by the Company from any persons or entities, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and

(c) Based on such audit procedures that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (a) and (b) contain any material misstatement.

v. The dividend has neither declared nor paid during the year by the Company.

vi. The Proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 for maintaining books of account using accounting software which has a feature of recording audit trail (edit log) facility is applicable w.e.f. April 1, 2023 to the Company and accordingly, reporting under Rule 11(g) of Companies (Audit and Auditors) Rules, 2014 is not applicable for the financial year ended March 31, 2023.

For JMMK & Co.
(Earlier known as JMK & Co.)
Chartered Accountants
ICAI Firm Registration No. 120459W

CA Hitesh Solanki
Partner
Membership No: 136487
Place: Mumbai
Date: 19-05-2023
UDIN : 23136487BGYERG5528

Annexure A to the Independent Auditor's Report

(Referred to in Paragraph 1 under the heading of 'Report on Other Legal and Regulatory Requirements' section of our report to the Members of NHC Foods Limited of even date)

- (i) (a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, plant and equipment.
- (B) The Company has maintained proper records showing full particulars of Intangible assets.
- (b) All Property, Plant and Equipment have not been physically verified by the management during the year but there is a regular programme of verification 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 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, We report that all immovable properties disclosed in Ind AS Financials Statements are held in the name of the Company as NHC Foods Limited or in name of NHC Industries Private Limited (Name before Amalgamation).
- (d) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not revalued its Property, plant and equipment (including Right-of-use assets) or Intangible assets or both during the year.
- (e) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there are no proceedings initiated or pending against the Company for holding any benami property under the Prohibition of Benami Property Transactions Act, 1988 and rules made thereunder.
- (ii) (a) The inventory has been physically verified by the management during the year. In our opinion, the frequency of such verification is reasonable and procedures and coverage as followed by management were appropriate. No discrepancies were noticed on verification between the physical stocks and the book records that were 10% or more in the aggregate for each class of inventory.
- (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has been sanctioned working capital limits in excess of five crore rupees, in aggregate, from banks on the basis of security of current assets. Below details of the current assets as per quarterly statements filed by the company with such bank Vis-a-Vis books of accounts on the respective quarter ending. We have been explained that variance if any between these figure due to timing differences of transaction occurring between the two dates, data entry recording errors which occurs occasionally.

(Amount in Lakhs)

Current Assets/Quarter Ending	Amount As Per Books of Accounts	Amount as reported in Quarterly Statements
Inventories		
30/06/2022	3243.17	2262.68
30/09/2022	3224.39	2049.80
31/12/2022	3464.64	3384.22
31/03/2023	2885.59	2885.59
Trade Receivables		
30/06/2022	2552.08	3037.05
30/09/2022	2508.41	2577.95
31/12/2022	2441.32	2342.77
31/03/2023	2746.47	2604.12

- (iii) (a) During the year the Company has not provided loans, advances in the nature of loans, provided guarantee or provided security to companies, firms, Limited Liability Partnerships or any other parties. Accordingly, the requirement to report on clause 3(iii)(a) of the Order is not applicable to the Company.

- (b) During the year the company has not made any investment and has not provided any guarantees, security and not granted loans and advances in the nature of loans to companies, firms, Limited Liability Partnerships or any other parties. Accordingly, the requirement to report on clause 3(iii)(b) of the order is not applicable to company
- (c) The Company has not granted loans and advances in the nature of loans to companies, firms, Limited Liability Partnerships or any other parties. Accordingly, the requirement to report on clauses 3(iii)(c), 3(iii)(d), 3(iii)(e) and 3(iii)(f) of the Order are not applicable to the Company.
- (iv) According to the information and explanations given to us and on the basis of our examination of the records, the Company has not given any loans, or provided any guarantee or security as specified under Section 185 of the Companies Act, 2013 and the Company has not provided any guarantee or security as specified under Section 186 of the Companies Act, 2013. Further, the Company has complied with the provisions of Section 186 of the Companies Act, 2013 in relation to loans given and investments made.
- (v) The Company has not accepted any deposits or amounts which are deemed to be deposits from the public. Accordingly, clause 3(v) of the Order is not applicable.
- (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) (a) The Company is regular in depositing with appropriate authorities undisputed statutory dues including goods and services tax, provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of customs, duty of excise, value added tax, cess and other statutory dues applicable to it. According to the information and explanations given to us and based on audit procedures performed by us, no undisputed amounts payable in respect of these statutory dues were outstanding, at the year end, for a period of more than six months from the date they became payable.
- (b) Details of statutory dues which have not been deposited on account of any dispute, are as follows:

Sr. No.	Nature of the Statute	Nature of dues	Forum where dispute is pending	Period to which the amount Relates	Disputed amount (Rs. in Lakhs)	Amount paid as Appeal Fees (Rs. in Lakhs)
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	A.Y. 2012-2013	28.04	5.61

- (viii) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not surrendered or disclosed any transactions, previously unrecorded as income in the books of account, in the tax assessments under the Income-tax Act, 1961 as income during the year.
- (ix) (a) The Company has not defaulted in repayment of loans or other borrowings or in the payment of interest thereon to any lender.
- (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not been declared a wilful defaulter by any bank or financial institution or government or government authority.
- (c) Term loans were applied for the purpose for which the loans were obtained.
- (d) On an overall examination of the financial statements of the Company, no funds raised on short-term basis have been used for long-term purposes by the Company.
- (e) On an overall examination of the financial statements of the Company, the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries or joint ventures.

- (f) According to the information and explanations given to us and procedures performed by us, we report that the Company has not raised loans during the year on the pledge of securities held in its subsidiaries as defined under the Companies Act, 2013. Accordingly, clause 3(ix)(f) of the Order is not applicable.
- (x) (a) The Company has not raised any moneys by way of initial public offer or further public offer (including debt instruments). Accordingly, clause 3(x)(a) of the Order is not applicable.
- (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Accordingly, clause 3(x)(b) of the Order is not applicable.
- (xi) (a) Based on examination of the books and records of the Company and according to the information and explanations given to us, considering the principles of materiality outlined in Standards on Auditing, we report that no fraud by the Company or on the Company has been noticed or reported during the course of the audit.
- (b) According to the information and explanations given to us, no report under sub-section (12) of Section 143 of the Companies Act, 2013 has been filed by the auditors in Form ADT-4 as prescribed under Rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government.
- (c) As represented to us by the management, there are no whistle blower complaints received by the Company during the year.
- (xii) According to the information and explanations given to us, the Company is not a Nidhi Company. Accordingly, clause 3(xii) of the Order is not applicable.
- (Xiii) In our opinion and according to the information and explanations given to us, the transactions with related parties are in compliance with Sections 177 and 188 of the Companies Act, 2013, where applicable, and the details of the related party transactions have been disclosed in the financial statements as required by the applicable Indian Accounting Standards.
- (xiv) (a) Based on information and explanations provided to us and our audit procedures, in our opinion, the Company has an internal audit system commensurate with the size and nature of its business.
- (b) We have considered the internal audit reports of the Company issued till date for the period under audit.
- (xv) In our opinion and according to the information and explanations given to us, the Company has not entered into any non-cash transactions with its directors or persons connected to its directors and hence, provisions of Section 192 of the Companies Act, 2013 are not applicable to the Company.
- (xvi) (a) The provisions of section 45-IA of the Reserve Bank of India Act, 1934 (2 of 1934) are not applicable to the Company. Accordingly, the requirement to report on clause 3(xvi)(a) of the Order is not applicable to the Company.
- (b) The Company has not conducted any Non-Banking Financial or Housing Finance activities without obtained a valid Certificate of Registration (CoR) from the Reserve Bank of India as per the Reserve Bank of India Act, 1934.
- (c) The Company is not a Core Investment Company as defined in the regulations made by Reserve Bank of India. Accordingly, the requirement to report on clause 3(xvi)(c) of the Order is not applicable to the Company.
- (d) There is no Core Investment Company as a part of the Group; hence, the requirement to report on Clause 3(xvi) (d) of the Order is not applicable to the Company.
- (xvii) The Company has not incurred cash losses in the current and in the immediately preceding financial year.
- (xviii) There has been no resignation of the statutory auditors during the year. Accordingly, clause 3(xviii) of the Order is not applicable.
- (xix) On the basis of the financial ratios disclosed in note 46 (1) to the financial statements, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial

statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.

(xx) According to the information and explanations given to us, there is no liability for the company under provisions of section 135 of the companies Act, relating to corporate social responsibility. Therefore, the provisions of clause 3(xx) of the order are not applicable to the company.

For JMMK & Co.
(Earlier known as JMK & Co.)
Chartered Accountants
ICAI Firm Registration No. 120459W

CA Hitesh Solanki
Partner
Membership No: 136487
Place: Mumbai
Date: 19-05-2023
UDIN : 23136487BGYERG5528

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 31st March, 2023 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 31st March, 2023, 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 Hitesh Solanki
Partner
Membership No: 136487
Place: Mumbai
Date: 19-05-2023
UDIN : 23136487BGYERG5528

BALANCE SHEET AS AT 31ST MARCH, 2023

(Amount in Lakhs)

PARTICULARS	Note	As at March 31, 2023	As at March 31, 2022
A. ASSETS			
1. Non-Current Assets			
Property, Plant and Equipment	3	867.06	930.77
Right of use Assets	3(a)	78.72	80.72
Intangible Assets	4	234.61	270.59
Financial Assets			
Investments	5	.60	.60
Other Financial Assets	6	36.98	335.47
Other Non Current Assets	7	31.36	254.85
Total Non-Current Assets		1249.32	1873.00
2. Current Assets			
Inventories	8	2885.59	2254.11
Financial Assets			
Trade Receivables	9	1981.69	1485.34
Cash and Cash Equivalents	10	231.61	79.69
Other Balances with Bank	11	64.78	223.54
Other Financial Assets	12	248.83	44.00
Other Current Assets	13	288.21	484.60
Total Current Assets		5700.72	4571.26
Total Assets		6950.04	6444.27
B. EQUITY AND LIABILITIES			
1. Equity			
Equity Share Capital	14	1185.50	1185.50
Other Equity	15	1363.46	1175.38
Total Equity		2548.96	2360.88
2. Liabilities			
Non-Current Liabilities			
Financial Liabilities			
Borrowings	16	584.62	503.35
Lease Liabilities		111.48	101.15
Long-Term Provisions	17	22.02	45.18
Deferred Tax Liabilities (Net)	18	127.74	94.16
Other Non-Current Liabilities	19	7.10	12.10
Total Non-Current Liabilities		852.96	755.95
Current Liabilities			
Financial Liabilities			
Borrowings	20	1988.56	1689.60
Lease Liabilities		14.01	5.40
Trade and other Payables	21		
Total outstanding dues of micro enterprises and small enterprises		61.88	2.06
Total outstanding dues of creditors other than micro enterprises and small enterprises		1123.41	1176.44
Short Term Provisions	22	33.14	25.34
Other Current Liabilities	23	327.13	428.60
Total Current Liabilities		3548.13	3327.45
Total Liabilities		4401.09	4083.39
Total Equity and Liabilities		6950.04	6444.27

The accompanying notes form an integral part of the Standalone financial statements.

As per our report of even date attached

For JMMK & CO.

(Earlier known as JMK & Co.)

Chartered Accountants

ICAI Firm Reg. No. : 120459W

CA HITESH SOLANKI

(Partner)

Membership No. 136487

Place: Navi Mumbai

Date: 19.05.2023

UDIN:23136487BGYERG5528

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

Apoorva Shah
Chairman & Managing Director
DIN: 00573184

Apar Shah
Whole Time Director
DIN: 07125733
Shivani Singh
Company Secretary

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31ST, 2023

(Amount in Lakhs)

PARTICULARS	Note	For the year ended March 31, 2023	For the year ended March 31, 2022
I. Revenue			
Revenue from Operations	24	16356.04	15292.87
Other Income	25	55.31	112.70
Total Income		16411.34	15405.57
II. Expenses			
Cost of Materials Consumed	26	2.65	2.47
Purchase of Stock in Trade		14428.52	12890.11
Changes in Inventories	27	-634.14	-218.33
Employee Benefits Expense	28	196.87	202.33
Finance Cost	29	280.95	200.78
Depreciation and Amortisation Expenses	3/4	120.60	119.06
Other Expenses	30	1746.13	1957.21
Total Expenses		16141.59	15153.63
Profit Before Tax (I-II)		269.75	251.94
Tax Expenses			
Current Tax		60.52	49.80
MAT Adjustment		-	42.05
Tax Paid/adjustment of Earlier Year		-	36.44
Deferred Tax Expenses/ (Income)		33.58	-23.44
Total Tax Expenses		94.11	104.84
Profit For the Period		175.64	147.10
Other Comprehensive Income			
Items that will not be reclassified to Statement of Profit and Loss			
Actuarial gain (loss) on defined benefit obligation -OCI		12.44	-13.05
		12.44	-13.05
Balance carried to Balance sheet		188.08	134.05
Earnings Per Equity Share of Face Value of 10/- each			
Basic Earnings per share (Rs.)		1.48	1.24
Diluted Earnings per share (Rs.)		1.48	1.24
Significant Accounting Policies and Notes Forming Part of the Financial Statements.	1-47		

The accompanying notes form an integral part of the Standalone financial statements.

As per our report of even date attached

For JMMK & CO.

(Earlier known as JMK & Co.)

Chartered Accountants

ICAI Firm Reg. No. : 120459W

CA HITESH SOLANKI

(Partner)

Membership No. 136487

Place: Navi Mumbai

Date: 19.05.2023

UDIN:23136487BGYERG5528

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

Apoorva Shah
Chairman & Managing Director
DIN: 00573184

Apar Shah
Whole Time Director
DIN: 07125733

Shivani Singh
Company Secretary

Cash flow statement for the year ended 31st March, 2023 (Amount in Lakhs)

Particulars	For the year Ended March 31, 2023	For the year ended March 31, 2022
A. Cash Flows from Operating Activities		
Profit before taxes	269.75	251.94
Adjustments for:		
Depreciation and amortisation expense	120.60	119.06
Interest expense including Lease	263.30	175.81
Interest income	-3.83	-11.76
Sundry Balance Written off and back	-1.38	-20.90
Profit on sale of Property, Plant and Equipment	-10.50	-
Ind As Effect on Re-measurement	14.87	-
Other Adjustments including other comprehensive income	12.44	-13.05
Effect of Expected Credit Loss	-48.76	41.48
Operating profit before working capital changes	616.49	542.58
Changes In Working Capital :		
(Increase)/Decrease in Inventories	-631.49	-220.11
(Increase)/Decrease in Trade receivables	-496.35	432.77
(Increase)/Decrease in Loans and advances and other assets	290.89	-20.76
(Decrease)/Increase in Trade payables, other liabilities and provisions	124.54	-280.26
Net Changes In Working Capital	-712.41	-88.36
Cash generated from/(used) in the operations	-95.91	454.22
Income Tax(Net of Refunds)	-69.26	-166.11
Net cash generated from/(used) in the operations (A)	-165.17	288.11
B. Cash Flow from Investing Activities		
Purchase of Property, Plant and equipment	-4.16	-7.97
Fixed Deposits	97.22	-
Interest income	3.83	11.76
Sale of Property, Plant & Equipements	12.50	-
Net Cash From (used in) investing activities (B)	109.38	3.79
C. Cash Flow from Financing Activities		
Received(Repaid) Liability-Borrowings (Non current)	91.76	-60.94
Received(Repaid) Liability-Other Non Current Liabilities	-5.00	-
(Repayment) of borrowings to Bank / Borrowings (Current)	324.33	-299.43
(Repayment) of Other Borrowings / Current Liabilities	-101.46	-42.69
Reversal of Financial Provision	-12.44	-14.52
Interest expense	-248.23	-176.18
Net cash flow/(used) from financing activities (C)	48.96	-593.77
Net increase/ (decrease) in Cash and Cash Equivalents (A+B+C)	-6.83	-301.88
Cash and Cash Equivalents at the beginning of the year	303.22	443.10
Cash and Cash Equivalents at the end of the year	296.39	141.22
Earmarked Deposits with Banks*	-	162.00
Cash and Bank Balances at the end of the year	296.39	303.22

*Bank earmarked for the period June 2022

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.

As per our report of even date attached
For JMMK & CO.
(Earlier known as JMK & Co.)
Chartered Accountants
ICAI Firm Reg. No. : 120459W
CA HITESH SOLANKI
(Partner)
Membership No. 136487
Place: Navi Mumbai
Date: 19.05.2023
UDIN:23136487BGYERG5528

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

Apoorva Shah
Chairman & Managing Director
DIN: 00573184

Apar Shah
Whole Time Director
DIN: 07125733
Shivani Singh
Company Secretary

“ Notes to the Financial Statements for the year ended March 31, 2023”

Statement of changes in equity for the year ended 31st March 2023:

A. Equity Share Capital

₹ in Lakhs (Except No. of Shares)

Particulars	Number of Shares	Amount
As at April 1, 2022	1,18,55,000	1,185.50
Changes in equity share capital		
As at March 31, 2023	1,18,55,000	1,185.50
Changes in equity share capital		
As at March 31, 2023	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 01, 2021	174.29	867.04		1041.33
Profit for the year	.00	147.10		147.10
Other comprehensive income for the year	.00		-13.05	-13.05
Tax adjustment of OCI items	-	-		
As at March 31, 2022	174.29	1014.14	-13.05	1175.38
As at April 01, 2022	174.29	1014.14	-13.05	1175.38
Profit for the year	.00	175.64		175.64
Other comprehensive income for the year			12.44	12.44
Tax adjustment of OCI items	-	-		
As at March 31, 2023	174.29	1189.78	-.61	1363.46

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

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

CA HITESH SOLANKI
(Partner)
Membership No. 136487

Apoorva Shah
Chairman & Managing Director
DIN: 00573184

Apar Shah
Whole Time Director
DIN: 07125733

Place: Navi Mumbai
Date: 19.05.2023
UDIN:23136487BGYERG5528

Shivani Singh
Company Secretary

Notes to Financial Statements for the year ended March 31, 2023**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 Whole & Ground Spices, Lentils, Pulses, Grains, Oil Seeds and various other Agri - products and Assorted Food Products. Currently NHC Foods Limited is Exporting the above-mentioned Commodities to more than 60 Countries World-wide.

The financial statements were authorised for issue by the board of directors on May 19, 2023.

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.

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" (IndAS 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, 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 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 Ind AS 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.

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)

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.

(iv) 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.

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 Key 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. etc are as under:

(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.

This reassessment may result in change in depreciation expense in future period

(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.

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 part of the financial statements.

Note No. 3 & 4
Property Plant & Equipment

Sr. No.	Descriptions	Gross Block						Depreciation						Net block	
		As at April 1, 2021	Addition	As at April 1 2022	Additions	Deduction	As at March 31, 2023	As at April 1 2021	For the year ended March 2022	For the Year ended April 2022	For the year ended March 2023	Deletion	As at March 31, 2023	As at March 31, 2022	
Note 3	Tangible assets														
1	Freehold land	21.19		21.19									21.19	21.19	
2	Factory Building	595.72		595.72					23.56	140.40		163.95	431.77	455.32	
3	Office Premises	286.32		286.32					5.03	30.11		35.15	251.17	256.20	
4	Leasehold														
5	Improvement	168.56		168.56					15.99	62.46		78.45	90.11	106.10	
6	Machinery	125.72	4.98	130.70					12.39	72.46		85.05	45.66	58.28	
7	Furniture & Fixtures	27.85		27.85					2.94	24.01		25.36	2.50	3.84	
8	Vehicles	63.65		63.65		40.04			3.59	46.35		11.89	11.72	17.30	
9	Office Equipment	18.48	2.61	21.09	2.25				1.46	15.07		17.10	6.24	5.99	
10	Computer	9.29	.38	9.67	1.91				1.23	5.52		7.25	4.33	4.15	
	Electrical Fittings	37.63		37.63					.76	35.23		35.25	2.38	2.40	
	Total (A)	1354.41	7.97	1362.39	4.16	40.04			66.93	431.62		459.45	867.06	930.77	
	Previous year	1370.72	3.97	1354.41	7.97	-			71.84	364.68		431.62	930.77	989.7	
Note 4	Intangible assets														
1	Goodwill arising out of Amalgamation	503.30		503.30											
2	Computer Software	-		.00	3.00				.00	.00		.32	2.68	-	
	Total (B)	503.30	-	503.30	3.00	-			38.67	232.71		271.70	234.61	270.59	
	Previous year	503.30	-	503.30	-	-			38.67	194.04		232.71	270.59	309.27	
NOTE 3(a)	Right to Use(Lease)														
		121.08		121.08					13.45	40.36		42.36	78.72	80.72	
	Previous year	121.08	-	121.08	-	-			11.21	26.91		40.36	80.72	94.17	
	Total	1978.80	7.97	1986.77	7.16	40.04			119.06	704.68		773.50	1180.38	1282.08	
	Previous year	1995.10	3.97	1978.80	7.97	-			121.72	585.63		704.68	1282.08	1393.17	

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

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	(Amount in Lakhs)	
	As at March 31, 2023	As at March 31, 2022
Note 5: Non - 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
Total	0.60	0.60
Note 6: Non Current - Other Financial Assets		
Export incentives receivables*	36.98	335.47
Total	36.98	335.47
Note 7: Other Non - Current Assets		
(Unsecured, Considered good)		
Security Deposits	14.76	11.06
Loans to Employees*	.60	2.46
Other Loans & Advances	16.00	241.33
Total	31.36	254.85
<i>*Current year loan due from KMP Nil, previous year loan due from KMP was Rs.45K</i>		
Note 8: Inventories		
Raw Material	-	2.36
Work in Progress	-	0.86
Packing material	25.28	25.57
Finished Goods	-	0.17
Stock in Trade	2,860.31	2,225.14
Total	2,885.59	2,254.11
Note 9: Trade Receivables		
(Unsecured)		
Unsecured & Considered Good*	1,981.69	1,485.34
Total	1,981.69	1,485.34
<i>*Net of bill discounting & provisions of expected credit loss -refer note note-41</i>		
Note 10: Cash and Cash equivalents		
Cash and Cash equivalents		
Balance with banks:		
In current account	223.17	72.91
Cash in hand	8.44	6.78
Total	231.61	79.69
Note 11: Other Balance with Bank		
Other Bank Balances		
Fixed Deposits*	64.78	162.00
Recurring Deposits	-	61.54
Total	64.78	223.54
<i>*Includes accrued interest</i>		
Note 12: Other Financial Assets		
Export incentives receivable	248.83	44.00
Total	248.83	44.00

	(Amount in Lakhs)	
	As at March 31, 2023	As at March 31, 2022
Note 13: Other Current Assets (Unsecured, Considered good)		
Advance Given to Suppliers	76.61	67.72
Other Loans and Advances	11.59	269.50
Balances with Statutory, Government Authorities*	175.65	112.37
Prepaid Expenses	24.37	35.00
Total	288.31	484.60

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

	(Rs. in lakhs except No. of shares)			
	As at March 31, 2023		As at March 31, 2022	
Name of Shareholders	No. of Shares	Amount	No. of Shares	Amount
Authorised				
2,40,00,000 Equity Shares of Rs. 10 each/-	2,40,00,000	2,400.00	2,40,00,000	2,400.00
	2,40,00,000	2,400.00	2,40,00,000	2,400.00
Issued, Subscribed and Fully Paid-up				
11,855,000 Equity Shares of Rs. 10/- each fully paid	1,18,55,000	1,185.50	1,18,55,000	1,185.50
	1,18,55,000	1,185.50	1,18,55,000	1,185.50

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

	As at March 31, 2023		As at March 31, 2022	
Particulars	No. of Shares	Amount	No. of Shares	Amount
Equity Share Capital				
At the beginning of the year	1,18,55,000	1,185.50	1,18,55,000	1,185.50
Add : Issued during the year	-	-	-	-
	1,18,55,000	1,185.50	1,18,55,000	1,185.50

(b) Terms/rights attached to equity shares

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

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

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

(d) Details of Share holders holding more than 5% shares in the company:

	As at March 31, 2023		As at March 31, 2022	
Name of Shareholders	No. of Shares	% of Holding	No. of Shares	% of Holding
Equity Shares				
Alpa Shah	10,33,682	8.72%	10,33,682	8.72%
Apoorva Himatlal Shah	39,19,368	33.06%	39,19,368	33.06%
	49,53,050	41.78%	49.53	42%

Disclosure of shareholding of promoters as at March 31, 2023 is as follows:

	Shares held by shareholders		% of change during the year
	As at 31st March 2023		
Shareholders Name	No. of Shares	% of Holding	
Equity Shares			
Alpa Shah	10,33,682	8.72%	0.00%
Apoorva Himatlal Shah	39,19,368	33.06%	0.00%

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Apoorva H Shah Huf	8,155	0.07%	0.07%
Apar Apoorva Shah	27,650	0.23%	0.00%
Aneri Apoorva Shah	19,300	0.16%	0.00%
	50,08,155	42.24%	0.07%

Disclosure of shareholding of promoters as at March 31, 2022 is as follows:

Shareholders Name	Shares held by shareholders		% of change during the year
	As at 31st March 2022		
	No. of Shares	% of Holding	
Equity Shares			
Alpa Shah	10,33,682	8.72%	0.00%
Apoorva Himatlal Shah	39,19,368	33.06%	0.00%
Apar Apoorva Shah	27,650	0.23%	0.00%
Aneri Apoorva Shah	19,300	0.16%	0.00%
	50,00,000	42.17%	0.00%

(Amount in Lakhs)

	As at March 31, 2023	As at March 31, 2022
Note 15: Other Equity Securities Premium	174.29	174.29
	174.29	174.29
Retained Earnings		
Opening Balance	1,014.64	867.54
Add: Profit for the year	175.64	147.10
Other Comprehensive Income	1,190.28	1,014.64
	1,190.28	1,014.64
Remeasurements of net defined benefit plans		
Opening Balance	-13.55	-0.50
	12.44	-13.05
	-1.11	-13.55
	1,363.46	1,175.38
Total		

Note 16: Non-Current Borrowings

Secured		
MSME Loan from banks*	326.02	233.33
Less: Current Maturity of Loan	103.85	99.60
Total	222.17	133.73
Unsecured		
From Others :		
Loan From Related parties	391.51	397.22
Less: Current Maturity of Non Current Borrowing	64.51	70.22
	327.00	327.00
Loan From Others (Long Terms Maturities)	117.81	136.69
Less: Current Maturity of Non Current Borrowing	82.36	94.07
	35.45	42.62
Total	584.62	503.35
Lease Liabilities	111.48	101.15
Total	111.48	101.15

(Refer Note No. 42)

(a) *Details of Security for current and non current borrowings

(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.
- E. Personal Guarantee
 - 1. Apoorva Shah
 - 2. Alpa Shah
 - 3. Apar Shah

(ii) Kotak Mahindra Prime Ltd -Secured car loan.

(iii) Unsecured loans from others carrying rate of interest prevailing at the time of borrowing the loan and subject to approval board of directors.

(iv) For Repayment Schedule refer Note No.38 (B) (i)

	As at March 31, 2023	As at March 31, 2022
Note 17: Long Term Provisions		
Provision for Gratuity	22.02	34.45
Provision for Tax (Earlier Years)	-	10.73
Total	22.02	45.18
Note 18: Deferred Tax Liability (Net)		
Deferred Tax Liability		
On Fixed Assets	210.32	223.34
	210.32	223.34
Deferred Tax Asset		
Disallowances under Income Tax Act, 1961	82.58	129.18
	82.58	129.18
Deferred Tax Liability/Assets (Net)	127.74	94.16
Income Tax Reconciliation : Refer Note No. 43		
Note 19: Other Non-Current Liabilites		
Other Liabilities - Rent Deposites	7.10	12.10
Total	7.10	12.10
Note 20: Short-Term Borrowings		
(a) Loans		
Secured*		
Working Capital Borrowings from Banks	1,841.68	1,412.13
Unsecured		
Loans from Bank	82.36	207.25
Loan from Related parties	64.51	70.22
Total	1,988.56	1,689.60
Lease Liabilities	14.01	5.40
Total	14.01	5.40
*Refer note no 16(a), #NBFC and others		
Note 21: Trade Payables		
Trade Payables (Refer Note 31)		
Total outstanding dues of mirco enterprises and small enterprises	61.88	2.06
Total outstanding dues of creditors other than micro enterprises and small enterprises	1123.41	1,176.44
Total	1185.29	1,178.50

NHC FOODS LTD

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(Amount in Lakhs)		
	As at March 31, 2023	As at March 31, 2022
Note 22: Short-Term Provisions		
Provision for Gratuity	0.66	0.67
Provision for other Expenses	0.40	–
Provision for Tax (Net of Advance Tax, TDS & TCS)	25.74	14.52
Provision for Leave Encashment	2.60	2.47
Bonus Payable	3.73	7.69
Total	33.14	25.34
Note 23: Other Current Liabilities		
Current Maturities of Long-Term Debts	103.85	193.67
Interest Accrued but not due on borrowings	1.12	1.49
Advances From Customers	194.25	141.91
Other Payables*	27.92	91.53
Total	327.13	428.60
* Includes Statutory dues Rs. 9.95 Lakhs & Emoluments payable.		
Note 24 : Revenue from Operations		
Sale of Ready to eat and Bulk Agriculture products	16,214.67	15,013.85
Other Operating Revenues		
Export Incentives	141.37	279.02
Total	16,556.04	15,292.87
Note 25: Other Income		
Interest Income :		
On Deposits & Others	3.83	11.88
Other than Interest Income		
Non Operating Income	51.48	24.88
Foreign Exchange fluctuation (Gain)	–	75.93
Total	55.31	112.70
Note 26: Cost of Raw Material Consumed		
Raw Material		
As at beginning of the year	2.36	0.82
Add : Purchase	–	0.79
Add : Direct Expense	–	2.33
Less : As at end of the year	–	(2.36)
	2.36	1.58
Packing Material Consumed		
Packing Material		
As at beginning of the year	25.57	25.33
Add : Purchase	–	1.12
Less : As at end of the year	25.28	(25.57)
	.29	0.89
Total	2.65	2.47
Note 27: Changes in Inventories		
Inventories as at the end of the year		
Work in progress	–	0.86
Finished goods	–	0.17
Stock in Trade	2,860.31	2,225.14
	2,860.31	2,226.18

(Amount in Lakhs)

	As at March 31, 2023	As at March 31, 2022
Inventories as at the beginning of the year		
Work in progress	0.86	0.91
Finished goods	0.17	0.12
Stock in Trade	2,225.14	2,006.81
	2,226.18	2,007.85
	-	-
Net Decrease / (Increase) in Inventories	(634.14)	(218.33)
Note 28: Employee Benefits Expense		
Salaries, Wages and Bonus*	180.66	189.74
Contribution to Provident and Other funds	11.02	10.56
Staff Welfare Expenses	5.19	2.03
Total	196.87	202.33
Note 29: Finance Cost		
Interest Expense	248.23	163.22
Other Borrowing Costs	17.65	24.97
Interest on Lease liability	15.07	12.60
Total	280.95	200.78
Note 30 :		
Freight, Clearing, Forwarding Expenses	1378.75	1583.49
Travelling Expenses	26.53	12.13
Sales promotion expenses	18.74	3.88
Commission & Brokerage Expenses	64.16	81.58
Electricity Expenses	8.59	10.19
Legal and Professional Fees	55.40	65.65
Bank Charges	67.92	19.27
Foreign Exchange Loss(Gain)	25.37	-
Repairs and Maintenance		
Building, Plant and Machinery	3.26	5.23
Computers & Others	18.37	7.67
Rates, Taxes, Listeeg Fees	21.08	18.00
Payments to auditors		
Statutory Audit Fees	3.45	3.45
Tax Audit Fees	.55	.55
Other services	.05	.13
Insurance Expenses	12.28	9.63
Office Expenses	28.85	10.92
Expected Credit Loss	-48.76	41.48
Miscellaneous Expenses	61.55	83.95
Total	1746.13	1957.21

Note 31: Commitments and Contingencies

31(a) Estimated amount of contracts remaining to be executed on capital account and not provided for (net of Advances) Rs. Nil (2021: Rs. Nil)

	(Amount in Lakhs)	
Particulars	2022-23	2021-22
A. Bills discounted and outstanding	6.22	12.55
B. Disputed Demands Outstanding:*		
Income Tax	28.04	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.

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32. 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, 2023	March 31, 2022
<u>Total outstanding dues of micro enterprises and small enterprises :</u>		
a) Principal amount and interest due thereon remaining unpaid*	61.88	2.06
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	00.53	-
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.

33. 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.

The Chief Operating Decision Maker (CODM) evaluates the Group's performance and allocates resources based on an analysis of various performance indicators by industry classes:

Secondary Segment Information

(Amount in Lakhs)

Particulars	2022-23	2021-22
Segment Revenue- External Turnover		
Within India	2659.76	4050.83
Outside India	13696.28	11242.04
Total Revenue	16356.04	15292.87
Segment Assets		
Within India	6157.30	6396.42
Outside India	792.74	47.84
Total Assets	6950.04	6444.27
Segment Liability		
Within India	4401.09	4083.39
Outside India	-	-
Total Liability	4401.09	4083.39
Capital Expenditure		
Within India	4.16	7.97
Outside India	-	-
Total Expenditure	4.16	7.97

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

Particulars	As at March 31, 2023	As at March 31, 2022
(i) Total Comprehensive Income (Amount in Lakhs)	175.64	147.10
(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.)	1.48	1.24
(vi) Diluted earning per Share (Rs.)	1.48	1.24

35. Transition to IND AS 116 'Leases'

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

Particulars	Amount
Lease liabilities as on 31.03.2021	111.96
Finance costs incurred during the year	12.60
Payment of lease liabilities and interest	-18.00
Lease liabilities as on 31.03.2022	106.56
Finance costs incurred during the year	15.07
Re-measurement	29.06
Payment of lease liabilities and interest	-25.20
Lease liabilities as on 31.03.2023	125.49

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

Particulars	Amount
Right to use asset as on 31.03.2021	94.17
Deductions during FY 2021-22	
Depreciation charged during the year	-13.45
Reversal	
Right to use asset as on 31.03.2022	80.72
Deductions during FY 2022-23	
Depreciation charged during the year	-15.74
Re-measurement	13.74
Right to use asset as on 31.03.2023	78.72

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

Particulars	Amount
Depreciation on Right of use asset	15.74
Finance costs incurred during the year	15.07
Total amounts recognised in the statement of profit & loss	30.81

36. Related Party Disclosure:

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

List of Key Management Personnel and Relatives

Key Management Personnel

Mr. Apoorva H. Shah - Managing Director
 Mrs. Apar Shah - Whole time Director
 Mr. Awdheshkumar Kannujia - Chief Financial Officer
 Miss. Shivani Singh - Company Secretary

Relatives of KMP Key Management Personnel

Miss. Aneri Shah – (Daughter of Managing Director)
 Mr. Alpa Shah - (Wife 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 to exercise significant influence	Relatives of Key Management Personnel
1. Loan Taken	942.66 (1,31.31)	- (-)	- -
2. Repayment of Loans taken	948.37 (192.25)	- (-)	- (-)
3. Remuneration	79.65 (80.47)	- (-)	12.68 (12.68)
4. Royalty	(-)	0.31 (0.10)	(-)
5. Sale of Motor Car	12.83 (-)	- -	- -
6. Received back Loans and Advances given	0.45 (1.35)	- -	- -
7. Loan Payable	- (-)	- (-)	16.50 (16.11)
8. Interest on Loan	86.45 (38.36)	- -	- -

(Figures in bracket indicate previous year figures)

Related Party Disclosure: (Amount in Lakhs)

Balance payable at the end of year			
1. Loan Payable	391.51 (397.21)		
2. Loans and Advances again	Nil (0.45)	-	-
3. Remuneration Payable	3.19 (29.52)	-	00.89 (1.72)
4. Professional Fees			2.25 (3.00)

37. Employee Benefit Obligations (as per Ind AS 19 "Employee benefits") :

Post-Employment obligations-

a) Defined benefit plan – Gratuity

The company provides for gratuity for employees in India as per the Payment of Gratuity Act, 1972. Employees who are in continuous service for a period of five years are eligible for gratuity. The amount of gratuity

payable on retirement/ termination is the employees last drawn basic salary per month computed proportionately for 15 days salary multiplied by number of years of service.

The gratuity plan is an unfunded plan.

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

Change in Present Value of Obligation

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

Particulars	Gratuity (Unfunded) 2022-23	Gratuity (Unfunded) 2021-22
Present Value of the Obligation as at the beginning of the year	35.11	46.60
Interest Cost	2.52	2.16
Current Service Cost	2.25	2.73
Benefits Paid	-	(29.43)
Remeasurement - Due to Assumptions & other	(17.21)	13.04
Present Value of the Obligation as at the end of the Year	22.68	35.11

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

Particulars	Gratuity (Unfunded) 2022-23	Gratuity (Unfunded) 2021-22
Present Value of the Obligation as at the end of the year	22.68	35.11
Fair value of plan assets	-	-
Un-funded Liability	22.68	35.11
Unrecognized actuarial gains/ losses	-	-
Un-funded liability recognized in Balance Sheet	22.68	35.11

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

Particulars	Gratuity (Unfunded) 2022-23	Gratuity (Unfunded) 2021-22
Interest Cost	2.52	2.16
Current Service Cost	2.25	2.73
Past Service Cost	-	-
Expected Return on Plan Assets	-	-
Actuarial (gain)/ loss on obligations	(12.43)	13.04
Total expense recognized in the Profit and Loss Account	7.65	17.94

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	(12.43)
Actuarial (Gain) / Loss on Obligations – Total	(12.43)

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

Particulars	Gratuity 2022-23	Gratuity 2021-22
Discount Rate	7.38%	7.19%
Expected Rate of increase in compensation levels	5.00%	5.00%
Expected Rate of return on plan Assets	N.A.	N.A.

Sensitivity Analysis

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

Summary of Financial & Demographic Assumptions

Scenario	Gratuity 2022-23		Gratuity 2021-22	
	DBO Change	Percentage	DBO Change	Percentage
Under Base Scenario	22.68	0.0%	35.11	0.0%
Salary Escalation - Up by	24.71	9.0%	37.25	6.1%
Salary Escalation - Down by	20.94	-8.0%	32.95	-6.2%
Withdrawal Rates - Up by	24.45	8.0%	35.93	2.3%
Withdrawal Rates - Down by	20.55	-9.0%	34.13	-2.8%
Discount Rates - Up by	20.18	-11.0%	32.33	-7.9%
Discount Rates - Down by	25.77	14.0%	38.49	9.6%

Expected Cash flow for following year

Year	Maturity Profile of Defined Benefit Obligations	
	Gratuity 2022-23	Gratuity 2021-22
Year 1	.66	.66
Year 2	6.44	.73
Year 3	.60	8.65
Year 4	.63	19.15
Year 5	.65	.27
Year 6 TO 10	3.59	1.62

The weighted average duration of the defined benefit obligation is 22.75

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.

38. The company also has defined contribution plans. Contributions are made to provident fund in India for employees at rate of the decided by the board. 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 recognized during the period towards defined contribution plan is INR 11.02 Lakhs (March 31, 2022: INR 10.55 Lakhs).

39. FAIR VALUE MEASUREMENTS

i. Financial Instruments by Category

Particulars	(Amount in Lakhs)			
	Carrying Amount		Fair Value	
	March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022
Amortised cost				
Investments	.60	.60	.60	.60
Trade Receivables	2124.03	1676.28	1981.69	1485.34
Cash and Cash Equivalents	231.61	79.69	231.61	79.69
Other Balances with Bank	64.78	223.54	64.78	223.54
Other Financial Assets	285.81	380.31	285.81	380.31
Total	2706.84	2360.42	2564.50	2169.47
FINANCIAL LIABILITIES				
Amortised cost				
Borrowings	2573.18	2192.95	2573.18	2192.95
Lease Liabilities	125.49	106.56	125.49	106.56
Trade Payables	1185.29	1178.50	1185.29	1178.50
Total	3883.96	3478.01	3883.96	3478.01

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.

40. 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.

(A) Credit risk

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.

41. FINANCIAL RISK MANAGEMENT

Ageing for trade receivables – outstanding as at March 31, 2023 is as follows:

Particulars	Outstanding for following periods from due date of payment					Total
	Less than 6 Month	6 month to 1 year	1 to 2 year	2-3 Year	More Than 3 Years	
I) Undisputed Trade receivable Considered Good	2412.32	107.22	139.51	1.43		2660.49
II) Undisputed Trade Receivables – Which have significant increase in credit risk	-	-	-	-	-	.00
III) Undisputed Trade Receivables – Credit Impaired	-	-	-	85.98	-	85.98
IV) Disputed Trade Receivables– Considered good	-	-	-	-	-	.00
V) Disputed Trade Receivables – Which have significant increase in credit risk	-	-	-	-	-	.00
VI) Disputed Trade Receivables – Credit impaired	-	-	-	-	-	.00
Total Amount	2412.32	107.22	139.51	87.41		2746.47
Expected Credit Loss	-	-	-	-	-	-142.34
Bill discounted	-	-	-	-	-	-622.43
Net Reported	-	-	-	-	-	1981.69

Ageing for trade receivables – outstanding as at March 31, 2022 is as follows:

Particulars	Outstanding for following periods from due date of payment					Total
	Less than 6 Month	6 month to 1 year	1 to 2 year	2-3 Year	More Than 3 Years	
I) Undisputed Trade receivable Considered Good	1,580.13	10.32	-	-		1,590.45
II) Undisputed Trade Receivables – Which have significant increase in credit risk	-	-	-	-	-	-
III) Undisputed Trade Receivables – Credit Impaired	-	-	85.98	-	-	85.98
IV) Disputed Trade Receivables– Considered good	-	-	-	-	-	.00
V) Disputed Trade Receivables – Which have significant increase in credit risk	-	-	-	-	-	.00
VI) Disputed Trade Receivables – Credit impaired	-	-	-	-	-	.00
Total Amount	1,580.13	10.32	85.98	-	-	1,676.43
Expected Credit Loss	-	-	-	-	-	(191.10)
Net Reported	-	-	-	-	-	1,485.33

* Net of bill discounted for the year ended

ii. Reconciliation of loss allowance provision - Trade receivables

Particulars	(Amount in Lakhs)
Loss allowance on March 31, 2021	149.62
Changes in loss allowance	41.48
Loss allowance on March 31, 2022	191.10
Changes in loss allowance	(48.76)
Loss allowance on March 31, 2023	142.34

(B) Liquidity risk

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

(i) Maturities of financial liabilities

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

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

Contractual maturities of financial liabilities (Amount in Lakhs)

Particulars	Less than 1 month	1 to 3 months	3 months to 1 year	Between 1 and 3 years	Between 3 and 5 years
March 31, 2023					
Financial Liabilities	920.05	989.65	122.93	89.39	555.00
Total liabilities	920.05	989.65	122.93	89.39	555.00
March 31, 2022					
Financial Liabilities	953.51	771.30	158.45	176.35	327.00
Total liabilities	953.51	771.30	158.45	176.35	327.00

Contractual maturities of financial liabilities

Ageing for trade payables outstanding as at March 31, 2023 is as follows: (Amount in Lakhs)

Particulars	Less than 1 month	1 to 2 years	2-3 years	More than 3 years	Total
(i) MSME	61.88				61.88
(ii) Others	1122.38	1.03			1123.41
(iii) Disputed dues - MSME	-				-
(iv) Disputed - others	-				-

Ageing for trade payables outstanding as at March 31, 2022 is as follows: (Amount in Lakhs)

Particulars	Less than 1 month	1 to 2 years	2-3 years	More than 3 years	Total
(i) MSME					
(ii) Others	1176.83	1.68			1178.50
(iii) Disputed dues - MSME					
(iv) Disputed - others					

(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)
March 31, 2023		
Trade Receivables	9,64,165	792.74
Bill Discounting	(7,57,034)	-622.43
Advance from Customer	1,75,344	163.72
PCFC	(22,39,947)	-1841.68
Net exposure to foreign currency risk	(18,57,473)	-1507.66
Particulars	USD	Total (Rs)
March 31, 2022		
Trade Receivables	17,84,264	1,303.24
Bill Discounting	(17,16,056)	(1,255.40)
Advance from Customer	(1,88,282)	(141.76)
PCFC	(18,62,797)	(1,412.13)
Net exposure to foreign currency risk	(19.82,871)	(1,506.04)

(b) Foreign currency sensitivity

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

	2022-23		2021-22	
	1% Increase	1% Decrease	1% Increase	1% Decrease
Decrease				
Net Increase/(Decrease) in profit or loss	(15.08)	15.08	(15.06)	15.06

(ii) Interest rate risk

Interest rate can be either fair value interest risk or cash flow interest 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.

42. CAPITAL MANAGEMENT

For the purpose of the company's capital management, capital includes issued equity capital, convertible preference shares, share premium and all other equity reserves attributable to the equity holders of the parent. The primary objective of the Company's capital management is to maximise the shareholder value.

The company manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. To maintain or adjust the capital structure, the company may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. The company monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt. The company's policy is to keep the gearing ratio between 20% to 40%. The company includes within debt, interest bearing loans and borrowings, trade and other payables, less cash and cash equivalents, other balances with bank excluding discontinued operations.

(Amount in Lakhs)

Particulars	March 31, 2023	March 31, 2022
Borrowings	2573.18	2192.95
Trade payables	1185.29	1178.50
Other payables	27.92	91.53
Less: cash and cash equivalents	-231.61	-79.69
Less: Other Balances with Banks	-64.78	223.54
Net Debt	3489.99	3606.83
Equity	2548.96	2360.88
Total Capital	2548.96	2360.88
Capital and net debt	6038.95	5967.71
Gearing ratio	58%	60%

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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%

43. 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, 2023	March 31, 2022
CURRENT ASSETS		
i. Financial Assets		
First Charge		
Trade Receivables	1981.69	1485.34
Investment	.60	.60
cash and cash equivalent	231.61	79.69
Other Balances with Bank	64.78	223.54
Other Financial Assets	285.81	335.47
ii. Non Financial Assets		
First Charge		
Inventories	2885.59	2254.11
Other Current Assets	288.21	484.60
Total Current Assets Pledge as Security	5738.30	4863.34
NON CURRENT ASSETS		
First Charge		
Office Premises	251.17	256.20
Factory Building	452.96	476.51
Total Non Current Assets Pledge as Security	704.12	732.71

44. 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, 2023	March 31, 2022
Current Borrowings	1,988.56	1,714.10
Non-current Borrowings	1708.03	672.52
Net Debt	3696.58	2,386.62

(Amount in Lakhs)

Particulars	Liabilities from financing activities			Total
	Non Current Borrowings	Current Borrowings	Total Interest on Borrowings	
Net Debt as at March 31, 2022	672.52	1,741.10	1.49	2,388.12
Cash Inflow - Taken	86.76	323.33		411.09
Cash Out Flow - Repaid	948.75	(101.46)		847.29
Interest Expense			(248.23)	(248.23)
Net Debt as at March 31, 2023	1708.03	1936.97	(246.74)	(3398.26)

(Amount in Lakhs)

Particulars	Liabilities from financing activities			Total
	Non Current Borrowings	Current Borrowings	Total Interest on Borrowings	
Net Debt as at March 31, 2021	691.09	2,046.94	1.86	2,739.89
Cash Inflow - Taken	426.78	24,268.92		24,695.70
Cash Out Flow - Repaid	(445.35)	(24,601.76)	-	(25,047.11)
Interest Expense			200.78	200.78
Interest Paid			(201.15)	(201.15)
Net Debt as at March 31, 2022	672.52	1,741.10	1.49	2,388.12

(Amount in Lakhs)

Particulars	Liabilities from financing activities			Total
	Non Current Borrowings	Current Borrowings	Total Interest on Borrowings	
Net Debt as at March 31, 2020	466.13	1,498.85	2.54	1,967.51
Cash Inflow –Taken	663.92	18,833.62		19,497.54
Cash Out Flow –Repaid	(438.96)	(18,285.53)	-	(18,724.49)
Interest Expense	-	-	166.78	166.78
Interest Paid	-	-	(167.46)	(167.46)
Net Debt as at March 31, 2021	691.09	2,046.94	1.86	2,739.89

45. INCOME TAX

(Amount in Lakhs)

Particulars	March 31, 2023	March 31, 2022
Deferred tax Liabilities :		
Accelerated Depreciation for tax purposes	-131.61	(200.88)
Right to use	-78.72	(22.46)
	-210.32	(223.34)
Deferred tax Assets :		
Gratuity	6.31	9.77
Lease Liabilities & Provisions	34.91	29.64
Expected Credit Loss	39.60	86.94
Bonus	1.04	2.14
Leave Encashment	.72	0.69
	82.58	129.18
Net Deferred Tax Assets / (Liabilities)	-127.74	(94.16)

(Amount in Lakhs)

Particulars	March 31, 2023	March 31, 2022
Opening balance at the opening of the year	(94.16)	6.32
Tax income/(expense) during the period recognised in statement of profit or loss	33.58	(23.44)
MAT Adjustments recognised in the statement of Profit or Loss	-	(42.05)
MAT Adjustment through Balance Sheet	-	(34.99)
Closing balance at the end of the year	(60.58)	(94.16)

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, 2023 and March 31, 2022 are as follows:

i. Income tax recognised in profit or loss	(Amount in Lakhs)	
Particulars	2022-23	2021-22
Current income tax charge	60.52	49.80
MAT Adjustment	–	(78.48)
Deferred tax		
Relating to origination and reversal of temporary differences	33.58	23.44
Income tax expense recognised in profit or loss	94.11	104.84

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.

Reconciliation of tax expense and accounting profit multiplied by income tax rate for March 31, 2023 and March 31, 2022

Particulars	March 31, 2023	March 31, 2022
Accounting profit before income tax	269.75	251.94
Enacted tax rate in India	27.82%	27.82%
Income tax on accounting profits	75.04	70.09
Effect of		
Other non taxable income	59.26	63.80
Due to Temporary Difference	33.58	(23.44)
Non-deductible expenses for tax purposes:	-72.30	(42.05)
Other non deductible expenses	-1.48	36.44
Tax at effective income tax rate	94.10	104.84

46. Additional Disclosure requirements as notified by MCA pursuant to amended Schedule III

RATIOS:

S.R No.	Ratio	Numerator	Denominator	F.Y 22-23	F.Y 21-22	Variance (%)	Explanation for 25% more Variance
1	Current Assets	Current Assets	Current Liabilities	1.62	1.38	17.13%	NA
2	Debt Equity ratio	Total Debts	Shareholder's equity	1.71	1.72	-0.31%	NA
3	Debt Service Coverage Ratio	Earning available for debt service	Debt Service	2.39	2.85	-16.10%	NA
4	Return on Equity (ROE)	Net profit after Tax	Average share-holders equity	6.89%	6.23%	10.60%	NA
5	Trade Receivable Turnover ratio	Revenue Receivable	Average Trade	9.44	8.78	7.44%	NA
6	Trade Payable Turnover Ratio	Purchase of Service & Other Expenses	Average Trade Payables	11.67	8.85	31.98%	Purchase and associate cost increased during the year

7	Net Capital Turnover Ratio	Revenue	Working Capital	7.48	12.04	-37.86%	Sale increased for the year vis a vis working capital
8	Net Profit Ratio	Net profit	Revenue	1.07	0.96	11.64%	NA
9	Return on Capital Employed (ROCE)	Earning before Interest & Tax	Capital Employed	16.19%	14.53%	11.54%	NA

- 2 The Company do not have any Benami property, where any proceeding has been initiated or pending against the Company for holding any Benami property.
- 3 The Company do not have any transactions with companies struck off
- 4 The Company has not been declared as a willful defaulter by any lender who has powers to declare a company as a willful defaulter at any time during the financial year or after
- 5 The Company have not traded or invested in Crypto currency or Virtual Currency during the financial year,
- 6 The Company have not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:(a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company (Ultimate Beneficiaries) or(b) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries,
- 7 The Company have not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall:(a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or(b) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries,
- 8 The Company have no such transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961),
- 9 The provisions regarding CSR Expenses under Section 135 of the Companies Act, 2013 are not applicable to the Company,
- 10 Compliance with regards to the number of layers prescribed under clause (87) of section 2 of the Companies Act 2013 read with Companies (Restrictions on number of Layers) Rules, 2017 is not applicable to the Company.

47. 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
ICAI Firm Reg. No. : 120459W

CA HITESH SOLANKI
(Partner)
Membership No. 136487

Place: Navi Mumbai
Date: 19.05.2023
UDIN:23136487BGYERG5528

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

Apoorva Shah
Chairman & Managing Director
DIN: 00573184

Apar Shah
Whole Time Director
DIN: 07125733

Shivani Singh
Company Secretary

NHC FOODS LTD

STATEMENT OF ACCOUNTING RATIOS

The following tables present certain accounting and other ratios computed on the basis of amounts derived from the Audited Financial Statements included in "Financial Statements" as above:

- On Standalone Basis

Particulars	30-06-2024	31-03-2024	31-03-2023
Net Profit for the period/year ended on (A) (₹ in lakhs)	158.40	228.09	188.08
Net worth at the end of period/year ended on (B) (₹ in lakhs)	NA	2,777.04	2,548.96
No. of equity shares outstanding at the period/year ended on (C) (in lakhs)	1,185.50	1,185.50	1,185.50
Basic Earnings Per Share (EPS)	1.36	1.98	1.48
Diluted Earnings Per Share (EPS)	1.36	1.98	1.48
Return on Net Worth (%) (A/B)	NA	8.21	7.38
Net Asset Value per Share (in ₹) (B/C)	NA	2.34	2.15
EBITDA (₹ in lakhs)	297.14	787.33	671.30

- On Consolidated basis

Particulars	30-06-2024	31-03-2024	31-03-2023
Net Profit for the period/year ended on (A) (₹ in lakhs)	197.66	NA	NA
Net worth at the end of period/year ended on (B) (₹ in lakhs)	NA	NA	NA
Weighted average no. of equity shares for basic EPS outstanding at the period/year ended on (C) (in lakhs)	1,185.50	NA	NA
Earnings Per Share (EPS)	1.68	NA	NA
Diluted Earnings Per Share (EPS)	1.68	NA	NA
Return on Net Worth (%) (A/B)	NA	NA	NA
Net Asset Value per Share (in ₹) (B/C)	NA	NA	NA
EBITDA (₹ in lakhs)	336.40	NA	NA

Formula used:

- Earnings Per Share (₹):** Net Profit after tax for the year attributable to Equity Shareholders divided by the weighted average no of equity shares outstanding during the year.
- Return on Net Worth (%):** Net Profit after tax for the year attributable to Equity Shareholders divided by Net Worth at the end of the period multiplied by 100.
- Net Asset Value Per Share (₹):** Net Assets as at the year-end/ period end divided by total number of equity shares outstanding at the end of the period.
- EBITDA (₹ in lakhs):** Profit before tax plus finance costs plus depreciation and amortisation expense and interest income.

M/s. JMMK & Co.

(Earlier known as JMK & Co.)

Chartered Accountants

ICAI Firm Registration No: 120459W

Sd/-

CA Jitendra Doshi

(Partner)

Membership No: 151274

Place: Mumbai

Dated: 05/09/2024

UDIN No: 24151274BKEXKS3441

NHC FOODS LTD

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITIONS AND RESULTS OF OPERATIONS

The following discussion is intended to convey management's perspective on our audited financial condition and results of operations for the financial years ended March 31, 2024 and 2023 and for the quarter ended 30.06.2023 and 30.06.2024. One should read the following discussion and analysis of our financial condition and results of operations in conjunction with the section titled "Financial Information" beginning on page 83 of this Draft Letter of Offer. This discussion contains forward-looking statements and reflects our current views with respect to future events and our financial performance and involves numerous risks and uncertainties, including, but not limited to, those described in the section entitled "Risk Factors" beginning on page 20 of this Draft Letter of Offer. Actual results could differ materially from those contained in any forward-looking statements and for further details regarding forward-looking statements, kindly refer the chapter titled "Forward-Looking Statements" beginning on page 17 of the Draft Letter of Offer.

Unless otherwise stated, the financial information of our Company used in this section has been derived from the Audited Financial Results of the Company for the FY ended March 31, 2024 and Annual Report of the Company for the FY ended March 31, 2023 and Limited Reviewed Un-audited Standalone and Consolidated Financial Result for the quarter ended June 30, 2024 and Limited Reviewed Un-audited Standalone Financial Result for the quarter ended June 30, 2023. Our financial year ends on March 31 of each year. Accordingly, unless otherwise stated, all references to a particular financial year are to the 12-month period ended March 31 of that year. In this section, unless the context otherwise requires, any reference to "we", "us" or "our" refers to "NHC Foods Limited", our Company.

BUSINESS OVERVIEW

For Detailed information on our business, please refer to chapter titled "Our Business" beginning from page no. 70 of this Draft Letter of Offer

SIGNIFICANT DEVELOPMENTS SUBSEQUENT TO THE LAST AUDITED PERIOD

Other than as disclosed below and in this draft Letter of Offer, no circumstances have arisen since March 31, 2024 that could materially and adversely affect or are likely to affect, our operations or profitability, or the value of our assets or our ability to pay our material liabilities within the next 12 months:

1. On April 24, 2024, our Company acquired a 96.21% equity stake in Intra Metal Trading LLC-FZ for a consideration of USD 691,616.60 (equivalent to INR 5.77 Crores). This acquisition resulted in Intra Metal Trading LLC-FZ becoming a subsidiary of our Company. As a result, the financial figures of Intra Metal Trading LLC-FZ have been consolidated in the accompanying quarterly financial results for the quarter ended June 30, 2024.

This development aligns with our strategic growth plans, and we are confident that this acquisition will contribute positively to our company's future performance on a consolidated level.

KEY FACTORS AFFECTING OUR RESULTS OF OPERATION

Our business is subjected to various risks and uncertainties, including those discussed in the section titled "Risk Factor" beginning on page 20 of this Draft Letter of Offer. Our results of operations and financial conditions are affected by numerous factors including the following:

- Adequate availability of key raw materials at the right prices is crucial for the Company;
- Intense competition from unorganized sector offering products in loose unbranded form.
- Occurrences of natural disasters or calamities affecting the areas in which we have operations;
- Any disruption in our sources of funding or increase in costs of funding;
- Our ability to obtain certain approval and licenses;
- Our ability to manage our operations at our current size or to manage any future growth effectively; and
- Exchange rate fluctuations and exchange controls and policies.

The spices industry faces challenges related to price volatility, primarily driven by fluctuations in raw material costs and global market dynamics.

SIGNIFICANT ACCOUNTING POLICIES

Our significant accounting policies are described in the section entitled "Financial Information" beginning from page 83 of this Draft Letter of Offer.

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RESULTS OF OPERATIONS

The following discussion on results of operations should be read in conjunction with the Limited Reviewed Unaudited Consolidated Financial Results for the quarter Ended June 30, 2024:

Particulars	30-06-2024	(Rs. In Lakhs) % of Total Revenue
(1) Revenue		
Revenue from Operation	7366.12	99.17%
Other income	61.77	0.83%
Total Revenue (1)	7427.89	100.00%
(2) Expenses		
Cost of Materials Consumed	-	-
Purchase of Stock in Trade	5216.33	70.23%
Changes in Inventories	1092.36	14.71%
Employee Benefits Expense	62.20	0.84%
Other Expenses	720.59	9.70%
Total Expenses	7091.48	95.47%
(3) Profit/(Loss) before Interest, Depreciation and Tax (1-2)	336.41	4.53%
Depreciation and Amortization Expenses	40.85	0.55%
(4) Profit/(Loss) before Interest and Tax	295.56	3.98%
Finance Cost	76.36	1.03%
(5) Profit/(Loss) before Tax	219.20	2.95%
Tax Expenses		
Current Tax	12.10	0.16%
Current Tax expense related to the prior year	-	-
Deferred Tax Expenses/ (Income)	6.20	0.08%
Total Tax Expenses	18.30	0.25%
Profit/(Loss) for the period/ year	200.90	2.70%
Other Comprehensive Income		
Actuarial gain (loss) on defined benefit obligation -OCI	(3.22)	(0.04%)
(6) Profit/(Loss) for the period/ year	197.68	2.66%

For the Quarter ended June 30, 2024

Revenue from Operation

The Revenue from Operations of our company for the quarter ended June 30, 2024 was ₹7,366.12 lacs.

Other Income

The other income of our company for the quarter ended June 30, 2024 was ₹61.77 Lacs.

Total Revenue

The total income of our company for the quarter ended June 30, 2024 was ₹7427.89

Expenditure

NHC FOODS LTD

Purchase of Stock in Trade

For the quarter ended June 30, 2024, our Company incurred Purchase of Stock in Trade of ₹ 5216.33 lacs.

Changes in Inventories

For the quarter ended June 30, 2024, our Company had Changes in Inventories of 1,092.36 lacs.

Employee Benefit Expenses

For the quarter ended June 30, 2024, our Company incurred for employee benefit expenses ₹62.20 lacs.

Finance Cost

The finance costs for the quarter ended June 30, 2024 was ₹76.36 lacs.

Depreciation and Amortization Expenses

The Depreciation and Amortization Expenses for the quarter ended June 30, 2024 was ₹40.85 lacs.

Other Expenses

For the quarter ended June 30, 2024, our other expenses were ₹720.59 lacs.

Profit/ (Loss) before Tax

Our Company had reported a profit before tax for the quarter ended June 30, 2024 of ₹219.20 lacs

Profit/ (Loss) after Tax

Profit after tax for the quarter ended June 30, 2024 was at ₹197.68 lacs.

SUMMARY OF THE RESULTS OF OPERATION

The following table sets forth selected financial data from Audited Standalone Profit and Loss accounts for the financial year ended on 31st March 2024 and 31st March 2023 and Limited Reviewed Unaudited Standalone Financial Results for the quarter Ended June 30, 2024 and June 30, 2023.

(Rs. In Lakhs)

Particulars	For Quarter ended				For the Financial Year			
	June 30, 2024	% of Total Revenue	June 30, 2023	% of Total Revenue	31-03-2024	% of Total Revenue	31-03-2023	% of Total Revenue
(1) Revenue								
Revenue from Operation	6734.43	99.09%	4203.85	98.46%	20924.40	99.03%	16356.04	99.66%
Other income	61.76	0.91%	65.96	1.54%	205.71	0.97%	55.31	0.34%
Total Revenue (1)	6796.19	100.00%	4269.81	100.00%	21130.11	100.00%	16411.35	100.00%
(2) Expenses								
Cost of Materials Consumed	-	-	-	-	25.28	0.12%	2.65	0.02%
Purchase of Stock in Trade	4630.94	68.14%	3904.83	91.45%	19846.72	93.93%	14428.52	87.92%
Changes in Inventories	1092.36	16.07%	(225.23)	(5.27%)	(1427.67)	(6.76%)	(634.14)	(3.86%)
Employee Benefits Expense	58.79	0.87%	57.1	1.34%	236.24	1.12%	196.87	1.20%
Other Expenses	716.96	10.55%	360.14	8.43%	1662.22	7.87%	1746.13	10.64%
Total Expenses	6499.05	95.63%	4096.84	95.95%	20342.79	96.27%	15740.03	95.91%
(3) Profit/(Loss) before Interest, Depreciation and Tax (1-2)	297.14	4.37%	172.97	4.05%	787.32	3.73%	671.32	4.09%
Depreciation and Amortization Expenses	40.85	0.60%	30.48	0.71%	144.36	0.68%	120.60	0.73%
(4) Profit/(Loss) before Interest and Tax	256.29	3.77%	142.49	3.34%	642.96	3.04%	550.72	3.36%
Finance Cost	76.36	1.12%	84.47	1.98%	330.92	1.57%	280.95	1.71%
(5) Profit/(Loss) before Tax	179.93	2.65%	58.02	1.36%	312.04	1.48%	269.77	1.64%

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Tax Expenses								
Current Tax	12.10	0.18%	9.75	0.23%	65.98	0.31%	60.52	0.37%
Current Tax expense related to the prior year	-	-	-	-	4.79	0.02%	-	-
Deferred Tax Expenses/ (Income)	6.20	0.09%	7.38	0.17%	6.54	0.03%	33.58	0.20%
Total Tax Expenses	18.30	0.27%	17.13	0.40%	77.31	0.37%	94.1	0.57%
Profit/(Loss) for the period/ year	161.63	2.38%	40.89	0.96%	234.73	1.11%	175.67	1.07%
Other Comprehensive Income								
Actuarial gain (loss) on defined benefit obligation -OCI	(3.22)	(0.05%)	(1.00)	(0.02%)	(6.65)	(0.03%)	12.44	0.08%
(6) Profit/(Loss) for the period/ year	158.41	2.33%	39.89	0.93%	228.08	1.08%	188.11	1.15%

COMPARISON OF THE FINANCIAL PERFORMANCE FOR THE SIX MONTHS PERIOD ENDED JUNE 30, 2024 WITH JUNE 30, 2023

Total Income:

Our total income increased by 59.17% to ₹ 6,796.19 Lacs for the quarter ended June 30, 2024 from ₹ 4,269.81 Lacs for the quarter ended June 30, 2023 due to the factors described below:

Revenue from operation

Revenue from operations was increased by 60.20% to ₹6734.43 Lacs for the quarter ended June 30, 2024 from ₹4,203.85 Lacs for the quarter ended June 30, 2023

Other Income

Other Income was decreased by 6.37% to ₹61.76 Lacs for the six months period ended June 30, 2024 from ₹65.96 Lacs for the quarter ended June 30, 2023

Total Expenditure:

Our total expenditure increased by 58.64% to ₹6,499.05 Lacs for the quarter ended June 30, 2024 from ₹4,096.84 Lacs for the quarter ended June 30, 2023 due to the factors described below:

Purchase of Stock in Trade

The Purchase of Stock in Trade increased by 18.60% to ₹4,630.94 Lacs for the quarter ended June 30, 2024 from ₹3,904.83 Lacs for the quarter ended June 30, 2023

Changes in Inventories

The changes in Inventories increased by 585.00% to ₹ 1,092.36 lacs for the quarter ended June 30, 2024 from ₹ (225.23) lacs for the quarter June 30, 2023.

Employee Benefits Expense

Employee Benefits Expenses increased by 2.96% to ₹ 58.79 Lacs for the quarter ended June 30, 2024 from ₹ 57.10 Lacs for the six months period ended June 30, 2023.

Other Expenses

Other Expenses Increased by 99.08% to 716.96 Lacs for the quarter ended June 30, 2024 from 360.14 Lacs for the six months period ended June 30, 2023

Profit before Tax

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Our Profit before Tax increased by 210.12% to ₹ 179.93 Lacs for the quarter period ended June 30, 2024 from ₹ 58.02 Lacs for the quarter ended June 30, 2023

Profit after Tax

Our Profit after Tax increased by 297.12% to ₹ 158.41 Lacs for the quarter ended June 30, 2024 from 39.89 Lacs for the quarter ended June 30, 2023

COMPARISON OF THE FINANCIAL PERFORMANCE FOR THE PERIOD MARCH 31, 2024 WITH MARCH 31, 2023

Total Income:

Our total income increased by 28.75% to ₹ 21,130.11 Lacs for the FY 2024 from ₹ 16,411.35 Lacs for the FY 2023 due to the factors described below:

Revenue from operation

Revenue from operations was increased by 27.93% to ₹20,924.40 Lacs for the FY 2024 from ₹16,356.04 Lacs for the FY 2023.

Other Income

Other Income was increased by 271.92% to ₹205.71 Lacs for the FY 2024 from ₹55.31 Lacs for the FY 2023.

Total Expenditure:

Our total expenses increased by 29.24% to ₹20,342.79 Lacs for the FY 2024 from ₹15,740.03 Lacs for the FY 2023 due to the factors described below:

Cost of material consumed

The Cost of material consumed increased by 853.96% to ₹25.28 Lacs in FY 2024 from ₹2.65 Lacs in FY 2023.

Purchase of Stock in Trade

The Purchase of Stock in Trade increased by 37.55% to ₹19,846.72 Lacs in FY 2024 from 14,428.52 Lacs in FY 2023

Changes in Inventories

The changes in Inventories increased by 125.13% to ₹ (1,427.67) lacs in FY 2024 from ₹ (634.14) lacs in FY 2023.

Employee Benefits Expense

Employee Benefits Expenses increased by 20.00% to ₹ 236.24 Lacs in FY 2024 from ₹ 196.87 Lacs in FY 2023

Other Expenses

Other Expenses decreased by 4.81% to 1,662.22 Lacs in FY 2024 from 1,746.13 Lacs in FY 2023

Profit before Tax

Our Profit before Tax increased by 15.67% to ₹ 312.04 Lacs for the FY 2024 from ₹ 269.77 Lacs for the FY 2023

Profit after Tax

Our Profit after Tax increased by 21.25% to ₹ 228.08 Lacs for the FY 2024 from 188.11 Lacs for the FY 2023

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CASH FLOW STATEMENT

Particulars	(Amount ₹ in lacs)
	31.03.2024
Net Cash from Operating Activities	(222.08)
Net Cash from Investing Activities	(596.46)
Net Cash used in Financing Activities	652.63
Net increase in cash and cash equivalents (A+B+C)	(165.92)
Cash and cash equivalents at the beginning of the year	296.39
Cash and cash equivalents at the end of the period	130.48

Cash Flow from Operating Activities

Net cash from operating activities for the year ended 31st March 2024, was ₹ (222.08) lacs as compared to the Profit Before Tax at ₹ 312.04 lacs.

Cash Flows from Investment Activities

Net cash from investing activities for the year ended 31st March 2024 was ₹ (596.46) lacs due to purchase of tangible assets and investment and Fixed Deposit

Cash Flows from financing Activities

Net cash from financing activities for the year ended 31st March 2024 was ₹ 652.63 due to the repayment of borrowing.

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SECTION VIII: LEGAL AND OTHER INFORMATION

OUTSTANDING LITIGATIONS AND MATERIAL DEVELOPMENTS

Except as disclosed below, there are no outstanding litigations involving our Company and our Subsidiary whose financial statements are included in the draft letter of offer, either separately or in a consolidated form including, suits, criminal or civil proceedings and taxation related proceedings that would have a material adverse effect on our operations, financial position or future revenues. In this regard, please note the following:

- *In determining whether any outstanding litigation against our Company, other than litigation involving issues of moral turpitude, criminal liability, material violations of statutory regulations or proceedings relating to economic offences against our Company, would have a material adverse effect on our operations or financial position or impact our future revenues, we have considered all pending litigations involving our Company, other than criminal proceedings, statutory or regulatory actions, as 'material';*
- *For the purpose of determining materiality, the threshold shall be determined by the issuer as per requirements under the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015*

Unless stated to the contrary, the information provided below is as of the date of this Draft Letter of Offer.

I. CONTINGENT LIABILITIES OF OUR COMPANY

- a. Contingent Liabilities not provided for:

	(Amount in Lakhs)	
Particulars	F.Y. 2023-24	F.Y. 2022-23
A. Disputed Demands Outstanding:		
Income Tax*	28.04	28.04
Excise Duty**	-	2.27

**Based on the decisions of the 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.*

***during the year "CUSTOMS, EXCISE & SERVICE TAX APPELATE TRIBUNAL" set aside demand order*

- b. Bill Discounted/ Factoring Payables netted off to the receivables.

	(Amount in Lakhs)	
Particulars	F.Y. 2023-24	F.Y. 2022-23
A. Bills discounted and outstanding	16.58	06.22

A. LITIGATION INVOLVING THE COMPANY

(a) Criminal proceedings against the Company

There are no outstanding criminal proceedings initiated against the Company.

(b) Criminal proceedings filed by the Company

There are no outstanding actions criminal proceedings filed by the Company.

(c) Actions by statutory and regulatory authorities against the Company

The Company has received an email dated 22nd February, 2024 from the BSE Limited referring to non-compliance of Regulation 6(1) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, wherein the company is advised to refer to Master Circular No. SEBI/HO/CFD/PoD2/CIR/P/2023/120 dated July 11, 2023 (Chapter-VII(A)-Penal Action for Non-Compliance), issued by Securities and Exchange Board of India (SEBI) with respect to penal actions prescribed for non-compliance of certain provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Standard Operating Procedure for suspension and revocation of trading of specified securities of listed entities. The Stock Exchange has imposed a penalty of Rs.44840/- on the Company for the said non-compliance.

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Company vide its email dated 23rd February, 2024, replied that some incorrect details were inadvertently entered during the upload of the “Reconciliation of share capital audit report” for the quarter ended December 31, 2023, particularly in the section pertaining to the Compliance Officer. They have attached the necessary documentation regarding the resignation of Ms. Shivani Singh and the appointment of Ms. Shanu Bhandari as the new Compliance Officer, as reported to the BSE. The rectified report was submitted with acknowledgement number 23022024785387, dated February 23, 2024. No further action has been taken by BSE Limited till date.

(d) Tax Proceedings:

(i) **Direct Tax:** As mentioned below:

A.Y.	Section Code	Date of Demand	Amount	Particulars
2012-13	147	17-12-2019	28,24,796	<p>The Company/assessee has received a notice under section 148 of the Income Tax Act, dated 30.03.2019. The Assessing Officer cited the information received regarding high-value remittances and debits, allegedly from a party involved in providing accommodation entries. This led to the mentioning of the assessee as one of the beneficiaries in a transaction with M/s. Induja Traders Pvt. Ltd., involving a significant amount of Rs.1,55,59,948/-. However, the Assessee's stance on these purchases was that they were genuine transactions in the regular course of business, supported by corresponding sales related to the goods.</p> <p>The Assessing Officer sought to disallow the aforementioned amount as unexplained income under section 69A of the Income Tax Act, contending that the purchases were allegedly bogus. The company contested these claims, asserting that the transactions were genuine and that the reasons assigned by the Assessing Officer were contrary to the Income Tax Act.</p> <p>Additionally, the company disputed the charging of interest under sections 234A, 234B, 234C, and 234D of the IT Act and the initiation of penalty proceedings under section 271(1)(c) of the Act.</p>

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				Aggrieved by the Company has filed an appeal with the CIT Appeals on 01.01.2020. The matter is pending.
2014-15	263	07-12-2019	68,796	For the said demand, the Company has opted for a settlement availing Vivad Se Vishwas Scheme and paid the amount on 27.01.2021.
2022-23	154	14-03-2023	32,395	Rectification request is pending with the Income Tax Department.
		TOTAL	29,25,987	

(ii) **Indirect Tax: Nil**

(e) Other pending material litigations against the Company

As on the date of this Draft Letter of Offer, there are no other pending material litigations initiated against the Company.

(f) Other pending material litigations filed by the Company

As on the date of this Draft Letter of Offer, there are no outstanding actions other pending material litigations filed by the Company.

B. LITIGATION INVOLVING OUR DIRECTORS & PROMOTERS

a) Criminal proceedings against the Promoters & Directors of the company

As on the date of this Draft Letter of Offer, there are no outstanding criminal proceedings initiated against the Promoters & Directors of the Company.

b) Criminal proceedings by the Promoters & Directors of the company

As on the date of this Draft Letter of Offer, there are no outstanding criminal proceedings initiated by the Promoters & Directors of the Company.

c) Actions by statutory and regulatory authorities against the Promoters & Directors of the company

As on the date of this Draft Letter of Offer, there are no outstanding actions by statutory or regulatory authorities initiated against the Promoters & Directors of the company.

(d) Tax Proceedings against the Promoters & Directors

(i) Direct Tax:

1) APOORVA HIMATLAL SHAH

A.Y.	Section Code	Date of Demand	Amount	Particulars
2011-12	147	29-12-2018	53,167	For the said demand, the Assessee has opted for a settlement availing Vivad Se Vishwas Scheme and paid the amount on 16.12.2020.

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(ii) Indirect Tax Liabilities: Nil

(e) Other pending material litigations against the Promoters & Directors of the company

As on the date of this Draft Letter of Offer, there are no outstanding litigations initiated against the Promoters and Directors,

(f) Other pending material litigations filed by the Promoters & Directors of the company

As on the date of this Draft Letter of Offer, there are no outstanding litigations initiated by the Promoters and Directors,

C. LITIGATIONS INVOLVING THE SUBSIDIARIES

(a) Criminal proceedings against the Subsidiaries

There are no criminal actions initiated against the subsidiaries of the company.

(b) Criminal proceedings filed by the Subsidiaries

There are no outstanding criminal proceedings initiated by the subsidiaries of the company.

(c) Actions by statutory and regulatory authorities against the Subsidiaries

There are no outstanding actions by statutory or regulatory Authorities initiated against the Subsidiaries of the company.

(d) Tax Proceedings:

There are no outstanding Tax Proceedings against the subsidiaries of The Company.

(i) Direct Tax: - NIL

(ii) Indirect Tax – NIL

(e) Other pending material litigations against the Subsidiaries:

There are no outstanding litigations initiated against the Subsidiaries, which have been considered material by the Company.

(f) Other pending material litigations filed by the Subsidiaries

There are no outstanding litigations initiated filed by the Subsidiaries, which have been Considered material by the Company.

OUTSTANDING DUES TO SMALL SCALE UNDERTAKINGS OR ANY OTHER CREDITORS

There are no disputes with such entities in relation to payments to be made to our Creditors. The details pertaining to Amounts due towards such creditors are available on the website of our Company.

Below are the details of the Creditors where outstanding amount as on March 31, 2024:

Particulars	(Rs.in Lakhs)
	Balance as on March 31, 2024 (Audited)
Total Outstanding dues to Micro and Small & Medium Enterprises (MSME)*	223.83
Total Outstanding dues to Creditors other than MSME	2684.74

* Amount due to entities covered under Micro, Small and Medium Enterprises as defined in the Micro, Small, Medium Enterprises Development Act, 2006, is not available with us as we are in the process of Compiling the information from our vendors.

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Outstanding Litigations involving the Company or involving any other person or company whose outcome may have a material adverse effect on the Company's results of operations or financial position.

Except as described above, as on date of this Draft Letter of Offer, there are no outstanding litigations involving the Company, or involving any other person or company whose outcome may have a material adverse effect on the Company's results of operations or financial position.

Pending proceedings initiated against our Company for economic offences.

There are no pending proceedings initiated against our Company for economic offences.

Disclosures pertaining to wilful defaulters or fraudulent borrowers

As on the date of this Draft Letter of Offer, Our Company, Promoters or Directors have not been declared as a wilful defaulter or a fraudulent borrower.

Inquiries, investigations etc. instituted under the Companies Act, 2013 or any previous Companies enactment in the last 5 years against our Company.

There are no inquiries, investigations etc. instituted under the Companies Act or any previous Companies enactment in the last 5 years against our Company.

Material Fraud against our Company in the last five years

There has been no material fraud committed against our Company since incorporation.

Fines imposed or compounding of offences for default

There are no fines imposed or compounding of offences for default or outstanding defaults.

Non-Payment of Statutory Dues

Except as disclosed in the chapter titled "*Financial Information*" beginning on pages 83 there are have been no defaults or outstanding defaults in the payment of statutory dues payable under the Employees Provident Funds and Miscellaneous Provisions Act, 1952 and the Employees State Insurance Act, 1948.

Material Developments Occurring after Last Balance Sheet Date

Except as disclosed in Chapter titled "*Management's Discussion & Analysis of Financial Conditions & Results of Operations*" beginning on page 195 of this Draft Letter of Offer, there have been no material developments that have occurred after the Last Balance Sheet Date.

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GOVERNMENT APPROVALS

Our Company is required to comply with the provisions of various laws and regulations and obtain approvals, registrations, permits and licenses under them for conducting our operations. The requirement for approvals may vary based on factors such as the activity being carried out and the legal requirements in the jurisdiction in which we are operating.

Further, our obligation to obtain and renew such approvals arises periodically and applications for such approvals are made at the appropriate stage. Our Company has obtained all material consents, licenses, permissions and approvals from governmental and regulatory authorities that are required for carrying on our present business activities. In the event, some of the approvals and licenses that are required for our business operations expire in the ordinary course of business, we will apply for their renewal, from time to time.

As on the date of this Draft Letter of Offer, there are no pending material Government and Regulatory approvals required for our Company to conduct our existing business and operations and objects of the Issue.

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OTHER REGULATORY AND STATUTORY DISCLOSURES

AUTHORITY FOR THE ISSUE

1. The Issue of this Right Equity Shares to the eligible shareholders in terms of this draft Letter of Offer has been authorized by a resolution by the Board of Directors passed at their meeting held on May 30, 2024 under Section 62 of the Companies Act 2013.
2. The Draft Letter of Offer has been approved by our Board pursuant to its resolution dated September 11, 2024.
3. The Letter of Offer has been approved by our Board pursuant to its resolution dated [●], 2024.
4. Our Company has received In-principle approval from BSE in accordance with Regulation 28 of the SEBI Listing Regulation vide its letter dated [●] for listing of Right Equity Shares to be allotted in the issue pursuant to letter dated [●].
5. Our Company will also make applications to the BSE to obtain their trading approvals for the Rights Entitlements as required under the January 22, 2020 – Rights Issue Circular.
6. Our Company has been allotted the ISIN - [●] for the Rights Entitlements to be credited to the respective demat accounts of the Equity Shareholders of our Company. For details, see “*Terms of the Issue*” beginning on page 211 of this Draft Letter of Offer. Our Company will also make application to BSE to obtain its trading approval for the Rights Entitlements as required under the SEBI Rights Issue Circulars.

CONFIRMATION

- Our Company, our Promoters, Promoter Group, our directors, person(s) in control of the promoter or our Company have not been or are not prohibited from accessing or operating in the capital markets or restrained from buying, selling or dealing in securities under any order or direction passed by the SEBI or any securities market regulator in any other jurisdiction or any other authority/court.
- None of our Directors are associated with the securities market in any manner and there has been no outstanding action initiated by the SEBI against the Directors.

ELIGIBILITY FOR THE ISSUE

Our Company is a listed company and has been incorporated under the Companies Act, 1956. The Equity Shares are presently listed on BSE. Our Company is eligible to undertake the Rights Issue in terms of Chapter III of the SEBI ICDR Regulations and other applicable provisions of the SEBI ICDR Regulations. Further, our Company is undertaking this Issue in compliance with the provisions specified in Part B of Schedule VI of the SEBI ICDR Regulations.

COMPLIANCE WITH CLAUSE (1) OF PART B OF SCHEDULE VI OF THE SEBI ICDR REGULATIONS

Our Company is a listed company, incorporated under Companies Act, 1956. The Equity Shares of our Company are presently listed on BSE. We are eligible to undertake the Issue in terms of Chapter III of the SEBI ICDR Regulations. Our Company is in compliance with the provisions specified in Clause (1) of Part B of Schedule VI of SEBI ICDR Regulations as explained below:

1. Our Company has been filing periodic reports, statements and information with the designated stock exchange in compliance with the listing agreements or SEBI Listing Regulations (to the extent applicable) for the last one year immediately preceding the date of this Draft Letter of Offer;
2. The reports, statements and information referred to in paragraph (1) above are available on the website of BSE; and
3. Our Company has investor grievance-handling mechanism which includes meeting of the Stakeholders Relationship Committee at frequent intervals, appropriate delegation of power by the Board as regards share transfer and clearly laid down systems and procedures for timely and satisfactory redressal of investor grievances.

As our Company satisfies the conditions specified in Clause (1) of Part B of Schedule VI of SEBI ICDR Regulations, disclosures in this Draft Letter of Offer have been made in terms of Clause (4) of Part B of Schedule VI of the SEBI ICDR Regulations.

COMPLIANCE WITH REGULATIONS 61 AND 62 OF THE SEBI (ICDR) REGULATIONS

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Our Company is in compliance with the conditions specified in Regulations 61 and 62 of the SEBI ICDR Regulations, to the extent applicable, details are mentioned as under:

- Our Company, any of our Promoters, Promoter Group or our Directors are not debarred from accessing the capital market by SEBI.
- None of our promoters or Directors of our company is a promoter or director of any other company which is debarred from accessing the capital market by SEBI.
- None of our Promoters or our Directors are declared as Fugitive Economic Offenders within the meaning of the Fugitive Economic Offenders Act, 2018.
- Further, in relation to compliance with Regulation 62(1)(a) of the SEBI ICDR Regulations, our Company has made an application to BSE for their in-principle approval and undertakes to make an application to BSE for listing and trading approval of the Rights Equity Shares to be issued pursuant to the Issue.

All Equity Shares are fully paid-up and there are no partly paid Equity Shares outstanding as on the date of this Draft Letter of Offer.

- We will ensure compliance with the conditions specified in Regulation 62(2) of the SEBI ICDR Regulations, to the extent applicable.
- Neither our Company, nor our Promoters or our Directors, have been identified as a willful defaulter or fraudulent borrower by the RBI.
- The promoter or promoter group of our company will not get their rights entitlement and this issue is exclusively for the Public Shareholders.

DISCLAIMER CLAUSE OF SEBI

In terms of Regulation 3 of SEBI ICDR regulation, in case of Rights Issue size is less than Rs. Fifty (₹50.00) crores, the issuer shall prepare the draft letter of offer in accordance with requirement as specified in the regulation and file the same with the SEBI for information and dissemination on the SEBI's website.

Since the Board of Directors of our Company has approved and passed resolution on May 30, 2024 to authorize the Board of Directors to raise the funds by way of Right Offering aggregating upto Rupees Forty Nine crores, the draft letter of offer has not been filed with SEBI for their approval. Only the Letter of Offer will be filed with the SEBI for information and dissemination on the SEBI's website.

HOWEVER, IT IS TO BE DISTINCTLY UNDERSTOOD THAT SUBMISSION OF THE DRAFT LETTER OF OFFER TO THE SECURITIES AND EXCHANGE BOARD OF INDIA ("SEBI") SHOULD NOT IN ANY WAY BE DEEMED OR CONSTRUED THAT THE SAME HAS BEEN CLEARED OR APPROVED BY SEBI. SEBI DOES NOT TAKE ANY RESPONSIBILITY EITHER FOR THE FINANCIAL SOUNDNESS OF ANY SCHEME OR THE PROJECT FOR WHICH THE ISSUE IS PROPOSED TO BE MADE OR FOR THE CORRECTNESS OF THE STATEMENTS MADE OR OPINIONS EXPRESSED IN THE DRAFT LETTER OF OFFER.

DISCLAIMER FROM OUR COMPANY AND THE LEAD MANAGER

Our Company and the Lead Manager accept no responsibility for statements made otherwise than in this Draft Letter of Offer or in the advertisements or any other material issued by or at the instance of our company and that anyone placing reliance on any other source of information would be doing so at their own risk.

Investors who invest in the Issue will be deemed to have been represented by our Company and the Lead Manager and their respective directors, officers, agents, affiliates and representatives that they are eligible under all applicable laws, rules, regulations, guidelines and approvals to acquire the Right Equity Shares of our Company, and are relying on independent advice/evaluation as to their ability and quantum of investment in this Issue.

CAUTION

Our Company and the Lead Manager shall make all information available to the Eligible Equity Shareholders and no selective or additional information would be available for a section of the Eligible Equity Shareholders in any manner whatsoever including at presentations, in research or sales reports etc. after filing of this Draft Letter of Offer with the SEBI/Stock Exchange.

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No dealer, salesperson or other person is authorised to give any information or to represent anything not contained in this Draft Letter of Offer. You must not rely on any unauthorised information or representations. This Draft Letter of Offer is an offer to sell only the Rights Equity Shares and rights to purchase the Rights Equity Shares offered hereby, but only under circumstances and in jurisdictions where it is lawful to do so. The information contained in this Draft Letter of Offer is current only as of its date.

DISCLAIMER IN RESPECT OF JURISDICTION

This Draft Letter of Offer has been prepared under the provisions of Indian laws and the applicable rules and regulations thereunder. Any dispute arising out of this Issue will be subject to jurisdiction of the competent court(s) in **Valsad, Gujarat, India** only.

DISCLAIMER CLAUSE OF BSE LIMITED

As required, a copy of the Draft Letter of Offer has been submitted to the BSE. The Disclaimer Clause as intimated by the BSE to us, post scrutiny of this Draft Letter of Offer, shall be included in the Letter of Offer prior to filing with the Stock Exchange.

LISTING

Our Company will apply to BSE for final approval for the listing and trading of the Rights Equity Shares subsequent to their Allotment. No assurance can be given regarding the active or sustained trading in the Rights Equity Shares or the price at which the Rights Equity Shares offered under the Issue will trade after the listing thereof.

FILING

The Draft Letter of Offer shall not be filed with SEBI, nor will SEBI issue any observation on the Draft Letter of Offer as the size of issue is less than Rupees Fifty Crores.

The Draft Letter of Offer has been filed with BSE for obtaining their in-principle approvals.

However, our Company will submit a copy of the Letter of Offer to SEBI for the purpose of their information and dissemination on its website by mailing it to the e-mail address: cfddil@sebi.gov.in.

MECHANISM FOR REDRESSAL OF INVESTOR GRIEVANCES

Our Company has adequate arrangements for redressal of investor grievances in compliance with the SEBI Listing Regulations.

- ✓ We have been registered with the SEBI Complaints Redress System (SCORES) as required by SEBI and monitor the same on regular interval.
- ✓ Our Company has a Stakeholders Relationship Committee to redress complaints, if any. Its terms of reference include considering and resolving grievances of Shareholders in relation to transfer of shares and effective exercise of voting rights.
- ✓ Mrs. Alesha Hakim Khan is the Company Secretary and Compliance Officer to redress complaints, if any.
- ✓ In terms of Regulation 7(1) of the SEBI Listing Regulations, we have duly appointed the Registrar and Share Transfer Agents for our Company. All investor grievances received by us have been handled by the same in consultation with the Company Secretary and Compliance Officer.

Disposal of Investor Grievances by our Company

Our Company estimates that the average time required by our Company or the Registrar for the redressal of routine investor grievances shall be seven (7) to fifteen (15) Working Days from the date of receipt of the complaint. In case of complaints that are not routine or where external agencies are involved, our Company will seek to redress these complaints as expeditiously as possible.

Investor Grievances arising out of the Issue

Our Company has appointed M/s. Skyline Financial Services Private Limited (“SKYLINE”) as Registrar to this Right issue.

Mrs. Alesha Hakim Khan is the Company Secretary and Compliance Officer to redress complaints, if any, of the investors participating in the Issue.

Investors may contact the Registrar or our Compliance Officer for any pre-Issue/post-Issue related matter. All grievances relating to the ASBA process may be addressed to the Registrar, with a copy to the SCSBs (in case of ASBA process), giving full details such as name, address of the Applicant, contact number(s), e-mail ID of the sole/ first holder, folio number or

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demat account number, serial number of the Application Form, number of Rights Equity Shares applied for, amount blocked (in case of ASBA process), ASBA Account number and the Designated Branch of the SCSBs where the Application Form, or the plain paper application, as the case may be, was submitted by the ASBA Investors along with a photocopy of the acknowledgement slip.

In case of non-routine grievances where verification at other agencies is involved, it would be the endeavor of the Registrar to attend to them as expeditiously as possible. Our Company undertakes to resolve the investor grievances in a time bound manner.

Contact details of the Registrar to this issue and of our Company Secretary and Compliance Officer are as follows:

Registrar to the Issue SKYLINE FINANCIAL SERVICES PRIVATE LIMITED D-153A, First Floor, Okhla Industrial Area, Phase-I, New Delhi 110020 Telephone: 011-40450193-197 Fax: 011-26812683 Email: ipo@skylinerta.com Investor Grievance Email: grievances@skylinerta.com Contact Person: Mr. Anuj Rana Website: https://www.skylinerta.com/ SEBI Registration Number: INR000003241 CIN No: U74899DL1995PTC071324	Company Secretary & Compliance officer Mrs. Alesha Hakim Khan NHC Foods Limited Registered office: Survey No. 777, Umarsadi Desaiwad Road, Village Umarsadi, Taluka Pardi, Valsad- 396175, Gujarat, India Telephone: +91 8104472565 E-Mail Id: cs@nhcgroup.com ; Website: www.nhcgroup.com ;
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Status of outstanding investor complaints in relation to our Company

As on the date of this Draft Letter of Offer, there were no outstanding investor complaints in relation to our Company.

TERMS OF THE ISSUE

This section is for the information of the Investors proposing to apply in this Issue. Investors should carefully read the provisions contained in this Draft Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter and the Application Form, before submitting the Application Form. Our Company and the Lead Manager are not liable for any amendments or modifications or changes in applicable laws or regulations, which may occur after the date of this Draft Letter of Offer. Investors are advised to make their independent investigation and ensure that the Application Form is correctly filled up. Unless otherwise permitted under the SEBI (ICDR) Regulations read with SEBI Rights Issue Circulars, Investors proposing to apply in this Issue can apply only through ASBA or by mechanism as disclosed in this section.

Further, SEBI has pursuant to the SEBI Rights Issue Circular stated that in the event there are physical shareholders who have not been able to open a demat account pursuant to the SEBI circular bearing reference number SEBI/HO/CFD/DIL2/CIR/P/2020/13 dated January 22, 2020 or are unable to communicate their demat account details to our Company or the Registrar for credit of Rights Entitlements, such physical shareholders may be allowed to submit their Application. For more details, see “Application by Eligible Equity Shareholders holding Equity Shares in physical form” beginning on page no. 214 of this Draft Letter of Offer.

Investors are requested to note that application in this Issue can only be made through ASBA, in case of Eligible Equity Shareholders.

The Rights Entitlement on the Securities, the ownership of which is currently under dispute and including any court proceedings or are currently under transmission or are held in a demat suspense account and for which our Company has withheld the dividend, shall be held in abeyance and the Application Form along with the Rights Entitlement Letter in relation to these Rights Entitlements shall not be dispatched pending resolution of the dispute or court proceedings or completion of the transmission or pending their release from the demat suspense account. On submission of such documents /records confirming the legal and beneficial ownership of the Securities with regard to these cases on or prior to the Issue Closing Date, to the satisfaction of our Company, our Company shall make available the Rights Entitlement on such Securities to the identified Eligible Equity Shareholder.

OVERVIEW

This Issue and the Rights Equity Shares proposed to be issued on a rights basis, are subject to the terms and conditions contained in this Draft Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter, the Application Form, and the Memorandum of Association and the Articles of Association of our Company, the provisions of the Companies Act, 2013, FEMA Act, FEMA Rules, the SEBI (ICDR) Regulations, the SEBI Listing Regulations, and the guidelines, notifications and regulations issued by SEBI, the Government of India and other statutory and regulatory authorities from time to time, approvals, if any, from the RBI or other regulatory authorities, the terms of the Listing Agreements entered into by our Company with the Stock Exchange and the terms and conditions as stipulated in the Allotment advice.

Important:**Dispatch and availability of Issue materials:**

In accordance with the SEBI (ICDR) Regulations and relevant SEBI circulars on Rights Issue, our Company will send, the Abridged Letter of Offer, the Rights Entitlement Letter, Application Form and other issue material (i) only to e-mail addresses of the resident Eligible Equity Shareholders who have provided their e-mail addresses; (ii) physical delivery only to the Indian address of resident Eligible Equity Shareholders, on a reasonable effort basis, whose e-mail addresses are not available with our Company or the Eligible Equity Shareholders have not provided the valid email address to our Company; (iii) physical delivery only to the Indian addresses of the non-resident Eligible Equity Shareholders, on a reasonable effort basis, who have provided an Indian address to our Company; and (iv) to the e-mail addresses of the foreign corporate or institutional shareholders.

The Letter of Offer will also be provided by our Company to any existing Shareholder who makes a request in this regard.

Please note that Eligible Equity Shareholders, in order to update the respective Indian addresses/ email addresses/ mobile numbers in the records maintained by the Registrar or our Company, should visit www.skylinerta.com. Investors can access the Issue Materials (provided that the Eligible Equity Shareholder is eligible to subscribe for the Rights Equity Shares under applicable securities laws) on the websites of:

- our Company at www.nhcgroupp.com;
- the Registrar at <https://www.skylinerta.com/>;
- the Lead Manager at www.finshoregroup.com;

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- the Designated Stock Exchange at www.bseindia.com

Eligible Equity Shareholders who have not received the Application Form may apply, along with the requisite application money, by using the application forms available on the websites above, or on plain paper, with the same details as per the application form available online.

Eligible Equity Shareholders can obtain the details of their respective Rights Entitlements from the website of the Registrar <https://www.skylinerta.com/> by entering their DP ID and Client ID or Folio Number (in case of Eligible Equity Shareholders holding Equity Shares in physical form) and PAN. The link for the same shall also be available on the website of our Company www.nhcgroup.com.

Further, our Company along with the Lead Manager will undertake all adequate steps to reach out the Eligible Equity Shareholders who have provided their Indian address through other means, as may be feasible. Our Company and the Lead Manager and the Registrar will not be liable for non-dispatch of physical copies of Issue materials, including the Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter and the Application Form or delay in the receipt of the Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter or the Application Form attributable to non-availability of the email addresses of Eligible Equity Shareholders or electronic transmission delays or failures, or if the Application Forms or the Rights Entitlement Letters are delayed or misplaced in the transit.

PLEASE NOTE THAT NEITHER OUR COMPANY NOR THE REGISTRAR NOR THE LEAD MANAGER SHALL BE RESPONSIBLE FOR NON-DISPATCH OF PHYSICAL COPIES OF ISSUE MATERIALS, INCLUDING THE LETTER OF OFFER, THE ABRIDGED LETTER OF OFFER, THE RIGHTS ENTITLEMENT LETTER AND THE APPLICATION FORM OR DELAY IN THE RECEIPT OF THE LETTER OF OFFER, THE ABRIDGED LETTER OF OFFER, THE RIGHTS ENTITLEMENT LETTER OR THE APPLICATION FORM ATTRIBUTABLE TO NON-AVAILABILITY OF THE E-MAIL ADDRESSES OF ELIGIBLE EQUITY SHAREHOLDERS OR ELECTRONIC TRANSMISSION DELAYS OR FAILURES, OR IF THE APPLICATION FORM OR THE RIGHTS ENTITLEMENT LETTERS ARE DELAYED OR MISPLACED IN THE TRANSIT.

The distribution of the Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter and the issue of Issue Shares on a rights basis to persons in certain jurisdictions outside India is restricted by legal requirements prevailing in those jurisdictions. No action has been, or will be, taken to permit this Issue in any jurisdiction where action would be required for that purpose, except that this Letter of Offer is being filed with SEBI and the Stock Exchange. Accordingly, the Rights Entitlements and Issue Shares may not be offered or sold, directly or indirectly, and this Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter, the Application Form or any Issue related materials or advertisements in connection with this Issue may not be distributed, in any jurisdiction, except in accordance with and as permitted under the legal requirements applicable in such jurisdiction. Receipt of the Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter or the Application Form (including by way of electronic means) will not constitute an offer, invitation to or solicitation by anyone in any jurisdiction or in any circumstances in which such an offer, invitation or solicitation is unlawful or not authorised or to any person to whom it is unlawful to make such an offer, invitation or solicitation. In those circumstances, the Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter or the Application Form must be treated as sent for information only and should not be acted upon for making an Application and should not be copied or re-distributed.

Accordingly, persons receiving a copy of the Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter or the Application Form should not, in connection with the issue of the Issue Shares or the Rights Entitlements, distribute or send the Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter or the Application Form in or into any jurisdiction where to do so, would, or might, contravene local securities laws or regulations or would subject our Company or its affiliates or the Lead Manager or their respective affiliates to any filing or registration requirement (other than in India). If the Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter or the Application Form is received by any person in any such jurisdiction, or by their agent or nominee, they must not seek to make an Application or acquire the Rights Entitlements referred to in the Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter or the Application Form. Any person who makes an application to acquire Rights Entitlements and the Issue Shares offered in the Issue will be deemed to have declared, represented and warranted that such person is authorized to acquire the Rights Entitlements and the Equity Shares in compliance with all applicable laws and regulations prevailing in such person's jurisdiction and India, without requirement for our Company or our affiliates or the Lead Manager or their respective affiliates to make any filing or registration (other than in India).

Our Company is undertaking this Issue for its Eligible Equity Shareholders and will send the Abridged Letter of Offer, the Application Form and other applicable Issue materials primarily to the email addresses of the Eligible Equity Shareholders who have provided a valid email address and an Indian address to our Company. This Letter of Offer will be provided, primarily through e-mail, by the Registrar on behalf of our Company or the Lead Manager to the Eligible Equity Shareholders who have provided their Indian address to our Company.

Process for Application in this Issue:

In accordance with Regulation 76 of the SEBI (ICDR) Regulations, SEBI Rights Issue Circulars and ASBA Circulars, all Investors desiring to make an Application in this Issue are mandatorily required to use the ASBA process. Investors should carefully read the provisions applicable to such Applications before making their Application through ASBA. For details, see “Procedure for Application through the ASBA Process” below:

The Application Form can be used by the Eligible Equity Shareholders as well as the Renounees, to make Applications in this Issue on the basis of the Rights Entitlement credited in their respective demat accounts or demat suspense escrow account, as applicable. For further details on the Rights Entitlements and demat suspense escrow account, see “*Credit of Rights Entitlements in demat accounts of Eligible Equity Shareholders*” on Page 213.

ASBA facility: Investors can submit either the Application Form in physical mode to the Designated Branch of the SCSBs or online/electronic Application through the website of the SCSBs (if made available by such SCSB) authorizing the SCSB to block the Application Money in an ASBA Account maintained with the SCSB. Application through ASBA facility in electronic mode will only be available with such SCSBs who provide such facility.

Investors applying through the ASBA facility should carefully read the provisions applicable to such Applications before making their Application through the ASBA process. For details, see “*Procedure for Application through the ASBA Process*” beginning on page no. 222 of this Draft Letter of Offer

Please note that subject to SCSBs complying with the requirements of SEBI Circular CIR/CFD/DIL/13/2012 dated September 25, 2012, within the periods stipulated therein, Applications may be submitted at the Designated Branches of the SCSBs.

Further, in terms of the SEBI Circular CIR/CFD/DIL/1/2013 dated January 2, 2013, it is clarified that for making Applications by SCSBs on their own account using ASBA facility, each such SCSB should have a separate account in its own name with any other SEBI registered SCSB(s). Such account shall be used solely for the purpose of making an Application in this Issue and clear demarcated funds should be available in such account for such an Application.

Applicants should note that they should very carefully fill-in their depository account details and PAN in the Application Form or while submitting application through online/electronic Application through the website of the SCSBs (if made available by such SCSB). Please note that incorrect depository account details or PAN or Application Forms without depository account details shall be treated as incomplete and shall be rejected. For details see “*Grounds for Technical Rejection*” beginning on page 230 of this Draft Letter of Offer. Our Company, the Lead Manager, the Registrar and the SCSBs shall not be liable for any incomplete or incorrect demat details provided by the Applicants.

Additionally, in terms of Regulation 78 of the SEBI ICDR Regulations, Investors may choose to accept the offer to participate in this Issue by making plain paper Applications. Please note that Eligible Equity Shareholders making an application in this Issue by way of plain paper applications shall not be permitted to renounce any portion of their Rights Entitlements. For details, see “*Application on Plain Paper under ASBA process*” beginning from page 225.

Options available to the Eligible Equity Shareholders

The Rights Entitlement Letter will clearly indicate the number of Equity Shares that the Eligible Equity Shareholder is entitled to. If the Eligible Equity Shareholder applies in this Issue, then such Eligible Equity Shareholder can:

- (i) apply for its Equity Shares to the full extent of its Rights Entitlements; or
- (ii) apply for its Equity Shares to the extent of part of its Rights Entitlements (without renouncing the other part); or
- (iii) apply for Equity Shares to the extent of part of its Rights Entitlements and renounce the other part of its Rights Entitlements; or
- (iv) apply for its Equity Shares to the full extent of its Rights Entitlements and apply for additional Equity Shares; or
- (v) renounce its Rights Entitlements in full

Making of an Application through the ASBA facility:

The Equity Shares of our Company are exclusively listed on the BSE. An Investor, wishing to participate in this Issue through the ASBA facility, is required to have an ASBA enabled bank account with an SCSB, prior to making the Application. Investors desiring to make an Application in this Issue through ASBA process, may submit the Application Form in physical mode to the Designated Branches of the SCSB or online/ electronic Application through the website of the SCSBs (if made available by such SCSB) for authorizing such SCSB to block Application Money payable on the Application in their respective ASBA Accounts.

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Investors should ensure that they have correctly submitted the Application Form and have provided an authorisation to the SCSB, via the electronic mode, for blocking funds in the ASBA Account equivalent to the Application Money mentioned in the Application Form, as the case may be, at the time of submission of the Application For the list of banks which have been notified by SEBI to act as SCSBs for the ASBA process, refer <https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=34>.

Please note that subject to SCSBs complying with the requirements of the SEBI circular bearing reference number CIR/CFD/DIL/13/2012 dated September 25, 2012, within the periods stipulated therein, Applications may be submitted at the Designated Branches of the SCSBs. Further, in terms of the SEBI circular bearing reference number CIR/CFD/DIL/1/2013 dated January 2, 2013, it is clarified that for making Applications by SCSBs on their own account using ASBA facility, each such SCSB should have a separate account in its own name with any other SEBI registered SCSB(s). Such account shall be used solely for the purpose of making an Application in this Issue and clear demarcated funds should be available in such account for such an Application.

The Lead Manager, our Company, its directors, its employees, affiliates, associates and their respective directors and officers and the Registrar shall not take any responsibility for acts, mistakes, errors, omissions and commissions etc., in relation to Applications accepted by SCSBs, Applications uploaded by SCSBs, Applications accepted but not uploaded by SCSBs or Applications accepted and uploaded without blocking funds in the ASBA Accounts.

Credit of Rights Entitlements in demat accounts of Eligible Equity Shareholders:

Rights Entitlements

As your name appears as a beneficial owner in respect of the issued and paid-up Equity Shares held in dematerialised form or appears in the register of members of our Company as an Eligible Equity Shareholder in respect of our Equity Shares held in physical form, as on the Record Date, you may be entitled to subscribe to the number of Rights Equity Shares as set out in the Rights Entitlement Letter.

Eligible Equity Shareholders can also obtain the details of their respective Rights Entitlements from the website of the Registrar (i.e., <https://www.skylinerta.com/>) by entering their DP ID and Client ID or Folio Number (for Eligible Equity Shareholders who hold Equity Shares in physical form as on Record Date) and PAN. The link for the same shall also be available on the website of our Company (i.e., www.nhcgroup.com)

In this regard, our Company has made necessary arrangements with NSDL and CDSL for crediting of the Rights Entitlements to the demat accounts of the Eligible Equity Shareholders in a dematerialized form. A separate ISIN for the Rights Entitlements has also been generated which is ISIN: [●]. The said ISIN shall remain frozen (for debit) until the Issue Opening Date. The said ISIN shall be suspended for transfer by the Depositories post the Issue Closing Date.

Additionally, our Company will submit the details of the total Rights Entitlements credited to the demat accounts of the Eligible Equity Shareholders and the demat suspense escrow account to the Stock Exchange after completing the corporate action. The details of the Rights Entitlements with respect to each Eligible Equity Shareholders can be accessed by such respective Eligible Equity Shareholders on the website of the Registrar after keying in their respective details along with other security control measures implemented thereat.

Rights Entitlements shall be credited to the respective demat accounts of Eligible Equity Shareholders before the Issue Opening Date only in dematerialised form. Further, if no Application is made by the Eligible Equity Shareholders of Rights Entitlements on or before Issue Closing Date, such Rights Entitlements shall get lapsed and shall be extinguished after the Issue Closing Date. No Rights Equity Shares for such lapsed Rights Entitlements will be credited, even if such Rights Entitlements were purchased from market and purchaser will lose the premium paid to acquire the Rights Entitlements. Persons who are credited the Rights Entitlements are required to make an Application to apply for Rights Equity Shares offered under Rights Issue for subscribing to the Rights Equity Shares offered under Issue.

If Eligible Equity Shareholders holding Equity Shares in physical form as on Record Date, have not provided the details of their demat accounts to our Company or to the Registrar, they are required to provide their demat account details to our Company or the Registrar not later than two clear Working Days prior to the Issue Closing Date, to enable the credit of the Rights Entitlements by way of transfer from the demat suspense escrow account to their respective demat accounts, at least one day before the Issue Closing Date. Such Eligible Equity Shareholders holding shares in physical form can update the details of their respective demat accounts on the website of the Registrar (i.e., <https://www.skylinerta.com/>). Such Eligible Equity Shareholders can make an Application only after the Rights Entitlements is credited to their respective demat accounts.

In accordance with Regulation 77A of the SEBI ICDR Regulations read with the SEBI Rights Issue Circular, the credit of Rights Entitlements and Allotment of Rights Equity Shares shall be made in dematerialized form only. Prior to the Issue Opening Date,

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our Company shall credit the Rights Entitlements to (i) the demat accounts of the Eligible Equity Shareholders holding the Equity Shares in dematerialised form; and (ii) a demat suspense escrow account (namely, “[●]”) opened by our Company, for the Eligible Equity Shareholders which would comprise Rights Entitlements relating to (a) Equity Shares held in a demat suspense account pursuant to Regulation 39 of the SEBI Listing Regulations; or (b) Equity Shares held in the account of IEPF authority; or (c) the demat accounts of the Eligible Equity Shareholder which are frozen or suspended for debit/credit or details of which are unavailable with our Company or with the Registrar on the Record Date; or (d) Equity Shares held by Eligible Equity Shareholders holding Equity Shares in physical form as on Record Date where details of demat accounts are not provided by Eligible Equity Shareholders to our Company or Registrar; or (e) credit of the Rights Entitlements returned/reversed/failed; or (f) the ownership of the Equity Shares currently under dispute, including any court proceedings.

Eligible Equity Shareholders as on the Record Date are requested to provide relevant details (such as copies of self-attested PAN and client master sheet of demat account etc., details/ records confirming the legal and beneficial ownership of their respective Equity Shares) to the Company or the Registrar not later than two Working Days prior to the Issue Closing Date, to enable the credit of their Rights Entitlements by way of transfer from the demat suspense escrow account to their demat account at least one day before the Issue Closing Date, to enable such Eligible Equity Shareholders to make an application in this Issue, and this communication shall serve as an intimation to such Eligible Equity Shareholders in this regard. Such Eligible Equity Shareholders are also requested to ensure that their demat account, details of which have been provided to the Company or the Registrar account is active to facilitate the aforementioned transfer.

Application by Eligible Equity Shareholders holding Equity Shares in physical form:

Please note that in accordance with Regulation 77A of the SEBI ICDR Regulations read with the SEBI Rights Issue Circulars, the credit of Rights Entitlements and Allotment of Equity Shares shall be made in dematerialised form only. Accordingly, Eligible Equity Shareholders holding Equity Shares in physical form as on Record Date and desirous of subscribing to Equity Shares in this Issue are advised to furnish the details of their demat account to the Registrar or our Company at least two Working Days prior to the Issue Closing Date, to enable the credit of their Rights Entitlements in their respective demat accounts at least one day before the Issue Closing Date. The Rights Entitlements of the Physical Shareholders who do not furnish the details of their demat account to the Registrar not later than two Working Days prior to the Issue Closing Date, shall lapse.

Eligible Equity Shareholders, who hold Equity Shares in physical form as on Record Date and who have opened their demat accounts after the Record Date, shall adhere to following procedure for participating in this Issue:

- a) The Eligible Equity Shareholders shall send a letter to the Registrar containing the name(s), address, e-mail address, contact details and the details of their demat account along with copy of self-attested PAN and self-attested client master sheet of their demat account either by e-mail, post, speed post, courier, or hand delivery so as to reach to the Registrar no later than two Working Days prior to the Issue Closing Date; Alternatively the same can be uploaded in the investor portal of the Registrar at grievances@skylinerta.com
- b) The Registrar shall, after verifying the details of such demat account, transfer the Rights Entitlements of such Eligible Equity Shareholders to their demat accounts at least one day before the Issue Closing Date;
- c) The remaining procedure for Application shall be same as set out in “*Application on Plain Paper under ASBA process*” on page 225.

Resident Eligible Equity Shareholders who hold Equity Shares in physical form as on the Record Date will not be allowed to renounce their Rights Entitlements in the Issue. However, such Eligible Equity Shareholders, where the dematerialized Rights Entitlements are transferred from the suspense escrow demat account to the respective demat accounts within prescribed timelines, can apply for additional Equity Shares while submitting the Application.

Prior to the Issue Opening Date, the Rights Entitlements of those resident Eligible Equity Shareholders, among others, who hold Equity Shares in physical form, and whose demat account details are not available with our Company or Registrar, shall be credited in a demat suspense escrow account opened by our Company.

Such resident Eligible Equity Shareholders must check the procedure for Application by and credit of Rights Equity Shares in “*Procedure for Application by Eligible Equity Shareholders holding Equity Shares in physical form*” beginning from page 226.

Application for Additional Equity Shares

Investors are eligible to apply for additional Equity Shares over and above their Rights Entitlements, provided that they are eligible to apply for Equity Shares under applicable law and they have applied for all the Equity Shares forming part of their Rights Entitlements without renouncing them in whole or in part. Where the number of additional Equity Shares applied for exceeds the number available for Allotment, the Allotment would be made as per the Basis of Allotment finalised in consultation with the

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Designated Stock Exchange. Applications for additional Equity Shares shall be considered and Allotment shall be made in accordance with the SEBI ICDR Regulations and in the manner as set out in “*Basis of Allotment*” beginning on page 234.

Eligible Equity Shareholders who renounce their Rights Entitlements cannot apply for additional Equity Shares. Non-resident Renounees who are not Eligible Equity Shareholders cannot apply for additional Equity Shares.

Investors are requested to kindly note that after purchasing the Rights Entitlements through Off Market Renunciation, an application has to be made for subscribing to the Rights Equity Shares. If no such Application is made by the renounee on or before Issue Closing Date, then such Rights Entitlements will get lapsed and shall be extinguished after the Issue Closing Date and no Rights Equity Shares for such lapsed Rights Entitlements will be credited. For procedure of Application by shareholders who have purchased the Right Entitlement through Off Market Renunciation, please refer to the heading titled “*Procedure for Application through the ASBA process*” on page no. 124 of this Draft Letter of Offer.

Other important links and helpline:

The Investors can visit following links for the below-mentioned purposes:

Frequently asked questions and online/ electronic dedicated investor helpdesk for guidance on the Application process and resolution of difficulties faced by the Investors: grievances@skylinerta.com

Updation of Email address/ mobile number in the records maintained by the Registrar or our Company: Skyline Financial Services Private Limited (grievances@skylinerta.com)

Updation of Indian address in the records maintained by the Registrar or our Company by email to grievances@skylinerta.com

Updation of demat account details by Eligible Equity Shareholders holding shares in physical form: grievances@skylinerta.com

Submission of self-attested PAN, client master sheet and demat account details by non- resident Eligible Equity Shareholders: grievances@skylinerta.com / kyc@skylinerta.com

Renounees

All rights and obligations of the Eligible Equity Shareholders in relation to Applications and refunds pertaining to this Issue shall apply to the Renounee(s) as well.

Basis for this Issue

The Rights Equity Shares are being offered for subscription for cash to the Eligible Equity Shareholders whose names appear as beneficial owners as per the list to be furnished by the Depositories in respect of our Equity Shares held in dematerialised form and on the register of members of our Company in respect of our Equity Shares held in physical form at the close of business hours on the Record Date, fixed in consultation with the Designated Stock Exchange, but excludes persons not eligible under applicable laws, rules, regulations and guidelines.

Rights Entitlements

Eligible Equity Shareholders whose name appears as a beneficial owner in respect of the issued and paid-up Equity Shares held in dematerialised form or appears in the register of members of our Company as an Eligible Equity Shareholder in respect of our Equity Shares held in physical form, as on the Record Date, may be entitled to subscribe to the number of Rights Equity Shares as set out in the Rights Entitlement Letter.

The Registrar will send/dispatch a Rights Entitlement Letter along with the Abridged Letter of Offer and the Application Form to all Eligible Equity Shareholders who have provided an Indian address to our Company and who are located in jurisdictions where the offer and sale of the Rights Entitlements or Rights Equity Shares is permitted under laws of such jurisdiction and does not result in and may not be construed as, a public offering in such jurisdictions, which will contain details of their Rights Entitlements based on their shareholding as on the Record Date.

Eligible Equity Shareholders can also obtain the details of their respective Rights Entitlements from the website of the Registrar (<https://www.skylinerta.com/>) by entering their DP ID and Client ID or Folio Number (in case of Eligible Equity Shareholders holding Equity Shares in physical form) and PAN. The link for the same shall also be available on the website of our Company (www.nhcgroup.com).

Rights Entitlements shall be credited to the respective demat accounts of Eligible Equity Shareholders before the Issue Opening Date only in dematerialised form. If Eligible Equity Shareholders holding Equity Shares in physical form as on Record Date, have not provided the details of their demat accounts to our Company or to the Registrar, they are required to provide their demat account details to our Company or the Registrar not later than two Working Days prior to the Issue Closing Date, to enable the credit of the Rights Entitlements by way of transfer from the demat suspense escrow account to their respective demat accounts,

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at least one day before the Issue Closing Date. Such Eligible Equity Shareholders holding shares in physical form can update the details of their respective demat accounts on the website of the Registrar (<https://www.skylinerta.com/>). Such Eligible Equity Shareholders can make an Application only after the Rights Entitlements is credited to their respective demat accounts, except in case of resident Eligible Equity Shareholders holding Equity Shares in physical form as on Record Date.

Our Company is undertaking this Issue on a rights basis to the Eligible Equity Shareholders and will send the Abridged Letter of Offer, the Rights Entitlement Letter and the Application Form (i) only to e-mail addresses of the resident Eligible Equity Shareholders who have provided their e-mail addresses; (ii) physical delivery, only to the Indian address of resident Eligible Equity Shareholders, on a reasonable effort basis, whose e-mail addresses are not available with our Company or the Eligible Equity Shareholders have not provided the valid email address to our Company; (iii) physical delivery, only to the Indian addresses of the non-resident Eligible Equity Shareholders, on a reasonable effort basis, who have provided an Indian address to our Company; and (iv) to the e-mail addresses of the foreign corporate or institutional shareholders, and in each case who make a request in this regard.

The Letter of Offer will also be provided to any existing Shareholder who makes a request in this regard.

The Letter of Offer, the Abridged Letter of Offer and the Application Form may also be accessed on the websites of the Registrar, our Company and the Lead Manager through a link contained in the aforementioned email sent to email addresses of Eligible Equity Shareholders (provided that the Eligible Equity Shareholder is eligible to subscribe for the Rights Equity Shares under applicable securities laws) and on the Stock Exchange websites. The distribution of the Letter of Offer, Abridged Letter of Offer, the Rights Entitlement Letter and the issue of Rights Equity Shares on a rights basis to persons in certain jurisdictions outside India is restricted by legal requirements prevailing in those jurisdictions. No action has been, or will be, taken to permit this Issue in any jurisdiction where action would be required for that purpose, except that the Draft Letter of Offer filed with BSE and the Letter of Offer to be filed with SEBI and BSE. Accordingly, the Rights Entitlements and Rights Equity Shares may not be offered or sold, directly or indirectly, and the Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter, the Application Form or any Issue related materials or advertisements in connection with this Issue may not be distributed, in any jurisdiction, except in accordance with legal requirements applicable in such jurisdiction. Receipt of the Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter or the Application Form (including by way of electronic means) will not constitute an offer in those jurisdictions in which it would be illegal to make such an offer and, in those circumstances, the Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter or the Application Form must be treated as sent for information only and should not be acted upon for making an Application and should not be copied or re-distributed. Accordingly, persons receiving a copy of the Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter or the Application Form should not, in connection with the issue of the Rights Equity Shares or the Rights Entitlements, distribute or send the Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter or the Application Form in or into any jurisdiction where to do so, would, or might, contravene local securities laws or regulations. If the Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter or the Application Form is received by any person in any such jurisdiction, or by their agent or nominee, they must not seek to make an Application or acquire the Rights Entitlements referred to in the Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter or the Application Form. Any person who acquires Rights Entitlements or makes an Application will be deemed to have declared, warranted and agreed, by accepting the delivery of the Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter and the Application Form, that it is entitled to subscribe for the Rights Equity Shares under the laws of any jurisdiction which apply to such person.

PRINCIPAL TERMS OF THIS ISSUE

Face Value

Each Rights Equity Share will have the face value of ₹1/-.

Issue Price

Each Rights Equity Share is being offered at a price of ₹ [●] per Rights Equity Share in this issue. Investors will have to pay the entire offer price ₹ [●] per Rights Equity Share at the time of Application.

The Issue Price for Rights Equity Shares has been arrived at by our Company in consultation with the Lead Manager and has been decided prior to the determination of the Record Date.

Ranking of Equity Shares

The Right Shares to be issued and Allotted pursuant to this Issue shall be subject to the provisions of the Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter, the Application Form, and the Memorandum of Association and the Articles of Association, the provisions of the Companies Act, 2013, FEMA, the SEBI ICDR Regulations, the SEBI Listing Regulations, and the guidelines, notifications and regulations issued by SEBI, the Government of India and other statutory and

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regulatory authorities from time to time, the terms of the Listing Agreements entered into by our Company with the BSE and the terms and conditions as stipulated in the Allotment advice.

The Rights Equity Shares being issued shall be subject to the provisions of the Memorandum of Association and Articles of Association. The Rights Equity Shares shall rank pari-passu, in all respects including dividend, with our existing Equity Shares.

The voting rights in a poll, whether present in person or by representative or by proxy shall be in proportion to the paid-up value of the Shares held, and no voting rights shall be exercisable in respect of moneys paid in advance, if any.

Credit Rating

As this Issue is a rights issue of Rights Equity Shares, there is no requirement of credit rating for this Issue.

Mode of Payment of Dividend

In the event of declaration of dividend, our Company shall pay dividend to the shareholders of our Company as per the provisions of the Companies Act and the provisions of the Articles of Association.

Rights Entitlements Ratio

The Rights Equity Shares are being offered on a rights basis to the Eligible Equity Shareholders in the ratio of [●] [●] Rights Equity Share for every [●] [●] Equity Shares held by the Eligible Equity Shareholders as on the Record Date, which will be credited in the demat account of the Applicant after the Allotment.

Fractional Entitlements

The Rights Equity Shares are being offered on a rights basis to existing Eligible Equity Shareholders in the ratio of [●] ([●]) Rights Equity Shares for every [●] ([●]) Equity Shares held as on the Record Date. As per SEBI Rights Issue Circulars, the fractional entitlements are to be ignored. In terms of present ratio, there will be no fractional shares.

Process of Credit of Rights Entitlements in dematerialised account

In accordance with Regulation 77A of the SEBI ICDR Regulations read with the SEBI Rights Issue Circulars, the credit of Rights Entitlements and Allotment of Rights Equity Shares shall be made in dematerialized form only. Prior to the Issue Opening Date, our Company shall credit the Rights Entitlements to (i) the demat accounts of the Eligible Equity Shareholders holding the Equity Shares in dematerialised form; and (ii) a demat suspense escrow account (namely, “[●]”) opened by our Company, for the Eligible Equity Shareholders holding Equity Shares in physical form.

In this regard, our Company has made necessary arrangements with NSDL and CDSL for the crediting of the Rights Entitlements to the demat accounts of the Eligible Equity Shareholders in a dematerialized form. A separate ISIN for the Rights Entitlements has also been generated which is [●]. The said ISIN shall remain frozen (for debit) till the Issue Opening Date and shall become active on the Issue Opening Date and remain active for renunciation or transfer during the Renunciation Period. It is clarified that the Rights Entitlements shall not be available for transfer or trading post the Renunciation Period. The said ISIN shall be suspended for transfer by the Depositories post the Issue Closing Date.

Eligible Equity Shareholders are requested to provide relevant details (such as copies of self-attested PAN and client master sheet of demat account etc., details/ records confirming the legal and beneficial ownership of their respective Equity Shares) to the Company or the Registrar not later than two Working Days prior to the Issue Closing Date, i.e., by [●] to enable the credit of their Rights Entitlements by way of transfer from the demat suspense escrow account to their demat account at least one day before the Issue Closing Date i.e., by [●], to enable such Eligible Equity Shareholders to make an application in this Issue, and this communication shall serve as an intimation to such Eligible Equity Shareholders in this regard. Such Eligible Equity Shareholders are also requested to ensure that their demat account, details of which have been provided to the Company or the Registrar account is active to facilitate the aforementioned transfer.

Additionally, our Company will submit the details of the total Rights Entitlements credited to the demat accounts of the Eligible Equity Shareholders and the demat suspense escrow account to the Stock Exchange after completing the corporate action. The details of the Rights Entitlements with respect to each Eligible Equity Shareholders can be accessed by such respective Eligible Equity Shareholders on the website of the Registrar after keying in their respective details along with other security control measures implemented thereat.

PLEASE NOTE THAT CREDIT OF THE RIGHTS ENTITLEMENTS IN THE DEMAT ACCOUNT DOES NOT, PER SE, ENTITLE THE INVESTORS TO THE RIGHTS EQUITY SHARES AND THE INVESTORS HAVE TO SUBMIT APPLICATION FOR THE RIGHTS EQUITY SHARES ON OR BEFORE THE ISSUE CLOSING DATE AND MAKE PAYMENT OF THE APPLICATION MONEY. FOR DETAILS, SEE “PROCEDURE FOR APPLICATION” ON PAGE 122.

Renunciation of Rights Entitlements

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This Issue includes a right exercisable by Eligible Equity Shareholders to renounce the Rights Entitlements credited to their respective demat account either in full or in part.

The renunciation from non-resident Eligible Equity Shareholder(s) to resident Indian(s) and vice versa shall be subject to provisions of FEMA Rules and other relevant circulars, directions, or guidelines issued by RBI or the Ministry of Finance from time to time. However, the facility of renunciation shall not be available to or operate in favour of an Eligible Equity Shareholders being an erstwhile OCB unless the same is in compliance with the FEMA Rules and other relevant circulars, directions, or guidelines issued by RBI or the Ministry of Finance from time to time.

The Equity Shares of our Company are exclusively listed on the BSE. The renunciation of Rights Entitlements credited in your demat account can be made either by sale of such Rights Entitlements, using the secondary market platform of the Stock Exchange or through an off-market transfer.

In accordance with SEBI Circular No. SEBI/HO/CFD/DIL2/CIR/P/2020/78 dated May 6, 2020 read with SEBI Circular No. SEBI/HO/CFD/DIL1/CIR/P/2020/136 dated July 24, 2020, and SEBI/HO/CFD/DIL1/CIR/P/2021/13 dated January 19, 2021 the Eligible Equity Shareholders, who hold Equity Shares in physical form as on Record Date and who have not furnished the details of their demat account to the Registrar or our Company at least two Working Days prior to the Issue Closing Date, **will not be able to renounce their Rights Entitlements.**

Trading of the Rights Entitlements

In accordance with the SEBI January 22 - Rights Issue Circulars, the Rights Entitlements credited shall be admitted for trading on the Stock Exchange under ISIN [●]. Prior to the Issue Opening Date, our Company will obtain the approval from the Stock Exchange for trading of Rights Entitlements. Investors shall be able to trade their Rights Entitlements either through On Market Renunciation or through Off Market Renunciation. The trades through On Market Renunciation and Off Market Renunciation will be settled by transferring the Rights Entitlements through the depository mechanism.

The On Market Renunciation shall take place electronically on the secondary market platform of the Stock Exchange on T+1 rolling settlement basis, where T refers to the date of trading. The transactions will be settled on trade-for-trade basis. The Rights Entitlements shall be tradable in dematerialized form only. The market lot for trading of Rights Entitlements is 1 (one) Rights Entitlement.

The On Market Renunciation shall take place only during the Renunciation Period for On Market Renunciation, i.e., from [●] to [●] (both days inclusive). No assurance can be given regarding the active or sustained On Market Renunciation or the price at which the Rights Entitlements will trade. Eligible Equity Shareholders are requested to ensure that renunciation through off-market transfer is completed in such a manner that the Rights Entitlements are credited to the demat account of the Renounees on or prior to the Issue Closing Date. For details, see “Procedure for Renunciation of Rights Entitlements – On Market Renunciation” and “Procedure for Renunciation of Rights Entitlements – Off Market Renunciation” on page 193.

Please note that the Rights Entitlements which are neither renounced nor subscribed by the Investors on or before the Issue Closing Date shall lapse and shall be extinguished after the Issue Closing Date.

Payment Schedule of Rights Equity Shares

[●] Rights Equity Shares are being offered at a price of ₹ [●] per Rights Equity Share. Investors will have to pay the entire offer price i.e., ₹ [●] per Rights Equity Share at the time of Application.

Where an Applicant has applied for additional Rights Equity Shares and is Allotted a lesser number of Rights Equity Shares than applied for, the excess Application Money paid/blocked shall be refunded/unblocked. The un-blocking of ASBA funds / refund of monies shall be completed be within such period as prescribed under the SEBI ICDR Regulations and SEBI/HO/CFD/DIL2/CIR/P/2021/552 dated April 22, 2021. In the event that there is a delay in making refunds beyond such period as prescribed under applicable law, our Company shall pay the requisite interest at such rate as prescribed under applicable law.

Listing and trading of the Rights Equity Shares to be issued pursuant to this Issue

Subject to receipt of the listing and trading approvals, the Rights Equity Shares proposed to be issued on a rights basis shall be listed and admitted for trading on the Stock Exchange. Unless otherwise permitted by the SEBI ICDR Regulations, the Rights Equity Shares Allotted pursuant to this Issue will be listed as soon as practicable and all steps for completion of necessary procedures for listing and commencement of trading in the Rights Equity Shares will be taken within such period prescribed under the SEBI ICDR Regulations. Our Company has received In-principle approval from the BSE through letter bearing reference number [●] dated [●]. Our Company will apply to BSE for final approvals for the listing and trading of the Rights Equity Shares subsequent to their Allotment. No assurance can be given regarding the active or sustained trading in the Rights Equity Shares or the price at which the Rights Equity Shares offered under this Issue will trade after the listing thereof.

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The existing Equity Shares are listed on BSE (**Scrip Code: 517554**) under the ISIN: **INE141C01036**. The Rights Equity shall be credited to temporary ISINs which will be frozen until the receipt of the final listing/ trading approvals from the Stock Exchange. Upon receipt of such listing and trading approvals, the Rights Equity Shares shall be debited from such temporary ISINs and credited to the existing ISIN as fully paid-up Equity of our Company and thereafter be available for trading and the temporary ISIN shall be permanently deactivated in the depository system of CDSL and NSDL.

The listing and trading of the Rights Equity Shares issued pursuant to this Issue shall be based on the current regulatory framework then applicable. Accordingly, any change in the regulatory regime would affect the listing and trading schedule. In case our Company fails to obtain listing or trading permission from BSE, we shall refund through verifiable means/unblock the respective ASBA Accounts, the entire monies received/blocked within four days of receipt of intimation from the Stock Exchange, rejecting the application for listing of the Rights Equity Shares, and if any such money is not refunded/ unblocked within four days after our Company becomes liable to repay it, our Company and every director of our Company who is an officer -in-default shall, on and from the expiry of the fourth day, be jointly and severally liable to repay that money with interest at rates prescribed under applicable law.

Subscription to this Issue by our Promoter and our Promoter Group

For details of the intent and extent of subscription by our Promoter and the Promoter Group, see “*Capital Structure - Intention and extent of participation by our Promoter and Promoter Group*” on page 36.

Rights of holders of Rights Equity Shares of our Company

Subject to applicable laws, holders of the Rights Equity Shares shall have the following rights:

- The Rights Equity Shares shall rank pari-passu with the existing Equity Shares in all respects.
- The right to receive dividend, if declared;
- The right to vote in person, or by proxy, except in case of Rights Equity Shares credited to the demat suspense account for resident Eligible Equity Shareholders holding Equity Shares in physical form;
- The right to receive surplus on liquidation;
- The right to free transferability of Rights Equity Shares;
- The right to attend general meetings of our Company and exercise voting powers in accordance with law; and
- Such other rights as may be available to a shareholder of a listed public company under the Companies Act, 2013, the Memorandum of Association and the Articles of Association.

Subject to applicable law and Articles of Association, holders of Rights Equity Shares shall be entitled to the above rights in proportion to amount paid-up on such Rights Equity Shares in this Issue.

GENERAL TERMS OF THE ISSUE

Market Lot

The Rights Equity Shares of our Company shall be tradable only in dematerialized form. The market lot for the Rights Equity Shares in dematerialized mode is one Equity Share.

Minimum Subscription

The Issue is subject to being in receipt of minimum subscription of at least 90% of the Equity Shares being offered under this Issue, on an aggregate basis, of the Issue Size, in accordance with the provisions of Regulation 86 of SEBI (ICDR) Regulations. If in the event our Company does not receive the minimum subscription of 90% of the Issue Size, our Company shall refund the entire subscription amount received within 4 (four) days from the Issue Closing Date in accordance with SEBI circular bearing reference number SEBI/HO/CFD/DIL1/CIR/P/2021/47 dated March 31, 2021. If there is any delay in the refund of the subscription amount beyond such period as prescribed by applicable laws, our Company will pay interest for the delayed period, at such rates as prescribed under the applicable laws.

Our Company is in compliance with Regulation 38 of the SEBI Listing Regulations and will continue to comply with the minimum public shareholding requirements pursuant to the Issue.

Joint Holders

Where two or more persons are registered as the holders of any Equity Shares, they shall be deemed to hold the same as the joint holders with the benefit of survivorship subject to the provisions contained in our Articles of Association. Application forms would be required to be signed by all the joint holders (in the same order as appearing in the records of the Depository) to be considered as valid for allotment of Rights Equity Shares offered in this Issue.

Nomination

Nomination facility is available in respect of the Rights Equity Shares in accordance with the provisions of the Section 72 of the Companies Act, 2013 read with Rule 19 of the Companies (Share Capital and Debenture) Rules, 2014. Since the Allotment is in dematerialised form, there is no need to make a separate nomination for the Rights Equity Shares to be Allotted in this Issue.

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Nominations registered with the respective DPs of the Investors would prevail. Any Investor holding Equity Shares in dematerialised form and desirous of changing the existing nomination is requested to inform its Depository Participant.

Arrangements for Disposal of Odd Lots

Our Rights Equity Shares are traded in dematerialized form only and therefore the marketable lot is one Equity Share and hence no arrangements for disposal of odd lots are required.

Restrictions on transfer and transmission of shares and on their consolidation/splitting

There are no restrictions on transfer and transmission and on their consolidation/splitting of shares issued pursuant to this Issue. However, the Investors should note that pursuant to provisions of the SEBI Listing Regulations, with effect from April 1, 2019, except in case of transmission or transposition of securities, the request for transfer of securities shall not be affected unless the securities are held in the dematerialized form with a depository.

Notices

In accordance with the SEBI (ICDR) Regulations, SEBI Rights Issue Circulars, our Company will send the Abridged Letter of Offer, the Rights Entitlement Letter, Application Form and other issue material (i) only to e-mail addresses of resident Eligible Equity Shareholders who have provided their e-mail addresses; (ii) physical delivery, only to the Indian addresses of the resident Eligible Equity Shareholders, on a reasonable effort basis, whose e-mail addresses are not available with our Company or the Eligible Equity Shareholders have not provided the valid e-mail address to our Company; (iii) physical delivery, only to the Indian addresses of the non-resident Eligible Equity Shareholders, on a reasonable effort basis, who have provided an Indian address to our Company; and (iv) to the e-mail addresses of foreign corporate or institutional shareholders, in each case who make a request in this regard.

The Letter of Offer will also be provided by our Company to any existing Shareholder who makes a request in this regard. In case the Eligible Shareholders have provided their valid e-mail address, the Letter of Offer will be sent only to their valid e-mail address and in case the Eligible Shareholders have not provided their email address, then the Letter of Offer will be dispatched, on a reasonable effort basis, to the Indian addresses provided by them.

In the event that e-mail addresses of the Eligible Equity Shareholders are not available with our Company or the Eligible Shareholders have not provided valid e-mail addresses to our Company, our Company will dispatch the Abridged Letter of Offer, Application Form and other applicable Issue materials by way of physical delivery as per the applicable laws to those Eligible Equity Shareholders who have provided their Indian address.

All notices to the Eligible Equity Shareholders required to be given by our Company shall be published in one English language national daily newspaper with wide circulation, one Hindi language national daily newspaper with wide circulation and Gujarati language daily newspaper with wide circulation (Gujarati being the regional language of Gujarat, where our Registered Office is situated).

The Letter of Offer, the Abridged Letter of Offer and the Application Form shall also be submitted with BSE for making the same available on their websites.

Offer to non-resident Eligible Equity Shareholders/Investors

As per Rule 7 of the Foreign Exchange Management (Non-debt Instruments) Rules, 2019, the RBI has given general permission to Indian companies to issue rights equity shares to non-resident shareholders including additional rights equity shares. Further, as per the Master Direction on Foreign Investment in India dated January 4, 2018 issued by the RBI, non-residents may, amongst other things, (i) subscribe for additional shares over and above their Rights Entitlements; (ii) renounce the shares offered to them either in full or in part thereof in favour of a person named by them; or (iii) apply for the shares renounced in their favour.

Applications received from NRIs and non-residents for allotment of Rights Equity Shares shall be, amongst other things, subject to the conditions imposed from time to time by the RBI under FEMA in the matter of Application, refund of Application Money, Allotment of Rights Equity Shares and issue of Rights Entitlements Letters/ letters of Allotment/Allotment advice. If a non-resident or NRI Investor has specific approval from RBI, in connection with his shareholding in our Company, such person should enclose a copy of such approval with the Application details and send it to the Registrar by email on ipo@skylinerta.com or physically/postal means at the address of the Registrar mentioned on the cover page of this Draft Letter of Offer. It will be the sole responsibility of the investors to ensure that the necessary approval from the RBI or the governmental authority is valid in order to make any investment in the Issue and the Lead Manager and our Company will not be responsible for any such allotments made by relying on such approvals.

The Abridged Letter of Offer, the Rights Entitlement Letter and Application Form shall be sent to the e-mail address of non-resident Eligible Equity Shareholders who have provided an Indian address to our Company or who are located in jurisdictions where the offer and sale of the Rights Equity Shares is permitted under laws of such jurisdictions. Investors can access the Letter of Offer, the Abridged Letter of Offer and the Application Form (provided that the Eligible Equity Shareholder is eligible to

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subscribe for the Rights Equity Shares under applicable securities laws) from the websites of the Registrar, our Company, the Lead Manager and the Stock Exchange. The Board of Directors may at its absolute discretion, agree to such terms and conditions as may be stipulated by the RBI while approving the Allotment. The Rights Equity Shares purchased by non-residents shall be subject to the same conditions including restrictions in regard to the repatriation as are applicable to the original Equity Shares against which Rights Equity Shares are issued on rights basis.

In case of change of status of holders, i.e., from resident to non-resident, a new demat account must be opened. Any Application from a demat account which does not reflect the accurate status of the Applicant is liable to be rejected at the sole discretion of our Company and the Lead Manager.

Any non-resident shareholder who has applied in the Issue without submitting RBI approval and/or without providing Indian address, his/her application will be liable for rejection.

Please note that pursuant to Circular No. 14 dated September 16, 2003 issued by the RBI, Overseas Corporate Bodies (“OCBs”) have been derecognized as an eligible class of investors and the RBI has subsequently issued the Foreign Exchange Management (Withdrawal of General Permission to Overseas Corporate Bodies (OCBs)) Regulations, 2003. Any Investor being an OCB is required not to be under the adverse notice of the RBI and to obtain prior approval from RBI for applying in this Issue.

The non-resident Eligible Equity Shareholders can update their Indian address in the records maintained by the Registrar and our Company by submitting their respective copies of self-attested proof of address, passport, etc. through email to ipo@skylinerta.com.

PROCEDURE FOR APPLICATION

How to Apply

In accordance with Regulation 76 of the SEBI ICDR Regulations, SEBI Rights Issue Circulars and ASBA Circulars, all Investors desiring to make an Application in this Issue are mandatorily required to use the ASBA process. Investors should carefully read the provisions applicable to such Applications before making their Application through ASBA.

For details of procedure for application by the resident Eligible Equity Shareholders holding Equity Shares in physical form as on the Record Date, see *“Procedure for Application by Eligible Equity Shareholders holding Equity Shares in physical form”* on page 127.

The Lead Manager, our Company, its directors, its employees, affiliates, associates and their respective directors and officers and the Registrar shall not take any responsibility for acts, mistakes, errors, omissions and commissions etc. in relation to Applications accepted by SCSBs, Applications uploaded by SCSBs, Applications accepted but not uploaded by SCSBs or Applications accepted and uploaded without blocking funds in the ASBA Accounts.

Application Form

The Application Form for the Rights Equity Shares offered as part of this Issue would be sent to the Eligible Equity Shareholders (i) only to e-mail addresses of resident Eligible Equity Shareholders who have provided their e-mail addresses; (ii) physical delivery, only to the Indian addresses of the resident Eligible Equity Shareholders, on a reasonable effort basis, whose e-mail addresses are not available with our Company or the Eligible Equity Shareholders have not provided the valid email address to our Company; (iii) physical delivery, only to the Indian addresses of the non-resident Eligible Equity Shareholders, on a reasonable effort basis, who have provided an Indian address to our Company or to their email address; and (iv) to the e-mail addresses of foreign corporate or institutional shareholders. The Application Form along with the Abridged Letter of Offer and the Rights Entitlement Letter shall be sent through email or physical delivery, as applicable, at least three days before the Issue Opening Date.

In case of non-resident Eligible Shareholders, the Application Form along with the Abridged Letter of Offer and the Rights Entitlement Letter shall be sent through e-mail address if they have provided an Indian address to our Company or who are located in jurisdictions where the offer and sale of the Right Shares is permitted under laws of such jurisdictions.

Please note that neither our Company nor the Registrar nor the Lead Manager shall be responsible for delay in the receipt of the Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter or the Application Form attributable to non-availability of the e-mail addresses of Eligible Equity Shareholders or electronic transmission delays or failures, or if the Application Forms or the Rights Entitlement Letters are delayed or misplaced in the transit or there is a delay in physical delivery (where applicable).

To update the respective e-mail addresses/ mobile numbers in the records maintained by the Registrar or our Company, Eligible Equity Shareholders should visit grievances@skylinerta.com / kyc@skylinerta.com. Investors can access the Letter of Offer, the Abridged Letter of Offer and the Application Form (provided that the Eligible Equity Shareholder is eligible to subscribe for the Rights Equity Shares under applicable securities laws) from the websites of:

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- our Company at www.nhcgroupp.com;
- the Registrar at <https://www.skylinerta.com/>;
- the Lead Manager at www.finshoregroup.com;
- the Designated Stock Exchange at www.bseindia.com

The Eligible Equity Shareholders can obtain the details of their respective Rights Entitlements from the website of the Registrar (<https://www.skylinerta.com/>) by entering their DP ID and Client ID or Folio Number (in case of resident Eligible Equity Shareholders holding Equity Shares in physical form) and PAN. The link for the same shall also be available on the website of our Company (i.e., www.nhcgroupp.com).

The Application Form can be used by the Eligible Equity Shareholders as well as the Renounees, to make Applications in this Issue basis the Rights Entitlements credited in their respective demat accounts or demat suspense escrow account, as applicable. Please note that one single Application Form shall be used by the Investors to make Applications for all Rights Entitlements available in a particular demat account or entire respective portion of the Rights Entitlements in the demat suspense escrow account in case of resident Eligible Equity Shareholders holding shares in physical form as on Record Date and applying in this Issue, as applicable. In case of Investors who have provided details of demat account in accordance with the SEBI ICDR Regulations, such Investors will have to apply for the Rights Equity Shares from the same demat account in which they are holding the Rights Entitlements and in case of multiple demat accounts, the Investors are required to submit a separate Application Form for each demat account.

Investors may accept this Issue and apply for the Rights Equity Shares by submitting the Application Form to the Designated Branch of the SCSB or online/electronic Application through the website of the SCSBs (if made available by such SCSB) for authorising such SCSB to block Application Money payable on the Application in their respective ASBA Accounts. Please note that Applications made with payment using third party bank accounts are liable to be rejected.

Investors are also advised to ensure that the Application Form is correctly filled up stating therein the ASBA Account (in case of Application through ASBA process) in which an amount equivalent to the amount payable on Application as stated in the Application Form will be blocked by the SCSB;

Please note that Applications without depository account details shall be treated as incomplete and shall be rejected,

Applicants should note that they should very carefully fill-in their depository account details and PAN number in the Application Form or while submitting application through online/electronic Application through the website of the SCSBs (if made available by such SCSB). Incorrect depository account details or PAN number could lead to rejection of the Application. For details see “Grounds for Technical Rejection” on page 131. Our Company, the Lead Manager, the Registrar and the SCSB shall not be liable for any incorrect demat details provided by the Applicants.

Additionally, in terms of Regulation 78 of the SEBI ICDR Regulations, Investors may choose to accept the offer to participate in this Issue by making an application that is available on the website of the Registrar, Stock Exchange, Lead Manager or on a plain paper with the same details as per the Application Form available online. Please note that Eligible Equity Shareholders making an application in this Issue by way of plain paper applications shall not be permitted to renounce any portion of their Rights Entitlements. For details, see “*Application on Plain Paper under ASBA process*” on page 125.

Options available to the Eligible Equity Shareholders

The Rights Entitlement Letter will clearly indicate the number of Rights Equity Shares that the Eligible Equity Shareholder is entitled to.

If the Eligible Equity Shareholder applies in this Issue, then such Eligible Equity Shareholder can:

- apply for its Rights Equity Shares to the full extent of its Rights Entitlements; or
- apply for its Rights Equity Shares to the extent of part of its Rights Entitlements (without renouncing the other part); or
- apply for Rights Equity Shares to the extent of part of its Rights Entitlements and renounce the other part of its Rights Entitlements; or
- apply for its Rights Equity Shares to the full extent of its Rights Entitlements and apply for additional Rights Equity Shares; or
- renounce its Rights Entitlements in full.

Procedure for Application through the ASBA process

Investors desiring to make an Application in this Issue through ASBA process, may submit the Application Form to the Designated Branch of the SCSB or online/electronic Application through the website of the SCSBs (if made available by such SCSB) for authorising such SCSB to block Application Money payable on the Application in their respective ASBA Accounts.

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Investors should ensure that they have correctly submitted the Application Form, or have otherwise provided an authorization to the SCSB, via the electronic mode, for blocking funds in the ASBA Account equivalent to the Application Money mentioned in the Application Form, as the case may be, at the time of submission of the Application.

Self-Certified Syndicate Banks

Self-certified syndicate banks registered with SEBI, which acts as a banker to the Issue and which offers the facility of ASBA. A list of all SCSBs is available at <https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=34> or <https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=35>, as applicable, or such other website as updated from time to time, and (ii) in relation to ASBA (through UPI mechanism), a list of which is available on the website of SEBI at <https://sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=40> or such other website as updated from time to time For details on Designated Branches of SCSBs collecting the Application Form, please refer the above-mentioned link.

Please note that subject to SCSBs complying with the requirements of SEBI Circular No. CIR/CFD/DIL/13/2012 dated September 25, 2012 within the periods stipulated therein, ASBA Applications may be submitted at the Designated Branches of the SCSBs, in case of Applications made through ASBA facility.

Acceptance of this Issue

Investors may accept this Issue and apply for the Rights Equity Shares submitting the Application Form to the Designated Branch of the SCSB or online/electronic Application through the website of the SCSBs (if made available by such SCSB) for authorising such SCSB to block Application Money payable on the Application in their respective ASBA Accounts.

Please note that on the Issue Closing Date, Applications through ASBA process will be uploaded until 5.00 p.m. (Indian Standard Time) or such extended time as permitted by the Stock Exchange.

Applications submitted to anyone other than the Designated Branches of the SCSB are liable to be rejected.

Investors can also make Application on plain paper under ASBA process mentioning all necessary details as mentioned under the section *“Application on Plain Paper under ASBA process”* on page 125.

Additional Rights Equity Shares

Investors are eligible to apply for additional Rights Equity Shares over and above their Rights Entitlements, provided that they are eligible to apply for Rights Equity Shares under applicable law and they have applied for all the Rights Equity Shares forming part of their Rights Entitlements without renouncing them in whole or in part. The Rights Entitlements comprise of [●] [●] Rights Equity. Where the number of additional Rights Equity Shares applied for exceeds the number available for Allotment, the Allotment would be made as per the Basis of Allotment finalised in consultation with the Designated Stock Exchange. Applications for additional Rights Equity Shares shall be considered and Allotment shall be made in accordance with the SEBI ICDR Regulations and in the manner prescribed under the section *“Basis of Allotment”* on page 234.

Eligible Equity Shareholders who renounce their Rights Entitlements cannot apply for additional Rights Equity Shares.

Non-resident Renouncees who are not Eligible Equity Shareholders cannot apply for additional Rights Equity Shares. Resident Eligible Equity Shareholders who hold Equity Shares in physical form as on the Record Date cannot renounce until the details of their demat account are provided to our Company or the Registrar and the dematerialized Rights Entitlements are transferred from suspense escrow demat account to the respective demat accounts of such Eligible Equity Shareholders within prescribed timelines. However, Such Eligible Equity Shareholders, where the dematerialized Rights Entitlements are transferred from the suspense escrow demat account to the respective demat accounts within prescribed timelines, can apply for additional Rights Equity Shares while submitting the Application through ASBA process.

Procedure for Renunciation of Rights Entitlements

The Investors may renounce the Rights Entitlements, credited to their respective demat accounts, either in full or in part (a) by using the secondary market platform of the Stock Exchange; or (b) through an off -market transfer, during the Renunciation Period. Such renunciation shall result in renouncement of the Rights Equity Shares. The Investors should have the demat Rights Entitlements credited/lying in his/her own demat account prior to the renunciation. The trades through On Market Renunciation and Off Market Renunciation will be settled by transferring the Rights Entitlements through the depository mechanism.

Investors may be subject to adverse foreign, state or local tax or legal consequences as a result of trading in the Rights Entitlements. Investors who intend to trade in the Rights Entitlements should consult their tax advisor or stock broker regarding any cost, applicable taxes, charges and expenses (including brokerage) that may be levied for trading in Rights Entitlements.

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The Lead Manager and our Company accept no responsibility to bear or pay any cost, applicable taxes, charges and expenses (including brokerage), and such costs will be incurred solely by the Investors.

Please note that the Rights Entitlements which are neither renounced nor subscribed by the Investors on or before the Issue Closing Date shall lapse and shall be extinguished after the Issue Closing Date.

(a) On Market Renunciation

The Eligible Equity Shareholders may renounce the Rights Entitlements, credited to their respective demat accounts by trading/selling them on the secondary market platform of the Stock Exchange through a registered stock-broker in the same manner as the existing Equity Shares of our Company.

In this regard, in terms of provisions of the SEBI ICDR Regulations and the SEBI Rights Issue Circulars, the Rights Entitlements credited to the respective demat accounts of the Eligible Equity Shareholders shall be admitted for trading on the Stock Exchange under ISIN: [●] subject to requisite approvals. Prior to the Issue Opening Date, our Company will obtain the approval from the Stock Exchange for trading of Rights Entitlements. No assurance can be given regarding the active or sustained On Market Renunciation or the price at which the Rights Entitlements will trade. The details for trading in Rights Entitlements will be as specified by the Stock Exchange from time to time.

The Rights Entitlements are tradable in dematerialized form only. The market lot for trading of Rights Entitlements is 1 (one) Rights Entitlements.

The On Market Renunciation shall take place only during the Renunciation Period for On Market Renunciation, i.e., from [●] to [●] (both days inclusive).

The Investors holding the Rights Entitlements who desire to sell their Rights Entitlements will have to do so through their registered stock-brokers by quoting the ISIN: [●] and indicating the details of the Rights Entitlements they intend to trade. The Investors can place order for sale of Rights Entitlements only to the extent of Rights Entitlements available in their demat account.

The On Market Renunciation shall take place electronically on secondary market platform of BSE under automatic order matching mechanism and on 'T+1 rolling settlement basis, where 'T' refers to the date of trading. The transactions will be settled on trade-for-trade basis. Upon execution of the order, the stock-broker will issue a contract note in accordance with the requirements of the Stock Exchange and the SEBI.

(b) Off Market Renunciation

The Eligible Equity Shareholders may renounce the Rights Entitlements, credited to their respective demat accounts by way of an off-market transfer through a depository participant. The Rights Entitlements can be transferred in dematerialised form only.

Eligible Equity Shareholders are requested to ensure that renunciation through off market transfer is completed in such a manner that the Rights Entitlements are credited to the demat account of the Renounees on or prior to the Issue Closing Date to enable Renounees to subscribe to the Rights Equity Shares in the Issue.

The Investors holding the Rights Entitlements who desire to transfer their Rights Entitlements will have to do so through their depository participant by issuing a delivery instruction slip quoting the ISIN (for Rights Entitlement) that shall be allotted for the Rights Entitlement, the details of the buyer and the details of the Rights Entitlements they intend to transfer. The buyer of the Rights Entitlements (unless already having given a standing receipt instruction) has to issue a receipt instruction slip to their depository participant. The Investors can transfer Rights Entitlements only to the extent of Rights Entitlements available in their demat account.

The instructions for transfer of Rights Entitlements can be issued during the working hours of the depository participants. The detailed rules for transfer of Rights Entitlements through off market transfer shall be as specified by the NSDL and CDSL from time to time.

Application on Plain Paper under ASBA process

An Eligible Equity Shareholder who is eligible to apply under the ASBA process may make an application to subscribe to this Issue on plain paper. An Eligible Equity Shareholder shall submit the plain paper Application to the Designated Branch of the SCSB for authorising such SCSB to block Application Money in the said bank account maintained with the same SCSB.

Applications on plain paper will not be accepted from any address outside India. Please note that the Eligible Equity Shareholders who are making the Application on plain paper shall not be entitled to renounce their Rights Entitlements and should not utilize the Application Form for any purpose including renunciation even if it is received subsequently.

PLEASE NOTE THAT APPLICATION ON PLAIN PAPER CANNOT BE SUBMITTED THROUGH ASBA FACILITY.

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The application on plain paper, duly signed by the Eligible Equity Shareholder including joint holders, in the same order and as per specimen recorded with his bank, must reach the office of the Designated Branch of the SCSB before the Issue Closing Date and should contain the following particulars:

- Name of our Company, being **“NHC Foods Limited”**;
- Name and address of the Eligible Equity Shareholder including joint holders (in the same order and as per specimen recorded with our Company or the Depository);
- Registered Folio No./DP and Client ID No.;
- Number of Equity Shares held as on Record Date;
- Allotment option – only dematerialised form;
- Number of Rights Equity Shares entitled to;
- Total number of Rights Equity Shares applied for;
- Number of additional Rights Equity Shares applied for, if any;
- Total number of Rights Equity Shares applied for;
- Total amount paid at the rate of ₹ [●] each for Rights Equity Shares issued in [●] Rights Entitlement;
- Details of the ASBA Account such as the account number, name, address and branch of the relevant SCSB;
- In case of non-resident Eligible Equity Shareholders making an application with an Indian address, details of the NRE/FCNR/NRO Account such as the account number, name, address, branch of the SCSB with which the account is maintained and a copy of the RBI approval obtained pursuant to Rule 7 of the Foreign Exchange Management (Non-debt Instruments) Rules, 2019.
- Except for Applications on behalf of the Central or State Government, the residents of Sikkim and the officials appointed by the courts, PAN of the Eligible Equity Shareholder and for each Eligible Equity Shareholder in case of joint names, irrespective of the total value of the Rights Equity Shares applied for pursuant to this Issue;
- Authorisation to the Designated Branch of the SCSB to block an amount equivalent to the Application Money in the ASBA Account;
- Signature of the Eligible Equity Shareholder (in case of joint holders, to appear in the same sequence and order as they appear in the records of the SCSB); and
- In addition, all such Eligible Equity Shareholders are deemed to have accepted the following:

“I/ We understand that neither the Rights Entitlement nor the Equity Shares have been, or will be, registered under the United States Securities Act of 1933, as amended (the “US Securities Act”) or any United States state securities laws, and may not be offered, sold, resold or otherwise transferred within the United States or to the territories or possessions thereof (the “United States”) except in a transaction exempt from, or not subject to, the registration requirements of the US Securities Act. I/ we understand the offering to which this application relates is not, and under no circumstances is to be construed as, an offering of any Equity Shares or Rights Entitlement for sale in the United States, or as a solicitation therein of an offer to buy any of the said Equity Shares or Rights Entitlement in the United States. Accordingly, I/ we understand that this application should not be forwarded to or transmitted in or to the United States at any time. I/ we understand that none of the Company, the Registrar, the Lead Managers or any other person acting on behalf of the Company will accept subscriptions from any person, or the agent of any person, who appears to be, or who we, the Registrar, the Lead Managers or any other person acting on behalf of the Company has reason to believe is in the United States, or if such person is outside India and the United States, such person is not a corporate shareholder, or is ineligible to participate in the Issue under the securities laws of their jurisdiction. I/We will not offer, sell or otherwise transfer any of the Equity Shares which may be acquired by us in any jurisdiction or under any circumstances in which such offer or sale is not authorized or to any person to whom it is unlawful to make such offer, sale or invitation except under circumstances that will result in compliance with any applicable laws or regulations. We satisfy, and each account for which we are acting satisfies, all suitability standards for investors in investments of the type subscribed for herein imposed by the jurisdiction of our residence.

I/ We understand and agree that the Rights Entitlement and Equity Shares may not be reoffered, resold, pledged or otherwise transferred except in an offshore transaction in compliance with Regulation S under the US Securities Act (“Regulation S”), or otherwise pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the US Securities Act. I/We (i) am/are, and the person, if any, for whose account I/we am/are acquiring such Rights Entitlement, and/or the Equity Shares, is/are outside the United States, and (ii) is/are acquiring the Rights Entitlement and/or the Equity Shares in an offshore transaction meeting the requirements of Regulation S.

I/ We acknowledge that the Company, the Lead Manager, their affiliates and others will rely upon the truth and accuracy of the foregoing representations and agreements.” In cases where multiple Application Forms are submitted for Applications pertaining to Rights Entitlements credited to the same demat account or in demat suspense escrow account, including cases where an Investor submits Application Forms along with a plain paper Application, such Applications shall be liable to be rejected. Investors are requested to strictly adhere to these instructions. Failure to do so could result in an Application being rejected, with our Company,

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the Lead Manager and the Registrar not having any liability to the Investor. The plain paper Application format will be available on the website of the Registrar at www.skylinerta.com.

I/ We acknowledge that Our Company, the Lead Manager and the Registrar shall not be responsible if the Applications are not uploaded by SCSB or funds are not blocked in the Investors' ASBA Accounts on or before the Issue Closing Date”

Mode of payment

All payments against the Application Forms shall be made only through ASBA facility. The Registrar will not accept any payments against the Application Forms, if such payments are not made through ASBA facility.

In case of Application through ASBA facility, the Investor agrees to block the entire amount payable on Application with the submission of the Application Form, by authorizing the SCSB to block an amount, equivalent to the amount payable on Application, in the Investor's ASBA Account. The SCSB may reject the application at the time of acceptance of Application Form if the ASBA Account, details of which have been provided by the Investor in the Application Form does not have sufficient funds equivalent to the amount payable on Application mentioned in the Application Form. Subsequent to the acceptance of the Application by the SCSB, our Company would have a right to reject the Application on technical grounds as set forth in this Draft Letter of Offer.

After verifying that sufficient funds are available in the ASBA Account, details of which are provided in the Application Form, the SCSB shall block an amount equivalent to the Application Money mentioned in the Application Form until the Transfer Date. On the Transfer Date, upon receipt of intimation from the Registrar, pursuant to the finalization of the Basis of Allotment as approved by the Designated Stock Exchange, the SCSBs shall transfer such amount as per the Registrar's instruction from the ASBA Account into the Allotment Account which shall be a separate bank account maintained by our Company, other than the bank account referred to in sub-section (3) of Section 40 of the Companies Act, 2013. The balance amount remaining after the finalisation of the Basis of Allotment on the Transfer Date shall be unblocked by the SCSBs on the basis of the instructions issued in this regard by the Registrar to the respective SCSB. The Investors would be required to give instructions to the respective SCSBs to block the entire amount payable on their application at the time of the submission of the Application Form.

Application by Eligible Equity Shareholders holding Equity Shares in physical form

Please note that in accordance with Regulation 77A of the SEBI ICDR Regulations read with the SEBI Rights Issue Circulars, the credit of Rights Entitlements and Allotment of Rights Equity Shares shall be made in dematerialised form only. Accordingly, Eligible Equity Shareholders holding Equity Shares in physical form as on Record Date and desirous of subscribing to Rights Equity Shares in this Issue are advised to furnish the details of their demat account to the Registrar or our Company at least two Working Days prior to the Issue Closing Date, to enable the credit of their Rights Entitlements in their respective demat accounts at least one day before the Issue Closing Date.

Prior to the Issue Opening Date, the Rights Entitlements of those resident Eligible Equity Shareholders, among others, who hold Equity Shares in physical form, and whose demat account details are not available with our Company or the Registrar, shall be credited in a demat suspense escrow account opened by our Company. In the event, the relevant details of the demat accounts of such Eligible Equity Shareholders are not received during the Issue Period, then their Rights Entitlements kept in the suspense escrow demat account shall lapse.

To update respective email addresses/ mobile numbers in the records maintained by the Registrar or our Company, Eligible Equity Shareholders should visit www.skylinerta.com.

Procedure for Application by Eligible Equity Shareholders holding Equity Shares in physical form

Eligible Equity Shareholders, who hold Equity Shares in physical form as on Record Date and who have opened their demat accounts after the Record Date, shall adhere to following procedure for participating in this Issue:

- (a) The Eligible Equity Shareholders shall send a letter to the Registrar containing the name(s), address, e-mail address, contact details and the details of their demat account along with copy of self-attested PAN and self-attested client master sheet of their demat account either by e-mail, post, speed post, courier, or hand delivery so as to reach to the Registrar no later than two Working Days prior to the Issue Closing Date.
- (b) The Registrar shall, after verifying the details of such demat account, transfer the Rights Entitlements of such Eligible Equity Shareholders to their demat accounts at least one day before the Issue Closing Date;
- (c) The Eligible Equity Shareholders can access the Application Form from:
 - our Company at www.nhcgroupp.com;
 - the Registrar at <https://www.skylinerta.com/>;
 - the Lead Manager at www.finshoregroup.com;
 - the Designated Stock Exchange at www.bseindia.com;

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Eligible Equity Shareholders can obtain the details of their respective Rights Entitlements from the website of the Registrar (<https://www.skylinerta.com/>) by entering their DP ID and Client ID or Folio Number (in case of Eligible Equity Shareholders holding Equity Shares in physical form) and PAN. The link for the same shall also be available on the website of our Company (www.nhcgroup.com);

The Eligible Equity Shareholders shall, on or before the Issue Closing Date submit the Application Form to the Designated Branch of the SCSB or online/electronic Application through the website of the SCSBs (if made available by such SCSB) for authorising such SCSB to block Application Money payable on the Application in their respective ASBA Accounts.

Further, such resident Eligible Equity Shareholder can:

- apply for its Rights Equity Shares to the full extent of its Rights Entitlements;
- apply for its Rights Equity Shares to the extent of part of its Rights Entitlements (without renouncing the other part); and
- apply for its Rights Equity Shares to the full extent of its Rights Entitlements and apply for additional Rights Equity Shares.

PLEASE NOTE THAT NON-RESIDENT ELIGIBLE EQUITY SHAREHOLDERS, WHO HOLD EQUITY SHARES IN PHYSICAL FORM AS ON RECORD DATE AND WHO HAVE NOT FURNISHED THE DETAILS OF THEIR RESPECTIVE DEMAT ACCOUNTS TO THE REGISTRAR OR OUR COMPANY AT LEAST TWO WORKING DAYS PRIOR TO THE ISSUE CLOSING DATE, SHALL NOT BE ELIGIBLE TO MAKE AN APPLICATION FOR RIGHTS EQUITY SHARES AGAINST THEIR RIGHTS ENTITLEMENTS WITH RESPECT TO THE EQUITY SHARES HELD IN PHYSICAL FORM.

Allotment of the Rights Equity Shares in Dematerialized Form

PLEASE NOTE THAT THE RIGHTS EQUITY SHARES APPLIED FOR IN THIS ISSUE CAN BE ALLOTTED ONLY IN DEMATERIALIZED FORM AND TO THE SAME DEPOSITORY ACCOUNT IN WHICH OUR EQUITY SHARES ARE HELD BY SUCH INVESTOR ON THE RECORD DATE. FOR DETAILS, SEE “ALLOTMENT ADVICE OR REFUND/ UNBLOCKING OF ASBA ACCOUNTS” ON PAGE 235.

General instructions for Investors

- (a) Please read this Draft Letter of Offer carefully to understand the Application process and applicable settlement process.
- (b) Please read the instructions on the Application Form sent to you.
- (c) The Application Form can be used by both the Eligible Equity Shareholders and the Renounees.
- (d) Application should be made only through the ASBA facility.
- (e) Application should be complete in all respects. The Application Form found incomplete with regard to any of the particulars required to be given therein, and/or which are not completed in conformity with the terms of the Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter and the Application Form are liable to be rejected. The Application Form must be filled in English.
- (f) In case of non-receipt of Application Form, Application can be made on plain paper mentioning all necessary details as mentioned under the section “*Application on Plain Paper under ASBA process*” on page 225.
- (g) An Investor participating in this Issue through the ASBA facility, is required to have an ASBA enabled bank account with an SCSB, prior to making the Application.
- (h) Applications should be submitted to the Designated Branch of the SCSB or made online/electronic through the website of the SCSBs (if made available by such SCSB) for authorising such SCSB to block Application Money payable on the Application in their respective ASBA Accounts. Applications through ASBA process will be uploaded until 5.00 p.m. (Indian Standard Time) or such extended time as permitted by the Stock Exchange.
- (i) Applications should not be submitted to the Bankers to the Issue or Escrow Collection Bank (assuming that such Escrow Collection Bank is not an SCSB), our Company or the Registrar or the Lead Manager.
- (j) In case of Application through ASBA facility, Investors are required to provide necessary details, including details of the ASBA Account, authorization to the SCSB to block an amount equal to the Application Money in the ASBA Account mentioned in the Application Form.

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- (k) All Applicants, and in the case of Application in joint names, each of the joint Applicants, should mention their PAN allotted under the Income-tax Act, irrespective of the amount of the Application. Except for Applications on behalf of the Central or the State Government, the residents of Sikkim and the officials appointed by the courts, Applications without PAN will be considered incomplete and are liable to be rejected. With effect from August 16, 2010, the demat accounts for Investors for which PAN details have not been verified shall be “suspended for credit” and no Allotment and credit of Rights Equity Shares pursuant to this Issue shall be made into the accounts of such Investors.
- (l) In case of Application through ASBA facility, all payments will be made only by blocking the amount in the ASBA Account. Cash payment or payment by cheque or demand draft or pay order or NEFT or RTGS or through any other mode is not acceptable for application through ASBA process. In case payment is made in contravention of this, the Application will be deemed invalid and the Application Money will be refunded and no interest will be paid thereon.
- (m) For physical Applications through ASBA at Designated Branches of SCSB, signatures should be either in English or Hindi or in any other language specified in the Eighth Schedule to the Constitution of India. Signatures other than in any such language or thumb impression must be attested by a Notary Public or a Special Executive Magistrate under his/her official seal. The Investors must sign the Application as per the specimen signature recorded with the SCSB.
- (n) In case of joint holders and physical Applications through ASBA process, all joint holders must sign the relevant part of the Application Form in the same order and as per the specimen signature(s) recorded with the SCSB. In case of joint Applicants, reference, if any, will be made in the first Applicant’s name and all communication will be addressed to the first Applicant.
- (o) All communication in connection with Application for the Rights Equity Shares, including any change in address of the Eligible Equity Shareholders should be addressed to the Registrar prior to the date of Allotment in this Issue quoting the name of the first/sole Applicant, folio numbers/DP ID and Client ID and Application Form number, as applicable. In case of any change in address of the Eligible Equity Shareholders, the Eligible Equity Shareholders should also send the intimation for such change to the respective depository participant, or to our Company or the Registrar in case of Eligible Equity Shareholders holding Shares in physical form.
- (p) Please note that subject to SCSBs complying with the requirements of SEBI Circular No. CIR/CFD/DIL/13/2012 dated September 25, 2012 within the periods stipulated therein, Applications made through ASBA facility may be submitted at the Designated Branches of the SCSBs. Application through ASBA facility in electronic mode will only be available with such SCSBs who provide such facility.
- (q) In terms of the SEBI circular CIR/CFD/DIL/1/2013 dated January 2, 2013, it is clarified that for making applications by banks on their own account using ASBA facility, SCSBs should have a separate account in own name with any other SEBI registered SCSB(s). Such account shall be used solely for the purpose of making application in public/ rights issues and clear demarcated funds should be available in such account for ASBA applications.
- (r) Investors are required to ensure that the number of Rights Equity Shares applied for by them do not exceed the prescribed limits under the applicable law.
- (s) An Applicant being an OCB is required not to be under the adverse notice of the RBI and must submit approval from RBI for applying in this Issue.
- (t) Only persons outside restricted jurisdictions and who are eligible to subscribe for Rights Entitlement and Rights Equity Shares under applicable securities laws are eligible to participate.

Do’s:

- Ensure that the Application Form and necessary details are filled in. In place of Application number, Investors can mention the reference number of the e-mail received from Registrar informing about their Rights Entitlement or last eight digits of the demat account. Alternatively, SCSBs may mention their internal reference number in place of application number.
- Except for Application submitted on behalf of the Central or the State Government, residents of Sikkim and the officials appointed by the courts, each Applicant should mention their PAN allotted under the Income-tax Act.
- Ensure that the demographic details such as address, PAN, DP ID, Client ID, bank account details and occupation (“Demographic Details”) are updated, true and correct, in all respects.
- Investors should provide correct DP ID and client ID/ folio number while submitting the Application. Such DP ID and Client ID/ folio number should match the demat account details in the records available with Company and/or Registrar,

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failing which such Application is liable to be rejected. Investor will be solely responsible for any error or inaccurate detail provided in the Application. Our Company, the Lead Manager, SCSBs or the Registrar will not be liable for any such rejections.

Don'ts:

- Do not apply if you are ineligible to participate in this Issue under the securities laws applicable to your jurisdiction.
- Do not submit the GIR number instead of the PAN as the application is liable to be rejected on this ground.
- Avoid applying on the Issue Closing Date due to risk of delay/ restrictions in making any physical Application.
- Do not pay the Application Money in cash, by money order, pay order or postal order.
- Do not submit multiple Applications.

Do's for Investors applying through ASBA:

- Ensure that the necessary details are filled in the Application Form including the details of the ASBA Account.
- Ensure that the details about your Depository Participant and beneficiary account are correct and the beneficiary account is activated as the Rights Equity Shares will be Allotted in the dematerialized form only.
- Ensure that the Applications are submitted with the Designated Branch of the SCSBs and details of the correct bank account have been provided in the Application.
- Ensure that there are sufficient funds (equal to {number of Rights Equity Shares (including additional Rights Equity Shares) applied for} X {Application Money of Rights Equity Shares}) available in ASBA Account mentioned in the Application Form before submitting the Application to the respective Designated Branch of the SCSB.
- Ensure that you have authorised the SCSB for blocking funds equivalent to the total amount payable on application mentioned in the Application Form, in the ASBA Account, of which details are provided in the Application and have signed the same.
- Ensure that you have a bank account with an SCSB providing ASBA facility in your location and the Application is made through that SCSB providing ASBA facility in such location.
- Ensure that you receive an acknowledgement from the Designated Branch of the SCSB for your submission of the Application Form in physical form or plain paper Application.
- Ensure that the name(s) given in the Application Form is exactly the same as the name(s) in which the beneficiary account is held with the Depository Participant. In case the Application Form is submitted in joint names, ensure that the beneficiary account is also held in same joint names and such names are in the same sequence in which they appear in the Application Form and the Rights Entitlement Letter.
- Ensure that your PAN is linked with Aadhaar and you are in compliance with CBDT notification dated February 13, 2020 read with press release dated June 25, 2021 and September 17, 2021

Don'ts for Investors applying through ASBA:

- Do not apply if you are not eligible to participate in the Issue under the securities laws applicable to your jurisdiction.
- Do not submit the Application Form after you have submitted a plain paper Application to a Designated Branch of the SCSB or vice versa.
- Do not send your physical Application to the Lead Manager, the Registrar, the Escrow Collection Bank (assuming that such Escrow Collection Bank is not an SCSB), a branch of the SCSB which is not a Designated Branch of the SCSB or our Company; instead submit the same to a Designated Branch of the SCSB only.
- Do not instruct the SCSBs to unblock the funds blocked under the ASBA process.
- Do not pay the Application Money in cash, by money order, pay order or postal order.
- Avoid applying on the Issue Closing Date due to risk of delay/ restrictions in making any physical Application

Grounds for Technical Rejection

Applications made in this Issue are liable to be rejected on the following grounds:

- (a) DP ID and Client ID mentioned in Application not matching with the DP ID and Client ID records available with the Registrar/Depositories.
- (b) Sending an Application to the Registrar, Escrow Collection Banks (assuming that such Escrow Collection Bank is not a SCSB), to a branch of a SCSB which is not a Designated Branch of the SCSB or our Company.
- (c) Insufficient funds are available in the ASBA Account with the SCSB for blocking the Application Money.
- (d) Funds in the ASBA Account whose details are mentioned in the Application Form having been frozen pursuant to regulatory orders.
- (e) Account holder not signing the Application or declaration mentioned therein.
- (f) Submission of more than one Application Forms for Rights Entitlements available in a particular demat account.
- (g) Multiple Application Forms, including cases where an Investor submits Application Forms along with a plain paper Application.
- (h) Submitting the GIR number instead of the PAN (except for Applications on behalf of the Central or State Government, the residents of Sikkim and the officials appointed by the courts).
- (i) Applications by persons not competent to contract under the Indian Contract Act, 1872, except Applications by minors having valid demat accounts as per the demographic details provided by the Depositories.
- (j) Applications by SCSB on own account, other than through an ASBA Account in its own name with any other SCSB.
- (k) Application Forms which are not submitted by the Investors within the time periods prescribed in the Application Form and this Draft Letter of Offer.
- (l) Physical Application Forms not duly signed by the sole or joint Investors.
- (m) Application Forms accompanied by stock invest, outstation cheques, post-dated cheques, money order, postal order or outstation demand drafts.
- (n) If an Investor is (a) debarred by SEBI; or (b) if SEBI has revoked the order or has provided any interim relief then failure to attach a copy of such SEBI order allowing the Investor to subscribe to their Rights Entitlements.
- (o) Applications which: (i) appears to our Company or its agents to have been executed in, electronically transmitted from or dispatched from the United States (other than from persons in the United States who are U.S. QIBs) or other jurisdictions where the offer and sale of the Rights Equity Shares is not permitted under laws of such jurisdictions; (ii) does not include the relevant certifications set out in the Application Form, including to the effect that the person submitting and/or renouncing the Application Form is (a) outside India and the United States and is a foreign corporate or institutional shareholder eligible to subscribe for the Rights Equity Share under the applicable securities laws or (b) a U.S. QIB in the United States, and in each case such person is complying with laws of jurisdictions applicable to such person in connection with this Issue; or (iii) where either a registered Indian address is not provided or where our Company believes acceptance of such Application Form may infringe applicable legal or regulatory requirements; and our Company shall not be bound to issue or allot any Rights Equity Shares in respect of any such Application Form.
- (p) Applications which have evidence of being executed or made in contravention of applicable securities laws.
- (q) Details of PAN mentioned in the Application does not match with the PAN records available with the Registrar/Depositories.
- (r) Applications supported by amounts blocked from a third party bank account.
- (s) Applications by a non-resident without the approval from RBI with respect to Rule 7 of the Foreign Exchange Management (Non-debt Instruments) Rules, 2019.

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Depository account and bank details for Investors holding Shares in demat accounts and applying in this Issue

IT IS MANDATORY FOR ALL THE INVESTORS APPLYING UNDER THIS ISSUE TO APPLY THROUGH THE ASBA PROCESS, TO RECEIVE THEIR RIGHTS EQUITY SHARES IN DEMATERIALIZED FORM AND TO THE SAME DEPOSITORY ACCOUNT/ CORRESPONDING PAN IN WHICH THE EQUITY SHARES ARE HELD BY THE INVESTOR AS ON THE RECORD DATE. ALL INVESTORS APPLYING UNDER THIS ISSUE SHOULD MENTION THEIR DEPOSITORY PARTICIPANT'S NAME, DP ID AND BENEFICIARY ACCOUNT NUMBER/ FOLIO NUMBER IN THE APPLICATION FORM. INVESTORS MUST ENSURE THAT THE NAME GIVEN IN THE APPLICATION FORM IS EXACTLY THE SAME AS THE NAME IN WHICH THE DEPOSITORY ACCOUNT IS HELD. IN CASE THE APPLICATION FORM IS SUBMITTED IN JOINT NAMES, IT SHOULD BE ENSURED THAT THE DEPOSITORY ACCOUNT IS ALSO HELD IN THE SAME JOINT NAMES AND ARE IN THE SAME SEQUENCE IN WHICH THEY APPEAR IN THE APPLICATION FORM OR PLAIN PAPER APPLICATIONS, AS THE CASE MAY BE.

Investors applying under this Issue should note that on the basis of name of the Investors, Depository Participant's name and identification number and beneficiary account number provided by them in the Application Form or the plain paper Applications, as the case may be, the Registrar will obtain Demographic Details from the Depository. Hence, Investors applying under this Issue should carefully fill in their Depository Account details in the Application.

These Demographic Details would be used for all correspondence with such Investors including mailing of the letters intimating unblocking of bank account of the respective Investor and/or refund. The Demographic Details given by the Investors in the Application Form would not be used for any other purposes by the Registrar. Hence, Investors are advised to update their Demographic Details as provided to their Depository Participants.

By signing the Application Forms, the Investors would be deemed to have authorised the Depositories to provide, upon request, to the Registrar, the required Demographic Details as available on its records.

The Allotment advice and the email intimating unblocking of ASBA Account or refund (if any) would be emailed to the address of the Investor as per the email address provided to our Company or the Registrar or Demographic Details received from the Depositories. The Registrar will give instructions to the SCSBs for unblocking funds in the ASBA Account to the extent Rights Equity Shares are not Allotted to such Investor. Please note that any such delay shall be at the sole risk of the Investors and none of our Company, the SCSBs, Registrar or the Lead Manager shall be liable to compensate the Investor for any losses caused due to any such delay or be liable to pay any interest for such delay.

In case no corresponding record is available with the Depositories that match three parameters, (a) names of the Investors (including the order of names of joint holders), (b) the DP ID, and (c) the beneficiary account number, then such Application Forms are liable to be rejected.

Modes of Payment

All payments against the Application Forms shall be made only through ASBA facility. The Registrar will not accept any payments against the Application Forms, if such payments are not made through ASBA facility.

Mode of payment for Resident Investors

All payments on the Application Forms shall be made only through ASBA facility. Applicants are requested to strictly adhere to these instructions.

Mode of payment for non-resident Investors

As regards the Application by non-resident Investors, the following conditions shall apply:

1. Individual non-resident Indian Applicants who are permitted to subscribe to Rights Equity Shares by applicable local securities laws can obtain Application Forms on the websites of the Registrar, our Company and the Lead Manager.

Note: In case of non-resident Eligible Equity Shareholders, the Abridged Letter of Offer, the Rights Entitlement Letter and the Application Form shall be sent to (i) the Indian addresses of the non-resident Eligible Equity Shareholders, on a reasonable effort basis, who have provided an Indian address to our Company; and (ii) the e-mail addresses of the foreign corporate or institutional shareholders.

The Letter of Offer will be provided by the Registrar on behalf of our Company or the Lead Manager to the Eligible Equity Shareholders at (i) the Indian addresses of the non-resident Eligible Equity Shareholders, on a reasonable effort basis, who have provided an Indian address to our Company; and (ii) the e-mail addresses of the foreign corporate or institutional shareholders, in each case who make a request in this regard.

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2. Application Forms will not be accepted from non-resident Investors in any jurisdiction where the offer or sale of the Rights Entitlements and Rights Equity Shares may be restricted by applicable securities laws.
3. Payment by non-residents must be made only through ASBA facility and using permissible accounts in accordance with FEMA, FEMA Rules and requirements prescribed by the RBI.

Notes:

In case where repatriation benefit is available, interest, dividend, sales proceeds derived from the investment in Rights Equity Shares can be remitted outside India, subject to tax, as applicable according to the Income-tax Act.

In case Rights Equity Shares are Allotted on a non-repatriation basis, the dividend and sale proceeds of the Rights Equity Shares cannot be remitted outside India.

In case of an Application Form received from non-residents, Allotment, refunds and other distribution, if any, will be made in accordance with the guidelines and rules prescribed by the RBI as applicable at the time of making such Allotment, remittance and subject to necessary approvals.

Application Forms received from non-residents/ NRIs, or persons of Indian origin residing abroad for Allotment of Rights Equity Shares shall, amongst other things, be subject to conditions, as may be imposed from time to time by RBI under FEMA, in respect of matters including Refund of Application Money and Allotment.

In the case of NRIs who remit their Application Money from funds held in FCNR/NRE Accounts, refunds and other disbursements, if any shall be credited to such account.

Non-resident Renounees who are not Eligible Equity Shareholders must submit regulatory approval for applying for additional Rights Equity Shares.

Multiple Applications

In case where multiple Applications are made in respect the Rights Entitlements using same demat account, such Applications shall be liable to be rejected. However supplementary applications in relation to further Rights Equity Shares with/without using additional Rights Entitlements will not be treated as multiple application. Similarly, a separate Application can be made against Equity Shares held in dematerialised form and Equity Shares held in physical form, and such Applications shall not be treated as multiple applications. A separate Application can be made in respect of each scheme of a mutual fund registered with SEBI and such Applications shall not be treated as multiple applications. For details, see “*Procedure for Applications by Mutual Funds*” below. Cases where Investor submits Application Forms along with plain paper or multiple plain paper Applications for same Rights Entitlements shall be treated as multiple applications.

In cases where multiple Application Forms are submitted, such Applications shall be treated as multiple applications and are liable to be rejected.

Last date for Application

The last date for submission of the duly filled in the Application Form or a plain paper Application is [●], i.e., Issue Closing Date. The Board of Directors may extend the said date for such period as it may determine from time to time, subject to the Issue Period not exceeding 30 days from the Issue Opening Date (inclusive of the Issue Opening Date).

If the Application Form is not submitted with an SCSB, uploaded with the BSE Limited and the Application Money is not blocked with the SCSB, on or before the Issue Closing Date or such date as may be extended by the Board of Directors, the invitation to offer contained in this Draft Letter of Offer shall be deemed to have been declined and the Board of Directors shall be at liberty to dispose of the Rights Equity Shares hereby offered, as provided under the section, “*Basis of Allotment*” on page 234.

Please note that on the Issue Closing Date Applications through ASBA process will be uploaded until 5.00 p.m. (Indian Standard Time) or such extended time as permitted by the BSE Limited.

Withdrawal of Application

An Investor who has applied in this Issue may withdraw their application at any time during Issue Period by approaching the SCSB where application is submitted. However, no Investor, applying through ASBA facility, may withdraw their application post the Issue Closing Date.

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Issue Schedule

LAST DATE FOR CREDIT OF RIGHTS ENTITLEMENTS [@] (on or before)	[●]
ISSUE OPENING DATE	[●]
LAST DATE FOR ON MARKET RENUNCIATION*	[●]
ISSUE CLOSING DATE [#]	[●]
FINALISATION OF BASIS OF ALLOTMENT (ON OR ABOUT)	[●]
DATE OF ALLOTMENT (ON OR ABOUT)	[●]
DATE OF CREDIT (ON OR ABOUT)	[●]
DATE OF LISTING / COMMENCEMENT OF TRADING OF EQUITY SHARES ON THE STOCK EXCHANGE (ON OR ABOUT)	[●]

Note: The above timetable is indicative in nature and does not constitute any obligation on the Company or the Lead Manager. While our Company shall ensure that all the steps for completion of all the necessary formalities for the listing and trading of our equity shares on BSE are taken within the prescribed timelines, the time table may change due to various factors such as extension of the issue period by the Company or any delay in receiving final listing and trading approval from the BSE. The Commencement of the trading of Equity shares will be entirely at the discretion of the Stock Exchange in accordance with the applicable laws.

@In accordance with the SEBI Circular SEBI/HO/CFD/DIL2/CIR/P/2020/13 dated January 22, 2020, the Physical Shareholders as on Record Date, have to furnish the details of their demat account to the Registrar or the Company at least two Working Days prior to the Issue Closing Date to enable us to process the credit of Rights Entitlement.

**Eligible Equity Shareholders are requested to ensure that renunciation through off-market transfer is completed in such a manner that the Rights Entitlements are credited to the demat account of the Renounees on or prior to the Issue Closing Date.*

The Board of Directors or the Rights Issue Committee will have the right to extend the Issue period as it may determine from time to time, provided that this Issue will not remain open in excess of 30 (thirty) days from the Issue Opening Date (inclusive of the Issue Opening Date).

Further, no withdrawal of Application shall be permitted by any Applicant after the Issue Closing Date.

Please note that if Eligible Equity Shareholders holding Equity Shares in physical form as on Record Date, have not provided the details of their demat accounts to our Company or to the Registrar, they are required to provide their demat account details to our Company or the Registrar not later than two Working Days prior to the Issue Closing Date, i.e., [●] to enable the credit of the Rights Entitlements by way of transfer from the demat suspense escrow account to their respective demat accounts, at least one day before the Issue Closing Date.

For details, see “General Information - Issue Schedule” on page 39.

Our Board / The Rights Issue Committee may however decide to extend the Issue Period as it may determine from time to time but not exceeding 30 days from the Issue Opening Date (inclusive of the Issue Opening Date).

Basis of Allotment

Subject to the provisions contained in this Draft Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter, the Application Form, the Articles of Association and the approval of the Designated Stock Exchange, our Board will proceed to Allot the Rights Equity Shares in the following order of priority:

- a) Full Allotment to those Eligible Equity Shareholders who have applied for their Rights Entitlements of Rights Equity Shares either in full or in part and also to the Renounee(s) who has or have applied for Rights Equity Shares renounced in their favour, in full or in part.
- b) Allotment to the Eligible Equity Shareholders who having applied for all the Rights Equity Shares offered to them as part of this Issue, have also applied for additional Rights Equity Shares. The Allotment of such additional Rights Equity Shares will be made as far as possible on an equitable basis having due regard to the number of Equity Shares held by them on the Record Date, provided there are any unsubscribed Rights Equity Shares after making full Allotment in (a) and (b) above. The Allotment of such Rights Equity Shares will be at the sole discretion of our Board in consultation with the Designated Stock Exchange, as a part of this Issue and will not be a preferential allotment.
- c) Allotment to Renounees who having applied for all the Rights Equity Shares renounced in their favour, have applied for additional Rights Equity Shares provided there is surplus available after making full Allotment under (a), (b) and (c) above. The Allotment of such Rights Equity Shares will be made on a proportionate basis in consultation with the Designated Stock Exchange, as a part of this Issue and will not be a preferential allotment.

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- d) Allotment to any other person, that our Board may deem fit, provided there is surplus available after making Allotment under (a), (b), (c) and (d) above, and the decision of our Board in this regard shall be final and binding. After taking into account Allotment to be made under (a) to (d) above, if there is any unsubscribed portion, the same shall be deemed to be 'unsubscribed'.

Upon approval of the Basis of Allotment by the Designated Stock Exchange, the Registrar shall send to the Controlling Branches, a list of the Investors who have been allocated Rights Equity Shares in this Issue, along with:

1. The amount to be transferred from the ASBA Account to the separate bank account opened by our Company for this Issue, for each successful Application;
2. The date by which the funds referred to above, shall be transferred to the aforesaid bank account; and
3. The details of rejected ASBA applications, if any, to enable the SCSBs to unblock the respective ASBA Accounts.

Further, the list of Applicants eligible for refund with corresponding amount will also be shared with Escrow Collection Bank to refund such Applicants.

Allotment Advice or Refund/ Unblocking of ASBA Accounts

Our Company will e-mail Allotment advice, refund intimations or demat credit of Shares and/or letters of regret, along with crediting the Allotted Rights Equity Shares to the respective beneficiary accounts (only in dematerialised mode) or in a demat suspense account (in respect of Eligible Equity Shareholders holding Equity Shares in physical form on the Allotment Date) or issue instructions for unblocking the funds in the respective ASBA Accounts, if any, within a period of 15 days from the Issue Closing Date. In case of failure to do so, our Company and the Directors who are "officers in default" shall pay interest at 15% p.a. and such other rate as specified under applicable law from the expiry of such 15 days' period.

In accordance with the SEBI Circular bearing number SEBI/HO/CFD/DIL2/CIR/P/2021/552 dated April 22, 2021, in case of Applications made through the ASBA facility, refunds, if any for un-allotted or partially allotted applications shall be completed on or before T+1 day (T being the date of finalization of Basis of Allotment).

The Rights Entitlements will be credited in the dematerialized form using electronic credit under the depository system and the Allotment advice shall be sent, through email, to the email address provided to our Company or at the address recorded with the Depository.

In the case of non-resident Investors who remit their Application Money from funds held in the NRE or the FCNR Accounts, refunds and/or payment of interest or dividend and other disbursements, if any, shall be credited to such accounts.

Where an Applicant has applied for additional Equity Shares in the Issue and is Allotted a lesser number of Equity Shares than applied for, the excess Application Money paid/blocked shall be refunded/unblocked. Then blocking of ASBA funds/refund of monies shall be completed be within such period as prescribed under the SEBI ICDR Regulations. In the event that there is a delay in making refunds beyond such period as prescribed under applicable law, our Company shall pay the requisite interest at such rate as prescribed under applicable law.

Payment of Refund

Mode of making refunds

The payment of refund, if any, including in the event of oversubscription or failure to list or otherwise would be done through unblocking amounts blocked using ASBA facility.

Refund payment to non-residents

The Application Money will be unblocked in the ASBA Account of the non-resident Applicants, details of which were provided in the Application Form.

Allotment Advice or Demat Credit of Shares

The demat credit of Shares to the respective beneficiary accounts or the demat suspense account (pending receipt of demat account details for Eligible Equity Shareholders holding Equity Shares in physical form/ with IEPF authority/ in suspense, etc.) will be credited within 15 days from the Issue Closing Date or such other timeline in accordance with applicable laws.

Receipt of the Rights Equity Shares in Dematerialized Form

PLEASE NOTE THAT THE RIGHTS EQUITY SHARES APPLIED FOR UNDER THIS ISSUE CAN BE ALLOTTED ONLY IN DEMATERIALIZED FORM AND TO

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(A) THE SAME DEPOSITORY ACCOUNT/ CORRESPONDING PAN IN WHICH THE EQUITY SHARES ARE HELD BY SUCH INVESTOR ON THE RECORD DATE, OR

(B) THE DEPOSITORY ACCOUNT, DETAILS OF WHICH HAVE BEEN PROVIDED TO OUR COMPANY OR THE REGISTRAR AT LEAST TWO WORKING DAYS PRIOR TO THE ISSUE CLOSING DATE BY THE ELIGIBLE EQUITY SHAREHOLDER HOLDING EQUITY SHARES IN PHYSICAL FORM AS ON THE RECORD DATE, OR

(C) DEMAT SUSPENSE ACCOUNT PENDING RECEIPT OF DEMAT ACCOUNT DETAILS FOR RESIDENT ELIGIBLE EQUITY SHAREHOLDERS HOLDING EQUITY SHARES IN PHYSICAL FORM/ WHERE THE CREDIT OF THE RIGHTS ENTITLEMENTS RETURNED/REVERSED/FAILED.

Investors shall be Allotted the Rights Equity Shares in dematerialized (electronic) form.

INVESTORS MAY PLEASE NOTE THAT THE RIGHTS EQUITY SHARES CAN BE TRADED ON THE BSE ONLY IN DEMATERIALIZED FORM.

The procedure for availing the facility for Allotment of Rights Equity Shares in this Issue in the dematerialised form is as under:

1. Open a beneficiary account with any depository participant (care should be taken that the beneficiary account should carry the name of the holder in the same manner as is registered in the records of our Company. In the case of joint holding, the beneficiary account should be opened carrying the names of the holders in the same order as registered in the records of our Company). In case of Investors having various folios in our Company with different joint holders, the Investors will have to open separate accounts for such holdings. Those Investors who have already opened such beneficiary account(s) need not adhere to this step.
2. It should be ensured that the depository account is in the name(s) of the Investors and the names are in the same order as in the records of our Company or the Depositories.
3. The responsibility for correctness of information filled in the Application Form vis-a-vis such information with the Investor's depository participant, would rest with the Investor. Investors should ensure that the names of the Investors and the order in which they appear in Application Form should be the same as registered with the Investor's depository participant.
4. If incomplete or incorrect beneficiary account details are given in the Application Form, the Investor will not get any Rights Equity Shares and the Application Form will be rejected.
5. The Rights Equity Shares will be allotted to Applicants only in dematerialized form and would be directly credited to the beneficiary account as given in the Application Form after verification or demat suspense account (pending receipt of demat account details for resident Eligible Equity Shareholders holding Equity Shares in physical form/ with IEPF authority/ in suspense, etc.). Allotment advice, refund order (if any) would be sent directly to the Applicant by email and, if the printing is feasible, through physical dispatch, by the Registrar but the Applicant's depository participant will provide to him the confirmation of the credit of such Rights Equity Shares to the Applicant's depository account.
6. Non-transferable Allotment advice/ refund intimation will be directly sent to the Investors by the Registrar, by email and, if the printing is feasible, through physical dispatch.
7. Renounees will also have to provide the necessary details about their beneficiary account for Allotment of Rights Equity Shares in this Issue. In case these details are incomplete or incorrect, the Application is liable to be rejected.

Procedure for Applications by FPIs

In terms of applicable FEMA Rules and the SEBI FPI Regulations, investments by FPIs in the Equity Shares is subject to certain limits, i.e., the individual holding of an FPI (including its investor group (which means multiple entities registered as foreign portfolio investors and directly and indirectly having common ownership of more than 50% of common control)) shall be below 10% of our post -Offer Equity Share capital. In case the total holding of an FPI or investor group increases beyond 10% of the total paid-up Equity Share capital of our Company, on a fully diluted basis or 10% or more of the paid-up value of any series of debentures or preference shares or share warrants that may be issued by our Company, the total investment made by the FPI or investor group will be re-classified as FDI subject to the conditions as specified by SEBI and the RBI in this regard and our Company and the investor will also be required to comply with applicable reporting requirements. Further, the aggregate limit of all FPIs investments, with effect from April 1, 2020, is up to the sectoral cap applicable to the sector in which our Company operates.

FPIs are permitted to participate in this Issue subject to compliance with conditions and restrictions which may be specified by the Government from time to time. The FPIs who wish to participate in the Offer are advised to use the Application Form for non-

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residents. Subject to compliance with all applicable Indian laws, rules, regulations, guidelines and approvals in terms of Regulation 21 of the SEBI FPI Regulations, an FPI may issue, subscribe to or otherwise deal in offshore derivative instruments (as defined under the SEBI FPI Regulations as any instrument, by whatever name called, which is issued overseas by an FPI against Shares held by it that are listed or proposed to be listed on any recognised stock exchange in India, as its underlying) directly or indirectly, only in the event (i) such offshore derivative instruments are issued only to persons registered as Category I FPI under the SEBI FPI Regulations; (ii) such offshore derivative instruments are issued only to persons who are eligible for registration as Category I FPIs (where an entity has an investment manager who is from the Financial Action Task Force member country, the investment manager shall not be required to be registered as a Category I FPI); (iii) such offshore derivative instruments are issued after compliance with 'know your client' norms; and (iv) compliance with other conditions as may be prescribed by SEBI.

An FPI issuing offshore derivative instruments is also required to ensure that any transfer of offshore derivative instruments issued by or on its behalf, is carried out subject to inter alia the following conditions: (a) such offshore derivative instruments are transferred only to persons in accordance with the SEBI FPI Regulations; and (b) prior consent of the FPI is obtained for such transfer, except when the persons to whom the offshore derivative instruments are to be transferred to are pre – approved by the FPI.

Procedure for Applications by AIFs, FVCIs and VCFs

The SEBI VCF Regulations and the SEBI FVCI Regulations prescribe, among other things, the investment restrictions on VCFs and FVCIs registered with SEBI. Further, the SEBI AIF Regulations prescribe, among other things, the investment restrictions on AIFs.

As per the SEBI VCF Regulations and SEBI FVCI Regulations, VCFs and FVCIs are not permitted to invest in listed companies pursuant to rights issues. Accordingly, applications by VCFs or FVCIs will not be accepted in this Issue. Venture capital funds registered as Category I AIFs, as defined in the SEBI AIF Regulations, are not permitted to invest in listed companies pursuant to rights issues. Accordingly, applications by venture capital funds registered as category I AIFs, as defined in the SEBI AIF Regulations, will not be accepted in this Issue. Other categories of AIFs are permitted to apply in this Issue subject to compliance with the SEBI AIF Regulations. Such AIFs having bank accounts with SCSBs that are providing ASBA in cities / centres where such AIFs are located are mandatorily required to make use of the ASBA facility. Otherwise, applications of such AIFs are liable for rejection.

Procedure for Applications by NRIs

Investments by NRIs are governed by the FEMA Rules. Applications will not be accepted from NRIs that are ineligible to participate in this Issue under applicable securities laws.

As per the FEMA Rules, an NRI or Overseas Citizen of India (“OCI”) may purchase or sell capital instruments of a listed Indian company on repatriation basis, on a recognised stock exchange in India, subject to the conditions, inter alia, that the total holding by any individual NRI or OCI will not exceed 5% of the total paid - up equity capital on a fully diluted basis or should not exceed 5% of the paid-up value of each series of debentures or preference shares or share warrants issued by an Indian company and the total holdings of all NRIs and OCIs put together will not exceed 10% of the total paid-up equity capital on a fully diluted basis or shall not exceed 10% of the paid-up value of each series of debentures or preference shares or share warrants. The aggregate ceiling of 10% may be raised to 24%, if a special resolution to that effect is passed by the general body of the Indian company.

Further, in accordance with press note 3 of 2020, the FDI Policy has been recently amended to state that all investments by entities incorporated in a country which shares land border with India or where the beneficial owner of an investment into India is situated in or is a citizen of any such country (“Restricted Investors”), will require prior approval of the Government of India. It is not clear from the press note whether or not an issuance of the Rights Equity Shares to Restricted Investors will also require a prior approval of the Government of India and each Investor should seek independent legal advice about its ability to participate in the Issue. In the event such prior approval of the Government of India is required and such approval has been obtained, the Investor shall intimate our Company and the Registrar about such approval within the Issue Period.

Procedure for Applications by Mutual Funds

A separate application can be made in respect of each scheme of an Indian mutual fund registered with SEBI and such applications shall not be treated as multiple applications. The applications made by asset management companies or custodians of a mutual fund should clearly indicate the name of the concerned scheme for which the application is being made.

Procedure for Applications by Systemically Important Non-Banking Financial Companies (“NBFC-SI”)

In case of an application made by NBFC-SI registered with the RBI, (a) the certificate of registration issued by the RBI under Section 45IA of the RBI Act, 1934 and (b) net-worth certificate from its statutory auditors or any independent chartered accountant based on the last audited financial statements is required to be attached to the application.

Impersonation

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As a matter of abundant caution, attention of the Investors is specifically drawn to the provisions of Section 38 of the Companies Act, 2013 which is reproduced below:

“Any person who makes or abets making of an application in a fictitious name to a company for acquiring, or subscribing for, its Shares; or makes or abets making of multiple applications to a company in different names or in different combinations of his name or surname for acquiring or subscribing for its Shares; or otherwise induces directly or indirectly a company to allot, or register any transfer of, Shares to him, or to any other person in a fictitious name, shall be liable for action under Section 447.”

The liability prescribed under Section 447 of the Companies Act for fraud involving an amount of at least ₹ 10 lakhs or 1% of the turnover of the company, whichever is lower, includes imprisonment for a term of not less than six months extending up to 10 years (provided that where the fraud involves public interest, such term shall not be less than three years) and fine of an amount not less than the amount involved in the fraud, extending up to three times of such amount.

In case the fraud involves (i) an amount which is less than ₹ 10 lakhs or 1% of the turnover of the company, whichever is lower; and (ii) does not involve public interest, then such fraud is punishable with an imprisonment for a term extending up to five years or a fine of an amount extending up to ₹ 50 lakhs or with both.

Payment by stockinvest

In terms of RBI Circular DBOD No. FSC BC 42/24.47.00/2003- 04 dated November 5, 2003, the stockinvest scheme has been withdrawn. Hence, payment through stockinvest would not be accepted in this Issue.

Disposal of Application and Application Money

No acknowledgment will be issued for the Application Money received by our Company. However, the Designated Branch of the SCSBs receiving the Application Form will acknowledge its receipt by stamping and returning the acknowledgment slip at the bottom of each Application Form.

The Board of Directors/Rights Issue Committee reserves its full, unqualified and absolute right to accept or reject any Application, in whole or in part, and in either case without assigning any reason thereto.

In cases where refunds are applicable, such refunds shall be made within a period of 15 days. In case of failure to do so, our Company and the Directors who are “officers in default” shall pay interest at the prescribed rate. In case an Application is rejected in full, the whole of the Application Money will be unblocked in the respective ASBA Accounts, in case of Applications through ASBA. Wherever an Application is rejected in part, the balance of Application Money, if any, after adjusting any money due on Rights Equity Shares Allotted, will be refunded / unblocked in the respective bank accounts from which Application Money was received / ASBA Accounts of the Investor within a period of 15 days from the Issue Closing Date. In case of failure to do so, our Company shall pay interest at such rate and within such time as specified under applicable law.

For further instructions, please read the Application Form carefully.

Undertakings by our Company

Our Company undertakes the following:

- The complaints received in respect of the issue shall be attended to by our Company expeditiously and satisfactorily.
- All steps for completion of the necessary formalities for listing and commencement of trading at BSE (stock exchange) where the Right Equity Shares are to be listed are taken within the time limit specified by the SEBI.
- The funds required for making refunds to unsuccessful applicants as per the mode(s) disclosed shall be made available to the Registrar to the issue by our Company.
- Where refunds are made through electronic transfer of funds, a suitable communication shall be sent to the applicant within 15 days of closure of the issue giving details of the bank where refunds shall be credited along with amount and expected date of electronic credit of refund.
- Where release of block on the application amount for unsuccessful bidders or part of the application amount in case of proportionate allotment, a suitable communication shall be sent to the applicants.
- Adequate arrangements shall be made to collect all ASBA applications

Utilisation of Issue Proceeds:

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Our Board declares that:

- A. All monies received out of issue of this Right Equity Issue to the public shall be transferred to a separate bank account.
- B. Details of all monies utilized out of this Right Issue referred to in clause (A) above shall be disclosed under an appropriate separate head in the balance sheet of our Company indicating the purpose for which such monies had been utilised; and
- C. Details of all unutilized monies out of this Right Issue referred to in clause (A) above, if any, shall be disclosed under an appropriate separate head in the balance sheet of our Company indicating the form in which such unutilized monies have been invested.

Important

Please read this Letter of Offer carefully before taking any action. The instructions contained in the Application Form, Abridged Letter of Offer and the Rights Entitlement Letter are an integral part of the conditions of this Draft Letter of Offer and must be carefully followed; otherwise, the Application is liable to be rejected.

All enquiries in connection with this Draft Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter or Application Form must be addressed (quoting the Registered Folio Number or the DP ID and Client ID number, the Application Form number and the name of the first Eligible Equity Shareholder as mentioned on the Application Form and super scribed “**NHC FOODS LIMITED – RIGHT ISSUE**” on the envelope and postmarked in India or in the email) to the Registrar at the following address:

SKYLINE FINANCIAL SERVICES PRIVATE LIMITED

D-153A, First Floor, Okhla Industrial Area, Phase-I, New
Delhi 110020

Telephone: 011-40450193-197

Fax: 011- 26812683

Email: ipo@skylinerta.com

Investor Grievance Email: grievances@skylinerta.com

Contact Person: Mr. Anuj Rana

Website: <https://www.skylinerta.com/>

SEBI Registration Number: INR000003241

CIN No: U74899DL1995PTC071324

In accordance with SEBI Rights Issue Circulars, frequently asked questions and online/ electronic dedicated investor helpdesk for guidance on the Application process and resolution of difficulties faced by the Investors will be available on the website of the Registrar (<https://www.skylinerta.com/>). Further, helpline numbers provided by the Registrar for guidance on the Application process and resolution of difficulties are (+91-9953022028).

This Issue will remain open for a minimum 7 days. However, the Board of Directors will have the right to extend the Issue Period as it may determine from time to time but not exceeding 30 days from the Issue Opening Date (inclusive of the Issue Closing Date).

RESTRICTIONS ON FOREIGN OWNERSHIP OF INDIAN SECURITIES

There are two routes through which foreign investors may invest in India. One is the “automatic route”, where no government approval is required under Indian foreign exchange laws to make an investment as long as it is within prescribed thresholds for the relevant sector. The other route is the “government route”, where an approval is required under foreign exchange laws from the relevant industry regulator, prior to the investment.

Foreign investment in Indian securities is regulated through the Industrial Policy, 1991, of the Government of India and FEMA. While the Industrial Policy, 1991, of the Government of India, prescribes the limits and the conditions subject to which foreign investment can be made in different sectors of the Indian economy, FEMA regulates the precise manner in which such investment may be made. The Union Cabinet, as provided in the Cabinet Press Release dated May 24, 2017, has given its approval for phasing out the FIPB. Under the Industrial Policy, 1991, unless specifically restricted, foreign investment is freely permitted in all sectors of the Indian economy up to any extent and without any prior approvals, but the foreign investor is required to follow certain prescribed procedures for making such investment. Accordingly, the process for foreign direct investment (“FDI”) and approval from the Government of India will now be handled by the concerned ministries or departments, in consultation with the Department for Promotion of Industry and Internal Trade, Ministry of Commerce and Industry, Government of India (formerly known as the Department of Industrial Policy and Promotion) (“DPIIT”), Ministry of Finance, Department of Economic Affairs, FIPB section, through a memorandum dated June 5, 2017, has notified the specific ministries handling relevant sectors.

The Government has, from time to time, made policy pronouncements on FDI through press notes and press releases. The DPIIT issued the Consolidated FDI Policy Circular of 2020 (“FDI Policy”) by way of circular bearing number DPIIT file number 5(2)/2020-FDI Policy dated October 15, 2020, which with effect from October 15, 2020, consolidates and supersedes all previous press notes, press releases and clarifications on FDI issued by the DPIIT that were in force and effect as on October 15, 2020. The Government of India has from time to time made policy pronouncements on FDI through press notes and press releases which are notified by RBI as amendments to FEMA. In case of any conflict between FEMA and such policy pronouncements, FEMA prevails.

As per Rule 7 of the Foreign Exchange Management (Non-debt Instruments) Rules, 2019, the RBI has given general permission to Indian companies to issue rights securities to non-resident shareholders including additional rights securities. Further, as per the Master Direction on Foreign Investment in India dated January 4, 2018 issued by the RBI, non-residents may, inter alia, (i) subscribe for additional securities over and above their rights entitlement; (ii) renounce the securities offered to them either in full or part thereof in favour of a person named by them; or (iii) apply for the securities renounced in their favour. Applications received from NRIs and non-residents for allotment of Rights Equity Shares shall be inter alia, subject to the conditions imposed from time to time by the RBI under the FEMA in the matter of refund of Application Money, Allotment of Rights Equity Shares and issue of Allotment advice. This Draft Letter of Offer, Abridged Letter of Offer, Rights Entitlement Letter and Application Form shall be dispatched to non-resident Eligible Equity Shareholders at their Indian address only. If an NR or NRI Investors has specific approval from the RBI, in connection with his shareholding, he should enclose a copy of such approval with the Application. Our Board may at its absolute discretion, agree to such terms and conditions as may be stipulated by RBI while approving the allotment of Rights Equity Shares. The Rights Equity Shares purchased by non-residents shall be subject to the same conditions including restrictions in regard to the repatriation as are applicable to the original Equity Shares against which Rights Equity Shares are issued on rights basis.

As per the existing policy of the Government of India, erstwhile OCBs cannot participate in this Issue.

The Rights Entitlements, Rights Equity Shares and Equity Shares have not been and will not be registered under the U.S. Securities Act of 1933, as amended (the “U.S. Securities Act”), or the securities laws of any state of the United States and may not be offered or sold within the United States, except pursuant to exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and applicable state securities laws. Accordingly, the Rights Entitlements and Rights Equity Shares are being offered and sold only outside the United States in offshore transactions in reliance on Regulation S under the U.S. Securities Act and the applicable laws of the jurisdiction where those offers, and sale occur. The Rights Entitlements, Rights Equity Shares and Equity Shares have not been and will not be registered, listed or otherwise qualified in any other jurisdiction outside India and may not be offered or sold, and Applications may not be made by persons in any such jurisdiction, except in compliance with the applicable laws of such jurisdiction.

The above information is given for the benefit of the Applicants. Our Company and the Lead Manager are not liable for any amendments or modifications or changes in applicable laws or regulations, which may occur after the date of this Draft Letter of Offer. Applicants are advised to consult their legal counsel, to make their independent investigations and ensure that Applications are not in violation of laws or regulations applicable to them and do not exceed the applicable limits under the laws and regulations prior to accepting any provisional allotment of Rights Equity Shares, applying for excess Rights Equity Shares or making any offer, sale, resale, pledge or other transfer of the Rights Entitlements or the Rights Equity Shares.

SECTION X: STATUTORY AND OTHER INFORMATION

Please note that the Rights Equity Shares applied for under this Issue can be allotted only in dematerialised form and to (a) the same depository account/ corresponding PAN in which the Equity Shares are held by such Investor on the Record Date, or (b) the depository account, details of which have been provided to our Company or the Registrar at least two working days prior to the Issue Closing Date by the Eligible Equity Shareholder holding Equity Shares in physical form as on the Record Date, or (c) demat suspense account where the credit of the Rights Entitlements returned/reversed/failed.

MATERIAL CONTRACTS AND DOCUMENTS FOR INSPECTION

The copies of the following contracts (not being contracts entered into in the ordinary course of business carried on by our Company or contracts entered into more than two years before the date of this Draft Letter of Offer) which are or may be deemed material have been entered or are to be entered into by our Company. Copies of the abovementioned contracts and also the documents for inspection referred to hereunder, may be inspected at the Registered Office between 10 a.m. and 5 p.m. on all working days and will also be available at the website of our Company at www.nhcgroupp.com from the date of this Draft Letter of Offer until the Issue Closing Date.

A. Material Contracts to the Issue

1. Issue Agreement dated August 08, 2024 entered into among our Company and the Lead Manager.
2. RTA Agreement dated September 03, 2024 entered into among our Company and the Registrar to the Issue.
3. Bankers to the Issue Agreement dated [●] among our Company, the Lead Manager, the Registrar to the Issue and the Banker to the Issue.

B. Material Documents

1. Certified copies of the Memorandum of Association and Articles of Association of our Company.
2. Certificate of Incorporation of our Company dated August 04, 1992 as a public limited company issued by Registrar of Companies – Mumbai, Maharashtra.
3. Certificate of commencement of business dated August 12, 1992 by Registrar of Companies – Mumbai, Maharashtra.
4. Certificate of Incorporation dated October 15, 2010 upon change in name of the Company.
5. Certificate of Registration for change in registered office from the State of Maharashtra to the State of Gujarat dated August 02, 2013.
6. Resolution of the Board of Directors of our Company under Section 62 of the Companies Act, 2013 dated May 30, 2024.
7. Resolution of our Board dated September 11, 2024 approving this Draft Letter of Offer.
8. Resolution of our Board dated [●] approving the Letter of Offer.
9. Consents of Directors, Chief Financial Officer, Company Secretary & Compliance Officer, Statutory Auditor, Lead Manager, Legal Advisor to the Issue and the Registrar to the Issue, to include their names in this Draft Letter of Offer to act in their respective capacities.
10. Annual Reports of our Company for Financial Years 2023-24, 2022-23, 2021-22, 2020-21 and 2019-20.
11. Unaudited Standalone and Consolidated Financial Results for the quarter ended June 30, 2024 and Comparative Financial Result for the quarter ended June 30, 2023
12. The reports of the Statutory Auditor, in relation to the Audited Financial Statements for the year ended March 31, 2024.
13. The reports of the Statutory Auditor, in relation to the Audited Financial Statements for the year ended March 31, 2023.
14. Statement of possible Tax Benefits from Statutory Auditor of our Company dated September 05, 2024.
15. In-principle approval dated [●] issued by BSE under regulation 28(1) of the SEBI Listing Regulations.

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Any of the contracts or documents mentioned in this Draft Letter of Offer may be amended or modified at any time if so required in the interest of our Company or if required by the other parties, without reference to the Eligible Equity Shareholders, subject to compliance with applicable law.

NHC FOODS LTD

DECLARATION

I hereby declare that all relevant provisions of the Companies Act, 2013 and the guidelines or regulations issued by the Government of India, or the guidelines or regulations issued by the Securities and Exchange Board of India, established under Section 3 of the Securities and Exchange Board of India Act, 1992, as the case may be, have been complied with and no statement made in this Draft Letter of Offer is contrary to the provisions of the Companies Act, 2013, the Securities and Exchange Board of India Act, 1992 or rules made or guidelines or regulations issued there under, as the case may be.

I further certify that all the statements in this Draft Letter of Offer are true and correct.

SIGNED BY THE DIRECTOR OF THE COMPANY

Sd/-

Mr. Apoorva Himatlal Shah

DIN: 00573184

Designation: Managing Director

Dated: September 11, 2024

Place: Mumbai

NHC FOODS LTD

DECLARATION

I hereby declare that all relevant provisions of the Companies Act, 2013 and the guidelines or regulations issued by the Government of India, or the guidelines or regulations issued by the Securities and Exchange Board of India, established under Section 3 of the Securities and Exchange Board of India Act, 1992, as the case may be, have been complied with and no statement made in this Draft Letter of Offer is contrary to the provisions of the Companies Act, 2013, the Securities and Exchange Board of India Act, 1992 or rules made or guidelines or regulations issued there under, as the case may be.

I further certify that all the statements in this Draft Letter of Offer are true and correct.

SIGNED BY THE DIRECTOR OF THE COMPANY

Sd/-

Mr. Apar Apoorva Shah

DIN: 07125733

Designation: Whole-time Director

Dated: September 11, 2024

Place: Mumbai

NHC FOODS LTD

DECLARATION

I hereby declare that all relevant provisions of the Companies Act, 2013 and the guidelines or regulations issued by the Government of India, or the guidelines or regulations issued by the Securities and Exchange Board of India, established under Section 3 of the Securities and Exchange Board of India Act, 1992, as the case may be, have been complied with and no statement made in this Draft Letter of Offer is contrary to the provisions of the Companies Act, 2013, the Securities and Exchange Board of India Act, 1992 or rules made or guidelines or regulations issued there under, as the case may be.

I further certify that all the statements in this Draft Letter of Offer are true and correct.

SIGNED BY THE DIRECTOR OF THE COMPANY

Sd/-

Mr. Manish Jagdishchandra Vyas

DIN: 08502223

Designation: Non-Executive Independent Director & Chairman

Dated: September 11, 2024

Place: Mumbai

NHC FOODS LTD

DECLARATION

I hereby declare that all relevant provisions of the Companies Act, 2013 and the guidelines or regulations issued by the Government of India, or the guidelines or regulations issued by the Securities and Exchange Board of India, established under Section 3 of the Securities and Exchange Board of India Act, 1992, as the case may be, have been complied with and no statement made in this Draft Letter of Offer is contrary to the provisions of the Companies Act, 2013, the Securities and Exchange Board of India Act, 1992 or rules made or guidelines or regulations issued there under, as the case may be.

I further certify that all the statements in this Draft Letter of Offer are true and correct.

SIGNED BY THE DIRECTOR OF THE COMPANY

Sd/-

Mr. Karan Hareshlal Nagdev

DIN: 10728141

Designation: Additional Director (Non-Executive Independent)

Dated: September 11, 2024

Place: Mumbai

NHC FOODS LTD

DECLARATION

I hereby declare that all relevant provisions of the Companies Act, 2013 and the guidelines or regulations issued by the Government of India, or the guidelines or regulations issued by the Securities and Exchange Board of India, established under Section 3 of the Securities and Exchange Board of India Act, 1992, as the case may be, have been complied with and no statement made in this Draft Letter of Offer is contrary to the provisions of the Companies Act, 2013, the Securities and Exchange Board of India Act, 1992 or rules made or guidelines or regulations issued there under, as the case may be.

I further certify that all the statements in this Draft Letter of Offer are true and correct.

SIGNED BY THE DIRECTOR OF THE COMPANY

Sd/-

Mr. Ashish Ashokkumar Shah

DIN: 06701501

Designation: Non-Executive Non-Independent Director

Dated: September 11, 2024

Place: Mumbai

NHC FOODS LTD

DECLARATION

I hereby declare that all relevant provisions of the Companies Act, 2013 and the guidelines or regulations issued by the Government of India, or the guidelines or regulations issued by the Securities and Exchange Board of India, established under Section 3 of the Securities and Exchange Board of India Act, 1992, as the case may be, have been complied with and no statement made in this Draft Letter of Offer is contrary to the provisions of the Companies Act, 2013, the Securities and Exchange Board of India Act, 1992 or rules made or guidelines or regulations issued there under, as the case may be.

I further certify that all the statements in this Draft Letter of Offer are true and correct.

SIGNED BY THE DIRECTOR OF THE COMPANY

Sd/-

Ms. Neha Mahesh Dhanuka

DIN: 08502169

Designation: Non-Executive Independent Director

Dated: September 11, 2024

Place: Mumbai

NHC FOODS LTD

DECLARATION

I hereby declare that all relevant provisions of the Companies Act, 2013 and the guidelines or regulations issued by the Government of India, or the guidelines or regulations issued by the Securities and Exchange Board of India, established under Section 3 of the Securities and Exchange Board of India Act, 1992, as the case may be, have been complied with and no statement made in this Draft Letter of Offer is contrary to the provisions of the Companies Act, 2013, the Securities and Exchange Board of India Act, 1992 or rules made or guidelines or regulations issued there under, as the case may be.

I further certify that all the statements in this Draft Letter of Offer are true and correct.

SIGNED BY THE CHIEF FINANCIAL OFFICER OF THE COMPANY

Sd/-

Mr. Archit Wahale

Designation: Chief Financial Officer

Dated: September 11, 2024

Place: Mumbai

DECLARATION

I hereby declare that all relevant provisions of the Companies Act, 2013 and the guidelines or regulations issued by the Government of India, or the guidelines or regulations issued by the Securities and Exchange Board of India, established under Section 3 of the Securities and Exchange Board of India Act, 1992, as the case may be, have been complied with and no statement made in this Draft Letter of Offer is contrary to the provisions of the Companies Act, 2013, the Securities and Exchange Board of India Act, 1992 or rules made or guidelines or regulations issued there under, as the case may be.

I further certify that all the statements in this Draft Letter of Offer are true and correct.

SIGNED BY THE COMPANY SECRETARY & COMPLIANCE OFFICER OF THE COMPANY

Sd/-

Mrs. Alesha Hakim Khan

Designation: Company Secretary & Compliance Officer

Dated: September 11, 2024

Place: Mumbai