

# NHC FOODS LTD

(Government Recognised Two Star Export House)

An ISO 22000:2005 Certified Company  
CIN : L15122GJ1992PLC076277



Date: 14<sup>th</sup> Oct, 2017

To,  
The Secretary,  
**BSE Limited,**  
P.J. Towers, Dalal Street,  
Mumbai – 400001.  
E-mail: [corp.relations@bseindia.com](mailto:corp.relations@bseindia.com).

Dear Sir,

**Sub: Annual Report under the Regulation 34(1) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations, 2015")**

Pursuant to Regulation 34(1) of the Listing Regulations, 2015, please find enclosed herewith the Annual Report of the Company for the Financial Year 2016-2017.

This is for your information and record

Thanking You,

For NHC Foods Limited


**Suvarnalata Chavan**  
(Company Secretary & Compliance Officer)

Encl: As above



# **NHC FOODS LIMITED**

**(Govt. Recognised Star Export House)**

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

**ANNUAL REPORT 2015-16**  
**ANNUAL REPORT 2016 - 17**

**www.nhcgroupp.com**

**CORPORATE INFORMATION**

**Board of Directors :**

<b>Mr. Apoorva Shah</b>	Chairman & Managing Director
<b>Mrs. Alpa Shah</b>	Whole-Time Director
<b>Mr. Hemant Topiwala</b>	Independent Director
<b>Mr. Rajiv Bhatt</b>	Independent Director

**Registered Office & Plant Location:**

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

**Corporate Office :**

'NHC House', 2/13, Anand Nagar,  
Santacruz (East), Mumbai - 400055  
Email: grievances@nhcgroup.com  
Website: www.nhcgroup.com  
Tel.: 91 22 61522020  
Fax: 91 22 61522021  
CIN : L15122GJ1992PLC076277

**Statutory Auditors :**

M/s. NGS & Co. LLP  
Chartered Accountants  
Mumbai

**Registrar & Share Transfer Agents :**

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

**Board Committees :**

**Audit Committee :**

<b>Mr. Rajiv Bhatt</b>	Chairman
<b>Mr. Apoorva Shah</b>	Member
<b>Mr. Hemant Topiwala</b>	Member

**Nomination & Remuneration Committee :**

<b>Mr. Rajiv Bhatt</b>	Chairman
<b>Mr. Hemant Topiwala</b>	Member
<b>Mr. Apoorva Shah</b>	Member

**Shareholders' Relationship Committee :**

<b>Mr. Rajiv Bhatt</b>	Chairman
<b>Mr. Hemant Topiwala</b>	Member
<b>Mrs. Alpa Shah</b>	Member

**Bankers :**

Kotak Mahindra Bank Limited  
Union Bank of India

**Internal Auditors :**

Surekha Associates

**Secretarial Auditor :**

Mr. Dinesh Kumar Deora

**Company Secretary & Compliance Officer**

Ms. Suvarnalata Chavan

**Chief Financial Officer**

Mr. Ashok Kamath

**25th ANNUAL GENERAL MEETING**

On Saturday, 30th September, 2017 at 9.00 a.m. at  
Survey No. 777, Umarsadi Desaiwad Road, at Village Umarsadi, Taluka Pardi,  
District Valsad, Gujarat - 396175

## NOTICE

Notice is hereby given that the 25th Annual General Meeting of NHC Foods Limited will be held on Saturday, 30th September, 2017 at Survey No. 777, Umarsadi Desaiwad Road, at Village Umarsadi, Taluka Pardi Killa Pardi Valsad Gujarat: 396175 at 09.00 a.m. to transact the following businesses:

### ORDINARY BUSINESS:

1. To receive, consider and adopt the Financial Statements of the Company for the financial year ended March 31, 2017 together with the Reports of the Board of Directors and Auditors thereon.
2. To appoint a Director in place of Mr. Apoorva Shah (DIN: 00573184), who retires by rotation, and being eligible, offers herself for re-appointment.
3. To Appoint Statutory Auditors of the Company and Fix their remuneration:

“**RESOLVED THAT** pursuant to the provisions of Section 139 and other applicable provisions of the Companies Act, 2013 (“the Act”) and the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof) and pursuant to the recommendation of the Audit Committee and the Board of Directors, M/s GMJ & Co., Chartered Accountants, having firm Registration Number 103429W, be and are hereby appointed as the Statutory Auditors of the Company in the place of retiring auditors, M/s. NGS & Co. LLP, Chartered Accountants, to hold office from this conclusion of 25<sup>th</sup> Annual General Meeting till the conclusion of the 30<sup>th</sup> Annual General Meeting, at the forthcoming Annual General Meeting and that the Board of Directors be and is hereby authorised to fix their remuneration.”

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

**Suvarnalata Chavan  
(Company Secretary & Compliance Officer)**

**Date: 18th July, 2017**

**Place : Mumbai**

### Registered Office:

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

## NOTES :

- i. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE ANNUAL GENERAL MEETING (THE “MEETING”) IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF/HERSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY.**

The instrument appointing the proxy, in order to be effective, should be duly signed and completed and must be deposited at the Registered Office of the Company not less than forty – eight hours before commencement of the meeting.

A person can act as a proxy on behalf of Members not exceeding fifty and holding in the aggregate not more than ten percent of the total share capital of the Company carrying voting rights. A member holding more than ten percent of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person or Member

- ii. Corporate Members intending to send their representative to attend the Meeting pursuant to Section 113 of the Companies Act, 2013 are requested to send to the Company, a certified copy of the Board Resolution authorising their representative to attend and vote on their behalf at the Meeting.
- iii. The additional details of Director in respect of Item No. 2 pursuant to Regulation 36(3) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulation, 2015 are annexed hereto.
- iv. Pursuant to the provisions of Section 91 of the Companies Act, 2013 and SEBI (LODR) Regulations, 2015, the Register of Members and Share Transfer Books of the Company will remain closed from 26th September, 2017 to 30<sup>th</sup> September, 2017 (both days inclusive).
- v. To prevent fraudulent transactions, members are advised to exercise due diligence and notify the Company of any change in address or demise of any member as soon as possible. Members are also advised not to leave their demat account(s) dormant for long. Periodic statement of holdings should be obtained from the concerned Depository Participant and holdings should be verified.

- vi. The Securities and Exchange Board of India has mandated submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in dematerialised form are therefore requested to submit the PAN to their respective Depository Participants. Members holding shares in physical form can submit their PAN to the Company or the Registrar & Share Transfer Agent.
- vii. SEBI has also mandated that for registration of transfer of securities, the transferee(s) as well as transferor(s) shall furnish a copy of their PAN card to the Company for registration of transfer of securities
- viii. Electronic copy of the Annual Report for financial year 2016 - 17 along with the Notice of the 25<sup>th</sup> Annual General Meeting of the Company (including Attendance Slip and Proxy Form) is being sent to all the members whose email IDs are registered with the Registrar/Depository Participants(s) unless any member has requested for a hard copy of the same. For members who have not registered their email address, physical copies of the Annual Report for the financial year 2016-17 along with the Notice of the 25<sup>th</sup> Annual General Meeting of the Company inter alia indicating the process and manner of evoting along with the Attendance Slip and Proxy Form is being sent by any permissible mode.
- ix. Members may also note that the Notice of the 25<sup>th</sup> Annual General Meeting and the Annual Report for the financial year 2016-17 will also be available on the Company's website [www.nhcgroup.com](http://www.nhcgroup.com). The physical copies of the aforesaid documents will also be available at the Company's Registered Office for inspection during normal business hours on all working days. Even after registering for e - communication, members are entitled to receive such communication in physical form, upon making a request for the same, by any permissible mode free of cost, For any communication, the shareholders may also send request to the Company's investor email id: [grievances@nhcgroup.com](mailto:grievances@nhcgroup.com).
- x. Pursuant to the provisions of Section 72 of the Companies Act, 2013, the member(s) holding shares in physical form may nominate, in the prescribed manner, a person to whom all the rights in the shares shall vest in the event of death of the sole holder or all the joint holders. Member(s) holding shares in demat form may contact their respective Depository Participant for availing this facility.
- xi. Process and manner for Members opting to vote through electronic means:
- I. In compliance with provisions of Section 108 of the Companies Act, 2013, Rule 20 of the Companies (Management and Administration) Rules, 2014 as amended by the Companies (Management and Administration) Amendment Rules, 2015 and Regulation 44 of SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015, the Company is pleased to provide members facility to exercise their right to vote on resolutions proposed to be considered at the 25<sup>th</sup> Annual General Meeting by electronic means and the business may be transacted through e-Voting Services. The facility of casting the votes by the members using an electronic voting system from a place other than venue of the AGM ("remote e-voting") will be provided by National Securities Depository Limited (NSDL).
- II. The facility for voting through ballot paper shall be made available at the AGM and the members attending the meeting who have not cast their vote by remote e-voting shall be able to exercise their right at the meeting through ballot paper.
- III. The members who have cast their vote by remote e-voting prior to the AGM may also attend the AGM but shall not be entitled to cast their vote again.
- IV. The remote e-voting period commences on 27<sup>th</sup> September, 2017 (9.00 a.m.) and ends on 29<sup>th</sup> September, 2017 (5.00 p.m.). During this period members' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date of 23<sup>rd</sup> September, 2017, may cast their vote by remote e-voting. The remote e-voting module shall be disabled by NSDL for voting thereafter. Once the vote on a resolution is cast by the member, the member shall not be allowed to change it subsequently.
- V. The process and manner for remote e-voting are as under:
- A] In case a Member receives an email from NSDL [for members whose email IDs are registered with the Company/ Depository Participants(s)] :

- (i) Open the attached PDF file viz; "e-voting.pdf" with your Client ID or Folio No. as password. The said PDF file contains your user ID and password for remote e-voting. Please note that the password is an initial password. You will not receive this PDF file if you are already registered with NSDL for e-voting.
- (ii) Launch internet browser by typing the following URL: <https://www.evoting.nsd.com/>
- (iii) Click on Shareholder – Login
- (iv) Put User ID and password as initial password noted in step (1) above and Click Login. If you are already registered with NSDL for e-voting then you can use your existing user ID and password. If you forgot your password, you can reset your password by using "Forgot User Details/Password" option available on [www.evoting.nsd.com](http://www.evoting.nsd.com).
- (v) Password change menu appears. Change the password/PIN with new password of your choice with minimum 8 digits/characters or combination thereof.  

Note: It is strongly recommended not to share your password with any other person and take utmost care to keep it confidential
- (vi) Home page of remote e-voting opens. Click on remote e-voting: Active Voting Cycles.
- (vii) Select "EVEN" of "NHC Foods Limited". Members can cast their vote online from 27th September, 2017 (9.00 a.m.) and ends on 29th September, 2017 (5.00 p.m.)  

Note: e-Voting shall not be allowed beyond said time.
- (viii) Now you are ready for "e-voting" as "Cast Vote" page opens.
- (ix) Cast your vote by selecting appropriate option and click on "Submit" and also "Confirm" when prompted.
- (x) Upon confirmation, the message "Vote cast successfully" will be displayed.
- (xi) Once the vote on the resolution is cast, the Member shall not allowed to change it subsequently.
- (xii) Institutional shareholders (i.e. other than

individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority letter etc. together with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer through e-mail to [dinesh.deora@gmail.com](mailto:dinesh.deora@gmail.com) with a copy marked to [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in)

- B] In case a Member receives physical copy of the Notice of AGM [for members whose email IDs are not registered with the Company/ Depository Participants(s) or requesting physical copy] :

(i) Member may obtain a User ID and password for casting his/her vote by remote e-voting by sending a request at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) or by contacting NSDL at the toll free no. 1800-222-990 providing the details such as Demat account no., or Folio no., PAN No. etc.

(ii) Please note that in case Shareholders are holding shares in demat mode, User ID is the combination of (DPID+Client ID) and in case shareholders are holding shares in physical mode, USER - ID is the combination of (EVEN No. + Folio No.).

(iii) If you are already registered with NSDL for remote e-voting then you can use your existing User ID and Password / PIN for casting your vote.

(iv) Note: Shareholders who forgot the User Details/Password can use "Forgot User Details/Password" or "Physical User Reset Password" option available on [www.evoting.nsd.com](http://www.evoting.nsd.com).

VI. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Members and remote e-voting user manual for Members available at the downloads section of [www.evoting.nsd.com](http://www.evoting.nsd.com) or call on toll free no.: 1800-222-990.

VII. If you are already registered with NSDL for remote e-voting then you can use your existing user ID and password/PIN for casting your vote.

NOTE: Shareholders who forgot the User Details/ Password can use "Forgot User Details/Password" or "Physical User Reset Password?" option available on [www.evoting.nsd.com](http://www.evoting.nsd.com).

In case Shareholders are holding shares in demat mode, USER-ID is the combination of (DPID+ClientID).

In case Shareholders are holding shares in physical mode, USER-ID is the combination of (Even No+Folio No).

- VIII. You can also update your mobile number and e-mail id in the user profile details of the folio which may be used for sending future communication(s).
- IX. The voting rights of members shall be in proportion to their shares of the paid up equity share capital of the Company as on the cut-off date of 23<sup>rd</sup> September, 2017.
- X. Any person, who acquires shares of the Company and become member of the Company after dispatch of the notice and holding shares as of the cut-off date i.e. 23<sup>rd</sup> September, 2017, may obtain the login ID and password by sending a request at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) or [rint.helpdesk@linkintime.co.in](mailto:rint.helpdesk@linkintime.co.in)
- However, if you are already registered with NSDL for remote e-voting then you can use your existing user ID and password for casting your vote. If you forgot your password, you can reset your password by using "Forgot User Details/Password?" or "Physical User Reset Password?" option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com) or contact NSDL at the following toll free no.: 1800-222-990.
- XI. A member may participate in the AGM even after exercising his right to vote through remote e-voting but shall not be allowed to vote again at the AGM.
- XII. A person, whose name is recorded in the register of members or in the register of beneficial owners maintained by the depositories as on the cut-off date only shall be entitled to avail the facility of remote e-voting as well as voting at the AGM through ballot paper.
- XIII. Mr. Dinesh Kumar Deora, Practising Company Secretary (Membership No. 5683) has been appointed for as the Scrutinizer for providing facility to the members of the Company to scrutinize the voting and remote e-voting process in a fair and transparent manner.
- XIV. The Scrutinizer shall after the conclusion of voting at the general meeting, will first count the votes cast at the meeting and thereafter unblock the votes cast through remote e-voting in the presence of at least two witnesses not in the employment of the Company and shall make, not later than three days of the conclusion of the AGM, a consolidated

scrutinizer's report of the total votes cast in favour or against, if any, to the Chairman or a person authorized by him in writing, who shall countersign the same and declare the result of the voting forthwith.

xii. **Resolution No. 3:**

Though not mandatory, this statement is provided for reference.

M/s NGS & Co. LLP, Chartered Accountants were first appointed as auditors at 06<sup>th</sup> AGM held on 28<sup>th</sup> August, 2008. In terms of their appointment made at the 24<sup>th</sup> AGM held on 30<sup>th</sup> September, 2016, they are holding office of the auditors upto the conclusion of the 25<sup>th</sup> AGM and hence, would retire at the conclusion of the forthcoming 25<sup>th</sup> AGM.

As per second proviso to Section 139(2) of the Companies Act, 2013 ('the Act'), a transition period of three years from the commencement of the Act is provided to appoint a new auditor when the existing auditor's firm has completed two terms of five consecutive years.

Accordingly, as per the said requirements of the Act, M/s GMJ & Co., Chartered Accountants are proposed to be appointed as auditors of the Company for a period of 5 years, commencing from the conclusion of 25<sup>th</sup> AGM till the conclusion of the 30<sup>th</sup> AGM, subject to the ratification by members every year, as may be applicable.

M/s GMJ & Co., Chartered Accountants, have consented to the said appointment and confirmed that their appointment, if made, would be within the limits specified under Section 141(3)(g) of the Act. They have further confirmed that they are not disqualified to be appointed as Statutory auditors in terms of the provisions to Section 139(1), Section 141(2) and Section 141(3) of the Act and the provisions of the Companies (Audit and Auditors) Rules, 2014.

None of the Directors/Key Managerial Personnel of the Company and their Relatives are concerned or interested, financially or otherwise in the resolution set out at Item No. 3 of the Notice.

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

**Suvarnalata Chavan  
(Company Secretary & Compliance Officer)**

**Date : 18th July, 2017  
Place : Mumbai**

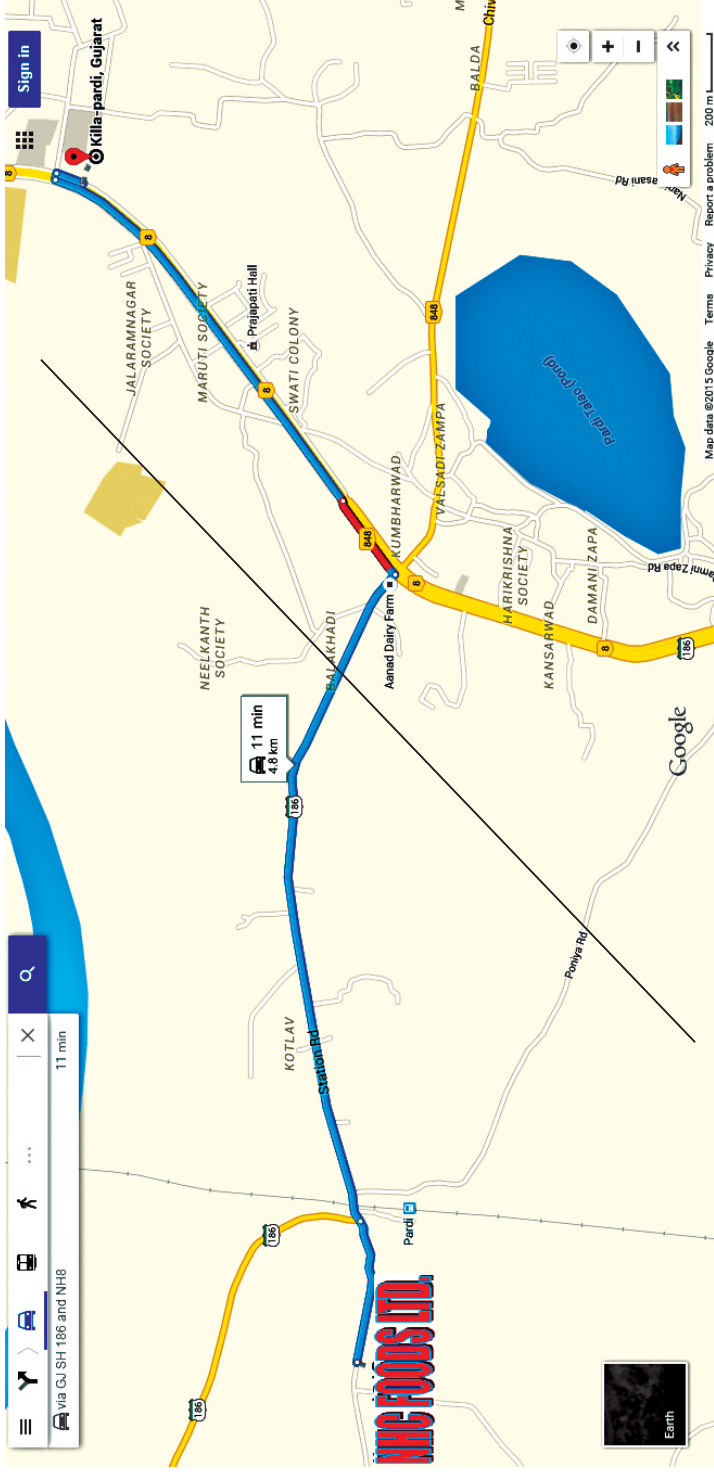
**ANNEXURE TO THE NOTICE**

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

Name of the Director	Mr. Apoorva Shah
Date of Birth	1st Janyary, 1966
Expertise in Specific Functional Area	He has more than 25 years of experience in the export industry. As the Chairman of our Company, he is responsible for the overall growth and development of our Company and is also responsible for creating the brand images of the Company's product lines. He is involved in the day to day affairs of the Company and is responsible for the expansion of the Company into an 'End-to End' Food Processing Company
Qualification	B.com.
No. of shares held in the Company @ jointly with relatives	38,04,136
Other Directorship in Indian Companies (including Private Companies)	1. NHC Overseas Private Limited 2. Indian Spice and Foodstuff Exporters Association
Membership of Committees (Audit Committee and Stakeholders Relationship Committee in other Companies)	None
Relationship between Directors inter-se	Mrs. Alpa Shah, whole time director is the spouse of Mr. Apoorva Shah



# ROUTE MAP TO THE AGM VENUE





**CIN: L15122GJ1992PLC076277**

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

**Corp. Office :** NHC House, 2/13, Anand Nagar, Santacruz (East), Mumbai - 400055  
Tel. : 022 - 61522020 • Fax No. : 022 - 61522021

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

### ATTENDANCE SLIP FOR ATTENDING ANNUAL GENERAL MEETING

Folio No.
DP ID No.

No. of Shares held
Client ID No.

I certify that I am a Member/proxy for the Member(s) of the Company.

I hereby record my presence at the 25<sup>th</sup> Annual General Meeting of the Company at Survey No. 777, Umarsadi Desaiwad Road, At village Umarsadi, Taluka Pardi, District Valsad, Gujarat - 396175 at 9.00 a.m. on 30<sup>th</sup> September, 2017.

\_\_\_\_\_  
Member's/Proxy's name in Block Letters

\_\_\_\_\_  
Signature of Member/Proxy

Note: Please fill up this attendance slip and hand over at the entrance of the meeting hall.

ELECTRONIC VOTING PARTICULARS		
REVEN (Remote E-voting Event Number)	USER ID*	Password / PIN**
107057		

\*User ID: Please use DP ID/Client ID

\*\*Password: Use existing password

Note: Please read instructions given at Note No. XII of the Notice of the 25<sup>th</sup> Annual General Meeting carefully before voting electronically.


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

**Corp. Office :** NHC House, 2/13, Anand Nagar, Santacruz (East), Mumbai - 400055  
 Tel. : 022 - 61522020 • Fax No. : 022 - 61522021

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

**FORM NO. MGT - 11**

[Pursuant to Section 105(6) of the Companies Act, 2013 and Rule 19(3) of the Companies (Management and Administration) Rules, 2014]

CIN	:	L15122GJ1992PLC076277
Name of the Company	:	NHC Foods Limited
Registered Office	:	Survey No. 777, Umarsadi Desaiwad Road, At village Umarsadi, Taluka Pardi, District Valsad, Gujarat - 396175
Name of Member(s)	:	
Registered Address	:	
Email ID	:	
Folio No./Client ID	:	
DP ID	:	

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

1) Name \_\_\_\_\_ Address \_\_\_\_\_

Email \_\_\_\_\_ Signature \_\_\_\_\_ or failing him

2) Name \_\_\_\_\_ Address \_\_\_\_\_

Email \_\_\_\_\_ Signature \_\_\_\_\_ or failing him

3) Name \_\_\_\_\_ Address \_\_\_\_\_

Email \_\_\_\_\_ Signature \_\_\_\_\_

as my / our Proxy to attend and vote (on a poll) for me / us and on my / our behalf at the 25th ANNUAL GENERAL MEETING of the Company to be held on Saturday, the 30th September, 2017 at 9.00 a.m. at the Registered office of the company and at any adjournment(s) thereof in respect of the resolutions as are indicated below:

Resolution Number	Resolution	For	Against
<b>ORDINARY BUSINESS :</b>			
1.	Adoption of Annual Financial Statements of the Company as on March 31, 2017		
2.	Re-appointment of Mr. Apoorva Shah, retiring by rotation and being eligible, offering himself for re-appointment		
3.	Appointment of M/S. GMJ & Co., Chartered Accountants, (Firm Registration No. 103429W), as Statutory Auditor of the Company to the members for a period of 5 years from the conclusion of 25 <sup>th</sup> Annual General Meeting till the conclusion of the 30 <sup>th</sup> Annual General Meeting.		

Signed this \_\_\_\_\_ day of September, 2017

**Signature of Shareholder** \_\_\_\_\_

**Signature of Proxy Holder** \_\_\_\_\_

 Affix  
 Revenue  
 Stamp

Note: This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.

**FORM FOR UPDATION OF EMAIL ADDRESS**

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

Dear Sir,

**Sub: Updation of e-mail address**

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

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

---

Signature of the First named Shareholder

Name:

Address:

## DIRECTORS' REPORT

Dear Members,



Your Board of Directors ('Board') is pleased to present the 25th Annual Report of your Company, NHC Foods Limited, for the year ended March 31, 2017 ('the year under review', 'the year' or 'FY17'). In line with the requirements of the Companies Act, 2013 ('the Act') and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('the SEBI Regulations'), this report covers the financial results and other developments during the financial year April 1, 2016 to March 31, 2017 in respect of NHC Foods.

### FINANCIAL HIGHLIGHTS:

	(₹ In Lacs)	
	March 31, 2017	March 31, 2016
Total Revenues	13868.93	15339.71
Total Expenditure	13786.08	15291.95
Profit Before Tax	82.85	47.76
Current Tax	23.00	9.37
Less: MAT Receivable	7.22	4.99
Less: Tax Paid/adjustment of earlier years	1.26	0.47
Less: Deferred Tax	12.23	12.32
<b>Profit After Tax</b>	<b>53.57</b>	<b>30.59</b>

### TRANSFER TO RESERVES:

Your Company does not propose to transfer any amount to its Reserves out of the profits of the Company for the year ended March 31, 2017.

### DIVIDEND:

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

### TRANSFER OF UNCLAIMED DIVIDEND TO INVESTOR EDUCATION AND PROTECTION FUND

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

### STATEMENT OF COMPANY'S AFFAIRS / PERFORMANCE OVERVIEW:

The highlights of the Company's Performance are as under:

- Profit Before Tax increased from Rs. 47.76 Lacs to Rs. 82.85 Lacs
- Profit After Tax increased from Rs. 30.59 Lacs to Rs. 53.57 Lacs
- NHC Foods, the domestic business, achieved turnover of Rs. 72,88,20,085 and the export achieved turnover of Rs. 65,20,98,411 in FY17.

### MANAGEMENT DISCUSSION AND ANALYSIS REPORT:

Management Discussion and Analysis forms a part of this annual report and is annexed to this report.

- Update on Macro Economy
- Overview of the Industry
- Our Business
- Future Prospect
- Risk Management and Governance
- Infrastructure
- Internal Control System and their adequacy:
- Financial Performance & Analysis
- Industrial Relations
- Human Resource Strategy

### SUBSIDIARY COMPANIES:

The Company does not have any Subsidiary Company

### TRANSACTIONS WITH RELATED PARTIES:

None of the transactions with related parties falls under the scope of Section 188(1) of the Act. Information on transactions with related parties pursuant to Section 134(3)(h) of the Act read with rule 8(2) of the Companies (Accounts) Rules, 2014 are given in Annexure 1 - Form AOC-2 and the same forms part of this report.

During the year under review, your Board updated the policy on Related Party Transactions as required under the SEBI Regulations. The policy is uploaded on the Company's website and can be accessed using the link <http://www.nhcgroup.com/corporate-governance-2/>

### DEPOSIT:

During the financial year under review, the Company did not accept any deposit covered under Chapter V of the Companies Act, 2013.

### LOANS, GUARANTEES OR INVESTMENTS:

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

**DIRECTORS’ RESPONSIBILITY STATEMENT:**

Pursuant to Section 134(3)(c) of the Companies Act, 2013, the Directors to the best of their knowledge hereby state and confirm that:

- a) in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- b) the directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit of the Company for that period;
- c) the directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- d) the directors had prepared the annual accounts on a going concern basis;
- e) the internal financial controls to be followed by the Company were laid down and such internal financial controls were adequate and were operating effectively; and
- f) the directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively

**DETAILS OF DIRECTORS OR KMPS APPOINTMENT OR RESIGNATION DURING THE YEAR:**

The Board of Directors presently consist of Four (4) Directors viz. Two Promoter Directors (including woman director), and two Independent Directors (Non – Executive). This meets with the requirements of the Companies Act, 2013 and rules framed thereunder.

- 1. Members approved the appointment of Mr. Apoorva Shah as Chairman & Managing Director (DIN: 00573184) for a period of three years w.e.f. 13<sup>th</sup> November, 2015 to 12<sup>th</sup> November, 2018 through postal ballot held on Friday, 29<sup>th</sup> January, 2016.
- 2. Members approved the appointment of Mrs. Alpa Shah (DIN: 00573190), Whole – Time Director for a period of Three years w.e.f. 14<sup>th</sup> February, 2016 to 13<sup>th</sup> February, 2019 through postal ballot held on Friday, 29<sup>th</sup> January, 2016.

**DECLARATION BY INDEPENDENT DIRECTORS:**

The Company has received the necessary declaration from each Independent Director, in accordance with Section 149(7) of the Companies Act, 2013, that they met the criteria of independence as laid out in sub – Section (6) of Section 149 of the Companies Act, 2013 and

Regulation 16(1)(B) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

**DIRECTOR RETIRING BY ROTATION:**

In accordance with the provisions of the Companies Act, 2013 and the Articles of Association of the Company, Mr. Apoorva Shah (DIN: 00573184), Managing Director of the Company, retires by rotation at ensuing Annual General Meeting and being eligible, offers himself for reappointment. The Board recommends his reappointment as Director liable to retire by rotation at the ensuing Annual General Meeting.

**KEY MANAGERIAL PERSONNEL:**

During the year under review, there is no change in the Key Managerial Personnel of the Company. The Key Managerial Personnel of the Company as on date are:

1. Mr. Apoorva Shah	Chairman & Managing Director
2. Mrs. Alpa Shah	Whole – time Director
3. Mr. Ashok Kamath	Chief Financial Officer
4. Ms. Suvarnalata Chavan	Company Secretary & Compliance Officer

**MEETINGS:**

A calendar of Board and Committee meetings to be held during the year was circulated in advance to the Directors. 13 Board Meetings were convened and held during the year.

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

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

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

**AUDIT COMMITTEE, SHAREHOLDERS' RELATIONSHIP COMMITTEE, NOMINATION & REMUNERATION COMMITTEE :**

The composition of the Audit Committee of the Board of Directors along with the composition of other Committees is stated in the Corporate Governance Report.

**NOMINATION AND REMUNERATION POLICY OF DIRECTORS, KEY MANAGERIAL PERSONNEL AND OTHER EMPLOYEES:**

In terms of the applicable provisions of the Act, read with the Rules made thereunder and the SEBI Regulations, your Board has formulated a Policy on appointment, removal and remuneration of Directors, Key Managerial Personnel and Senior Management Personnel and also on Board Diversity, Succession Planning and Evaluation of Directors. Salient features of the said Policy are stated in the Corporate Government Report.

**BOARD EVALUATION:**

As per the provisions of the Companies Act, 2013 and SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015, the formal annual evaluation was carried out for the Board's own performance, its committee & Individual directors. The manner and details in which evaluation was carried out is stated in the Corporate Governance Report which is annexed and form a part of this report.

The performance of the Board as well as that of the Committee was evaluated based on the criteria such as frequency and duration of meetings, adherence to the statutory provisions, flow of information, exchange of ideas, constructive nature of discussions etc.

The performance of the individual directors was evaluated based on criteria such as attendance and contribution at Board/Committee meetings, understanding the issues involved, ability to bring in new ideas and initiatives, commitment to fulfil the obligations and responsibilities of a directors etc.

**PARTICULARS OF EMPLOYEES:**

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

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

Name of the directors	Ratio to Median Remuneration
<b>Executive Directors</b>	
Mr. Apoorva Shah	50.26
Mrs. Alpa Shah	50.26
<b>Non - Executive Directors</b>	
Mr. Rajiv Bhatt	NA
Mr. Hemant Topiwala	NA

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

Directors, Chief Executive Officer, Chief Financial Officer and Company Secretary	% increase in remuneration in the financial year
Mr. Apoorva Shah	1.04%
Mrs. Alpa Shah	1.04%
Mr. Ashok Kamath	-
Ms. Suvarnalata Chavan	10.05%

- c. The percentage increase in the median remuneration of employees in the financial year: NIL
- d. The number of permanent employees on the rolls of Company: 72
- e. Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration: Nil.

The statement containing particulars of employees as required under Section 197(12) of the Act read with Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, is provided in a separate annexure forming part of this report. Further, the report and the accounts are being sent to the members excluding the aforesaid annexure. In terms of Section 136 of

the Act, the said annexure is open for inspection at the Registered Office of the Company. Any shareholder interested in obtaining a copy of the same may write to the Company Secretary.

**AFFIRMATION**

I affirm that Remuneration is as per the remuneration policy of the Company.

**INTERNAL FINANCIAL CONTROL SYSTEMS AND THEIR ADEQUACY:**

Your Company's approach on Corporate Governance has been detailed out in the Corporate Governance Report. Your Company has deployed the principles enunciated therein to ensure adequacy of internal financial controls with reference to the financial statements. Your Board has also reviewed the internal processes, systems, and internal financial controls and Directors' Responsibility Statement contains confirmation as regards adequacy of the internal financial controls.

**CODE OF CONDUCT:**

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

**VIGIL MECHANISM POLICY:**

The Board has approved the Whistle Blower Policy, a mechanism for employees to report to the management concerns about unethical behaviour, actual or suspected fraud or violation of the Company's code of conduct. The mechanism also provide for adequate safeguards

against victimization of employees who avail of the mechanism and also provide for direct access to the Chairman of the Audit Committee in exceptional cases.

During the year under review no personnel has been denied access to the audit committee. The Company has adopted a formal Vigil Mechanism/ Whistle-blower policy. The approved policy is available on the Company's website [www.nhcgroupp.com](http://www.nhcgroupp.com)

**DISCLOSURE UNDER SECTION 22 OF THE SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL), ACT, 2013:**

The Company's policy on prevention of sexual harassment of women provides for the protection of women employees at the workplace and for prevention and redressal of such complaints. There were no complaints pending for the redressal at the beginning of the year and no complaints received during the financial year.

**RISK MANAGEMENT:**

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

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

1. Periodic assessment and prioritization of risks that affect the business of your Company;
2. Development and deployment of risk mitigation plans to reduce the vulnerability to the prioritized risks;
3. Focus on both the results and efforts required to mitigate the risks;
4. Defined review and monitoring mechanism wherein the functional teams, the top management and the Board review the progress of the mitigation plans;



5. Embedding of the Risk Management processes in significant decisions such as large capital expenditures, mergers, acquisitions and corporate restructuring
6. Wherever, applicable and feasible, defining the risk appetite and install adequate internal controls to ensure that the limits are adhered to.

Significant and material orders by the regulators or courts or tribunals impacting the Company's going concern status and operations in future:

During the period under review, no significant and material orders passed by the regulators or courts or tribunals impacting the going concern status and Company's operations in the future.

#### **AUDITORS:**

It is propose to appoint M/s GMJ & Co, Chartered Accountants, (Firm Registration No. 103429W) as auditors of the Company for a period of 5 years from the conclusion of 25<sup>th</sup> Annual General Meeting till the conclusion of the 30<sup>th</sup> Annual General Meeting, at the forthcoming Annual General Meeting in the place of existing Statutory Auditor M/s NGS & Co. LLP, (Firm Registration No. 119850W), Mumbai.

#### **SECRETARIAL AUDITORS:**

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

The Board of Directors has appointed Mr. Dinesh Kumar Deora, Practising Company Secretary, as Secretarial Auditor to conduct the Secretarial Audit of the Company for the Financial Year 2016-17. The report did not contain any qualification, reservation or adverse remark. The Board of Directors at its meeting held on 30th May, 2017 approved the appointment of Mr. Dinesh Kumar Deora, Practising Company Secretary, as Secretarial Auditor to conduct a Secretarial Audit of the Company for the Financial Year 2017- 18. The Secretarial Audit Report

of the Company for the Financial Year 2016-17 is annexed to this Report as Annexure 2.

#### **INTERNAL AUDITORS:**

M/s Surekha Associates, Chartered Accountant, Mumbai, appointed as Internal Auditor of the Company, conducted internal audit for the financial year 2016-17 as per the provision of Section 138 of the Companies Act, 2013 read with Rule 13 of the Companies (Accounts) Rules, 2014. Their reports were reviewed by the Audit Committee and follow – up measures taken wherever necessary.

#### **AUDITORS OBSERVATIONS:**

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

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

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

#### **EMPLOYEE RELATIONS:**

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

#### **TRADE RELATIONS:**

Your Directors wish to record appreciation of the continued, unstinted support and co-operation from its retailers, stockists, supplier of goods/services, clearing and forwarding agents and all other associated with it.

Your Company will continue to build and maintain a strong association with its business partners.

**CORPORATE GOVERNANCE REPORT:**

The Company is committed to observe good corporate governance practices. The report on Corporate Governance for the financial year ended March 31, 2017, as per regulation 34(3) read with Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 forms a part of this Annual Report.

The requisite Certificate from the Statutory Auditors of the Company confirming compliance with the conditions of Corporate Governance is annexed to this Report.

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

The particulars as prescribed under Section 134 (3) (m) of the Companies Act 2013, read with Rule 8(3) of the Companies (Accounts) Rules, 2014 are annexed to this Report as Annexure 3.

**EXTRACT OF ANNUAL RETURN:**

An extract of the Annual Return in Form MGT-9 in compliance with Section 92 of the Companies Act, 2013 read with applicable Rules made thereunder is annexed to this Report as Annexure 4.

**MATERIAL CHANGES AND COMMITMENTS:**

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

**CHANGE IN NATURE OF BUSINESS:**

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

**BOARD DIVERSITY:**

A diverse Board enables efficient functioning through differences in perspective and skill, and also fosters differentiated thought processes at the back of varied industrial and management expertise, gender, knowledge. The Board recognises the importance of a

diverse composition and has adopted a Board Diversity Policy which set out the approach to diversity.

**APPOINTMENT OF INDEPENDENT DIRECTORS:**

Pursuant to the provisions of Section 149 of the Companies Act, 2013 and Regulation 17 of the SEBI(Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time, your Company has requisite number of Independent Directors on its Board. Thus, the Company has complied with the requirements of the said provisions for appointment of Independent Directors during the year under review.

**BOARD EFFECTIVENESS:****1. Familiarization Programme for the Independent Directors:**

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

**CORPORATE SOCIAL RESPONSIBILITY:**

The provision of Section 135 of the Companies Act, 2013 is not applicable to the company.

**INSURANCE**

All properties and insurable interests of the Company including building, plant and machinery and stocks have been fully insured.

**DEMATERILISATION OF SHARES:**

The Company has connectivity with NSDL & CDSL for dematerialization of its equity shares. The ISIN No. INE141C01028 has been allotted for the Company. Therefore, investors may keep their shareholding in the

electronic mode with their Depository Participates. 97.91% of the Company's Paid-up Share Capital is in dematerialized form as on 31st March, 2017 and balance 2.09% is in physical form.

#### **HEALTH, SAFETY AND ENVIRONMENT PROTECTION:**

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

#### **POLICY ON DIRECTORS' APPOINTMENT AND REMUNERATION AND OTHER DETAILS:**

The Company's policy on directors' appointment and remuneration and other matters provided in Section 178(3) of the Act has been disclosed in the corporate governance report, which forms part of this report.

#### **LISTING OF SHARES:**

*NHC FOODS LIMITED*

The shares of the Company are listed on BSE Ltd.

The Company has regularly paid the Annual Listing fees to the respective Stock Exchanges. Annual Custody / Issuer fee for the financial year 2017-18 has been paid by the Company to National Securities Depositories Limited and Central Depository Services Limited.

#### **SHARE CAPITAL**

The paid – up Equity Share Capital as on 31st March, 2017 was Rs. 11,85,50,000. During the year under the review the Company has not issued any shares. The Company has not issued shares with differential voting rights. It has neither issued employee stock options nor sweat equity shares and does not have any scheme to fund its employees to purchase the shares of the Company.

#### **ACKNOWLEDGEMENTS:**

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

help, cooperation and hard work the Company is able to achieve the results.

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

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

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

**Din : 00573184**

**Place: Mumbai  
Date: 30th May, 2017**

**Form No. AOC-2**

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

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

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

NHC Foods Limited (the Company) has not entered into any contract /arrangement /transaction with its related parties which is not in ordinary course of business or at arm's length basis or at arm's length during FY 2016-17. The Company has laid down policies and processes/procedures so as to ensure compliance to the subject Section in the Companies Act, 2013 ("Act") and the corresponding Rules. In addition, the process goes through internal and external checking, followed by quarterly reporting to the Audit Committee.

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

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

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

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

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

**Place: Mumbai  
Date: 30th May, 2017**

**Form No. MR-3**  
**Secretarial Audit Report**

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

**For the Financial Year Ended 31<sup>st</sup> March, 2017**

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

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

Based on my verification of NHC Foods Limited’s books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the Company has, during the audit period covering the financial year ended March 31, 2017, complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on March 31, 2017 according to the provisions of:

1. The Companies Act, 2013 (the Act) and the rules made thereunder,
2. The Securities Contracts (Regulation) Act, 1956 (‘SCRA’) and the rules made thereunder;

3. The Depositories Act, 1996 and the Regulations and bye-laws framed thereunder;
4. The provisions of Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial borrowings were not applicable to the Company during the financial year under report;
5. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 (‘SEBI Act’):
  - a. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - b. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;
  - c. The Securities and Exchange Board of India (Issue of Capital and Disclosure requirements) Regulations, 2009;
6. Provisions of the following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 (‘SEBI Act’) were not applicable to the Company during the financial year under report:
  - a. The Securities and Exchange Board of India (Employee Stock Option Scheme and employee Stock Purchase Scheme) Guidelines, 1999;
  - b. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
  - c. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993, regarding the Companies Act and dealing with client;
  - d. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; and
  - e. The Securities and Exchange Board of India (Buy back of Securities) Regulations, 1998;

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

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

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

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

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

**I further report that**

- (a) The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.
- (b) Adequate notice is given to all Directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting

- (c) Decisions at the Board Meetings were taken unanimously.
- (d) There are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws rules, regulations and guidelines.

**I further report that** during the audit period,

- (a) The Shareholders of the Company has approved through postal ballot notice dated 30<sup>th</sup> May, 2016, offer and issue of 895000 Equity Shares of Rs. 10/- each at a price which shall not be lesser than the minimum specified price as per SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009 on preferential basis to Mr. Apoorva Shah the Promoter of the Company.
- (b) The Shareholders of the Company has approved through postal ballot notice dated 30<sup>th</sup> May, 2016, sale of undertaking(s) of the Company situated at NHC House, 2/13, Anand Nagar, Santacruz (East), Mumbai-400055 under Section 180(1)(a) of the Companies Act, 2013 and at Survey No. 777, Umarsadi Desaiwad Road, Village Umarsadi, Taluka Pardi, Dist. Valsad, Gujarat - 396175.

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

**FCSN0 5683**  
**COP NO 4119**

**Place: Mumbai**  
**Date: 30-05-2017**

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

## Annexure to the Report

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

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

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

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

**FCSNO 5683**  
**COP NO 4119**

**Place: Mumbai**  
**Date: 30th May, 2017**

The conservation of energy, technological absorption, foreign exchange earnings and outgo, in the manner as prescribed in rule 8(3) of the Companies (Accounts) Rules, 2014 [CHAPTER IX]

**Disclosure of Particulars with Respect to Conservation of Energy:**

**A. Conservation of Energy:**

1. Energy conservation measures taken during the year 2016-17
2. Additional investments and any new Proposals under implementation aimed at energy conservation
3. Impact of the measures taken

The Company continues to take possible steps to conserve energy. These includes efficient electric fittings and equipments that consumes less energy than conventional ones

***NHC FOODS LIMITED***



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

	2016-17	2015-16
<b>(A) Power &amp; Fuel Consumption</b>		
<b>1. Electricity</b>		
(a) Purchased Units (kwh)	71,979	1,33,791
Total Amount (Rs.)	8,10,524	12,19,036
Rate/Unit (Rs./kwh)	11.26	9.11
(b) Own Generation		
(i) Through Diesel Generator		
(ii) Through Steam Turbine / Generators		
Units	50	60
Units/Ltr. of Diesel	150	232
Cost/Unit	180	216
Coal		
Quantity		
Total Cost		
Average Rate		
<b>3. Furnace Oil</b>	N.A.	N.A.
Quantity		
Total Cost		
<b>4. Other /Internal Generations</b>	N.A.	N.A.
Quantity		
Total Cost		
Average Cost		
<b>(B) Consumption per unit of production</b>		
Products (with details)unit	Since the Company manufactures several items, it is impracticable to apportion the utilities	
Electricity		
Furnace Oil		
Coal		

**1. Research and Development:**

The Company has not undertaken any Research and Development Activity during the Financial Year 2016-17

**2. Future Plan of Action:**

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

**3. Technology, Absorption, Adaption and Innovation:**

Technology absorption, Adaption and innovation has always been the key strength of the Company. The Company plans to be a leading player in technology production through innovative products.

**4. Expenditure in Foreign Currency**

<b>Particulars</b>	<b>2016-17</b>	<b>2015-16</b>
Commission	40,54,763	67,20,195
Travelling Expenses	3,35,286	6,81,145
Exhibition Expenses	–	4,62,786

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

<b>Particulars</b>	<b>2016-17</b>	<b>2015-16</b>
Bulk Agricultural Products	62,76,48,908	97,90,36,685

## ANNEXURE TO DIRECTORS' REPORT

### Annexure 4

**Form No. MGT – 9**  
**Extract of Annual Return**  
**as on the financial year on 31<sup>st</sup> March, 2017**  
**of**  
**NHC Foods Limited**

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

#### I. REGISTRATION AND OTHER DETAILS

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

#### II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY:

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

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

#### III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES:

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

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

IV. i) Categorywise Share holding

Category of shareholders	No. of shares held at the beginning of the year - 2016				No. of shares held at the end of the year - 2017				% change during the year
	Demat	Physical	Total	% of Total shares	Demat	Physical	Total	% of Total shares	
<b>(A) Shareholding of Promoter and Promoter Group</b>									
[1] Indian									
(a) Individuals / Hindu Undivided Family	4855951	0	4855951	40.9612	4806476	0	4806476	40.5439	(0.4173)
(b) Central Government / State Government(s)	0	0	0	0.0000	0	0	0	0.0000	0.0000
(c) Financial Institutions / Banks	0	0	0	0.0000	0	0	0	0.0000	0.0000
(d) Any Other (Specify)	0	0	0	0.0000	0	0	0	0.0000	0.0000
<b>Sub Total (A)(1)</b>	<b>4855951</b>	<b>0</b>	<b>4855951</b>	<b>40.9612</b>	<b>4806476</b>	<b>0</b>	<b>4806476</b>	<b>40.5439</b>	<b>(0.4173)</b>
[2] Foreign									
(a) Individuals (Non-Resident Individuals / Foreign Individuals)	0	0	0	0.0000	0	0	0	0.0000	0.0000
(b) Government	0	0	0	0.0000	0	0	0	0.0000	0.0000
(c) Institutions	0	0	0	0.0000	0	0	0	0.0000	0.0000
(d) Foreign Portfolio Investor	0	0	0	0.0000	0	0	0	0.0000	0.0000
(e) Any Other (Specify)	0	0	0	0.0000	0	0	0	0.0000	0.0000
<b>Sub Total (A)(2)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.0000</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.0000</b>	<b>0.0000</b>
Total Shareholding of Promoter and Promoter Group(A)=(A)(1)+(A)(2)	4855951	0	4855951	40.9612	4806476	0	4806476	40.5439	(0.4173)
<b>(B) Public Shareholding</b>									
[1] Institutions									
(a) Mutual Funds / UTI	0	0	0	0.0000	0	0	0	0.0000	0.0000
(b) Venture Capital Funds	0	0	0	0.0000	0	0	0	0.0000	0.0000
(c) Alternate Investment Funds	0	0	0	0.0000	0	0	0	0.0000	0.0000
(d) Foreign Venture Capital Investors	0	0	0	0.0000	0	0	0	0.0000	0.0000
(e) Foreign Portfolio Investor	0	0	0	0.0000	0	0	0	0.0000	0.0000
(f) Financial Institutions / Banks	910	0	910	0.0077	910	0	910	0.0077	0.0000
(g) Insurance Companies	0	0	0	0.0000	0	0	0	0.0000	0.0000

(h) Provident Funds/ Pension Funds	0	0	0	0.0000	0	0	0	0.0000	0.0000
(i) Any Other (Specify)	0	0	0	0	0	0	0	0	0
<b>Sub Total (B)(1)</b>	<b>910</b>	<b>0</b>	<b>910</b>	<b>0.0077</b>	<b>910</b>	<b>0</b>	<b>910</b>	<b>0.0077</b>	<b>0.0000</b>
[2] Central Government/ State Government(s)/ President of India	0	0	0	0	0	0	0	0	0
<b>Sub Total (B)(2)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.0000</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.0000</b>	<b>0.0000</b>
[3] Non-Institutions									
(a) Individuals									
(i) Individual shareholders holding nominal share capital upto Rs. 1 lakh	2148560	206555	2355115	19.8660	3447094	205750	3652844	30.8127	10.9467
(ii) Individual shareholders holding nominal share capital in excess of Rs. 1 lakh	3833679	0	3833679	32.3381	1984412	0	1984412	16.7390	(15.5991)
(b) NBFCs registered with RBI	0	0	0	0.0000	0	0	0	0.0000	0.0000
(c) Employee Trusts	0	0	0	0.0000	0	0	0	0.0000	0.0000
(d) Overseas Depositories (holding DRs) (balancing figure)	0	0	0	0.0000	0	0	0	0.0000	0.0000
(e) Any Other (Specify)									
Hindu Undivided Family	111778	0	111778	0.9429	269518	0	269518	2.2735	1.3306
Non Resident Indians (Non Repat)	7210	35756	42966	0.3624	30581	35756	66337	0.5596	0.1972
Non Resident Indians (Repat)	288681	0	288681	2.4351	299286	0	299286	2.5246	0.0895
Clearing Member	66013	0	66013	0.5568	208168	0	208168	1.7560	1.1992
Bodies Corporate	293922	5985	299907	2.5298	561064	5985	567049	4.7832	2.2534
Sub Total (B)(3)	6749843	248296	6998139	59.0311	6800123	247491	7047614	59.4485	0.4174
<b>Total Public Shareholding(B)=(B) (1)+(B)(2)+(B)(3)</b>	<b>6750753</b>	<b>248296</b>	<b>6999049</b>	<b>59.0388</b>	<b>6801033</b>	<b>247491</b>	<b>7048524</b>	<b>59.4561</b>	<b>0.4173</b>
<b>Total (A)+(B)</b>	<b>11606704</b>	<b>248296</b>	<b>11855000</b>	<b>100.0000</b>	<b>11607509</b>	<b>247491</b>	<b>11855000</b>	<b>100.0000</b>	<b>0.0000</b>
<b>(C) Non Promoter - Non Public</b>									
[1] Custodian/DR Holder	0	0	0	0.0000	0	0	0	0.0000	0.0000
[2] Employee Benefit Trust (under SEBI (Share based Employee Benefit) Regulations, 2014)	0	0	0	0.0000	0	0	0	0.0000	0.0000
<b>Total (A)+(B)+(C)</b>	<b>11606704</b>	<b>248296</b>	<b>11855000</b>	<b>100.0000</b>	<b>11607509</b>	<b>247491</b>	<b>11855000</b>	<b>100.0000</b>	

**ii) Shareholding of Promoters**

Sr. No.	Shareholder's Name	Shareholding at the beginning of the year - 2016			Shareholding at the end of the year - 2017			% Change in shareholding during year
		No. of Shares	% of total Shares of the Company	% of Shares Pledged / encumbered to total Shares	No. of Shares	% of total shares of the Company	% of Shares Pledged / encumbered to total Shares	
1	Apoorva Shah	3804316	32.0904	0.0000	3804316	32.0904	0.0000	0.0000
2	Alpa Shah	1051435	8.8691	0.0000	1001435	8.4474	0.0000	(0.4217)
3	Aneri Apoorva Shah	100	0.0008	0.0000	100	0.0008	0.0000	0.0000
4	Apar Apoorva Shah	100	0.0008	0.0000	625	0.0053	0.0000	0.0045
	<b>Total</b>	<b>4855951</b>	<b>40.9612</b>	<b>0.0000</b>	<b>4806476</b>	<b>40.5439</b>	<b>0.0000</b>	<b>(0.4173)</b>

**iii) Change in Promoters' Shareholding (please specify, if there is no change)**

Sr. No.		Shareholding at the beginning of the year - 2016		Transaction during the year		Cumulative Shareholding during the year - 2017	
		No. of Shares	% of total Shares of the Company	Date of Transaction	No. of Shares	No. of Shares	% of total Shares of the Company
1	Apoorva Shah	3804316	32.0904			3804316	32.0904
	At the end of the year					3804316	32.0904
2	Alpa Shah	1051435	8.8691			1051435	8.8691
	Transfer			28 Oct 2016	(50000)	1001435	8.4474
	At the end of the year					1001435	8.4474
3	Apar Apoorva Shah	100	0.0008			100	0.0008
	Transfer			28 Oct 2016	525	625	0.0053
	At the end of the year					625	0.0053
4	Aneri Apoorva Shah	100	0.0008			100	0.0008
	At the end of the year					100	0.0008

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

(iv) Shareholding Pattern of Top Ten Shareholders

Sr. No.	Name & type of Transaction	Shareholding at the beginning of the year - 2016		Transaction during the year		Cumulative Shareholding during the year - 2017	
		No. of Shares	% of total Shares of the Company	Date of Transaction	No. of Shares	No. of Shares	% of total Shares of the Company
1	Harjindersingh						
	Jaswantsingh Sarna	27968	0.2359			27968	0.2359
	Transfer			21 Oct 2016	212032	240000	2.0245
	Transfer			20 Jan 2017	(1334)	238666	2.0132
	Transfer			03 Feb 2017	(450)	238216	2.0094
	At the end of the year					238216	2.0094
2	Ashvinkumar M Selarka	235000	1.9823			235000	1.9823
	At the end of the year					235000	1.9823
3	K V S Hari Kumar	69985	0.5903			69985	0.5903
	Transfer			21 Oct 2016	10015	80000	0.6748
	Transfer			04 Nov 2016	1000	81000	0.6833
	Transfer			18 Nov 2016	4016	85016	0.7171
	Transfer			25 Nov 2016	34984	120000	1.0122
	At the end of the year					120000	1.0122
4	Dipakkumar Amrutlal Dharani	114700	0.9675			114700	0.9675
	Transfer			21 Oct 2016	445	115145	0.9713
	At the end of the year					115145	0.9713
5	Dheeraj Kumar Lohia	43832	0.3697			43832	0.3697
	Transfer			21 Oct 2016	757	44589	0.3761
	Transfer			06 Jan 2017	16188	60777	0.5127
	Transfer			20 Jan 2017	5000	65777	0.5548
	Transfer			17 Feb 2017	20000	85777	0.7236
	Transfer			17 Mar 2017	5000	90777	0.7657
	At the end of the year					90777	0.7657
6	Aditya Birla Money Limited	0	0.0000			0	0.0000
	Transfer			28 Oct 2016	85090	85090	0.7178
	Transfer			04 Nov 2016	11378	96468	0.8137
	Transfer			18 Nov 2016	(8069)	88399	0.7457
	Transfer			02 Dec 2016	(3609)	84790	0.7152
	Transfer			09 Dec 2016	(500)	84290	0.7110
	Transfer			13 Jan 2017	3500	87790	0.7405
	Transfer			20 Jan 2017	(3500)	84290	0.7110
	Transfer			27 Jan 2017	500	84790	0.7152
	Transfer			10 Feb 2017	(500)	84290	0.7110

	Transfer			17 Feb 2017	4000	88290	0.7447
	Transfer			03 Mar 2017	(3634)	84656	0.7141
	Transfer			10 Mar 2017	134	84790	0.7152
	Transfer			17 Mar 2017	(447)	84343	0.7115
	Transfer			24 Mar 2017	(53)	84290	0.7110
	Transfer			31 Mar 2017	600	84890	0.7161
	At the end of the year					84890	0.7161
7	Karvy Stock Broking Limited	56514	0.4767			56514	0.4767
	Transfer			28 Oct 2016	23642	80156	0.6761
	Transfer			04 Nov 2016	185	80341	0.6777
	Transfer			18 Nov 2016	(100)	80241	0.6769
	Transfer			02 Dec 2016	800	81041	0.6836
	Transfer			23 Dec 2016	160	81201	0.6850
	Transfer			30 Dec 2016	25	81226	0.6852
	Transfer			06 Jan 2017	500	81726	0.6894
	Transfer			13 Jan 2017	(4300)	77426	0.6531
	Transfer			20 Jan 2017	501	77927	0.6573
	Transfer			27 Jan 2017	400	78327	0.6607
	Transfer			03 Feb 2017	(401)	77926	0.6573
	Transfer			10 Feb 2017	680	78606	0.6631
	Transfer			17 Feb 2017	300	78906	0.6656
	Transfer			24 Feb 2017	535	79441	0.6701
	Transfer			03 Mar 2017	(1500)	77941	0.6575
	Transfer			10 Mar 2017	100	78041	0.6583
	Transfer			17 Mar 2017	200	78241	0.6600
	Transfer			24 Mar 2017	2100	80341	0.6777
	Transfer			31 Mar 2017	(600)	79741	0.6726
	At the end of the year					79741	0.6726
8	Asmah Shares And Stock Brokers Pvt Ltd	67745	0.5714			67745	0.5714
	At the end of the year					67745	0.5714
9	Sunita Shah	100000	0.8435			100000	0.8435
	Transfer			21 Oct 2016	(25000)	75000	0.6326
	Transfer			04 Nov 2016	(10424)	64576	0.5447
	At the end of the year					64576	0.5447
10	Jagruti Shaunak Shah	58200	0.4909			58200	0.4909
	At the end of the year					58200	0.4909

Note: 1. Paid up Share Capital of the Company (Face Value Rs. 10.00) at the end of the year is 11855000 Shares.

2. The details of holding has been clubbed based on PAN.

3. % of total Shares of the Company is based on the paid up Capital of the Company at the end of the Year.



(v) Shareholding of Directors and Key Managerial Personnel

Sr. No.	For each of the Directors and KMP	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of Shares	% of total Shares of the Company	No. of Shares	% of total Shares of the Company
<b>1.</b>	<b>Mr. Apoorva Shah</b>				
	At the beginning of the year	3804316	32.09	3804316	32.09
	Date wise Increase/Decrease in Promoters share holding – during the year specifying the reasons for increase / decrease (e.g. allotment / transfer/ bonus/ sweat equity)				
	At the end of the year			3804316	32.09
<b>2.</b>	<b>Mrs. Alpa Shah</b>				
	At the beginning of the year	1051435	9.31	1001435	8.45
	Date wise Increase/Decrease in Promoters share holding – during the year specifying the reasons for increase / decrease (e.g. allotment / transfer/ bonus/ sweat equity)				
	Sale of Shares on 28 <sup>th</sup> Oct, 2016	50000	0.42		
	At the end of the year			1001435	8.45
<b>3.</b>	<b>Shri. Hemant Topiwala</b>				
	At the beginning of the year	1820	0.02	–	–
	Date wise Increase/Decrease in Promoters share holding – during the year specifying the reasons for increase / decrease (e.g. allotment / transfer/ bonus/ sweat equity)				
	At the end of the year			1820	0.02
<b>4.</b>	<b>Mr. Rajiv Bhatt</b>	Nil		Nil	
	At the beginning of the year				
	Date wise Increase/Decrease in Promoters share holding – during the year specifying the reasons for increase / decrease (e.g. allotment / transfer/ bonus/sweat equity)				
	At the end of the year	–	–	–	–

<b>5</b>	<b>Mr. Ashok Kamath</b>				
	At the beginning of the year	5	0.00	5	0.00
	Date wise Increase/Decrease in Promoters share holding – during the year specifying the reasons for increase / decrease (e.g. allotment / transfer/ bonus/ sweat equity)				
	At the end of the year	5	0.00	5	0.00
<b>6.</b>	<b>Ms. Suvarnalata Chavan</b>				
	At the beginning of the year	Nil		Nil	
	Date wise Increase/Decrease in Promoters share holding – during the year specifying the reasons for increase / decrease (e.g. allotment / transfer/ bonus/ sweat equity)				
	At the end of the year	–	–	–	–

**V. INDEBTNESS:**

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

	<b>Secured Loan Excluding Deposit</b>	<b>Unsecured Loans</b>	<b>Deposits</b>	<b>Total Indebtness</b>
<b>Indebtness at the beginning of the financial year</b>	101179279	90070696		191249975
i. Principal Amount as on 31.03.2016	–	–		–
ii. Interest due but not paid	–	–		–
iii. Interest accrued but not due As on 31.03.2016	–	379999		379999
Total (i+ii+iii)	101179279	90450695		191629974
Change in Indebtness during the financial year				
Addition	494765	104844160		105338925
Reduction	8552977	64813970		73366947
Less : Exchange Difference	1725925	–		1725925
Net Change	–	–		–
Indebtness at the end of the financial year				
i. Principal Amount as on 31.03.2017	91395142	130100886		221496028
ii. Interest due but not paid		–		–
iii. Interest Accrued but not due as on 31.03.2017	17095	420690		420690
Total (i+ii+iii)	<b>91412237</b>	<b>130521576</b>		<b>221933813</b>

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

Sr. No.	Particulars of Remuneration	Name of MD/WTD		
		Mr. Apoorva Shah (Chairman & Managing Director)	Mrs. Alpa Shah (Whole-time Director)	Total Amount (Rs.)
<b>1</b>	<b>Gross Salary</b>			
	(a) Salary as per provisions contained in Section 17(1) of the Income Tax Act, 1961	44,80,986	44,80,986	8961972
	(b) Value of perquisites u/s 17(2) of the Income Tax Act, 1961	57,651	39,600	97251
	(c) Profit in lieu of salary under Section 17(3) of the Income Tax Act	–	–	
<b>2</b>	<b>Stock Option</b>	–	–	
<b>3</b>	<b>Sweat Equity</b>	–	–	
<b>4</b>	<b>Commission</b>	–	–	
	As % of Profit	–	–	
	Others	–	–	
<b>5</b>	<b>Others, Please Specify</b>			
	Total (A)	45,38,637	45,20,586	9059223
	Ceiling as per the Act	10% of Ner Profit for all Executive Directors - Managing and Whole-time Directors; 5% Net Profit to any one Managing or Whole-time Director		

**B. Remuneration to other directors**
**Non executive and Independent directors**

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

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

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

## REPORT ON CORPORATE GOVERNANCE

In terms of Regulation 34(3) read with Section C of Schedule V to SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, a Report on Corporate Governance for the year ended 31<sup>st</sup> March, 2017 is presented below:

### (1) A brief Statement on the Company's philosophy on Code of Governance:

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

The Company firmly believes in good Corporate Governance. The Company, while conducting its business has been upholding the core values of NHC Foods i.e. Transparency, integrity, honesty, accountability, and compliance of laws. The Company continuously endeavour to improve on these aspects on an ongoing basis.

NHC Foods recognises that good Corporate Governance is a continuous exercise and reiterate its commitment to pursue highest standard of Corporate Governance in the overall interest of all its stakeholders.

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

### CORPORATE GOVERNANCE AND ETHICS

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

### (2) Board of Directors

- The Board of Directors has an optimum combination of Executive and Non-Executive Directors with one woman director and fifty percent of the Board of Directors comprised of Non-Executive Directors. The Chairman of the Board is an Executive Director and half of the Board of Directors is comprised of Independent Directors. The Board meet atleast four times a year and more often if Company needs merit additional oversight and guidance. During the Financial Year 2016-17, the time gap between any two Board meetings did not exceed one hundred and twenty days. The Board of Directors periodically reviews compliance reports pertaining to all laws applicable to the Company. All Statutory and other matters of Significance including information as mentioned in Part A of Schedule II to the SEBI (Listing Obligations and Disclosure requirements) Regulations, 2015 are tabled before the Board to enable it to discharge its responsibility of strategic supervision of the Company.
- Independent Directors are Non-Executive Directors as defined under Regulation 16(1)(b) of the SEBI Listing Regulations read with Section 149(6) of the Act. The maximum tenure of independent directors is in compliance with the Act. All the Independent Directors have confirmed that they meet the criteria as mentioned under Regulation 16(1)(b) of the SEBI Listing Regulations read with Section 149(6) of the Act.

### (a) Composition and category of Directors:

As at 31<sup>st</sup> March, 2017, the Composition of Board of Directors of the Company was as follows:

Sr. No.	Name of the Director	Designation	Category
1.	Mr. Apoorva Shah	Promoters	Executive Chairman & Managing Director
2.	Mrs. Alpa Shah		Whole-Time Director
3.	Mr. Rajiv Bhatt	Non-Promoters	Independent Director
4.	Mr. Hemant Topiwala		Independent Director

Name of the Director	Number of Board Meetings held during the year 2016-17		Whether attended last AGM held on 30th Sept., 2016	Number of Directorship in other Companies	Number of Committee Positions held in other Public Companies*	
	Held	Attended			Chairman	Member
Mr. Apoorva Shah (Chairman & Managing Director) (DIN: 00573184)	13	13	✓	1	–	–
Mrs. Alpa Shah (Whole – Time Director) (DIN: 00573190)	13	13	✓	–	–	–
Mr. Rajiv Bhatt Director (DIN: 02320813)	13	13	✓	1	–	–
Mr. Hemant Topiwala Director (DIN: 00355690)	13	13	✓	2	–	–

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

09.04.2016	30.05.2016	18.06.2016	02.07.2016	13.08.2016
22.08.2016	31.08.2016	14.11.2016	29.11.2016	30.12.2016
14.02.2017	25.02.2017	27.03.2017		

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

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

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

**(b) Details of equity shares of the Company held by the Directors as on March 31, 2017 are given below:**

Name of the Directors	No. of Shares held (As on March 31, 2017)
Mr. Rajiv Bhatt	Nil
Mr. Hemant Topiwala	1,820
Mr. Apoorva Shah	38,04,316
Mrs. Alpa Shah	10,01,435
<b>Total</b>	<b>48,07,571</b>

The Company has not issued any convertible instruments.

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

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

### **SEPARATE MEETING OF THE INDEPENDENT DIRECTORS**

In terms of the Schedule IV of the Companies Act, 2013 and Regulation 25 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, a Separate meeting of the Independent Directors of the Company is held every year, whereat following prescribed items are discussed:

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

In respect of calendar year 2017, the Independent Directors met separately on 12<sup>th</sup> December, 2016 without the presence of any Non-Independent Directors or representatives of Management and discussed the aforesaid items.

### **COMPANY'S POLICY ON PROHIBITION OF INSIDER TRADING**

The Company has formulated a Code of Conduct to Regulate, Monitor, Report trading by Insiders to deter the insider trading in the securities of the Company based on the unpublished price sensitive information. The code envisages procedure to be followed and disclosures to be made while dealing in the securities of the Company. The full text of the code is available on the website of the Company under "Investor Section" in the Corporate Governance Section.

### **SUBSIDIARIES**

The Company does not have any Subsidiary Company.

### **RELATED PARTY TRANSACTIONS**

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

The policy is available on the website of the Company under 'Investor Section' in the Corporate Governance Section.

The shareholders of the Company vide Special Resolution passed on 30<sup>th</sup> September, 2014 have approved per annum limits (beginning 1<sup>st</sup> April, 2014) for certain Related Party Transactions.

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

**(3) Audit Committee:****(a) Brief description of terms of reference:**

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

The Role of the Audit Committee includes the following:

- (1) Oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
- (2) recommendation for appointment, remuneration and terms of appointment of auditors of the Company;
- (3) approval of payment to statutory auditors for any other services rendered by the statutory auditors;
- (4) reviewing, with the Management, the annual financial statements and auditor's report thereon before submission to the Board for approval, with particular reference to:
  - (a) matters required to be included in the director's responsibility statement to be included in the Board's report in terms of clause (c) of sub-section (3) of Section 134 of the Companies Act, 2013;
  - (b) changes, if any, in accounting policies and practices and reasons for the same;
  - (c) major accounting entries involving estimates based on the exercise of judgment by Management;
  - (d) significant adjustments made in the financial statements arising out of audit findings;
  - (e) compliance with listing and other legal requirements relating to financial statements;
  - (f) disclosure of any related party transactions;
  - (g) modified opinion(s) in the draft audit report;
- (5) reviewing, with the Management, the quarterly financial statements before submission to the Board for approval;
- (6) reviewing, with the management, the statement of uses/ application of funds raised through an issue (public issue, rights issue, preferential issue etc.), the statement of funds utilized for purposes other than those stated in the offer document/ prospectus/ notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue and making appropriate recommendations to the Board to take up steps in this matter;
- (7) reviewing and monitoring the auditor's independence and performance and effectiveness of audit process;
- (8) approval or any subsequent modification of transactions of the listed entity with related parties;
- (9) scrutiny of inter-corporate loans and investments;
- (10) valuation of undertakings or assets of the listed entity, wherever it is necessary;
- (11) evaluation of internal financial controls and risk management systems;
- (12) reviewing, with the Management, performance of statutory and internal auditors, adequacy of the internal control systems;
- (13) reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;



- (14) discussion with internal auditors of any significant findings and follow up there on;
- (15) reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board;
- (16) discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post - audit discussion to ascertain any area of concern;
- (17) to look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;
- (18) to review the functioning of the whistle blower mechanism;
- (19) approval of appointment of chief financial officer after assessing the qualifications, experience and background, etc. of the candidate;
- (20) considering such other matters the Board may specify;
- (21) reviewing other areas that may be brought under the purview of role of Audit Committee as specified in SEBI Regulations and the Companies Act, as and when amended.

**(b) Composition, name of members and chairman:**

The Audit Committee comprises 3 (Three) members consist of Two Independent Non Executive and One Executive Director. All members are financially literate and possess sound knowledge of accounts, finance and audit matters. The Company Secretary of the Company acts as Secretary to the Audit Committee. The Internal Auditors of the Company attend the Meetings of the Audit Committee on invitation of the Chairman of the Committee.

The Composition of Audit Committee as on 31st March, 2017, is given below:

Sr. No.	Name	Category	Designation
1.	Mr. Rajiv Bhatt	Non-Executive Independent Director	Chairman
2.	Mr. Apoorva Shah	Managing Director	Member
3.	Mr. Hemant Topiwala	Non-Executive Independent Director	Member

**(c) Meetings and attendance during the year:**

Sr. No.	Name of the Director	30th May, 2016	13th August, 2016	14th November, 2016	14th February, 2017
1.	Mr. Rajiv Bhatt	✓	✓	✓	✓
2.	Mr. Apoorva Shah	✓	✓	✓	✓
3.	Hemant Topiwala (till 07th Oct, 2015)	✓	✓	✓	✓

The previous Annual General Meeting ("AGM") of the Company was held on 30<sup>th</sup> September, 2016 and was attended by Mr. Rajiv Bhatt, Chairman of the Audit Committee

**(4) NOMINATION & REMUNERATION COMMITTEE:****(a) Brief description of terms of reference:**

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

- (i) The nomination and remuneration committee of the Company is constituted in line with the provisions of Regulation 19 of SEBI Listing Regulations, read with Section 178 of the Act.
- (ii) The broad terms of reference of the nomination and remuneration committee are as under:
  - Recommend to the Board the setup and composition of the Board and its committees, including the “formulation of the criteria for determining qualifications, positive attributes and independence of a director.” The committee will consider periodically reviewing the composition of the Board with the objective of achieving an optimum balance of size, skills, independence, knowledge, age, gender and experience
  - Recommend to the Board the appointment or reappointment of directors.
  - Devise a policy on Board diversity.
  - Recommend to the Board appointment of Key Managerial Personnel (“KMP” as defined by the Act) and executive team members of the Company (as defined by this Committee).
  - Carry out evaluation of every director’s performance and support the Board and Independent Directors in evaluation of the performance of the Board, its committees and individual directors. This shall include “Formulation of criteria for evaluation of Independent Directors and the Board”. Additionally the Committee may also oversee the performance review process of the KMP and executive team of the Company.
  - Recommend to the Board the Remuneration Policy for directors, executive team or Key Managerial Personnel as well as the rest of the employees
  - On an annual basis, recommend to the Board the remuneration payable to the directors and oversee the remuneration to executive team or Key Managerial Personnel of the Company.
  - Oversee familiarisation programmes for directors.
  - Oversee the Human Resource philosophy, Human Resource and People strategy and Human Resource practices including those for leadership development, rewards and recognition, talent management and succession planning (specifically for the Board, Key Managerial Personnel and executive team).
  - Performing such other duties and responsibilities as may be consistent with the provisions of the committee charter

**(b) Composition, name of members and chairman:**

The Nomination and Remuneration Committee comprises 3 (Three) consist of Two Independent Non Executive and One Executive Director, the Chairman being Non-Executive and Independent. The Company Secretary of the Company acts as Secretary to the Nomination and Remuneration Committee.

The Composition of Nomination and Remuneration Committee as on 31st March, 2017, is given below:

Sr. No.	Name	Category	Designation
1.	Mr. Rajiv Bhatt	Non-Executive Independent Director	Chairman
2.	Mr. Apoorva Shah	Managing Director	Member
3.	Mr. Hemant Topiwala	Non-Executive Independent Director	Member

**(c) Performance evaluation criteria for independent directors:**

The Nomination and Remuneration Committee of the Board has laid out the evaluation criteria for performance evaluation of the Board, its Committees and all the individual directors, in adherence of SEBI (Listing obligations and Disclosure requirements) Regulations, 2015.

**(5) Details of the Remuneration for the year ended March 31, 2017:**

**(a) Non – Executive Directors:**

Name	Commission	Sitting Fees
Mr. Rajiv Bhatt	–	–
Mr. Hemant Topiwala	–	–

No remuneration and sitting fees for attending Board and Committee Meeting was paid to the Non – executive Directors or Independent Director

**POLICY ON NOMINATION, REMOVAL, REMUNERATION AND BOARD DIVERSITY**

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

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

**Remuneration Philosophy :**

**Remuneration to Executive Director :**

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

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

**(b) Managing Director and Whole-time Director:**

<b>Name of the Director and period of appointment</b>	<b>Salary</b>	<b>Benefits Perquisites and Allowances</b>	<b>Commission</b>	<b>ESPS</b>
Mr. Apoorva Shah Re-appointed as Chairman & Managing Director for a period of three years w.e.f. 13th November, 2015 to 12th November, 2018	44,80,986	57,651	Nil	Nil
Mrs. Alpa Shah Re-appointed as Whole-Time Director for a period of three years w.e.f. 14th February, 2016 to 13th February, 2019	44,80,986	39,600	Nil	Nil

**Service contracts, notice period, severance fees:**

The appointment of the Executive Directors is governed by Resolutions passed by the Shareholders of the Company, which cover the terms and conditions of such appointment, read with the service rules of the Company. A separate Service Contract is not entered into by the Company with Executive Directors.

**(5) Stakeholders' Relationship Committee:**

The terms of reference and the ambit of powers of Stakeholders Relationship / Grievance Redressal Committee are as per the governing provisions of the Companies Act, 2013 (section 178) and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (specified in Part D of Schedule II). The status of member correspondences, queries, grievances etc. are endeavoured to be addressed instantaneously by the secretarial department and status thereof is also placed before the Stakeholders Relationship/ Grievance Redressal Committee which meets at quarterly intervals.

**Terms of Reference:**

- i. To consider and approve request received for transfers/transmissions of securities of the Company, issue of duplicate certificates etc;
- ii. To consider and redress grievances of the shareholders/investors relating to transfer/transmission/demat/remat of securities, non-receipt of Annual Report, security certificates, dividend, interest, refund orders and any other corporate benefits etc;
- iii. To review and monitor compliances under the Listing Regulations;
- iv. To report to the Board of Directors on aforesaid matters on periodic basis;
- v. To select, engage and approve fees for professional advisors that the Committee may require to carry out their duties.

**(a) Name of Non-Executive Director heading the Committee:**

Mr. Rajiv Bhatt is the Chairman of the Committee.

**(b) The Composition of Stakeholder Relationship Committee as on 31st March, 2017, is given below:**

Sr. No.	Name	Category	Designation
1.	Mr. Rajiv Bhatt	Non-Executive Independent Director	Chairman
2.	Mrs. Alpa Shah	Whole-Time Director	Member
3.	Mr. Hemant Topiwala	Non-Executive Independent Director	Member

**(c) Meetings of the Committee:**

During the year 4 meetings of the Stakeholders Relationship Committee were held i.e. on

Sr. No.	Name of the Director	30th May, 2016	13th August, 2016	14th November, 2016	14th February, 2017
1.	Mr. Rajiv Bhatt	✓	✓	✓	✓
2.	Mrs. Alpa Shah	✓	✓	✓	✓
3.	Hemant Topiwala	✓	✓	✓	✓

Stakeholder Relationship Committee has been empowered to deal with and dispose of the instruments of transfer of shares in the Company including power to reject transfer of shares in terms of provision of Companies Act, 2013, Securities Contract (Regulations), Act, Listing Agreement and the Company's Article of Association and take necessary actions as may be required for the purpose and shall consider and resolve the grievances of shareholders, debenture holders, and other security holders of the Company including complaints related to non receipt of Balance Sheet etc.

**(d) Name and designation of compliance officer:**

Ms. Suvarnalata Chavan, Company Secretary is the Compliance Officer of the Company

**(c) Number of shareholders' complaints received so far:**

The number of shareholder grievances received and resolved during Financial Year 2016-17 is given below:

Opening Balance	Received during the year	Resolved during the year	Closing Balance
Nil	1	1	Nil

All valid requests for share transfer received during the year have been acted upon and no such transfer is pending.

**GENERAL BODY MEETINGS:**

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

Date of AGM	Location	Time
30th September, 2016	Survey No. 777, Umarsadi Desaiwad Road, Village Umarsadi, Taluka Pardi, District Valsad, Gujarat: 396175	10.00 a.m.
30th September, 2015	Survey No. 777, Umarsadi Desaiwad Road, Village Umarsadi, Taluka Pardi, District Valsad, Gujarat: 396175	10.00 a.m.
30th September, 2014	Survey No. 777, Umarsadi Desaiwad Road, Village Umarsadi, Taluka Pardi, District Valsad, Gujarat: 396175	10.00 a.m.

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

Date of AGM	Details of Special Resolutions Passed, if any
30 <sup>th</sup> September, 2016	–
30 <sup>th</sup> September, 2015	–
30 <sup>th</sup> September, 2014	1. Authorise to Borrow under Section 180(1)(c) of the Companies Act, 2013
	2. Authorise to create mortgage and/or charge by way of first and second charge on all the immovable and/or movable properties of the Company under Section 180(1)(a) of the Companies Act, 2013
	3. Approval of revised Remuneration of Mr. Apoorva Shah, Chairman & Managing Director under the provisions of Sections 196, 197, 203 of the Companies Act, 2013
	4. Approval of revised remuneration of Mrs. Alpa Shah, Whole-Time Director under the provision of Section 196,197, 203 of the Companies Act, 2013
	5. To approve Related Party Transactions under Section 188 of the Companies Act, 2013
	6. Issue of Equity Shares by way of Qualified Institutional Placement

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

During the year, 3 (Three) Special Resolutions were passed through Postal Ballot on 26<sup>th</sup> July, 2016. The details of voting pattern in respect of all these Special Resolutions are mentioned below:

**(1) Postal Ballot held on 26<sup>th</sup> July, 2016:**

The Board of Directors by its Resolution passed on 30<sup>th</sup> May, 2016 had appointed Mr. Narayan Parekh, Partner of M/s PRS Associates, Practising Company Secretaries to act as the Scrutinizer for conducting the Postal Ballot. The Company had also offered e-voting facility to its members enabling them to cast their votes electronically. The Company has signed an agreement with the M/s. Central Depository Services (I) Limited (CDSL) to enable its members to cast their votes electronically pursuant to Regulation 44 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Section 108 of the Companies Act, 2013 read with the Companies (Management and Administration) Rules, 2014 (including any statutory modification(s), enactment(s) or reenactment(s) thereof for the time being in force). The postal ballot process was carried out as per the procedure laid down in terms of Section 110 of the Companies Act, 2013 read with the Companies (Management and Administration) Rules, 2014. Mr. Narayan Parekh, had carried out the scrutiny of all the postal ballot forms received upto the close of working hours 5.00 p.m. on Monday the 25<sup>th</sup> July, 2016 and that he had submitted his Report thereon to the Chairman of the Company. Based on the Scrutinizer's Report, Mr. Apoorva Shah, Chairman and Managing Director, declared the result of the voting exercise on 26<sup>th</sup> July, 2016, as follows:

**1. Special Resolution passed for Issue of Shares on Preferential allotment basis to the Promoters Pursuant to Section 62 of the Companies Act, 2013**

Particulars	No. of Shares (through E-Voting)	No. of Shares (through Postal Ballot)	Total No. of Shares	% of Total Net Valid Votes (in percentage)
Total No. of Votes received	3,71,038	71,45,044	75,16,082	Not Applicable
Less : No. of Invalid Votes	–	35	35	
Less : Votes not exercised	–	38,04,316	38,04,316	
Net Valid Votes	3,71,038	33,40,693	37,11,731	
Votes with "Assent" for the Resolution	3,71,017	33,40,193	37,11,210	99.99
Votes with "Dissent" for the Resolution	21	500	521	0.01

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

Particulars	No. of Shares (through E-Voting)	No. of Shares (through Postal Ballot)	Total No. of Shares	% of Total Net Valid Votes (in percentage)
Total No. of Votes received	3,71,038	71,45,044	75,16,082	Not Applicable
Less : No. of Invalid Votes	–	35	35	
Less : Votes not exercised	–	–	–	
Net Valid Votes	3,71,038	71,45,009	75,16,047	
Votes with "Assent" for the Resolution	3,71,038	71,45,009	75,16,047	100
Votes with "Dissent" for the Resolution	–	–	–	–

**3. Approval for Sale of Undertaking(S) of the Company situated at Survey No. 777, Umarsadi Desaiwad Road, at Village Umarsadi, Taluka Pardi, District Valsad, Gujarat - 396175**

Particulars	No. of Shares (through E-Voting)	No. of Shares (through Postal Ballot)	Total No. of Shares	% of Total Net Valid Votes (in percentage)
Total No. of Votes received	3,71,038	71,45,044	75,16,082	Not Applicable
Less : No. of Invalid Votes	–	35	35	
Less : Votes not exercised	–	–	–	
Net Valid Votes	3,71,038	71,45,009	75,16,047	
Votes with "Assent" for the Resolution	3,71,038	71,45,009	75,16,047	100
Votes with "Dissent" for the Resolution	–	–	–	–

**Person who conducted the postal ballot exercise:**

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

**PROCEDURE FOR POSTAL BALLOT:**

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

The Company dispatches the postal ballot notice and form along with postage prepaid business reply envelope to its members whose names appear on the register of members/list of beneficiaries as on cut-off date. The postal ballot notice is sent to members in electronic form to the email addresses registered with the depository participants (in case of demat shareholding) and the Company's registrar and share transfer agents (in case of physical

shareholding). The Company also publishes a notice in the newspaper declaring the details of completion of dispatch and other requirements as mandated under the Act and applicable Rules made thereunder and Secretarial Standard 2 and upload the notice on the website of the Company and of Central Depository Services (I) Limited (CDSL).

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

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

**EXTRA ORDINARY GENERAL MEETING:**

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

**COMPLIANCE OFFICER:** *NHC FOODS LIMITED*

Ms. Suvarnalata Chavan, Company Secretary of the Company act as Compliance Officer of the Company.

The Company obtains from a Company Secretary in Practice, half-yearly certificate of compliance with the share transfer formalities and issue of certificates within prescribed time limit pursuant to provisions of Listing Agreement/ Listing Regulations, as applicable and files a copy of the certificate with the Stock Exchanges

**(a) Quarterly results:**

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

**(b) Newspapers wherein results normally published:**

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

**(c) Website, where displayed:**

The financial results and the official news releases are also placed on the Company's website [www.nhcgroupp.com](http://www.nhcgroupp.com) in the 'Investor Relations' section.

**(d) Official news releases:**

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



**GENERAL SHAREHOLDER INFORMATION:**

**(a) Annual General Meeting - date, time and venue: Annual General Meeting (in the Financial Year 2017-18)**

Day	:	Saturday
Date	:	30th September, 2017
Time	:	9.00 a.m.
Venue	:	Survey No. 777, Umarsadi Desaiwad Road, at Village Umarsadi, Taluka Pardi, District Valsad, Gujarat : 396175

**(b) Financial Year:**

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

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

The equity shares of the Company are listed at:

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

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

**(d) Stock code:**

Stock Exchange	Scrip Code	ISIN
BSE Ltd.	517554	INE141C01028

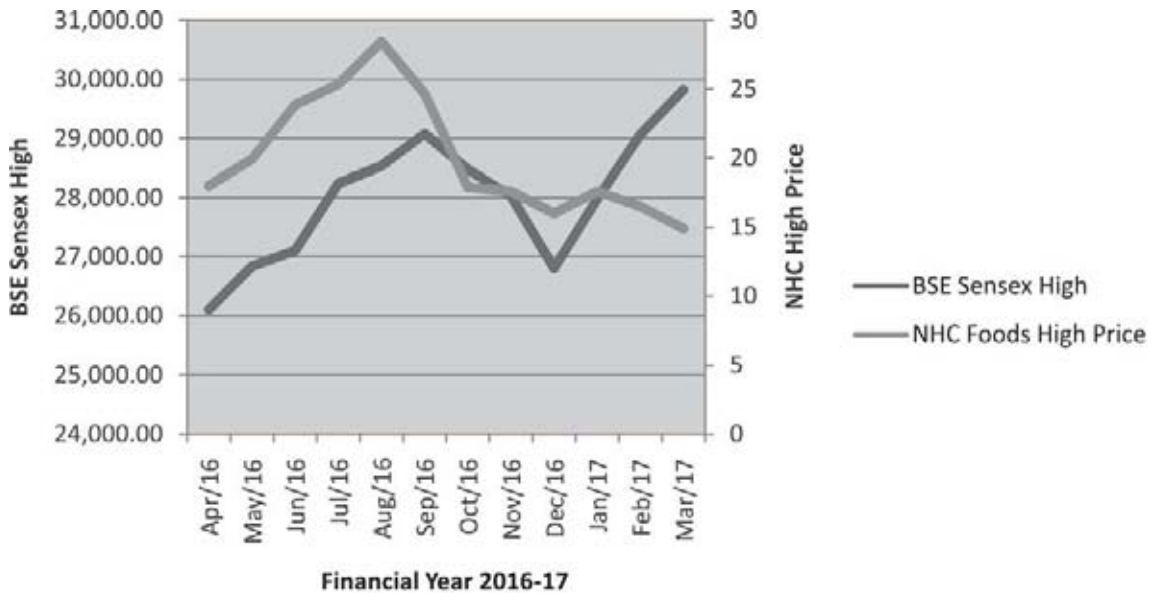
**(f) Market price data - high, low during each month in last financial year:**

Month	BSE Ltd.		
	High	Low	Volume (No. of Shares)
April 2016	18.00	14.80	1,09,258
May 2016	19.90	15.10	2,54,236
June 2016	23.85	16.55	8,84,992
July 2016	25.35	20.00	6,03,684
August 2016	28.45	19.35	22,93,490
September 2016	24.65	15.55	1,25,77,442
October 2016	17.90	15.40	12,46,540
November 2016	17.60	12.05	10,59,414
December 2016	16.00	13.00	2,79,026
January 2016	17.60	13.72	6,43,010
February 2016	16.50	14.00	4,40,919
March 2017	14.90	12.00	4,49,036

(Source: BSE Website)

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

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



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

Not applicable.

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

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

Email : [rnt.helpdesk@linkintime.co.in](mailto:rnt.helpdesk@linkintime.co.in)

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

**(i) Share Transfer System:**

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

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

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

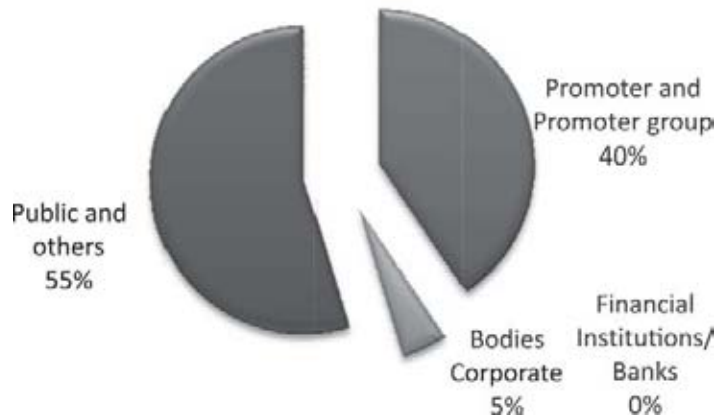
(j) Distribution of Shareholding as on 31st March, 2017:

Shareholding of Nominal Value of Rs. 10/- each	Shareholders (Numbers)	% of Total Shareholders	No. of Shares	Nominal Value (in Rs.)	% of Nominal Value
Upto 5,000	7,316	80.2369	91,79,800	9,17,98,000	7.7434
5,001 - 10,000	824	9.0371	71,01,720	7,10,17,200	5.9905
10,001 - 20,000	476	5.2204	76,84,460	7,68,44,600	6.4820
20,001 - 30,000	155	1.6999	40,85,960	4,08,59,600	3.4466
30,001 - 40,000	78	0.8555	28,77,330	2,87,73,300	2.4271
40,001 - 50,000	70	0.7677	33,34,720	3,33,47,200	2.8129
50,001 - 1,00,000	99	1.0858	73,00,870	7,30,08,700	6.1585
1,00,001 & Above	100	1.0967	7,69,85,140	76,98,51,400	64.9390
<b>GRAND TOTAL</b>	<b>9,118</b>	<b>100</b>	<b>1,18,55,000</b>	<b>11,85,50,000</b>	<b>100</b>

Ownership Pattern as on 31st March, 2017

Category Code	Category of Shareholders	Number of Shareholders	Total Number of Shares	As a Percentage of (A+B+C)
(A)	Shareholding of Promoter and Promoter group			
1.	Indian	4	48,06,476	40.54
2.	Foreign	–	–	–
	Total Shareholding of Promoter & Promoter group	4	48,06,476	40.54
(B)	Public Shareholding			
1.	Institutions			
	Financial Institutions/ Banks	2	910	0.01
2.	Bodies Corporate	91	5,67,049	4.78
3.	Public and others	9021	64,80,565	54.67
	Total Public Shareholding	9118	100	100
(C)	Shares held by Custodian and against which Depository Receipts have been issued			
1.	Promoter and Promoter Group	–	–	–
	Public	–	–	–
	Total (A) + (B) + (C)	9118	100	100

## Ownership Pattern



### List of Shareholders other than Promoters holding more than 1% as on 31st March, 2017

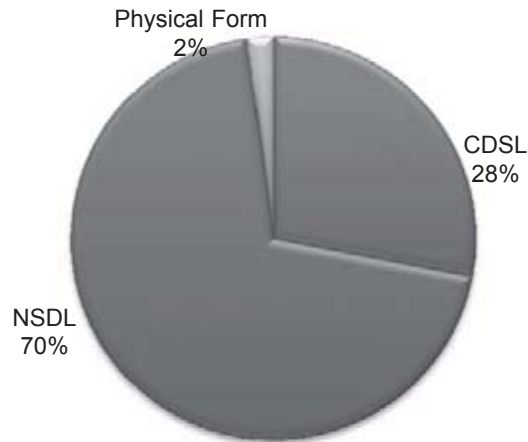
Sr. No.	Name of Shareholder	No. of Shares held	% of Total Holding
1.	Harjindersingh Jaswantsingh Sarna	238216	2.01
2.	Ashvinkumar M Selarka	235000	1.98
3.	K V S Hari Kumar	120000	1.01

### (k) Dematerialization of shares and liquidity:

The shares of the Company are in compulsory demat segment and are available for trading in the depository systems of both the National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL). As at 31st March, 2017, 1,16,07,509 Equity shares out of 1,18,55,000 Equity Shares of the Company, forming 97.91% of the Company's paid-up capital is held in the dematerialized form. Majority of demat shares are with National Securities Depository Limited. The status of shares held in demat and physical format is given below. The Company's shares are liquid and actively traded on the BSE.

Particulars	As on 31st March, 2017		As on 31st March, 2016	
	Number of Shares	Percentage	Number of Shares	Percentage
<b>Shares in Demat Form</b>				
CDSL	33,23,229	28.03	20,07,065	16.93
NSDL	82,84,280	69.88	95,99,639	80.98
Shares in Physical Form	2,47,491	2.09	2,48,296	2.09
<b>Total</b>	<b>1,18,55,000</b>	<b>100.00</b>	<b>1,18,55,000</b>	<b>100.00</b>

## Ownership in Demat and Physical Form



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

There are no GDRs/ADRs/Warrants outstanding as on 31st March, 2017.

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

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

**(n) Plant locations:**

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

**(o) Address for Correspondence with the Company:**

The Company Secretary  
NHC Foods Limited  
NHC House, 2/13, Anand Nagar,  
Santacruz (E), Mumbai – 400055  
Email id: [grievances@nhcgroup.com](mailto:grievances@nhcgroup.com)  
Website: [www.nhcgroup.com](http://www.nhcgroup.com)

**Address for Correspondence with the Registrar and Transfer Agents:**

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

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

During the Financial Year 2016-17, there was no materially significant related party transaction that may have potential conflict with the interests of the Company at large. For reference, the details of related party transactions in accordance with AS-18 are given in Note No. 35 of Other Notes on Accounts of the Annual Report.

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

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

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

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

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

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

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

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

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

**(f) Disclosure of Accounting Treatment:**

There is no deviation in following the treatment prescribed in the Accounting Standards in preparation of Financial Statements of the Company for the year ended on March 31, 2017.

**(g) Certification from CEO and CFO:**

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

**(h) Brief profile and other details, as required under Regulations 36(3) of the Listing Regulations of the Director retiring by rotation, eligible for re-appointment and proposed to be appointed is given in to the Notice convening the 25th Annual General Meeting of the Company.****(i) Reconciliation of Share Capital Audit:**

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

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

**(a) The Board:**

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

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

**(c) Modified opinion(s) in audit report:**

The Auditors have raised no qualification on the financial statements

**(d) Separate posts of Chairperson and CEO:**

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

**(e) Reporting of Internal Auditor:**

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

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

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

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

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

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

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

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

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

**COMPLIANCE CERTIFICATE FROM EITHER THE AUDITORS OR PRACTICING COMPANY SECRETARIES REGARDING COMPLIANCE OF CONDITIONS OF CORPORATE GOVERNANCE:**

The Certificate from the Statutory Auditors of the Company regarding compliance of conditions of corporate governance is annexed with the Directors' Report and forms an integral part of the Annual Report.

**Dematerialization of Shares:**

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

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

**Transfer / Transmission / Transposition of Shares:**

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

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

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

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

**Consolidation of Multiple Folios:**

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

**Nomination Facility:**

Provision of Section 72 of the Companies Act, 2013 read with Rule 19(1) of the rules made thereunder extends nomination facility to individuals holding shares in the physical form. To help the legal heirs/ successors get the



shares transmitted in their favour, shareholder(s) are requested to furnish the particulars of their nomination in the prescribed Nomination Form. Shareholder(s) holding shares in Dematerialized form are requested to register their nomination directly with their respective DPs.

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

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

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

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

**Quote Folio No./ DP Id No.:**

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

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

**For & On behalf of the Board of Directors,**

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

**Place: Mumbai**  
**Date: 18th July, 2017**

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

This is to confirm that the Board of Directors of the Company has laid down a Code of Conduct for its members and senior management personnel of the Company's website. It is further confirmed that all the Directors and senior management personnel of the Company have affirmed compliance with the Code of Conduct of the Company for the financial year ended 31st March, 2017.

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

Place : Mumbai  
Date: 30th May, 2017

***NHC FOODS LIMITED***



## CERTIFICATE ON CORPORATE GOVERNANCE

To  
**The Members,  
NHC Foods Limited**

We have examined the compliance of conditions of Corporate Governance by NHC Foods Limited ("the Company") for the year ended March 31, 2017 as stipulated in regulations 17 to 27, clauses (b) to (i) of sub-regulation (2) of regulation 46 and paragraph C, D and E of Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") with Stock Exchanges in India.

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

In our opinion and to the best of our information and according to the explanations given to us and based on the representations made by the Directors and the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above-mentioned Listing Regulations.

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

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

DINESH KUMAR DEORA  
PARTNER

**Membership No.: FCS 5683 COP No 4119**

**Place: Mumbai**  
**Date: 18-07-2017**

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

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

- a. We have reviewed the financial statements and the cash flow statement for the year ended 31st March, 2017 and that to the best of our knowledge and belief:
  - i. these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
  - ii. these statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- b. There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or violative of the Company's code of conduct.
- c. We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting and we have disclosed, to the auditors and the Audit Committee, wherever applicable, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
- d. We have indicated to the auditors and the Audit Committee, wherever applicable,
  - i. significant changes in internal control over financial reporting during the year;
  - ii. significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
  - iii. instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or any employee having a significant role in the Company's internal control system over financial reporting.

**For NHC Foods Limited**

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

**Place : Mumbai**  
**Date : 30/05/2017**

**For NHC Foods Limited**

**Ashok Kamath**  
**(Chief Financial Officer)**

## MANAGEMENT DISCUSSION AND ANALYSIS REPORT

### 1. A Macro view:

India's spice exports increased 12 per cent to record an all-time high in value as well as volume in 2016-17. The country exported spice products worth ₹ 17,664.61 crore and a volume of 9,47,790 tonnes in 2016-17 compared to 8,43,255 tonnes valued at ₹ 16,238.23 crore in 2015-16, registering an increase of 12 per cent in volume, nine per cent in rupee terms and six per cent in dollar terms, according to Spices Board. India has surpassed all previous export records and has fulfilled the increasing international demand for its quality spices in the face of tough competition in global markets.

### 2. Overview of the Industry:

India is traditionally known as the Spice bowl of the world. According to the Bureau of Indian Standards, about 63 spices are widely grown in our country. India has a worldwide reputation as the only country which produces almost all kind of spices. These spices sector also plays significant role in the development of Indian Economy. India is the number one country since 1961 in the production and processing of spices.

Traditionally, spices in India have been grown in small land holdings, with organic farming gaining prominence in recent times. India is the world's largest producer, consumer and exporter of spices; the country produces about 75 of the 109 varieties listed by the International Organization for Standardization (ISO) and accounts for half of the global trading in spices

#### Key Markets:

- Total spices export from India stood at 226,225 tonnes valued at US\$ 621.78 in April-June 2016, registering a year-on-year growth of 3 per cent.
- Major importers of Indian spices in FY 2015-16 were US, China, Vietnam, UAE, Indonesia, Malaysia, UK, Sri Lanka, Saudi Arabia, and Germany.
- Top spices produced in the country include pepper, cardamom, chilli, ginger, turmeric, coriander, cumin, celery, fennel, fenugreek, ajwain, dill seed, garlic, tamarind, clove, and nutmeg among others.
- India commands a formidable position in the world spice trade with the spice exports expected to touch US\$ 3 billion by 2016-17.

### 3. Our business

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

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

#### Existing Clientele Countries:

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

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

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

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

#### **4. Future Prospect:**

At NHC Foods, we are excited about our mission to constantly transform ourselves into a more consumer focussed company. NHC Foods has taken vigorous efforts have also been made to create an identity for our 'Standard' brand

Your Company has a favourable work environment that motivates performance, customer focus and innovation while adhering to the highest degree of quality and integrity. Through multiple brands, there has been a conscious effort to create a different identity for our premium products.

#### **5. Risk Management and Governance**

NHC Foods is committed towards good corporate governance, which promotes the long-term interests of all stakeholders, strengthens Board, create self-accountability across its management and helps built public trust in the Company. The company operates in the Food Processing Sector, which is affected by variety factors linked to economic development in India and globally which, in turn, also affected global fund flows. Within the organization, every decision taken is after weighing the pros and cons of such a decision making taking note of the risk attributable.

##### **Liquidity risk**

NHC Foods Limited from one side have not a comfort of stable demand on its production and is strongly linked with volatility of realized incomes and also very often face the seasonal delivery of raw materials for it production.

An increase in the level of liquid assets in an enterprise increases both net working capital requirements and the costs of holding and managing financial liquidity.

##### **Foreign Exchange Risk**

The Company being engaged in exports, it derives approximately 90% of its revenue from export sales. A volatility of the Exchange rates and duties can adversely impact the Company's exports. The Company manages

this financial risk through foreign exchange planning under the expert guidance of reputed foreign exchange consultants.

### **Market Risk**

Our company is exposed to the risk of price fluctuation on the raw materials and finished goods. However, considering the normal correlation in the prices of raw materials and finished goods, the risk is reduced.

### **Operational risk**

Operational risk is the risk associated with our business operations. It encompasses a wide variety of risks, including fraud, legal, financial or environmental issues. Risk management used by the Company to avoid operational risk. Our Company creating / using standard operating procedures or internal controls for employees to follow when working in the business.

### **Interest Rate Risk:**

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

### **Credit Risk:**

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

## **6. Infrastructure**

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

### **Our infrastructure has following facilities:**

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

## **7. Internal Control System and their adequacy:**

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

**8. Financial Performance & Analysis:**

The financial performance during the last year has been discussed in the Director's Report

**9. Industrial Relations:**

The industrial relation was harmonious and cordial throughout the year.

**10. Human Resource Strategy:**

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

**DISCLAIMER CLAUSE:**

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



## INDEPENDENT AUDITOR'S REPORT

To,  
the Members of

### **NHC Foods Limited**

#### **Report on the Standalone Financial Statements**

We have audited the accompanying standalone financial statements of **NHC Foods Limited** ("the Company"), which comprise the Balance Sheet as at March 31, 2017, the Statement of Profit and Loss, and the Cash Flow Statement for the year then ended and a summary of significant accounting policies and other explanatory information.

#### **Management's Responsibility for the Financial Statements**

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Companies Act, 2013, read with Rule 7 of the Companies(Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial control, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

Our responsibility is to express an opinion on these standalone financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provision of the Act and the Rules made there under.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. 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. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the Company Directors, as well as evaluating the overall presentation of the financial statements.

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

#### **Opinion**

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

(a) in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2017;

- (b) in the case of the Statement of Profit and Loss, of the profit for the year ended on that date; and
- (c) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

**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 Act, we give in the Annexure “A” statement on the matters specified in the paragraph 3 and 4 of the Order, to the extent applicable.
2. As required by section 143(3) of the Act, we report that:
  - a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
  - b. In our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
  - c. The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account;
  - d. In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;
  - e. On the basis of written representations received from the Directors as on March 31, 2017, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2017, 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 control over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in “Annexure B”; and
  - g. With respect to the other matters to be included in the Auditor’s Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanation given to us:
    - i. The company has disclosed the impact of pending litigations on its financial position in its financial statements –Refer Note 27 to the financial statements;
    - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
    - iii. There is no amount, required to be transferred, to the Investor Education and Protection Fund by the Company.
    - iv. The Company has provided requisite disclosures in its standalone financial statements as to holding as well as dealing in Specified Bank Notes during the period from November 8, 2016 to December 30, 2016 and these are in accordance with the books of accounts maintained by the Company.

**For NGS & Co. LLP,**  
Chartered Accountants  
Firm Registration No. 119850W

**Ashok. A Trivedi**  
(Partner)  
Membership No. 042472

**Place: Mumbai**  
**Date: 30<sup>th</sup> May, 2017**

## Annexure A to the Independent Auditor's Report

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

- i. a. The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- b. According to the information and explanations given to us, the Fixed Assets have been physically verified by the management during the year, no material discrepancies were noticed on such verification with book records. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and nature of its assets.
- 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 are held in the name of the Company.
- ii. The management has conducted physical verification of inventory at regular intervals during the year. In our opinion and according to the information and explanations given to us, the Company is maintaining proper records of inventory. No material discrepancies were noticed on physical verification.
- iii. The Company has not granted any loan, secured or unsecured to companies, firms, Limited Liability Partnership or other parties covered in the register maintained under section 189 of the, Companies Act, 2013. Therefore, paragraph 3 (iii) of the Order is not applicable.
- iv. In our opinion and according to the information and explanations given to us and based on our examination of the records, the Company has not given any loan, guarantees, security nor made any investment hence, the provisions of section 185 and 186 of the Act are not attracted in this respect. Therefore, paragraph 3(iv) of the Order is not applicable.
- v. The Company has not accepted any deposits from the public.
- vi. In our opinion and according to the information and explanation given to us, the Central Government has not prescribed maintenance of cost records under sub-section (1) of section 148 of the Companies Act. Therefore, the paragraph 3 (vi) of the Order is not applicable.
- vii. a. According to the information and explanations given to us and on the basis of our examination of the records of the Company is generally regular in depositing with appropriate authority the amounts deducted/ accrued in the books of accounting respect of undisputed statutory dues including Profession Tax, Provident Fund, Employees State Insurance, Income-tax, Service-tax, cess, custom duty, excise duty and other statutory dues, as applicable. There are no undisputed amounts payable in respect of income tax, duty of customs, value added tax, cess and other statutory dues were outstanding as at March 31, 2017, for a period of more than six months from the date they became payable.
- b. According to the information and explanations given to us, there are no dues of professional tax, Provident fund, Employee State Insurance, Sales tax, service tax, value added tax, duty of customs and cess which have not been deposited with appropriate authorities on account of any dispute except the following:

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

- viii. According to the information and explanations given to us the company has not defaulted in repayment of dues to a financial institution, bank or debenture holders.
- ix. The Company did not raise any money by way of initial public offer or further public offer (including debt instrument) and term loans during the year. Therefore, paragraph 3 (ix) of the Order is not applicable.
- x. According to the information and explanations given to us, no material fraud by the company or on the Company by its officer or employees has been noticed or reported during the course of our audit.
- xi. According to the information and explanation give to us and based on our examination of the records of the Company, the Company has paid/provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V of the Act.
- xii. In our opinion and according to the information given to us, the Company is not a Nidhi Company. Therefore, paragraph 3(xii) of the Order is not applicable.
- xiii. According to the information and explanation give to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with sections 177 & 188 of the Act where applicable and details have been disclosed in the Financial statements as required by the applicable accounting standard.
- xiv. The Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Therefore, paragraph 3(xiv) of the Order is not applicable.
- xv. The company has not entered into any non-cash transactions with the directors or persons connected with him. Therefore, paragraph 3(xv) of the Order is not applicable.
- xvi. The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

**For NGS & Co. LLP,**  
Chartered Accountants  
Firm Registration No. 119850W  
  
Ashok Trivedi  
Partner  
Membership No. 042472

**Place: Mumbai**  
**Date: 30<sup>th</sup> May, 2017**

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

### **Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 (“the Act”)**

We have audited the internal financial controls over financial reporting of **NHC Foods Limited** (“the Company”) as of March 31, 2017 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

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

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

#### **Auditors’ Responsibility**

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

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

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

#### **Meaning of Internal Financial Controls over Financial Reporting**

A company’s internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company’s internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are

being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

**Inherent Limitations of Internal Financial Controls over Financial Reporting**

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

**Opinion**

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2017, 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.

*NHC FOODS LIMITED*

**For NGS & Co. LLP,**  
Chartered Accountants  
Firm Registration No. 119850W

Ashok Trivedi  
Partner  
Membership No. 042472

**Place: Mumbai**  
**Date: 30<sup>th</sup> May, 2017**

**BALANCE SHEET AS AT 31ST MARCH, 2017**

(Amount in Rs.)

PARTICULARS	Note	As at March 31, 2017	As at March 31, 2016
<b>I Equity and Liabilities</b>			
Shareholders' Funds			
Share Capital	2	118,550,000	118,550,000
Reserves and Surplus	3	84,675,704	79,318,608
		<u>203,225,704</u>	<u>197,868,608</u>
<b>Non – Current Liabilities</b>			
Long – Term Borrowings	4	57,199,998	70,092,981
Deferred Tax Liability (Net)	5	24,107,236	22,884,178
Long – Term Provisions	6	2,401,291	3,711,478
		<u>83,708,524</u>	<u>96,688,637</u>
<b>Current Liabilities</b>			
Short – Term Borrowings	7	138,381,117	78,577,549
Trade Payables	8	172,074,824	366,950,093
Other Current Liabilities	9	79,971,254	89,689,811
Short – Term Provisions	10	942,700	605,743
		<u>391,369,894</u>	<u>535,823,198</u>
<b>Total</b>		<b><u>678,304,123</u></b>	<b><u>830,380,443</u></b>
<b>II Assets</b>			
<b>Non – Current Assets</b>			
Fixed Assets			
Tangible Assets	11	112,938,163	119,568,359
Intangible Assets	11	46,669,230	50,330,495
Non – Current Investments	12	60,000	60,000
Long – Term Loan and Advances	13	14,770,710	13,795,637
		<u>174,438,103</u>	<u>183,754,491</u>
<b>Current Assets</b>			
Current Investments	14	60,000	60,000
Inventories	15	134,749,017	168,589,915
Trade Receivables	16	287,421,393	396,559,543
Cash and Bank Balances	17	6,406,232	40,947,975
Short – Term Loans and Advances	18	52,037,088	12,671,441
Other Current Assets	19	23,192,290	27,797,078
		<u>503,866,020</u>	<u>646,625,952</u>
<b>Total</b>		<b><u>678,304,123</u></b>	<b><u>830,380,443</u></b>
<b>III See accompanying Notes to Accounts forming part of the Financial Statements.</b>	1-42		

As per our report of even date attached

For **NGS & CO., LLP**  
**Chartered Accountants**  
**Firm Reg. No. : 119850W**  
**ASHOK A. TRIVEDI**  
*(Partner)*  
M. No. 042472

For and behalf of the Board of Directors,

**Apoorva Shah**  
*Chairman & Managing Director*  
DIN: 00573184

**Alpa Shah**  
*Whole Time Director*  
DIN: 00573190

**Place: Mumbai**  
**Date: 30th May, 2017**

**Ashok Kamath**  
*Chief Financial Officer*

**Suvarnalata Chavan**  
CS & Compliance Officer

**STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31ST, 2017**

(Amount in ₹)

<b>PARTICULARS</b>	<b>Note</b>	<b>2016-17</b>	<b>2015-16</b>
<b>I Revenue</b>			
Revenue from Operations	20	1,380,918,497	1,527,059,231
Other Income	21	5,974,377	6,911,575
<b>Total Revenue</b>		<b>1,386,892,874</b>	<b>1,533,970,806</b>
<b>II Expenses</b>			
Cost of Materials consumed	22	19,190,971	54,452,893
Purchase of Traded Goods		1,191,134,168	1,205,868,601
Changes in inventories of Finished Goods, Work in Progress and Traded Goods	23	30,023,006	22,960,384
Employee Benefits Expense	24	23,828,589	32,577,307
Finance Cost	25	17,046,324	21,851,031
Depreciation and Amortisation Expenses	11	11,294,143	11,975,350
Other Expenses	26	86,090,321	179,509,426
<b>Total</b>		<b>1,378,607,522</b>	<b>1,529,194,991</b>
<b>Profit Before Tax</b>		<b>8,285,352</b>	<b>4,775,815</b>
<b>Tax Expenses</b>			
Current Tax		2,300,887	937,332
Less: MAT Receivable		722,113	499,479
Less: Tax paid/ adjustment of earlier years		126,424	47,252
Less: Deferred Tax		1,223,058	1,231,763
<b>Profit After Tax</b>		<b>5,357,096</b>	<b>3,058,946</b>
Balance carried to Balance Sheet		5,357,096	3,058,946
Earning Per Equity Share of Face Value of 10/- each			
Basic Earnings per share (Rs.)		0.45	0.27
Diluted Earnings per share (Rs.)		0.45	0.27
See accompanying Notes to Accounts forming part of the financial statements	1-42		

As per our report of even date attached

For **NGS & CO., LLP**  
**Chartered Accountants**  
**Firm Reg. No. : 119850W**  
**ASHOK A. TRIVEDI**  
*(Partner)*  
M. No. 042472

For and behalf of the Board of Directors,

**Apoorva Shah**  
*Chairman & Managing Director*  
DIN: 00573184

**Alpa Shah**  
*Whole Time Director*  
DIN: 00573190

**Place: Mumbai**  
**Date: 30th May, 2017**

**Ashok Kamath**  
*Chief Financial Officer*

**Suvarnalata Chavan**  
*CS & Compliance Officer*



## NOTES TO ACCOUNTS FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017

### 1. Significant Accounting Policies

#### 1.1 Basis of Accounting

Financial Statements have been prepared in accordance with Generally Accepted Accounting Principles in India (Indian GAAP) under the historical cost convention on an accrual basis in compliance with all material aspects of the Accounting Standards (AS) specified under Section 133 of the Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rules, 2014.

#### 1.2 Use of Estimates

Preparation of financial statements in conformity with Indian GAAP requires the management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and the disclosure of contingent liabilities, at the end of the reporting year. Although these estimates are based on the management's best knowledge of current events and actions, uncertainty about these assumptions and estimates could result in the outcomes requiring a material adjustment to the carrying amounts of assets or liabilities in future periods.

#### 1.3 Fixed Assets

Tangible fixed assets are stated at cost, less accumulated depreciation and impairment loss, if any. Cost comprises the purchase price and any attributable cost of bringing the asset to its working condition for its intended use.

Borrowing costs attributable to acquisition and construction of qualifying assets are capitalized as a part of the cost of such assets up to the date when such assets are ready for its intended use.

All other borrowing costs are recognized as an expense in the period in which they are incurred.

Intangible assets are stated at acquisition cost, net of accumulated amortization and accumulated impairment losses, if any.

#### 1.4 Depreciation and Amortization

Depreciation on tangible assets is provided on Straight line method at the rates and in the manner prescribed under Schedule II of the Companies Act, 2013.

Goodwill on amalgamation is amortized over a period of 20 years as per the approved court scheme.

Fixed assets, individually costing less than Rs. Five thousands are fully depreciated in the year of purchase.

Depreciation on the fixed assets added/ disposed off/ discarded during the period is provided on pro-rata basis with reference to the month of addition/ disposal/ discarding.

#### 1.5 Leases

Leases where significant portion of risk and reward of ownership are retained by the Lessor are classified as operating leases and lease rental thereof are charged to the Statement of Profit and Loss as per the terms of agreement which is representative of the time pattern of the user's benefit.

#### 1.6 Impairment of Assets

The carrying amounts of assets are reviewed at each Balance Sheet date if there is any indication of impairment based on internal/external factors. An asset is treated as impaired when the carrying cost of the assets exceeds its recoverable value. An impairment loss, if any; is charged to the Statement of Profit and Loss in the year in which an asset is identified as impaired, Reversal of impairment losses recognized in prior years is recorded when there is an indication that the impairment losses recognized for the assets no longer exist or have decreased.

### **1.7 Investments**

Current Investments are carried at lower of cost and fair value computed on individual investment basis. Long term investments are stated at cost after deducting provisions made, if any, for other than temporary diminution in value.

### **1.8 Revenue Recognition**

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured.

Sales are recognized when significant risk and rewards of ownership of the goods have passed to the buyer which coincides with delivery and are recorded net of trade discounts and VAT.

Interest income is recognized on time proportion basis taking into account the amount outstanding and the applicable rate.

Commission income is recognised as and when the terms of the contract are fulfilled.

Other items of income are accounted as and when the right to receive arises.

### **1.9 Taxation**

Provision for current tax is made on the basis of estimated taxable income for the current accounting year in accordance with the Income-Tax Act, 1961.

Current tax assets and current tax liabilities are offset when there is a legally enforceable right to set off the recognized amounts, and there is an intention to settle the asset and the liability on a net basis.

The deferred tax for timing differences between the book and tax profits for the year is accounted for, using the tax rates and laws that have been substantively enacted as of the Balance Sheet date. Deferred tax assets arising from timing differences are recognized to the extent there is reasonable certainty that these would be realized in future.

The carrying amount of deferred tax assets are reviewed at each Balance Sheet date. The Company writes down the carrying amount of a deferred tax asset to the extent that it is no longer reasonably certain that sufficient future taxable income will be available against which deferred tax asset can be realized. Any such write-down is reversed to the extent that it becomes reasonably certain that sufficient future taxable income will be available. In case of unabsorbed losses and unabsorbed depreciation deferred tax assets thereon are recognized only if there is virtual certainty supported by convincing evidence that they can be realized against future taxable profit. At each Balance Sheet date, the Company reassesses the unrecognized deferred tax assets.

Minimum Alternate Tax (MAT) credit is recognized as an asset only when and to the extent there is convincing evidence that the Company will pay normal Income Tax during the specified period in the year, in which the MAT credit becomes eligible to be recognized as an asset in accordance with the recommendations contained in the Guidance Note issued by the ICAI, the said asset is created by way of a credit to the Statement of Profit and Loss and shows as MAT Credit Entitlement. The Company reviews the same at each Balance Sheet date and writes down the carrying amount of MAT Credit Entitlement to the extent there is no longer convincing evidence to the effect that the Company will pay normal Income Tax during the specified period.

### **1.10 Employee Benefits**

#### **Defined Contribution Plan:**

Retirement benefits in the form of Provident Fund is a defined contribution scheme and the contributions are charged to the statement of Profit and Loss of the year when the contributions to the respective funds are due.

### Defined Benefit Plan:

Post employment and other long term employee benefits are recognized as an expense in the Statement of Profit and Loss for the year in which the employee has rendered services. The expense is recognized at the present value of the amounts payable determined using actuarial valuation techniques. Actuarial gains and losses in respect of post employment and other long term benefits are charged to Statement of Profit and Loss.

The Company does not have a policy of encashment of unexpired leave.

### 1.11 Foreign Currency Transactions

Transactions in foreign currencies are accounted at the prevailing rates of exchange at the date of transaction. Monetary items denominated in foreign currencies, are restated at the prevailing rates of exchange at the Balance Sheet date. All gains and losses arising out of fluctuations in exchange rates are accounted for in the Statement of Profit and Loss.

Exchange differenced on forward exchange contracts, entered into for hedging foreign exchange fluctuation risk in respect of an underlying asset/liability are recognized in the Statement of Profit and Loss in the reporting period in which the exchange rate changes. Premium/Discount on forward exchange contracts are recognized as an expense/income over the life of the contract.

### 1.12 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.

### 1.13 Capital Issue/Preliminary and Pre-Operative Expense

These expenses are charged to the Statement of Profit and Loss account in the period in which incurred.

### 1.14 Provisions, Contingent Liabilities And Contingent Assets

Provisions involving substantial degree of estimation in measurement are recognized when there is a present obligation as a result of past events and it is probable that there will be an outflow of resources. Contingent Liabilities are not recognized, but are disclosed in the notes. Contingent Assets are neither recognized nor disclosed in the financial statements.

### NOTE 2 :

(Amount in ₹)

Share Capital	As at March 31, 2017	As at March 31, 2016
<b>Authorised</b> 2,40,00,000 (P.Y. 2,40,00,000) Equity Shares of Rs.10/- each	24,00,00,000	24,00,00,000
	<b>24,00,00,000</b>	<b>24,00,00,000</b>
<b>Issued ,Subscribed and Fully Paid-up</b> 1,18,55,000 (P.Y. 1,18,55,000) Equity Shares of Rs. 10/- each fully paid	11,85,50,000	11,85,50,000
	<b>11,85,50,000</b>	<b>11,85,50,000</b>

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

Particulars	As at March 31, 2017	As at March 31, 2017	As at March 31, 2016	As at March 31, 2016
	Number of Shares	Amount	Number of Shares	Amount
<b>Equity Share Capital</b>				
At the beginning of the year	1,18,55,000	11,85,50,000	1,12,93,535	11,29,35,350
Add :- Issued during the year				
On conversion of unsecured Loan	–	–	5,61,465	56,14,650
<b>At the end of the year</b>	<b>1,18,55,000</b>	<b>11,85,50,000</b>	<b>1,18,55,000</b>	<b>11,85,50,000</b>

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

The Company has only one class of equity shares having a par value of Rs. 10/- per share. Each holder of equity shares is entitled to one vote per share. The Company declares and pays dividend in Indian Rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the Annual General meeting.

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

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

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

Name of Shareholder	As at March 31, 2017		As at March 31, 2016	
	No. of Shares	% of holding	No. of Shares	% of holding
<b>Equity Shares</b>				
Alpa Shah	10,01,435	8.45%	10,51,435	8.87%
Apoorva Himatlal Shah	38,04,316	32.09%	38,04,316	32.09%
Hansa Himatlal Shah	–	0.00%	22,80,486	19.24%

**Note 3:**

Reserve & Surplus	As at March 31, 2017	As at March 31, 2016
<b>Securities Premium Reserve</b>	1,74,28,599	1,26,00,000
Add: Received During the Year	–	48,28,599
	1,74,28,599	1,74,28,599
<b>Surplus in the Statement of Profit and Loss</b>		
Opening Balance	6,18,90,009	5,88,31,063
Add: Profit for the year	53,57,096	30,58,946
	6,72,47,105	6,18,90,009
<b>Total</b>	<b>8,46,75,704</b>	<b>7,93,18,608</b>

**Note 4:**

Long Term Borrowings	As at March 31, 2017	As at March 31, 2016
<b>Secured</b>		
Term Loan from banks	66,66,539	1,49,98,938
<b>Unsecured</b>		
From others:		
Loan from Related Parties	3,27,94,000	32,794,000
Loan from Other (Long Term Maturities)	1,77,39,459	22,300,043
<b>Total</b>	<b>5,71,99,998</b>	<b>70,092,981</b>

- (i) Term loan from Bank is secured by Equitable Mortgage of land and building, plant and machinery, and personal guarantee of directors; carries rate of interest of LIBOR + 4.95% and is repayable in 2017-18 ₹ 79,61,897; 2018-19 ₹ 66,66,539
- (ii) Unsecured loans from others carries rate of interest 18-19% p.a. and is repayable in 2017-18 ₹ 2,59,54,835. 2018-19 ₹ 1,16,64,519; 2019-20 ₹ 60,43,617/-
- (iii) Loans and advances from related party carries interest rate and is repayable in 2017-18 ₹ 5,36,52,514 and in 2018-19 ₹ 3,27,94,000.

**Note 5: Deferred Tax Liability (Net)**

Particulars	As at March 31, 2017	As at March 31, 2016
<b>Deferred Tax Liability</b>		
On Fixed Assets	2,43,03,605	2,41,58,452
	2,43,03,605	2,41,58,452
<b>Deferred Tax Asset</b>		
Disallowances under Income Tax Act, 1961	1,96,369	12,74,274
<b>Total</b>	<b>1,96,369</b>	<b>12,74,274</b>
<b>Deferred Tax Liability (Net)</b>	<b>2,41,07,236</b>	<b>2,28,84,178</b>

**Note 6:**

Long Term Provisions	As at March 31, 2017	As at March 31, 2016
Provision for Gratuity	24,01,291	37,11,478
<b>Total</b>	<b>24,01,291</b>	<b>37,11,478</b>

**Note 7:**

Short Term Borrowings	As at March 31, 2017	As at March 31, 2016
<b>Secured</b>		
Working Capital Borrowings from Bank	7,67,66,706	7,75,77,549
Term Loan from Bank	79,61,897	
<b>Unsecured</b>		
Other Loans	–	10,00,000
Loan from related parties	53,652,514	–
<b>Total</b>	<b>13,83,81,117</b>	<b>7,85,77,549</b>

Working Capital Borrowings from Banks is secured against stock – in – trade, receivables and Equitable Mortgage of immovable property as collateral and Guarantee by Directors and their Relatives. It includes Packing Credit carrying rate of interest Libor + 4% p.a.

**Note 8:**

Trade Payables	As at March 31, 2017	As at March 31, 2016
Trade Payables (Refer Note 28)	17,20,74,824	36,69,50,093
<b>Total</b>	<b>17,20,74,824</b>	<b>36,69,50,093</b>

**Note 9:**

<b>Other Current Liabilities</b>	<b>As at March 31, 2017</b>	<b>As at March 31, 2016</b>
Current Maturities of Long-Term Debts	2,59,14,912	4,20,37,527
Interest Accrued but not due on borrowings	4,37,785	3,79,999
Advances From Customers	5,06,80,703	4,24,40,661
Other payables*	29,37,855	48,31,624
<b>Total</b>	<b>7,99,71,254</b>	<b>8,96,89,811</b>

\*includes statutory dues payable

**Note 10:**

<b>Short Term Provisions</b>	<b>As at March 31, 2017</b>	<b>As at March 31, 2016</b>
Provision for Gratuity	56,586	4,12,387
Provision for Tax (Net of Advance Tax)	8,86,114	1,93,356
<b>Total</b>	<b>9,42,700</b>	<b>6,05,743</b>

**Note 11 : FIXED ASSETS**

(Amount in ₹)

<b>Descriptions</b>	<b>Gross Block</b>			<b>Depreciation</b>			<b>Net Block</b>	
	<b>As at April 1, 2016</b>	<b>Additions</b>	<b>As At March 31, 2017</b>	<b>As at April 1, 2016</b>	<b>For the Year</b>	<b>As at March 31, 2017</b>	<b>As at March 31, 2017</b>	<b>As at March 31, 2016</b>
<b>A. TANGIBLE ASSETS</b>								
Freehold land	21,18,910	-	21,18,910	-	-	-	21,18,910	21,18,910
Factory Building	7,36,23,682	-	7,36,23,682	1,40,51,517	23,22,227	1,63,73,744	5,72,49,938	5,95,72,166
Office Premises	3,16,35,000	679,151	3,23,14,151	30,28,405	4,99,903	35,28,308	2,87,85,843	2,86,06,595
Machinery	2,33,20,874	52,380	2,33,73,254	73,18,522	15,42,442	88,60,964	1,45,12,290	1,60,02,353
Furniture	64,58,933	-	64,58,933	36,73,580	4,63,978	41,37,558	23,21,375	27,85,353
Vehicles	88,00,555	-	88,00,555	39,08,077	11,72,047	50,80,124	37,20,431	48,92,478
Office Equipment	34,83,556	12,990	34,96,546	23,35,663	5,57,899	28,93,562	6,02,984	11,47,894
Computer	2,374,941	258,164	26,33,105	21,09,232	1,71,435	22,80,667	3,52,438	2,65,710
Electrical Fittings	71,76,866	-	71,76,866	29,99,966	9,02,946	39,02,912	32,73,954	41,76,901
<b>TOTAL (A)</b>	<b>15,89,93,317</b>	<b>10,02,685</b>	<b>15,99,96,002</b>	<b>3,94,24,962</b>	<b>76,32,877</b>	<b>4,70,57,839</b>	<b>11,29,38,163</b>	<b>11,95,68,359</b>
<b>B. INTANGIBLE ASSETS</b>								
Goodwill on Amalgamation	7,73,43,053	-	7,73,43,053	2,70,12,557	36,61,266	3,06,73,823	4,66,69,230	5,03,30,495
<b>TOTAL (B)</b>	<b>7,73,43,053</b>	<b>-</b>	<b>7,73,43,053</b>	<b>2,70,12,557</b>	<b>36,61,266</b>	<b>3,06,73,823</b>	<b>4,66,69,230</b>	<b>5,03,30,495</b>
Previous year (D)	7,73,43,053	-	7,73,43,053	1,92,78,253	38,67,153	2,31,45,405	5,41,97,648	5,80,64,800
<b>TOTAL (A+B)</b>	<b>23,63,36,370</b>	<b>10,02,685</b>	<b>23,73,39,055</b>	<b>6,64,37,519</b>	<b>1,12,94,143</b>	<b>7,77,31,662</b>	<b>15,96,07,393</b>	<b>16,98,98,854</b>
Previous year	23,53,36,057	10,00,313	23,63,36,370	5,44,62,166	1,19,75,350	6,64,37,516	16,98,98,854	18,08,73,891

**Note 12:**

Non Current Investments	As at March 31, 2017	As at March 31, 2016
<b>Non – trade Investment In Government and Other Securities Unquoted</b>		
National Saving Certificates*	60,000	60,000
Aggregate amount of unquoted investments	60,000	60,000

\* Under lien with Sales Tax Department

**Note 13:**

Long-Term Loans & Advances	As at March 31, 2017	As at March 31, 2016
<b>(Unsecured, considered goods)</b>		
Minimum Alternate Tax Credit Entitlement	1,17,72,979	1,18,99,403
Security Deposits	19,77,221	11,52,221
Income tax (Net of provision for income tax)	–	5,12,015
Loans to Employees	10,20,510	2,31,998
<b>Total</b>	<b>1,47,70,710</b>	<b>1,37,95,637</b>

**Note 14:**

Current Investments	As at March 31, 2017	As at March 31, 2016
<b>Non - Trade Investments In Government and Other Securities Unquoted</b>		
National Saving Certificates *	60,000	60,000
<b>Total</b>	<b>60,000</b>	<b>60,000</b>

\*Under lien with Sales Tax Department

**Note 15:**

Inventories	As at March 31, 2017	As at March 31, 2016
Raw Material	5,98,933	28,87,852
Work in Progress	6,43,146	24,77,669
Packing material	29,68,655	44,97,630
Finished Goods	2,99,403	21,60,548
Stock in Trade	13,02,38,879	15,65,66,217
<b>Total</b>	<b>13,47,49,017</b>	<b>16,85,89,915</b>

**Note 16:**

Trade Receivable	As at March 31, 2017	As at March 31, 2016
<b>(Unsecured)</b>		
Outstanding for a period more than six months from the due date for payment		
Considered Good	5,42,53,481	2,40,15,778
	5,42,53,481	2,40,15,778
Other debts Considered good	23,31,67,912	37,25,43,765
	23,31,67,912	37,25,43,765
<b>Total</b>	<b>28,74,21,393</b>	<b>39,65,59,543</b>

**Note 17:**

<b>Cash and Bank Balance</b>	<b>As at March 31, 2017</b>	<b>As at March 31, 2016</b>
<b>Cash and Cash equivalents</b>		
<b>Balance with banks</b>		
In current account	39,36,035	3,71,39,831
Cash in hand	18,78,015	28,40,383
	58,14,050	3,99,80,214
<b>Other bank balances</b>		
Earmarked Fixed Deposits with maturity more than 3 months but less than 12 months	5,92,182	9,67,761
<b>Total</b>	<b>64,06,232</b>	<b>4,09,47,975</b>

**Note 18:**

<b>Short Term Loans and Advances</b>	<b>As at March 31, 2017</b>	<b>As at March 31, 2016</b>
<b>(Unsecured, Considered good)</b>		
Loans To Employees	1,68,698	22,40,791
Security Deposits	2,66,358	2,57,050
Advance Given to Suppliers	36,72,597	54,67,845
Prepaid Expenses	11,35,658	15,75,882
Deduction of Income tax (Net of provision for income tax)	5,50,000	3,91,103
TDS Receivables A.Y. 2017-18	4,09,642	-
Other Loans and Advances*	4,58,34,136	27,38,770
<b>Total</b>	<b>5,20,37,088</b>	<b>1,26,71,441</b>

\*include indirect taxes receivable

**Note 19:**

<b>Other Current Assets</b>	<b>As at March 31, 2017</b>	<b>As at March 31, 2016</b>
Interest receivable	66,553	4,76,996
Export incentives receivable	2,31,25,737	2,73,20,082
<b>Total</b>	<b>2,31,92,290</b>	<b>2,77,97,078</b>

**Note 20:**

<b>Revenue from operation</b>	<b>As at March 31, 2017</b>	<b>As at March 31, 2016</b>
Sale of Ready to eat and Bulk Agri items	1,35,64,68,994	1,49,84,69,858
<b>Other Operating Revenues</b>		
Export Incentives	2,44,49,503	2,85,89,373
<b>Total</b>	<b>1,38,09,18,497</b>	<b>1,52,70,59,231</b>



**Note 21:**

Other Income	As at March 31, 2017	As at March 31, 2016
<b>Interest Income</b>		
On non current investments	–	6,555
On Income Tax Refund	–	2,71,642
On Others	44,69,734	44,24,478
Other non-operating income	15,04,643	22,08,900
<b>Total</b>	<b>59,74,377</b>	<b>69,11,575</b>

**Note 22:**

Cost of Raw Material Consumed	As at March 31, 2017	As at March 31, 2016
<b>Raw Material</b>		
Opening Stock	28,87,852	2,446,523
Add: Purchase	1,50,61,028	51,364,797
Less: Closing Stock	5,98,933	2,887,852
Add: Direct Exp	18,41,025	3,529,424
<b>Total</b>	<b>1,91,90,971</b>	<b>54,452,893</b>

**Note 23:**

Changes in inventories of finished goods, work-in-progress and stock-in-trade	As at March 31, 2017	As at March 31, 2016
<b>Closing Inventories</b>		
Work in progress	6,43,146	24,77,669
Finished goods	2,99,403	21,60,548
Stock in Trade	13,02,38,879	15,65,66,217
	<b>13,11,81,428</b>	<b>16,12,04,434</b>
<b>Opening Inventories</b>		
Work in progress	24,77,669	32,24,999
Finished goods	21,60,548	28,62,788
Stock in Trade	15,65,66,217	17,80,77,031
(Increase) / Decrease	<b>3,00,23,006</b>	<b>2,29,60,384</b>

**Note 24:**

Employee Benefit Expense	As at March 31, 2017	As at March 31, 2016
Salaries, Wages and Bonus	22,031,255	2,99,37,601
Contribution to Provident and Other funds	14,97,615	20,93,312
Staff Welfare Expenses	2,99,719	5,46,394
<b>Total</b>	<b>2,38,28,589</b>	<b>3,25,77,307</b>

**Note 25:**

Finance Cost	As at March 31, 2017	As at March 31, 2016
Interest Expense	1,,56,90,031	1,65,49,588
Other Borrowing Costs	13,56,293	53,01,443
<b>Total</b>	<b>1,70,46,324</b>	<b>2,18,51,031</b>

**Note 26:**

<b>Other Expenses</b>	<b>As at March 31, 2017</b>	<b>As at March 31, 2016</b>
Packing Material Consumed		
Opening Stock	44,97,630	70,92,400
Add: Purchase	16,16,762	69,21,467
Less: Closing Stock	29,68,655	44,97,630
	<b>31,45,737</b>	<b>95,16,238</b>
Transportation	4,40,02,091	10,32,72,626
Travelling Expenses	24,54,002	26,83,010
Bad debts	-	21,15,135
Sales promotion expenses	85,64,597	1,60,33,204
Sundry Balance written off	-	7,98,196
Electricity	12,23,074	17,13,672
Legal and Professional Fees	24,64,473	17,23,264
<b>Repairs and Maintenance</b>		
Machineries	1,34,820	5,57,763
Others	7,33,092	18,81,234
Rent	29,59,425	35,72,119
Rates and Taxes	12,84,143	16,90,563
Audit Remuneration		
Statutory Audit Fees	3,73,750	3,25,000
Other services	1,29,415	4,33,676
Exchange Fluctuation Gain (Net)	-	1,07,62,449
Insurance	37,91,418	32,08,405
Prior Period Expenses	52,938	78,254
Profession tax(Company)	2,500	2,500
Donations	2,10,050	74,500
Miscellaneous Expenses	1,45,64,796	1,90,67,619
<b>Total</b>	<b>8,60,90,321</b>	<b>17,95,09,426</b>

**Note 27: Contingent Liabilities not provided for :**

(Amount in ₹)

<b>Particulars</b>	<b>As at March 31, 2017</b>	<b>As at March 31, 2016</b>
A. Bill discounted and outstanding	1,00,39,257	12,01,11,824
B. Bank Certificate for cancelled guarantee	467,764	-
C. Disputed Demands Outstanding:*		
Income Tax	5,47,469	5,47,469
Excise Duty	2,26,871	2,26,871

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

- 28** Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances) ₹ 692,335 (2016: ₹ Nil)
- 29** There are no Micro, Small and Medium Enterprises, to whom the Company owes which are outstanding for more than 45 days as at March 31, 2017 and no interest payment during the year to any Micro, Small and Medium Enterprises. This information as required to be disclosed under the Micro, Small and Medium Enterprises Development Act, 2006 has been determined to the extent such parties have been identified on the basis of information available with the Company. This has been relied upon by the auditors.

- 30 Company operates in a single business segment. However it operates both in Indian and international markets. Accordingly information required under AS - 17 "Segment Reporting" pertaining to geographical segment is as under:

**Secondary Segment Information**

(Amount in ₹)

Particulars	2016-17	2015-16
<b>Segment Revenue- External Turnover</b>		
• Within India	72,88,20,085	55,53,57,388
• Outside India	65,20,98,411	97,17,01,843
<b>Total Revenue</b>	<b>138,09,18,496</b>	<b>152,70,59,231</b>
<b>Segment Assets</b>		
• Within India	66,72,80,795	69,98,44,816
• Outside India	1,01,37,215	13,05,35,627
<b>Total Assets</b>	<b>67,74,18,010</b>	<b>83,03,80,443</b>
<b>Segment Liability</b>		
• Within India	44,74,75,081	59,00,71,173
• Outside India	2,67,17,225	4,24,40,661
<b>Total Liability</b>	<b>47,41,92,306</b>	<b>63,25,11,834</b>
<b>Capital Expenditure</b>		
• Within India	6,79,151	10,00,313
• Outside India	—	—
	6,79,151	10,00,313

31. (i) **Details of Sales of Goods**

(Amount in ₹)

Particulars	2016-17	2015-16
<b>Manufactured Goods :</b>		
Ready to eat spices	2,95,05,022	7,07,26,066
<b>Traded Goods :</b>		
Chilly	14,29,82,984	12,92,55,578
Cummin Seeds	6,32,39,208	8,26,83,858
Maize	29,98,77,746	44,41,48,134
Juvar	1,32,20,193	7,37,35,397
Turmeric Finger	5,45,71,115	12,43,79,932
Others	75,30,72,726	57,35,40,893
<b>Total</b>	<b>1,35,64,68,994</b>	<b>1,49,84,69,858</b>

- (ii) **Details of Raw Materials consumed:**

(Amount in ₹)

Particulars	2016-17	2015-16
Spices	1,91,90,971	5,44,52,893

**(iii) Details of Purchase of trade goods:**

(Amount in ₹)

Particulars	2016-17	2015-16
Chilly	10,58,50,760	11,05,71,045
Cummin Seeds	5,68,11,035	9,47,59,263
Maize	27,42,83,140	34,74,55,500
Juvar	73,45,134	5,92,12,886
Turmeric Finger	6,49,22,214	10,54,72,582
Assorted Items	16,58,32,239	8,61,12,395
Raw Sugar	19,67,00,000	-
Others	31,93,89,646	40,22,84,930
<b>Total</b>	<b>1,19,11,34,168</b>	<b>1,20,58,68,601</b>

**(iv) Details of Inventories:**

(Amount in ₹)

Particulars	2016-17	2015-16
<b>Manufactured Goods:</b>		
Ready to eat spices	45,10,137	1,20,23,698
<b>Traded Goods:</b>		
Chilly	1,02,27,640	2,88,52,398
Cummin Seeds	1,47,75,302	2,41,54,993
Maize	5,02,68,033	3,99,71,982
Juvar	9,41,600	25,58,924
Turmeric Finger	1,72,17,258	13,77,623
Others	3,68,09,047	5,96,50,297
<b>Total</b>	<b>13,47,49,017</b>	<b>16,85,89,915</b>

**32. Disclosure pursuant to Accounting Standard 20 - Earnings per Share**

Particulars	As at March 31, 2017	As at March 31, 2016
(i) Profit after tax	53,57,096	30,58,946
(ii) Nominal Value of Ordinary Shares (₹)	10	10
(iii) Weighted Average Number of Ordinary Shares (No's)	1,18,55,000	1,13,67,170
(iv) Weighted Average Number of Diluted Share (No's)	1,18,55,000	1,13,67,170
(v) Basic Earnings per Ordinary Shares (₹)	0.45	0.27
(vi) Diluted earning per Share (₹)	0.45	0.27

**33 Leases**

The Company has entered into operating lease arrangements for premises. The future minimum lease rental obligations under non-cancellable operating lease is ₹ Nil (2016 : Nil).

**34** As of balance sheet date, the company has net foreign currency exposures (In USD) that are not hedged by derivative instruments or otherwise amounting to USD 1,89,675.61 (2016: USD 299,957.10).

### 35 Related Party Disclosure:

Disclosures as required by the Accounting Standard 18 "Related Party Disclosure" Is given below:

#### a) List of Key Management Personnel and Relatives

##### Key Management Personnel

Mr. Apoorva H. Shah – Managing Director

Mrs. Alpa A. Shah – Whole time Director

##### Related party to Key Management Personnel

Miss. Aneri Shah (Daughter of Alpa and Apoorva Shah)

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

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

#### b) Transaction with related Parties

(Amount in ₹)

Nature of transactions	Key Management Personnel	Company over which key management personnel is able to exercise significant influence	Relatives of Key Management Personnel
1. Loan Taken	7,45,00,000 (4,46,50,000)	– –	– –
2. Repayment of Loans taken	4,36,00,000 (2,28,61,807)	– (4,85,872)	–
3. Remuneration	89,61,972 (86,20,354)	–	6,60,000 (4,55,000)
4. Interest on Loan	9,87,969 (27,94,815)	– –	–
<b>Balance as on March 31, 2017</b>			
5. Payable	8,71,29,748 (5,51,48,182)	– –	– –

(Figures in bracket relates to last year)

#### c) Disclosure in respect of material Related Party Transactions during the year:

- (i) Loan Taken includes from Mr. Apoorva H. Shah ₹ 7,45,00,000 (2016: ₹ 4,46,50,000).
- (ii) Repayment of Loans taken includes to Mr. Apoorva H. Shah ₹ 4,36,00,000 (2016: ₹ 2,28,61,807).
- (iii) Remuneration includes to Mr. Apoorva H. Shah ₹ 44,80,586 (2016: ₹ 43,10,177) and to Mrs. Alpa A. Shah ₹ 44,80,586 (2016: ₹ 43,10,177).
- (iv) Remuneration includes to Miss. Aneri A. Shah ₹ 6,60,000 (2016: ₹ 4,55,000).

**36. As per Accounting Standard 15 “Employee Benefits”, the disclosures as defined in the Accounting Standard are given below:**

**A. Change in Present Value of obligation:**

(Amount in ₹)

Particulars	Gratuity (Unfunded) 2016-17	Gratuity (Unfunded) 2015-16
Present Value of the Obligation as at the beginning of the year	41,23,865	34,63,008
Interest Cost	2,88,330	2,77,041
Current Service Cost	1,68,789	6,33,309
Benefits Paid	10,39,489	88,766
Actuarial (gain)/ loss on obligations	(10,83,618)	(1,60,727)
Present Value of the Obligation as at the end of the Year	24,57,877	41,23,865

**B. Amount recognized in the Balance Sheet**

(Amount in ₹)

Particulars	Gratuity (Unfunded) 2016-17	Gratuity (Unfunded) 2015-16
Present Value of the Obligation as at the beginning of the year	24,57,877	41,23,865
Fair value of plan assets		
Un-funded Liability	24,57,877	41,23,865
Unrecognized actuarial gains/ losses	–	–
Un-funded liability recognized in Balance Sheet	24,57,877	41,23,865

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

(Amount in ₹)

Particulars	Gratuity (Unfunded) 2016-17	Gratuity (Unfunded) 2015-16
Interest Cost	2,88,330	2,77,041
Current Service Cost	1,68,789	6,33,309
Expected Return on Plan Assets	–	–
Actuarial (gain)/ loss on obligations	(10,83,618)	(1,60,727)
Total expense recognised in the Profit and Loss account	(6,26,499)	7,49,623

#### D. Change in Actuarial (Gain)/ Loss on Obligation

Actuarial (Gain) / Loss on Obligation - Due to Demographic Assumptions	-
Actuarial (Gain) / Loss on Obligation - Due to Financial Assumptions	96,532
Actuarial (Gain) / Loss on Obligation - Due to Experience	(11,80,150)
Actuarial (Gain) / Loss on Obligation - Total	(10,83,618)

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

Particulars	Gratuity 2016-17	Gratuity 2015-16
Discount Rate	7.50%	8.00%
Expected Rate of Increase in compensation level	5.00%	5.00%
Expected Rate of Return on plan Assets	N.A.	N.A.

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.

Disclosure relating to experience adjustments has not been provided in the absence of relevant information.

#### 37. Particulars of imported and Indigenous Raw Materials Consumed

Particular	2016-17		2015-16	
	(Amount in ₹)	% of Consumption	(Amount in ₹)	% of Consumption
Imported	-	-	-	-
Indigenous	1,91,90,971	100%	5,44,52,893	100%
<b>Total</b>	<b>1,91,90,971</b>	<b>100%</b>	<b>5,44,52,893</b>	<b>100%</b>

#### 38. Value of Imports (on CIF)

(Amount in ₹)

Particulars	2016-17	2015-16
Traded Goods	-	7,60,48,882

#### 39. Expenditure in Foreign Currency

(Amount in ₹)

Particulars	2016-17	2015-16
Commission	40,54,763	67,20,195
Travelling Expenses	3,35,286	6,81,145
Exhibition Expenses	-	4,62,786

**40. Earnings in Foreign Currency (On accrual Basis)**

(Amount in ₹)

Particulars	2016-17	2015-16
Bulk Agricultural Products	62,76,48,908	97,90,36,685

**41. Details of Specified Bank Notes (SBN) and other denominations notes held and transacted by the Company during the period from 8 November, 2016 to 30 December, 2016 is as follows:**

Particulars	Specified Bank Noted	Other denomination Notes	Total
Closing cash in hand as on 08.11.2016	–	14,76,044	14,76,044
(+) Permitted receipts	–	4,37,093	4,37,093
(-) Permitted payments	–	5,04,394	5,04,394
(-) Amount Deposited in Banks	–	–	–
Closing cash in hand as on 30.12.2016	–	14,08,743	14,08,743

**42. Previous year figures have been regrouped / reclassified wherever necessary.**

**As per our report attached of even date**

**For NGS & CO. LLP  
Chartered Accountants**

**ASHOK A. TRIVEDI**

(Partner)

M. No. 042472

**Place: Mumbai**

**Date: 30th May, 2017**



**Cash flow statement for the year ended 31st March, 2017**
**Amount (in ₹)**

Particulars	As at March 31, 2017	As at March 31, 2016
<b>A. Cash Flows from Operating Activities</b>		
<b>Profit Before Taxes</b>	8,285,352	4,775,815
Adjustments for:		
Depreciation and amortisation expense	11,294,143	11,975,350
Interest expense	17,046,324	21,851,031
Interest Income	(4,469,734)	(4,702,675)
Other Non – Operating income	–	(2,208,900)
Bad Debts written off	–	2,115,135
Excess provision written back	(126,424)	(47,252)
Exchange (gain)/loss (net)	–	10,762,449
<b>Operating profit before working capital changes</b>	<b>32,029,661</b>	<b>44,520,953</b>
Changes in working capital		
Inventories	33,840,898	25,113,826
Trade Receivables	109,138,150	(341,294,531)
Loans and advances and other assets	(35,795,932)	6,751,435
Trade payables, other liabilities and provisions	(205,567,059)	261,394,664
<b>Net Changes in Working Capital</b>	<b>(98,383,943)</b>	<b>(48,034,607)</b>
<b>Cash generated from the operations</b>	<b>(66,354,282)</b>	<b>(3,513,654)</b>
Extraordinary items	–	–
Direct tax paid	(1,578,774)	(437,854)
<b>Net Cash provided by/ (used in) operating activities (A)</b>	<b>(67,933,056)</b>	<b>(3,951,508)</b>
<b>B. Cash Flow from Investing Activities</b>		
Purchase of fixed assets	(1,002,685)	(1,000,311)
(Purchase)/Sale of Investments	60,000	–
Earmarked Fixed Deposits placed with Banks	375,579	–
Other Non Operating Income	–	2,208,900
Interest Income	4,469,734	4,702,675
<b>Net Cash provided by/(used in) investing activities (B)</b>	<b>3,902,628</b>	<b>5,911,264</b>
<b>C. Cash Flow from Finance Activities</b>		
Increase in Share Capital	–	10,443,249
Proceeds/(Repayment) of Secured Loans	(1,181,346)	3,888,866
Proceeds/(Repayment) of Unsecured Loans	48,091,930	18,735,768
Exchange (gain)/loss (net)	–	(10,762,449)
Interest Expense	(17,046,324)	(21,851,031)
<b>Net Cash provided by/(used in) financing activities (C)</b>	<b>29,864,261</b>	<b>454,403</b>
<b>Net increase/ (decrease) in Cash and Cash Equivalents (A+B+C)</b>	<b>(34,166,168)</b>	<b>2,414,159</b>
Cash and Cash Equivalents at the beginning of the year	39,980,214	37,566,055
<b>Cash and Cash Equivalents at the end of the year</b>	<b>5,814,046</b>	<b>39,980,214</b>
Earmarked Deposits with Banks	592,182	967,761
<b>Cash and Bank Balances at the end of the year</b>	<b>6,406,232</b>	<b>40,947,975</b>

As per our report of even date attached

For **NGS & CO., LLP**  
**Chartered Accountants**  
 Firm Reg. No. : 119850W  
**ASHOK A. TRIVEDI**  
 (Partner)  
 M. No. 042472

Place: Mumbai  
 Date: 30th May, 2017

For and behalf of the Board of Directors,

**Apoorva Shah**  
 Chairman & Managing Director  
 DIN: 00573184

**Ashok Kamath**  
 Chief Financial Officer

**Alpa Shah**  
 Whole Time Director  
 DIN: 00573190  
**Suvarnalata Chavan**  
 CS & Compliance Officer

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**Corporate Office :**

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2/13, Anand Nagar,  
Santacruz (East),  
Mumbai - 400 055 (India).  
Tel. : 91 22 6152 2020 (30 Lines),  
Fax : 91 22 6152 2021,  
URL : <http://www.nhcgroupp.com>

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**Factory & Registered Office :**

Survey No. 777,  
Umersadi Desaiwad Road,  
Village Umersadi, Taluka Pardi,  
Dist. Valsad, Gujarat-396 175. (India)

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## **NHC FOODS LIMITED**

**(Govt. Recognised Star Export House)**

**Quality Spices & Agro Products**

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