



NHC FOODS LIMITED

(Govt. Recognised Two Star Export House)

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

ANNUAL REPORT 2019 - 20

www.nhcgroupp.com

CORPORATE INFORMATION

Board of Directors :

Mr. Apoorva Shah	Chairman & Managing Director
Mrs. Alpa Shah	Whole-Time Director
Mr. Manish Vyas	Independent Director
Ms. Neha Kariwala	Independent Director
Mrs. Monika Singhania	Independent Director

Registered Office & Plant Location:

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

Corporate Office :

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

Statutory Auditors :

M/s. JMMK & Co.
Chartered Accountants
Mumbai

Registrar & Share Transfer Agents :

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

Board Committees :

Audit Committee :

Mrs. Monika Singhania	Chairman
Mr. Apoorva Shah	Member
Mr. Manish Vyas	Member
Ms. Neha Kariwala	Member

Nomination & Remuneration Committee :

Mrs. Monika Singhania	Chairman
Mr. Manish Vyas	Member
Mr. Apoorva Shah	Member
Ms. Neha Kariwala	Member

Shareholders' Relationship Committee :

Mrs. Monika Singhania	Chairman
Mr. Manish Vyas	Member
Mrs. Alpa Shah	Member
Ms. Neha Kariwala	Member

Bankers :

Axis Bank Limited
Kotak Mahindra Bank Limited
Union Bank of India

Internal Auditors :

DMS & Company,
Chartered Accountants

Secretarial Auditor :

Mr. Dinesh Kumar Deora

Company Secretary & Compliance Officer

Ms. Krina Mehta

Chief Financial Officer

Mr. Awdeshkumar Kannaujia

28th ANNUAL GENERAL MEETING

On Wednesday, 30th September, 2020 at 11.00 a.m
through Video Conferencing ("VC")/ "Other Audio Visual Means ("OAVM")

NOTICE

NOTICE is hereby given that the 28th (Twenty Eight) Annual General Meeting of NHC Foods Limited will be held on 30th September, 2020, Wednesday at 11:00 a.m. through Video Conferencing ("VC")/ "Other Audio Visual Means ("OAVM") to transact the following business.

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Financial Statements of the Company for the Financial Year Ended 31st March, 2020, together with the Reports of the Board of Directors and Auditors thereon.
2. To appoint a Director in place of Mrs. Alpa Shah (DIN: 00573190), who retires by rotation and being eligible, offers herself for re-appointment.

SPECIAL BUSINESS:

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

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

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

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

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

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

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

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

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

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

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

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

Date: 14-08-2020

Place : Mumbai

Registered Office:

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

NOTES:

- 1. CONSIDERING THE PRESENT COVID 19 PANDEMIC, MINISTRY OF CORPORATE AFFAIRS (“MCA”) HAS VIDE ITS CIRCULAR DATED 5TH MAY, 2020 READ TOGETHER WITH CIRCULAR DATED 8TH APRIL, 2020 AND 13TH APRIL, 2020 PERMITTED CONVENING THE ANNUAL GENERAL MEETING (“AGM”) THROUGH VIDEO CONFERENCING OR OTHER AUDIO VISUAL MEANS WITHOUT THE PHYSICAL PRESENCE OF THE MEMBERS AT THE COMMON VENUE. IN ACCORDANCE WITH THE MCA CIRCULAR, PROVISIONS OF THE COMPANIES ACT, 2013 (“THE ACT”) AND THE SECURITIES AND EXCHANGE BOARD OF INDIA (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENT) REGULATIONS, 2015 (“SEBI LISTING REGULATION”), THE AGM OF THE COMPANY IS BEING HELD THROUGH VC/OAVM.**
- 2. GENERALLY, A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE ON A POLL ONLY INSTEAD OF HIMSELF/HERSELF AND SUCH A PROXY NEED NOT BE A MEMBER. SINCE THIS AGM IS HELD THROUGH VC/OAVM PURSUANT TO THE MCA CIRCULARS, PHYSICAL ATTENDANCE OF MEMBERS HAS BEEN DISPENSED WITH. ACCORDINGLY, THE FACILITY FOR APPOINTMENT OF PROXIES BY THE MEMBERS WILL NOT BE AVAILABLE FOR THE AGM AND HENCE PROXY FORM AND ATTENDANCE SLIP ARE NOT ANNEXED HERETO.**
- 3. SINCE THE AGM WILL BE HELD THROUGH VC/OAVM, THE ROUTE MAP OF THE VENUE OF THE MEETING IS NOT ANNEXED HERETO.**
- 4. The Register of Members and Share Transfer Register will remain closed from 24th September, 2020 to 30th September, 2020 (both days inclusive).**
- 5. The relative explanatory statement pursuant to Section 102 of the Companies Act, 2013 (“Act”) in respect of the special business under Item No. 3 & 4, of the Notice, is annexed hereto. The relevant details as required under Regulations 26(4) and 36(3) of SEBI (Listing Obligations and Disclosure**

- Requirements) Regulations, 2015 (“Listing Regulations”) and Secretarial Standard on General Meetings issued by the Institute of Company Secretaries of India in respect of Directors seeking appointment/re-appointment at this Annual General Meeting (“AGM”) are also annexed.
6. Members seeking any information with respect to financials or any other information are requested to write to the company at the earliest so as to enable the company to provide appropriate reply.
 7. The Securities Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form may submit the PAN copy to their depository participants, in the case of physical form the PAN copy be submitted to the Company / RTA
 8. Members holding shares in single name and in physical form are advised to make nomination in respect of their shareholding in the Company by submitting Form No. SH-14.
 9. Members holding shares in physical form are requested to intimate the Company regarding any change in their addresses/bank mandates to enable the Company to address future communications to their correct addresses. Members holding shares in electronic/ dematerialized form are requested to inform the Depository Participant (DP) with whom they hold their Demat account about changes in their address / bank details for necessary update.
 10. To prevent fraudulent transactions, members are advised to exercise due diligence and notify the Company of any change in address or demise of any member as soon as possible. Members are also advised not to leave their Demat account(s) dormant for long. Periodic statement of holdings should be obtained from the concerned Depository Participant and holdings should be verified.
 11. Members may also note that the Notice of the 28th Annual General Meeting and the Annual Report for 2020 will also be available on the Company’s website www.nhcgroup.com for their download.
 12. Members may also note that the Notice of the 28th Annual General Meeting and the Annual Report for 2020 will also be available on the Company’s website www.nhcgroup.com. The Notice of AGM shall also be available on the website of NSDL viz. www.evoting.nsdl.com
 13. The additional details of Director in respect of Item No. 2 pursuant to Regulation 36(3) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulation, 2015 are annexed thereto.
 14. In terms of provisions of Section 107 of the Companies Act, 2013, since the Company is providing the facility of remote e-voting to the shareholders, there shall be no voting by show of hands at the AGM.
 15. The shareholders can opt for only one mode of voting i.e. remote e-voting or voting at AGM venue. In case of voting by both the modes, vote casted through remote e-voting will be considered final and voting at AGM will not be considered. The members who have cast their vote by remote e-voting may also attend the meeting.
 16. The Government took a ‘Green Initiative in Corporate Governance’ in 2011 by allowing the Companies to service the documents to its Members through electronic mode.
- 17. DISPATCH OF ANNUAL REPORT THROUGH ELECTRONIC MODE:**
- In compliance with the MCA Circulars and SEBI circular dated 12th May, 2020, Notice of AGM along with Annual Report 2020 is being sent only through electronic mode to those members whose email addresses are registered with the company/depositories. Members may note that Notice and Annual Report will also be available on company’s website www.nhcgroup.com, website of Stock Exchange i.e. BSE Limited and on the website company’s Registrar and Transfer Agent Link Intime India Private Limited.
18. The Register of Directors and Key Managerial Personnel and their shareholding maintained under Section 170 of the Act and the Register of Contracts and Arrangements in which Directors are interested maintained under Section 189 of the Act, shall be made available at the commencement of the meeting and shall remain open and accessible to the members during the continuance of the meeting.
 19. **Voting through Electronic means:**
In Compliance with Regulation 44, SEBI (Listing Obligation and Disclosure Requirements)

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

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

The remote e-voting period begins on Saturday, 26th September, 2020 at 9:00 A.M. and ends on Tuesday, 29th September, 2020 at 5:00 P.M. The remote e-voting module shall be disabled by NSDL for voting thereafter.

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

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

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

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

Details on Step 1 is mentioned below:

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

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

Alternatively, if you are registered for NSDL eservices i.e. IDEAS, you can log-in at <https://eservices.nsdl.com/> with your existing IDEAS login. Once you log-in to NSDL eservices after using your log-in credentials, click on e-Voting and you can proceed to Step 2 i.e. Cast your vote electronically.

4. Your User ID details are given below :

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

5. Your password details are given below:

- a) If you are already registered for e-Voting, then you can use your existing password to login and cast your vote.
- b) If you are using NSDL e-Voting system for the first time, you will need to retrieve the ‘initial password’ which was communicated to you. Once you retrieve your ‘initial password’, you need to enter the ‘initial password’ and the system will force you to change your password.
- c) How to retrieve your ‘initial password’?
 - (i) If your email ID is registered in your demat account or with the company, your ‘initial password’ is communicated to you on your email ID. Trace the email sent to you from NSDL from your mailbox. Open the email and open the attachment i.e. a .pdf file. Open the .pdf file. The password to open the .pdf file is your 8 digit client ID for NSDL account, last 8 digits of client ID for CDSL account or folio number for

shares held in physical form. The .pdf file contains your 'User ID' and your 'initial password'.

- (ii) If your email ID is not registered, please follow steps mentioned below in process for those shareholders whose email ids are not registered.

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

- a) Click on "**Forgot User Details/Password?**" (If you are holding shares in your demat account with NSDL or CDSL) option available on www.evoting.nsdl.com.
- b) **Physical User Reset Password?** (If you are holding shares in physical mode) option available on www.evoting.nsdl.com.
- c) If you are still unable to get the password by aforesaid two options, you can send a request at evoting@nsdl.co.in mentioning your demat account number/folio number, your PAN, your name and your registered address.

Members can also use the OTP (One Time Password) based login for casting the votes on the e-Voting system of NSDL.

- 7. After entering your password, tick on Agree to "Terms and Conditions" by selecting on the check box.
- 8. Now, you will have to click on "Login" button.
- 9. After you click on the "Login" button, Home page of e-Voting will open.

Details on Step 2 are given below:

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

- 1. After successful login at Step 1, you will be able to see the Home page of e-Voting. Click on e-Voting. Then, click on Active Voting Cycles.
- 2. After click on Active Voting Cycles, you will be able to see all the companies "EVEN" in which you are holding shares and whose voting cycle is in active status.
- 3. Select "EVEN" of company for which you wish to cast your vote.

- 4. Now you are ready for e-Voting as the Voting page opens.
- 5. Cast your vote by selecting appropriate options i.e. assent or dissent, verify/modify the number of shares for which you wish to cast your vote and click on "Submit" and also "Confirm" when prompted.
- 6. Upon confirmation, the message "Vote cast successfully" will be displayed.
- 7. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.
- 8. Once you confirm your vote on the resolution, you will not be allowed to modify your vote.

General Guidelines for shareholders

- 1. Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority letter etc. with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer by e-mail to _____ **<Please mention the e-mail ID of Scrutinizer>** with a copy marked to evoting@nsdl.co.in.
- 2. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the "Forgot User Details/Password?" or "**Physical User Reset Password?**" option available on www.evoting.nsdl.com to reset the password.
- 3. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available at the download section of www.evoting.nsdl.com or call on toll free no.: 1800-222-990 or send a request to (Name of NSDL Official) at evoting@nsdl.co.in

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

- 1. In case shares are held in physical mode please provide Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN

- (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) by email to grievances@nhcgroup.com
- In case shares are held in demat mode, please provide DPID-CLID (16 digit DPID + CLID or 16 digit beneficiary ID), Name, client master or copy of Consolidated Account statement, PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) to grievances@nhcgroup.com
 - Members are encouraged to join the Meeting through Laptops for better experience.
 - Further Members will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
 - Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to Fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.

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

- The procedure for e-Voting on the day of the EGM/AGM is same as the instructions mentioned above for remote e-voting.
- Only those Members/ shareholders, who will be present in the EGM/AGM through VC/OAVM facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system in the EGM/AGM.
- Members who have voted through Remote e-Voting will be eligible to attend the EGM/AGM. However, they will not be eligible to vote at the EGM/AGM.
- The details of the person who may be contacted for any grievances connected with the facility for e-Voting on the day of the EGM/AGM shall be the same person mentioned for Remote e-voting.
- Shareholders who would like to express their views/ have questions may send their questions in advance mentioning their name demat account number/folio number, email id, mobile number at grievances@nhcgroup.com. The same will be replied by the company suitably.
- The remote e-voting facility will be available during the following period:

Commencement of remote e-voting	From 9.00 a.m. (IST) on September 26, 2020
End of remote e-voting	Upto 5.00 p.m. (IST) on September 29, 2020

During the period, members of the Company holding shares either in physical or dematerialized form, as on the relevant date i.e. September 24, 2020, may cast their vote electronically. The e-voting module shall be disabled by NSDL for voting thereafter. A member will not be allowed to vote again on any resolution on which a vote has already been cast. Any person, who acquires shares of the Company and becomes a member of the Company after dispatch of the Notice convening the AGM and up to the cut – off date i.e. September 24, 2020, may obtain his login Id and password by sending request at evoting@nsdl.co.in

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

- Member will be provided with a facility to attend the EGM/AGM through VC/OAVM through the NSDL e-Voting system. Members may access the same at <https://www.evoting.nsd.com> under shareholders/members login by using the remote e-voting credentials. The link for VC/OAVM will be available in shareholder/members login where the EVEN of Company will be displayed. Please note that the members who do not have the User ID and Password for e-Voting or have forgotten the User ID and Password may retrieve the same by following the remote e-Voting instructions mentioned in the notice to avoid last minute rush. Further members can also use the OTP based login for logging into the e-Voting system of NSDL.
- The voting rights of members shall be proportionate to their share of the Paid – up Equity Share Capital of the company as on the relevant date i.e. September 24, 2020

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

The Scrutinizer shall after the conclusion of voting at the general meeting, will first count the votes cast at the meeting and thereafter unblock the votes cast through remote e-voting in the presence of at least two witnesses not in the employment of the Company and shall make, not later than three days of the conclusion of the AGM, a consolidated scrutinizer's report of the total votes cast in favour or against, if any, to the Chairman or a person authorised by him in writing, who shall countersign the same and declare the result of the voting forthwith

EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013

Item No. 3

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

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

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

It is imperative for the company to reduce its borrowings to achieve its previous levels of profitability and sustain in the long run. The

company endeavours to attain this objective by selling / leasing or disposing-off assets of the company and reducing the borrowings.

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

The Approval for Sale of Undertaking(S)/Individual property or asset of the company situated at Survey No. 777, Umarsadi Desaiwad Road, At Village Umarsadi, Taluka Pardi, District Valsad, Gujarat – 396175, has earlier been obtained in last Annual General Meeting held on 30th September, 2019. But due to prevailing slack season in property market no deal has been concluded during that period, hence Board of Directors in their meeting held on 14th August, 2020 has decided to take shareholder's approval for the sale of undertaking for the further period in ensuing Annual General Meeting to be held on 30th September, 2020.

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

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

With the objective of reducing the borrowings and for centralisation of Business of the Company, your directors, recommends the Special Resolution set out at item no. 3 in the accompanying Notice, for the approval of the Members in the Annual General Meeting.

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

Item No. 4

The Company keeps reviewing its Business strategy from time to time and makes decisions that deem fit to the expectation from its strategic intent and as a part of that intent, it is reviewing its business

operations including consolidating its work place(s). Presently, the work place(s) of the Company is scattered over into several offices including corporate office at 'NHC House, 2/13, Anand Nagar, Santacruz (E), Mumbai – 400055 and Factory at Survey No. 777, Umarsadi Desaiwad Road, at Village Umarsadi, Taluka Pardi, District Valsad, Gujarat: 396175.

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

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

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

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

The Approval for Sale of Undertaking(S)/Individual property or asset of the company situated at 'NHC House, 2/13, Anand Nagar, Santacruz (E), Mumbai – 400055, has earlier been obtained in last Annual General Meeting held on 30th September, 2019. But due to prevailing slack season in property market no deal has been concluded during that period, hence Board of Directors in their meeting held on 14th August, 2020 has decided to take shareholder's approval for the sale of undertaking for the further period in ensuing Annual General Meeting to be held on 30th September, 2020.

The Company has initiated the above process for the disposal of the properties. The Board is of the

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

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

With the objective of reducing the borrowings and for centralisation of Business of the Company, your directors, recommends the Special Resolution set out at item no. 4 in the accompanying Notice, for the approval of the Members in the Annual General Meeting.

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

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

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

**Date: 14-08-2020
Place : Mumbai**

ANNEXURE TO THE NOTICE

DETAILS OF THE DIRECTORS SEEKING APPOINTMENT / RE-APPOINTMENT AT THE TWENTY EIGHTH 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. Alpa Shah
DIN	00573190
Date of Birth	04/06/1967
Age	53 age
Expertise in Specific Functional Area	Mrs. Alpa Shah possesses vast knowledge of the industry and responsible for driving the marketing strategy and operations of the organization and opportunities globally.
Qualification	B.Com
No. of shares held in the Company	1001435
Other Directorship in Indian Companies (including Private Companies)	–
Membership of Committees (Audit Committee and Stakeholders Relationship Committee in other Companies)	None
Relationship between Directors inter-se :	Mrs. Alpa Shah, is the spouse of Mr. Apoorva Shah

DIRECTORS' REPORT

Dear Members,



Your Directors are pleased to present the Annual Report for the Financial Year 2019-20, together with the Audited Financial statements of the Company for the year ended 31st March, 2020.

1. FINANCIAL HIGHLIGHTS:

(₹ In Lacs)

	March 31, 2020	March, 31 2019
Total Revenue	13299.69	12531.21
Total Expenditure	13109.29	12418.60
Profit Before Tax	190.40	112.61
Current Tax	42.19	21.46
Less: MAT Receivable	6.44	0.65
Less: Tax Paid/adjustment of earlier years	-	-
Less: Deferred Tax	(8.26)	(38.71)
Profit After Tax	141.17	130.51

PERFORMANCE:

It needs to be noted that the Total Revenue of the company increased in March 2020 to Rs. 113299.69 Lacs as compared to previous year revenue which amounted to Rs. 12531.21 Lacs. Profit after Tax of the company is Rs. 141.17 Lacs as compared to Profit after Tax in previous year which is Rs. 130.51 Lacs.

COVID – 19

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

2. TRANSFER TO RESERVES:

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

3. DIVIDEND:

In order to conserve the resources for the future expansion plan of the Company under

implementation, your directors do not recommend any dividend for the year under the review.

4. TRANSFER OF UNCLAIMED DIVIDEND TO INVESTOR EDUCATION AND PROTECTION FUND:

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

5. CORPORATE GOVERNANCE

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

6. MANAGEMENT DISCUSSION AND ANALYSIS REPORT

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

7. BOARD MEETINGS:

8 meetings of the Board of Directors were held during the financial year. The details of the meetings of the Board of Directors of the Company conveyed during the financial year 2019-20 are given in the Corporate Governance Report which forms part of Annual Report. The details of attendance of the Directors in the Board Meetings and its Committees during the year under review are stated in the Corporate Governance Report.

8. COMPOSITION OF AUDIT COMMITTEE:

The Board has constituted the Audit Committee and all the recommendations given by Audit Committee during Financial Year 2019-2020 were accepted by the Board. Further details on the Audit Committee and other Committees of the Board are given in the Corporate Governance Report, which forms a part of this Annual Report.

9. DIRECTORS AND KEY MANAGERIAL PERSONNEL:

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

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

PRESENT BOARD OF DIRECTOR OF THE COMPANY:

Name	DIN	Designation	Date of Appointment	Date of Cessation
Apoorva Shah	00573184	Managing Director	13-11-2018	–
Alpa Shah	00573190	Whole Time Director	14-02-2019	–
Monika Singhania	07950196	Independent Director	30-09-2017	–
Manish Vyas	08502223	Independent Director	12-07-2019	–
Neha Kariwala	08502169	Independent Director	12-07-2019	–

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

1. Mr. Apoorva Shah	Chairman & Managing Director
2. Mrs. Alpa Shah	Whole – time Director
3. Ms. Krina Mehta	Company Secretary & Compliance Officer
4. Mr. Awadeshkumar Kannaujia	Chief Financial Officer

10. SHAREHOLDERS AND INVESTORS

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

11. ISSUE OF SHARES

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

12. PERFORMANCE EVALUATION OF THE BOARD, ITS COMMITTEES AND INDIVIDUAL DIRECTORS:

The Board of Directors of the Company is committed to assessing its own performance as a Board in order to identify its strengths and areas in which it may improve its functioning. To that end, the Nomination and Remuneration Committee has established processes for performance evaluation of Independent Directors, the Board and Committees of the Board.

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

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

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

13. DIRECTORS' RESPONSIBILITY STATEMENT:

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

- a) in the preparation of the annual accounts for the year ended 31st March, 2020, the applicable accounting standards read with requirements set out under Schedule III to the Act, have been followed and there are no material departures from the same;
- b) the Directors have selected such accounting policies and applied them consistently and made judgements and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as of 31st March, 2020 and of the profit of the Company for the year 1st April, 2019 to 31st March, 2020;
- c) the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- d) the Directors have prepared the annual accounts on a 'going concern' basis;
- e) the Directors have laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and are operating effectively; and
- f) the Directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively.

14. CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES:

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

During the year, the Company had not entered into any contract or arrangement with related parties which could be considered 'material' in terms of the Company's Related Party Transactions Policy. Accordingly, there are no transactions that are required to be reported in Form AOC-2. The same provided in Annexure 1.

15. SUBSIDIARY COMPANIES:

The Company does not have any Subsidiary Company.

16. STATUTORY AUDITORS:

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

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

17. AUDITORS OBSERVATIONS:

The Auditors Report for the Financial Year 2019-2020 does not contain any qualification, reservation or adverse remark. The Auditors Report is enclosed with the Financial Statements in this Annual Report.

The Secretarial Audit Report for the Financial Year 2019-2020 does not contain any qualification, reservation or adverse remark. The Secretarial Audit Report is enclosed as Annexure II to the Board's Report in this Annual Report.

18. EMPLOYEE RELATIONS:

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

19. SECRETARIAL AUDITORS:

The Board of Directors of the company has appointed Mr. Dinesh Kumar Deora, Practising Company Secretary, as Secretarial Auditor to conduct the Secretarial Audit of the Company for the Financial Year 2020-2021.

The Secretarial Audit Report along with the Secretarial Compliance report for the Financial Year ended 31st March, 2020 is set out in Annexure 2 to this report.

20. ANNUAL RETURN

The extracts of Annual Return pursuant to the provisions of Section 92 read with Rule 12 of the Companies (Management & Administration) Rules, 2014 is furnished in Annexure 4 and is attached to this report and is also placed on the website of the Company and can be accessed at the web link www.nhcgroup.com.

21. INTERNAL FINANCIAL CONTROLS:

The Company has in placed adequate Internal Financial Controls commensurate with the size, scale and complexity of its operations. During the year, such controls were tested and the Company has, in all material respects, maintained adequate Internal Financial Controls over financial reporting as of 31st March, 2020 for ensuring the orderly and efficient conduct of its business, adherence to Company's policies, safeguarding assets of the Company, Prevention and Detection of Frauds and Errors, Accuracy and Completeness of the Accounting Records and timely preparation of Reliable Financial information.

22. VIGIL MECHANISM / WHISTLE BLOWER POLICY:

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

23. DISCLOSURE REGARDING PREVENTION OF SEXUAL HARASSMENT:

The Company is committed to maintaining a productive environment for all its employees at various levels in the organisation, free of sexual harassment and discrimination on the basis of gender. The Company has framed a policy on Prevention of Sexual Harassment in line with the requirements of the Sexual Harassment of Women at Workplace (Prevention, Prohibition & Redressal) Act, 2013. The Company has also set up "Prevention of Sexual Harassment Committee" ('the Committee') to redress the Complaints received regarding sexual harassment which has formalised a free and fair enquiry process with clear timelines. There were no

complaints pending for the Redressal at the beginning of the year and no complaints received during the financial year.

24. SHARE CAPITAL

The paid – up Equity Share Capital as on 31st March, 2020 was Rs. 11,85,50,000. During the year under the review the Company has not issued any shares. The Company has not issued shares with differential voting rights. It has neither issued employee stock options nor Sweat Equity Shares and does not have any scheme to fund its employees to purchase the shares of the Company.

25. MATERIAL CHANGES AND COMMITMENTS:

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

26. CHANGE IN NATURE OF BUSINESS:

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

27. PARTICULARS OF EMPLOYEES:

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

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

Name of the directors	Ratio to Median Remuneration
Executive Directors	
Mr. Apoorva Shah	19.99
Mrs. Alpa Shah	19.99
Non - Executive Directors	
*Mr. Rajiv Bhatt	NA
*Mr. Hemant Topiwala	NA
Mrs. Monika Singhania	NA

* Resigned w.e.f. 12th July, 2019.

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

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

- c. The percentage increase in the median remuneration of employees in the financial year:7.20%
 d. The number of permanent employees on the rolls of Company: 27

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

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

28. COMPANY'S POLICY RELATING TO DIRECTOR'S APPOINTMENT, PAYMENT OF REMUNERATION AND DISCHARGE OF THEIR DUTIES.

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

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

29. LOANS, GUARANTEES OR INVESTMENTS:

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

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

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

31. CORPORATE SOCIAL RESPONSIBILITY:

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

32. BOARD EFFECTIVENESS:

1. FAMILIARIZATION PROGRAMME FOR THE INDEPENDENT DIRECTORS:

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

33. RISK MANAGEMENT:

For your Company, Risk Management is an integral and important component of Corporate Governance. Your Company believes that a robust Risk Management ensures adequate controls and monitoring mechanisms for

a smooth and efficient running of the business. A risk aware organization is better equipped to maximize the shareholder value.

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

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

34. TRANSFER OF UNCLAIMED DIVIDEND TO INVESTOR EDUCATION AND PROTECTION FUND

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

35. CODE OF CONDUCT:

NHC FOODS LIMITED

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

36. TRADE RELATIONS:

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

37. HEALTH, SAFETY AND ENVIRONMENT PROTECTION:

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

38. LISTING OF SHARES:

The shares of the Company are listed on BSE Ltd.

The Company has regularly paid the Annual Listing Fees to the respective Stock Exchanges. Annual Custody / Issuer fee for the Financial Year 2020-2021 has been paid by the Company to National Securities Depositories Limited and Central Depository Services Limited.

39. GENERAL:

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

- a) The Company has not accepted any deposits from the public or otherwise in terms of Section 73 of the Act read with Companies (Acceptance of Deposit) Rules, 2014 and as such, no amount on account of principal or interest on deposits from public was outstanding as on the date of the Balance Sheet.
- b) No significant or material orders were passed by the Regulators, Courts or Tribunals which impact the going concern status and Company's operations in future.
- c) The Auditors have not reported any matter under Section 143(12) of the Act, therefore no detail is required to be disclosed under Section 134(3)(ca) of the Act

40. ACKNOWLEDGEMENTS:

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

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

NHC FOODS LIMITED

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

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

**Place: Mumbai
Date: 30-06-2020**

Form No. AOC-2

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

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

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

NHC Foods Limited (the Company) has not entered into any contract /arrangement /transaction with its related parties which is not in ordinary course of business or at arm's length basis or at arm's length during Financial Year 2019-2020. 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: 14-08-2020**

Form No. MR-3
Secretarial Audit Report

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

For the Financial Year Ended 31st March, 2020

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

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

Based on our verification of NHC Foods Limited’s books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended March 31, 2020, complied with the statutory provisions listed here under and also that the Company has proper Board-processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on March 31, 2020 according to the provisions of:

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

The provisions of Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial borrowings were not applicable to the Company during the financial year under report;

- 5 The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 (‘SEBI Act’):-

- a. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
- b. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
- c. Provisions of the following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 (‘SEBI Act’) were not applicable to the Company during the financial year under report:-
 - a. The Securities and Exchange Board of India (Issue of Capital and Disclosure requirements) Regulations, 2018;
 - b. The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014;
 - c. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
 - d. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993, regarding the Companies Act and dealing with client;
 - e. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; and
 - f. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018;

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

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

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

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

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

We further report that

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

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

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

**DINESH KUMAR DEORA
PRACTISING COMPANY SECRETARY**

**FCSN0 5683
COP NO 4119**

**Place: Mumbai
Date: 15th June, 2020**

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

Annexure - I

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

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

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

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

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

DINESH KUMAR DEORA
PRACTISING COMPANY SECRETARY

FCSNO 5683
COP NO 4119

Place: Mumbai
Date: 15th June, 2020

Pursuant to Regulation 24A of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

Secretarial Compliance report of **NHC FOODS LIMITED** for the year ended **MARCH 31, 2020**.

We have examined:

- (a) all the documents and records made available to us and explanation provided by NHC FOODS LIMITED (“the listed entity”),
- (b) the filings/ submissions made by the listed entity to the stock exchanges,
- (c) website of the listed entity,
- (d) any other document/ filing, as may be relevant, which has been relied upon to make this certification, for the year ended March 31, 2020 (“Review Period”) in respect of compliance with the provisions of:
 - (a) the Securities and Exchange Board of India Act, 1992 (“SEBI Act”) and the Regulations, circulars, guidelines issued thereunder; and
 - (b) the Securities Contracts (Regulation) Act, 1956 (“SCRA”), rules made thereunder and the Regulations, circulars, guidelines issued thereunder by the Securities and Exchange Board of India (“SEBI”);

The specific Regulations, whose provisions and the circulars/ guidelines issued there under, have been examined, include:-

- (a) Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;
- (b) Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 – **Not Applicable**;
- (c) Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
- (d) Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018 – **Not Applicable**;
- (e) Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 – **Not Applicable**;
- (f) Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 – **Not Applicable**;
- (g) Securities and Exchange Board of India (Issue and Listing of Non-Convertible and Redeemable Preference Shares) Regulations, 2013 – **Not Applicable**;
- (h) Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015; and circulars/ guidelines issued thereunder; and based on the above examination, We hereby report that, during the Review Period:
 - (a) The listed entity has complied with the provisions of the above Regulations and circulars/ guidelines issued thereunder.
 - (b) The listed entity has maintained proper records under the provisions of the above Regulations and circulars/ guidelines issued thereunder insofar as it appears from my/our examination of those records.
 - (c) There was no instances of actions taken against the listed entity/ its promoters/ directors/ material subsidiaries either by SEBI or by Stock Exchanges (*including under the Standard Operating Procedures issued by SEBI through various circulars*) under the aforesaid Acts/ Regulations and circulars/ guidelines issued thereunder;
 - (d) There was no observations for which listed entity had to take any actions to comply with the observations made in previous reports:

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

DINESH KUMAR DEORA
PRACTISING COMPANY SECRETARY

FCSNO 5683
COP NO 4119

Place: Mumbai
Date: 15th June, 2020

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

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

A. CONSERVATION OF ENERGY

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

B. DISCLOSURE OF PARTICULARS WITH RESPECT TO ABSORPTION OF TECHNOLOGY, RESEARCH AND DEVELOPMENT (R&D)

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

C. FUTURE PLAN OF ACTION

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

Form for disclosure of particulars with respect to Conservation of Energy

Form for disclosure of particulars with respect to Conservation of Energy

	2019-20	2018-19
(A) Power & Fuel Consumption		
1. Electricity		
(a) Purchased Units (kwh)	180148	62037
Total Amount (Rs.)	1618537	7,56,531
Rate/Unit (Rs./kwh)	8.98	12.19
(b) Own Generation		
(i) Through Diesel Generator		
(ii) Through Steam Turbine / Generators		
Units	0	19
Units/Ltr. of Diesel	0	57
Cost/Unit	0	216
Coal		
Quantity		
Total Cost		
Average Rate		
3. Furnace Oil	N.A.	N.A.
Quantity		
Total Cost		
4. Other /Internal Generations	N.A.	N.A.
Quantity		
Total Cost		
Average Cost		
(B) Consumption per unit of production		
Products (with details)unit	Since the Company manufactures several items, it is impracticable to apportion the utilities	
Electricity		
Furnace Oil		
Coal		

C. Expenditure in Foreign Currency

Particulars	2019-20	2018-19
Commission	24,50,756	14,66,934
Travelling Expenses	7,85,175	2,43,189
Exhibition Expenses	–	–
Consultancy Expenses	7,83,916	–

Earnings in Foreign Currency (on accrual basis)

Particulars	2019-20	2018-19
Bulk Agricultural Products	61,10,99,875	50,84,27,376

NHC FOODS LIMITED

ANNEXURE TO DIRECTORS' REPORT

Annexure 4

**Form No. MGT – 9
Extract of Annual Return
as on the financial year on 31st March, 2020
of
NHC Foods Limited**

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

I. REGISTRATION AND OTHER DETAILS

i.	CIN	L15122GJ1992PLC076277
ii.	Registration Date	14-08-1992
iii.	Name of the Company	NHC Foods Limited
iv.	Category / Sub-Category of the Company Company	Public Company / Limited by Shares
v.	Address of the Registered office and contact Details	Survey No. 777, Umarsadi Desaiwad Road, at Village Umarsadi, Taluka Pardi, Killa Pardi, Gujarat - 396175 Tel. No.: 022 48815100 Fax No.: 022 48815101 Email: grievances@nhcgroup.com
vi.	Whether listed Company	Yes
vii.	Name, Address and Contact details of Registrar & Transfer Agents (RTA), if any	Link Intime India Pvt. Ltd. C 101, 247 Park, L.B.S. Marg, Vikhroli (West), Mumbai - 400083 Phone: +91 22 49186000 Fax: +91 22 49186060

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY:

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

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

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES:

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

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

IV. i) Categorywise Share holding

Category of shareholders	No. of shares held at the beginning of the year - 2019				No. of shares held at the end of the year - 2020				% change during the year
	Demat	Physical	Total	% of Total shares	Demat	Physical	Total	% of Total shares	
(A) Shareholding of Promoter and Promoter Group									
[1] Indian									
(a) Individuals / Hindu Undivided Family	4834876	0	4834876	40.7843	4901201	0	4901201	41.3429	0.5586
(b) Central Government/ State Government(s)	0	0	0	0.0000	0	0	0	0.0000	0.0000
(c) Financial Institutions/ Banks	0	0	0	0.0000	0	0	0	0.0000	0.0000
(d) Any Other (Specify)									
Sub Total (A)(1)	4834876	0	4834876	40.7843	4901201	0	4901201	41.3429	0.5586
[2] Foreign									
(a) Individuals (Non-Resident Individuals/ Foreign Individuals)	0	0	0	0.0000	0	0	0	0.0000	0.0000
(b) Government	0	0	0	0.0000	0	0	0	0.0000	0.0000
(c) Institutions	0	0	0	0.0000	0	0	0	0.0000	0.0000
(d) Foreign Portfolio Investor	0	0	0	0.0000	0	0	0	0.0000	0.0000
(e) Any Other (Specify)									
Sub Total (A)(2)	0	0	0	0.0000	0	0	0	0.0000	0.0000
Total Shareholding of Promoter and Promoter Group(A)=(A)(1)+(A)(2)	4834876	0	4834876	40.7843	4901201	0	4901201	41.3429	0.5586
(B) Public Shareholding									
[1] Institutions									
(a) Mutual Funds / UTI	0	0	0	0.0000	0	0	0	0.0000	0.0000
(b) Venture Capital Funds	0	0	0	0.0000	0	0	0	0.0000	0.0000
(c) Alternate Investment Funds	0	0	0	0.0000	0	0	0	0.0000	0.0000
(d) Foreign Venture Capital Investors	0	0	0	0.0000	0	0	0	0.0000	0.0000
(e) Foreign Portfolio Investor	0	0	0	0.0000	0	0	0	0.0000	0.0000
(f) Financial Institutions/ Banks	35	0	35	0.0003	35	0	35	0.0003	0.0000
(g) Insurance Companies	0	0	0	0.0000	0	0	0	0.0000	0.0000
(h) Provident Funds/ Pension Funds	0	0	0	0.0000	0	0	0	0.0000	0.0000
(i) Any Other (Specify)									
Sub Total (B)(1)	35	0	35	0.0003	35	0	35	0.0003	0.0000

[2] Central Govt / State Govt(s) / President of India									
Sub Total (B)(2)	0	0	0	0.0000	0	0	0	0.0000	0.0000
[3] Non-Institutions									
(a) Individuals									
(i) Individual shareholders holding nominal share capital upto Rs. 1 lakh.	3237152	201095	3438247	29.0025	3297943	199695	3497638	29.5035	0.5010
(ii) Individual shareholders holding nominal share capital in excess of Rs. 1 lakh	2507179	0	2507179	21.1487	2466851	0	2466851	20.8085	-0.3402
(b) NBFCs registered with RBI	4000	0	4000	0.0337	0	0	0	0	-0.0337
(c) Employee Trusts	0	0	0	0.0000	0	0	0	0.0000	0.0000
(d) Overseas Depositories (holding DRs) (balancing figure)									
(e) Any Other (Specify)									
Hindu Undivided Family	368038	0	368038	3.1045	380030	0	380030	3.2057	0.1012
Non Resident Indians (Non Repat)	29729	35756	65485	0.5524	30764	35756	66520	0.5611	0.0087
Non Resident Indians (Repat)	344721	0	344721	2.9078	344401	0	344401	2.9051	-0.0027
Clearing Member	37990	0	37990	0.3205	23796	0	23796	0.2007	-0.1198
Bodies Corporate	248344	5985	254329	2.1453	168543	5985	174528	1.4722	-0.6731
Sub Total (B)(3)	6777153	242836	7019989	59.2154	6712328	241436	6953764	58.6568	-0.5586
Total Public Shareholding (B)=(B)(1)+(B)(2)+(B)(3)	6777188	242836	7020024	59.2157	6712363	241436	6953799	58.6571	-0.5586
Total (A)+(B)	11612164	242836	11855000	100	11613564	241436	11855000	100	0
(C) Non Promoter - Non Public									
[1] Custodian/DR Holder	0	0	0	0.0000	0	0	0	0.0000	0.0000
[2] Employee Benefit Trust (under SEBI (Share based Employee Benefit) Regulations, 2014)	0	0	0	0.0000	0	0	0	0.0000	0.0000
Total (A)+(B)+(C)	11612164	242836	11855000	100	11613564	241436	11855000	100	

ii) Shareholding of Promoters

Sr. No.	Shareholder's Name	Shareholding at the beginning of the year - 2019			Shareholding at the end of the year - 2020			% 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	3832816	32.3308	0.0000	3852816	32.4995	0.0000	0.1687
2	Alpa Shah	1001435	8.4474	0.0000	1001435	8.4474	0.0000	0.0000
3	Apar Apoorva Shah	625	0.0053	0.0000	27650	0.2332	0.0000	0.2279
4	Aneri Apoorva Shah	100	0.0008	0.0000	19300	0.1628	0.0000	0.1620
	Total	4834876	40.7843	0.0000	4901201	41.3429	0.0000	0.5586

(iii) Change in Promoters shareholding

Sr. No.		Shareholding at the beginning of the year - 2019		Transaction during the year		Cumulative Shareholding during the year - 2020	
		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	3832816	32.3308			3832816	32.3308
	Market Purchase			05 Apr 2019	8000	3840816	32.3983
	Market Purchase			12 Apr 2019	2000	3842816	32.4151
	Market Purchase			13 Sep 2019	4000	3846816	32.4489
	Market Purchase			31 Mar 2020	6000	3852816	32.4995
	At the end of the year					3852816	32.4995
2	Alpa Shah	1001435	8.4474			1001435	8.4474
	At the end of the year					1001435	8.4474
3	Apar Apoorva Shah	625	0.0053			625	0.0053
	Market Purchase			20 Sep 2019	6000	6625	0.0559
	Market Purchase			27 Sep 2019	5000	11625	0.0981
	Market Purchase			22 Nov 2019	9378	21003	0.1772
	Market Purchase			29 Nov 2019	6000	27003	0.2278
	Market Purchase			27 Mar 2020	497	27500	0.232
	Market Purchase			31 Mar 2020	150	27650	0.2332
	At the end of the year					27650	0.2332

4	Aneri Apoorva Shah	100	0.0008			100	0.0008
	Market Purchase			27 Sep 2019	7000	7100	0.0599
	Market Purchase			22 Nov 2019	1180	8280	0.0698
	Market Purchase			29 Nov 2019	6000	14280	0.1205
	Market Purchase			28 Feb 2020	4300	18580	0.1567
	Market Purchase			20 Mar 2020	720	19300	0.1628
	At the end of the year					19300	0.1628

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

SR NO	SHAREHOLDER NAME	DPID/Folio	PAN	SHARES	BENPOS DATE
1	Alpa Shah	IN30154938879340	AANPS8062K	1001435	31/03/2019
2	Alpa Shah	IN30154938879340	AANPS8062K	1001435	31/03/2020
3	Apoorva Himatlal Shah	1207100000128251	AAVPS7943P	27000	31/03/2019
4	Apoorva Himatlal Shah	1207100000128251	AAVPS7943P	33000	31/03/2020
5	Apoorva Shah	IN30154938870115	AAVPS7943P	3805816	31/03/2019
6	Apoorva Shah	IN30154938870115	AAVPS7943P	3819816	31/03/2020
7	Apar Apoorva Shah	IN30154938870406	BSCPS6424H	625	31/03/2019
8	Apar Apoorva Shah	IN30154938870406	BSCPS6424H	27650	31/03/2020
9	Aneri Apoorva Shah	IN30154938877731	BSCPS6974C	100	31/03/2019
10	Aneri Apoorva Shah	IN30154938877731	BSCPS6974C	19300	31/03/2020

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

Sr. No.	Name & type of Transaction	Shareholding at the beginning of the year - 2019		Transaction during the year		Cumulative Shareholding during the year - 2020	
		No. of Shares	% of total Shares of the Company	Date of Transaction	No. of Shares	No. of Shares	% of total Shares of the Company
1	Rajesh Jhaveri	257700	2.1738			257700	2.1738
	Market Sell			05 Apr 2019	-1500	256200	2.1611
	Market Sell			12 Apr 2019	-4200	252000	2.1257
	Market Purchase			19 Apr 2019	500	252500	2.1299
	Market Purchase			26 Apr 2019	25	252525	2.1301
	Market Purchase			24 May 2019	315	252840	2.1328
	Market Sell			31 May 2019	-11340	241500	2.0371
	Market Sell			07 Jun 2019	-19000	222500	1.8768
	Market Purchase			14 Jun 2019	6500	229000	1.9317
	Market Purchase			29 Jun 2019	5035	234035	1.9741
	Market Purchase			05 Jul 2019	465	234500	1.9781

	Market Purchase			12 Jul 2019	50	234550	1.9785
	Market Purchase			19 Jul 2019	2950	237500	2.0034
	Market Purchase			26 Jul 2019	456	237956	2.0072
	Market Sell			09 Aug 2019	-156	237800	2.0059
	Market Sell			16 Aug 2019	-300	237500	2.0034
	Market Sell			23 Aug 2019	-500	237000	1.9992
	Market Purchase			06 Sep 2019	1100	238100	2.0084
	Market Purchase			13 Sep 2019	100	238200	2.0093
	Market Purchase			20 Sep 2019	3773	241973	2.0411
	Market Purchase			27 Sep 2019	3027	245000	2.0666
	Market Purchase			18 Oct 2019	100	245100	2.0675
	Market Purchase			08 Nov 2019	1000	246100	2.0759
	Market Purchase			15 Nov 2019	100	246200	2.0768
	Market Sell			22 Nov 2019	-3210	242990	2.0497
	Market Sell			29 Nov 2019	-990	242000	2.0413
	Market Purchase			13 Dec 2019	1800	243800	2.0565
	Market Purchase			20 Dec 2019	200	244000	2.0582
	Market Purchase			10 Jan 2020	1499	245499	2.0708
	Market Purchase			17 Jan 2020	497	245996	2.075
	Market Purchase			24 Jan 2020	4004	250000	2.1088
	At the end of the year					250000	2.1088
2	Ashvinkumar M Selarka	235000	1.9823			235000	1.9823
	At the end of the year					235000	1.9823
3	Ashok Kumar Jain	160618	1.3549			160618	1.3549
	Market Sell			07 Jun 2019	-2351	158267	1.335
	Market Sell			27 Sep 2019	-9751	148516	1.2528
	At the end of the year					148516	1.2528
4	K V S Hari Kumar	145000	1.2231			145000	1.2231
	Market Purchase			09 Aug 2019	100	145100	1.224
	Market Purchase			23 Aug 2019	100	145200	1.2248
	Market Purchase			20 Sep 2019	1000	146200	1.2332
	At the end of the year					146200	1.2332
5	Dheeraj Kumar Lohia	145398	1.2265			145398	1.2265
	At the end of the year					145398	1.2265
6	Dipakkumar Amrutlal Dharani	128645	1.0852			128645	1.0852
	Market Purchase			14 Jun 2019	10000	138645	1.1695
	At the end of the year					138645	1.1695
7	Alka Nipam Chokshi	69000	0.582			69000	0.582
	At the end of the year					69000	0.582
8	Asmah Shares And Stock Brokers Pvt Ltd	67745	0.5714			67745	0.5714
	At the end of the year					67745	0.5714

9	Jagruti Shaunak Shah	58200	0.4909			58200	0.4909
	At the end of the year					58200	0.4909
10	Prathan Pinakinbhai Chokshi	109655	0.925			109655	0.925
	Market Sell			14 Jun 2019	-58	109597	0.9245
	Market Sell			29 Jun 2019	-2500	107097	0.9034
	Market Sell			13 Sep 2019	-6938	100159	0.8449
	Market Sell			20 Sep 2019	-10422	89737	0.757
	Market Sell			27 Sep 2019	-19532	70205	0.5922
	Market Sell			18 Oct 2019	-5000	65205	0.55
	Market Sell			08 Nov 2019	-181	65024	0.5485
	Market Sell			15 Nov 2019	-7091	57933	0.4887
	Market Sell			22 Nov 2019	-5149	52784	0.4452
	Market Sell			29 Nov 2019	-14862	37922	0.3199
	Market Sell			24 Jan 2020	-10000	27922	0.2355
	At the end of the year					27922	0.2355

- 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.

SR NO	SHAREHOLDER NAME	DPID/Folio	PAN	SHARES	BENPOS DATE
1	ASMAH SHARES AND STOCK BROKERS PVT LTD	IN30147710063264	AAFCA9363A	67745	31/03/2019
2	ASMAH SHARES AND STOCK BROKERS PVT LTD	IN30147710063264	AAFCA9363A	67745	31/03/2020
3	RAJESH JHAVERI	IN30246110000026	AAPPJ6927N	257700	31/03/2019
4	RAJESH JHAVERI	IN30246110000026	AAPPJ6927N	250000	31/03/2020
5	ASHOK KUMAR JAIN	IN30611421063390	ACPPJ9566K	160618	31/03/2019
6	ASHOK KUMAR JAIN	IN30611421063390	ACPPJ9566K	148516	31/03/2020
7	PRATHAN PINAKINBHAI CHOKSHI	IN30051311738080	AFFPC2537Q	109655	31/03/2019
8	PRATHAN PINAKINBHAI CHOKSHI	IN30051311738080	AFFPC2537Q	27922	31/03/2020
9	K V S HARI KUMAR	IN30047642083238	AGBPK6458M	145000	31/03/2019
10	K V S HARI KUMAR	IN30047642083238	AGBPK6458M	146200	31/03/2020
11	ALKA NIPAM CHOKSHI	IN30148510166617	AGXPC7033J	69000	31/03/2019
12	ALKA NIPAM CHOKSHI	IN30148510166617	AGXPC7033J	69000	31/03/2020
13	DHEERAJ KUMAR LOHIA	1201880000001155	AHCPK2417L	145398	31/03/2019
14	DHEERAJ KUMAR LOHIA	1201880000001155	AHCPK2417L	145398	31/03/2020
15	DIPAKKUMAR AMRUTLAL DHARANI	1205620000017344	AIMPS2565E	128645	31/03/2019

16	DIPAKKUMAR AMRUTLAL DHARANI	1205620000017344	AIMPS2565E	138645	31/03/2020
17	JAGRUTI SHAUNAK SHAH	IN30048413085754	AMCPS2063D	58200	31/03/2019
18	JAGRUTI SHAUNAK SHAH	IN30429513085754	AMCPS2063D	58200	31/03/2020
19	ASHVINKUMAR M SELARKA	1207100000056886	BLPPS9703R	235000	31/03/2019
20	ASHVINKUMAR M SELARKA	1207100000056886	BLPPS9703R	235000	31/03/2020

(v) Shareholding of Directors and Key Managerial Personnel

Sr. No.	Name	Shareholding at the beginning of the year - 2019		Changes during the year			Cumulative Shareholding during the year	
		No. of Shares	% of total Shares of the Company	Date	Increase/ Decrease in Shareholding	Reason	No. of Shares	% of total Shares of the Company
1	Mr. Apoorva Shah	38,32,816	32.3308	05-04-2019	Increase		3840816	32.3983
				12-04-2019	Increase		3842816	32.4151
				13-09-2019	Increase		3846816	32.4489
				31-03-2020	Increase		3852816	32.4995
2	Mrs. Alpa Shah	1001435	8.45	No Change during the year			1001435	8.45
3	Mr. Manish Vyas	Nil	Nil	No Change during the year			Nil	Nil
4	Ms. Neha Kariwala	Nil	Nil				Nil	Nil
5	Mrs. Monika Singhania	Nil	Nil				Nil	Nil
6	Mr. Awdheshkumar Kannaujia	Nil	Nil				Nil	Nil
7	Miss. Krina Mehta	Nil	Nil				Nil	Nil

V. INDEBTNESS:

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

	Secured Loan Excluding Deposit	Unsecured Loans	Deposits	Total Indebtness
Indebtness at the beginning of the financial year	8,08,19,637	4,41,46,592	12,49,66,229	
i. Principal Amount as on 31.03.2019	-	-	-	
ii. Interest due but not paid	-	-	-	
iii. Interest accrued but not due As on 31.03.2019	4,254	1,41,282	1,45,536	
Total (i+ii+iii)	8,08,23,891	4,42,87,874	12,51,11,765	
Change in Indebtness during the financial year				
Addition	66,01,26,172	8,45,74,591	74,47,00,763	
Reduction	62,69,87,556	5,05,42,284	67,75,29,840	
Less : Exchange Difference	(48,66,625)	-	(48,66,625)	
Net Change	3,80,05,241	3,40,32,307	7,20,37,548	
Indebtness at the end of the financial year				

i. Principal Amount as on 31.03.2020	11,88,24,878	7,81,78,899	19,70,03,777	
ii. Interest due but not paid	–	–	–	
iii. Interest Accrued but not due as on 31.03.2020	–	2,64,559	2,64,559	
Total (i+ii+iii)	11,88,24,878	7,84,43,458	19,72,68,336	

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

Sr. No.	Particulars of Remuneration	Name of MD/WTD		
		Mr. Apoorva Shah (Chairman & Managing Director)	Mrs. Alpa Shah (Whole-time Director)	Total Amount (Rs.)
1	Gross Salary			
	(a) Salary as per provisions contained in Section 17(1) of the Income Tax Act, 1961	43,10,177	43,10,177	86,20,354
	(b) Value of perquisites u/s 17(2) of the Income Tax Act, 1961	21,018	10,000	31,018
	(c) Profit in lieu of salary under Section 17(3) of the Income Tax Act	–	–	
2	Stock Option	–	–	
3	Sweat Equity	–	–	
4	Commission	–	–	
	As % of Profit	–	–	
	Others	–	–	
5	Others, Please Specify			
	Total (A)	43,31,195	43,20,177	86,51,372
	Ceiling as per the Act	10% of Net Profit for all Executive Directors - Managing and Whole-time Directors; 5% Net Profit to any one Managing or Whole-time Director		

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

Particulars of Remuneration	Mr. Manish Vyas	Ms.Neha Kariwala	Mrs. Monika Singhania	Total Amount (Rs)
INDEPENDENT DIRECTOR (ID)				
Fee for attending Board /Committee Meeting	10,000	10,000	20,000	40,000
Commission	–	–	–	–
Others	–	–	–	–
Total (B)(1)	10,000	10,000	20,000	40,000

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

Sr. No.	Particulars of Remuneration	Mr. Awdhesh Kannaujia	Ms. Krina Mehta
1	Gross Salary		
	(a) Salary as per provisions contained in Section 17(1) of the Income Tax Act, 1961	10,37,372	2,35,022
	(b) Value of perquisites u/s 17(2) of the Income Tax Act, 1961	Nil	Nil
	(c) Profit in lieu of salary under Section 17(3) of the Income Tax Act	Nil	Nil
2	Stock Option	Nil	Nil
3	Sweat Equity	Nil	Nil
4	Commission	Nil	Nil
	As % of Profit	Nil	Nil
	Others	Nil	Nil
5	Others, Please Specify	Nil	Nil
	Total	10,37,372	2,35,022

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

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

REPORT ON CORPORATE GOVERNANCE

In terms of Regulation 34(3) read with Section C of Schedule V to SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, a Report on Corporate Governance for the year ended 31st March, 2020 is presented below:

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

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

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

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

CORPORATE GOVERNANCE AND ETHICS

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

(2) BOARD OF DIRECTORS

COMPOSITION OF BOARD

The company has a very balanced and diversified Board of Directors, which primarily takes care of the business needs and Stakeholders' interest. The Board of Directors of the Company comprises of Two Executive Directors and Three Non – Executive Independent Directors. The Board composition is in compliance with the requirements of Regulation 17 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the Listing Regulations), requiring not less than half the Board to be independent.

All the Independent Directors have confirmed that they meet the independence criteria as mentioned under Listing Regulations and the Companies Act, 2013. All directors have made necessary disclosures regarding committee positions and Directorships held by them in other companies.

The Composition of Board of Directors is as follows:

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

Board Meetings:

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

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

- quarterly and annual result announcements;

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

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

Name of the Director	Number of Board Meetings held during the year 2019-20		Whether attended last AGM held on 30th Sept., 2019	Number of Directorship in other listed Companies	Number of Committee Positions held in other Public Companies*	
	Held	Attended			Chairman	Member
Apoorva Shah	8	8	Yes	–	–	–
Alpa Shah	8	8	Yes	–	–	–
Monika Singhania	8	8	Yes	1	–	–
Manish Vyas	6	6	–	–	–	–
Neha Kariwala	6	6	–	–	–	–

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

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

12-04-2019	16-05-2019	12-07-2019	01-08-2019	14-08-2019
10-09-2019	11-11-2019	12-02-2020		

Board Support:

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

Review of legal compliance reports:

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

(a) DISCLOSURE OF RELATIONSHIP BETWEEN DIRECTORS INTER-SE:

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

(B) DETAILS OF EQUITY SHARES OF THE COMPANY HELD BY THE DIRECTORS AS ON MARCH 31, 2020 ARE GIVEN BELOW:

Name of the Directors	No. of Shares held (As on March 31, 2020)
Mr. Apoorva Shah	3852816
Mrs. Alpa Shah	1001435
Mr. Manish Vyas	Nil
Mrs. Monika Singhania	Nil
Ms. Neha Kariwala	Nil
Total	4854251

The Company has not issued any convertible instruments.

FAMILIARIZATION PROGRAMME FOR INDEPENDENT DIRECTORS

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

MEETING OF INDEPENDENT DIRECTORS

As stipulated by the Code of Independent Directors under the Act, and the Listing Regulations, a separate meeting of the Independent Directors of the Company was held on 13th March, 2020 to review the performance of Non-Independent Directors (including the Chairman) and the Board as whole.

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

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

COMPANY'S POLICY ON PROHIBITION OF INSIDER TRADING

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

SUBSIDIARIES

The Company does not have any Subsidiary Company.

RELATED PARTY TRANSACTIONS

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

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

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

I. AUDIT COMMITTEE:

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

The terms of reference of the Audit Committee include:

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

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

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

COMPOSITION AND ATTENDANCE AT MEETINGS

The Chairman of the Audit Committee attended the last Annual General Meeting of the company. The Audit Committee met Six times during financial year 2019-2020 on 16th May, 2019, 1st August, 2019, 14th August, 2019, 11th November, 2019, 12th February, 2020, 13th March, 2020 and the gap between two meetings did not exceed one hundred and twenty days. The Composition of the Audit Committee and attendance at committee meetings is as follows:

Name	Designation	Category	No. of Meeting attended
Mrs. Monika Singhania	Chairman	Independent Director	6
Mr. Apoorva Shah	Member	Managing Director	6
Manish Vyas	Member	Independent Director	5
Ms. Neha Kariwala	Member	Independent Director	5

	Apoorva Shah	Monika Singhania	Manish Vyas	Neha Kariwala
16-05-2019	Yes	Yes	NA	NA
01-08-2019	Yes	Yes	Yes	Yes
14-08-2019	Yes	Yes	Yes	Yes
11-11-2019	Yes	Yes	Yes	Yes
12-02-2020	Yes	Yes	Yes	Yes
13-03-2020	Yes	Yes	Yes	Yes

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

II. NOMINATION AND REMUNERATION COMMITTEE:

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

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

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

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

COMPOSITION AND ATTENDANCE AT MEETINGS:

The Nomination and Remuneration Committee comprises three Independent Directors and one Executive Director. Mrs. Monika Singhania is the Chairman of the Committee. She was present at the last Annual General Meeting. The Committee met Two times during Financial Year 2019-2020 on 12th July, 2019, and 11th November, 2019. The composition of and attendance at Committee meetings is as follows:

Name	Designation	Category	No. of Meeting attended
Mrs. Monika Singhania	Chairman	Independent Director	2
Mr. Apoorva Shah	Member	Managing Director	2
Mr. Manish Vyas	Member	Independent Director	1
Ms. Neha Kariwala	Member	Independent Director	1

	Apoorva Shah	Monika Singhania	Manish Vyas	Neha Kariwala
12-07-2019	Yes	Yes	Yes	Yes
11-11-2019	Yes	Yes	Yes	Yes

POLICY ON NOMINATION, REMOVAL, REMUNERATION AND BOARD DIVERSITY

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

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

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

III. STAKEHOLDERS' RELATIONSHIP COMMITTEE

The terms of reference of Stakeholder Relationship Committee includes:

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

The Stakeholders' Relationship Committee oversees redressal of stakeholders' grievances. The Committee met Four times during Financial Year 2019-2020 on 22nd April, 2019, 12th June, 2019, 14th August, 2019, 7th October, 2019. Further, during the year, the Company received no complaints for various matters like non-receipt of share certificates, non-issue of duplicate certificates, and rejection of Demat requests. All the complaints were resolved to the satisfaction of investors. The Company Secretary functions as the Compliance Officer of the Company. The composition and attendance at Committee meetings is as follows:

Name	Designation	Category	No. of Meeting attended
Mrs. Monika Singhania	Chairman	Independent Director	4
Mrs. Alpa Shah	Member	Whole-Time Director	4
Mr. Manish Vyas	Member	Independent Director	2
Ms. Neha Kariwala	Member	Independent Director	2

	Apoorva Shah	Monika Singhania	Manish Vyas	Neha Kariwala
22-04-2019	Yes	Yes	NA	NA
12-06-2019	Yes	Yes	NA	NA
14-08-2019	Yes	Yes	Yes	Yes
07-10-2019	Yes	Yes	Yes	Yes

BOARD EVALUATION:

The Board of Directors of the Company is committed to assessing its own performance as a Board in order to identify its strengths and areas in which it may improve its functioning. To that end, the Nomination and Remuneration Committee has established processes for performance evaluation of Independent Directors, the Board and Committees of the Board.

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

Policy for Selection and Appointment of Directors and Their Remuneration:

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

A. APPOINTMENT CRITERIA AND QUALIFICATION:

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

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

B. TERM:

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

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

C. REMOVAL:

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

D. REMUNERATION OF MANAGING/WHOLE-TIME DIRECTOR, KMP AND SENIOR MANAGEMENT:

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

E. REMUNERATION TO NON-EXECUTIVE / INDEPENDENT DIRECTOR:

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

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

REMUNERATION PHILOSOPHY:**REMUNERATION TO EXECUTIVE DIRECTOR:**

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

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

(A) MANAGING DIRECTOR AND WHOLE-TIME DIRECTOR:

	Apoorva Shah	Alpa Shah
Salary	43,10,177	43,10,177
Benefits, Perquisites & Allowances	21,018	10,000
Commission	–	–
ESPS	–	–

GENERAL BODY MEETINGS:

Year	Location	Day, Date & Time
2018-19	Survey No. 777, Umarsadi Desaiwad Road, Village Umarsadi, Taluka Pardi, District Valsad, Gujarat: 396175	Monday, 30th September, 2019 10.00 AM
2017-18	Survey No. 777, Umarsadi Desaiwad Road, Village Umarsadi, Taluka Pardi, District Valsad, Gujarat: 396175	Thursday, 27th September, 2018 10.00 AM
2016-17	Survey No. 777, Umarsadi Desaiwad Road, Village Umarsadi, Taluka Pardi, District Valsad, Gujarat: 396175	Saturday, 30th September, 2017 9.00 AM

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

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

SPECIAL RESOLUTIONS PASSED IN THE LAST THREE ANNUAL GENERAL MEETINGS:

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

EXTRA ORDINARY GENERAL MEETING:

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

Disclosure on Website:

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

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

8. Details of familiarisation programmes imparted to Independent Directors
10. Policy for determination of materiality of events

COMPLIANCE OFFICER:

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

Policy for Preservation of Documents

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

SKILL MATRIX OF THE BOARD OF DIRECTORS:

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

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

Means of Communication

(a) QUARTERLY RESULTS:

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

(b) NEWSPAPERS WHEREIN RESULTS NORMALLY PUBLISHED:

The quarterly/ half-yearly/ annual financial results are published in Financial Express in both English and 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 in the 'Investor Relations' section.

(d) OFFICIAL NEWS RELEASES:

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

(e) BSE CORPORATE COMPLIANCE & LISTING CENTRE (THE ‘LISTING CENTRE’):

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

(f) SEBI COMPLAINTS REDRESS SYSTEM (SCORES)

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

GENERAL SHAREHOLDER INFORMATION:

(a) DATE, TIME AND VENUE: ANNUAL GENERAL MEETING

Day	: Wednesday
Date	: 30th September, 2020
Time	: 11.00 am
Venue	: Survey No. 777, Umarsadi Desaiwad Road, at Village Umarsadi, Taluka Pardi, District Valsad, Gujarat : 396175
Book Closure	: 24th September, 2020 to 30th September, 2020

(b) FINANCIAL YEAR:

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

Approval of financial results proposed	
Quarter ending 30 June, 2020	Within 45 days from the end of the quarter
Quarter ending 30 September, 2020	Within 45 days from the end of the quarter
Quarter ending 31 December, 2020	Within 45 days from the end of the quarter
Year ending 31 March, 2021	Within 60 days from the end of the Financial Year

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

The equity shares of the Company are listed at:

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

The listing fees for the financial year 2019-20 have been paid by the Company within the stipulated time.

(d) STOCK CODE:

Stock Exchange	Scrip Code	ISIN
BSE Ltd.	517554	INE141C01028

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

Month	BSE Ltd.		
	High	Low	Volume (No. of Shares)
April 2019	7.5	5.01	55068
May 2019	7.38	5.51	96347
June 2019	7.89	5.02	92390
July 2019	6.3	4.84	15424
August 2019	6.65	4.59	44820
September 2019	6.3	4.04	79939
October 2019	4	3.2	14859
November 2019	5.25	3.61	56627
December 2019	5.55	4.56	23503
January 2020	5.56	4.40	47403
February 2020	5.14	4.05	18622
March 2020	5.39	3.52	39683

(Source: BSE Website)

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

**(f) REGISTRAR TO AN ISSUE AND SHARE TRANSFER AGENTS:
LINK INTIME INDIA PVT.LTD.**

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

Email: rnt.helpdesk@linkintime.co.in

Website: www.linkintime.co.in

(g) SHARE TRANSFER SYSTEM:

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

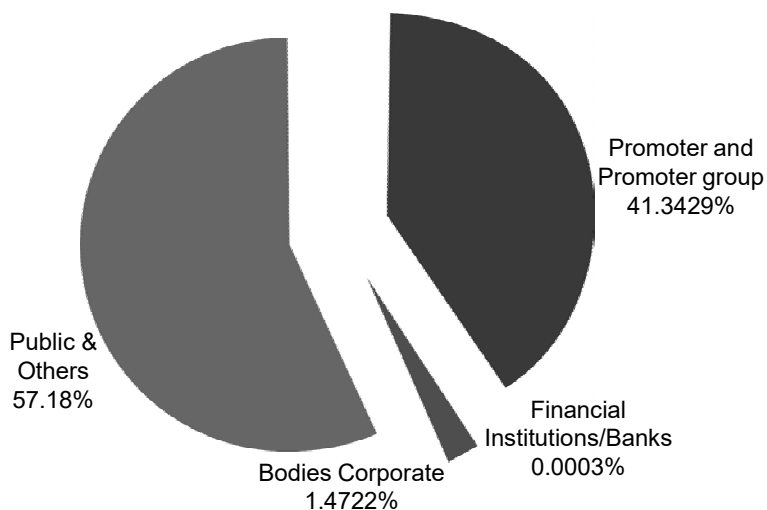
(h) DISTRIBUTION OF SHAREHOLDING AS ON 31ST MARCH, 2020:

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	6899	81.0312	833343	8333430	7.0295
5,001 – 10,000	712	8.3627	609689	6096890	5.1429
10,001 – 20,000	400	4.6981	654543	6545430	5.5212
20,001 – 30,000	149	1.7501	390746	3907460	3.2960
30,001 – 40,000	77	0.9044	281927	2819270	2.3781
40,001 – 50,000	77	0.9044	364338	3643380	3.0733
50,001 – 1,00,000	100	1.1745	757552	7575520	6.3901
1,00,001 & above	100	1.1745	7962862	79628620	67.1688
Grand Total	8514	100.0000	11855000	118550000	100.0000

OWNERSHIP PATTERN AS ON 31ST MARCH, 2020

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	4901201	41.3429
2.	Foreign	–	–	–
	Total Shareholding of Promoter & Promoter group	4	4901201	41.3429
(B)	Public Shareholding			
1.	Institutions			
	Financial Institutions / Banks	1	35	0.0003
2.	Bodies Corporate	49	174528	1.4722
3.	Public and others	8364	6779236	57.1846
	Total Public Shareholding	8422	6953799	58.6571
(C)	Shares held by Custodian and against which Depository Receipts have been issued			
1.	Promoter and Promoter Group	–	–	–
	Public	–	–	–
	Total (A) + (B) + (C)	8426	11855000	100

Ownership Pattern



List of Shareholders other than Promoters holding more than 1% as on 31st March, 2020

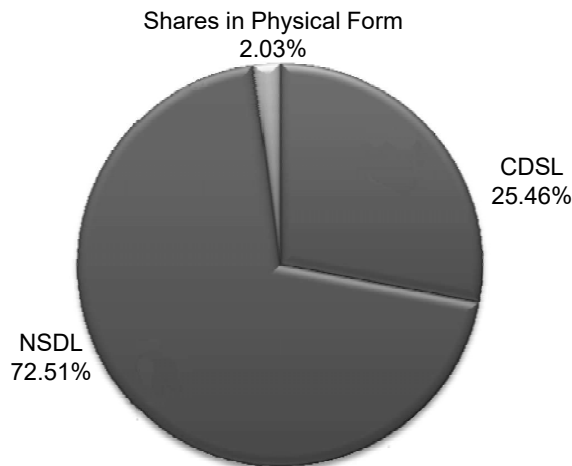
Sr. No.	Name of Shareholder	No. of Shares held	% of Total Holding
1.	Ashvinkumar M Selarka	235000	1.9823
2.	Rajesh Jhaveri	250000	2.1088
3.	K V S Hari Kumar	149200	1.2585
4.	Dipakkumar Dharani	138645	1.1695
5.	Dheeraj Kumar Lohia	145398	1.2265
6.	Ashok Kumar Jain	148516	1.2528

(i) DEMATERIALIZATION OF SHARES AND LIQUIDITY:

The shares of the Company are in compulsory demat segment and are available for trading in the depository systems of both the National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL). As at 31st March, 2020, **11613564 Equity Shares** out of 1,18,55,000 Equity Shares of the Company, forming **97.96%** of the Company's paid-up capital is held in the dematerialized form. Majority of Demat shares are with National Securities Depository Limited. The status of shares held in Demat and physical format is given below. The Company's shares are liquid and actively traded on the BSE.

Particulars	As on 31st March, 2020		As on 31st March, 2019	
	Number of Shares	Percentage	Number of Shares	Percentage
Shares in Demat Form				
CDSL	3018048	25.46	3005034	25.35
NSDL	8595516	72.51	8607130	72.60
Shares in Physical Form	241436	2.03	242836	2.05
Total	11855000	100.00	11855000	100.00

Ownership in Demat and Physical Form



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

There are no GDRs/ADRs/Warrants outstanding as on 31st March, 2020.

(k) COMMODITY PRICE RISK OR FOREIGN EXCHANGE RISK AND HEDGING ACTIVITIES

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

(l) PLANT LOCATIONS:

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

(m) ADDRESS FOR CORRESPONDENCE

COMPANY:

NHC Foods Limited
D-22/8 TTC Industrial Area
Near Balmer Lawrie
Turbhe, Navi Mumbai - 400705
Contact No.: 022 48815100
Email id: grievances@nhcgroup.com
Website: www.nhcgroup.com

REGISTRAR AND TRANSFER AGENTS:

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

DISCLOSURES:

(a) RELATED PARTY TRANSACTIONS

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

During the Financial Year 2019-2020, there was no materially significant related party transaction that may have potential conflict with the interests of the Company at large.

(b) STATUTORY COMPLIANCE, PENALTY & STRUCTURE

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

(c) WHISTLE BLOWER POLICY

In Compliance with the provisions of Section 177(9) of the Companies Act, 2013, the Company has framed a vigil mechanism / Whistle Blower Policy to deal with unethical behaviour, actual or suspected behaviour, actual or suspected fraud or violation of the Company’s Code of conduct or ethics policy, if any. No person has been denied access to the Audit Committee for any grievance.

(d) CERTIFICATION FROM CEO AND CFO

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

(e) RECONCILIATION OF SHARE CAPITAL AUDIT:

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

As required under Regulation 7(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company has submitted a compliance certificate to the exchange duly signed by the Compliance Officer and the Authorized representative of the Share Transfer Agent viz. M/s Link Intime India Pvt. Ltd to the stock exchange on 29th April, 2020 for the half year / financial year ended 31st March, 2020 certifying compliance that all activities in relation to both physical and electronic share transfer facility are maintained by Registrar and Share Transfer Agent registered with SEBI.

(f) THERE HAS BEEN NO PUBLIC, RIGHTS OR PREFERENTIAL ISSUES DURING THE YEAR.

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

DETAILS OF COMPLIANCE WITH MANDATORY & NON MANDATORY REQUIREMENTS

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

SHAREHOLDER RIGHTS: The Company displays its half yearly results along with its quarterly results on its website: www.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.

MODIFIED OPINION(S) IN AUDIT REPORT:

The Auditors have raised no qualification on the financial statements

SEPARATE POSTS OF CHAIRPERSON AND CEO:

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

REPORTING OF INTERNAL AUDITOR:

The Company has appointed M/s. DMS & Co. as the Internal Auditors for conducting the internal audit of the Company.

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

The Company has complied with all the mandatory requirements specified in Regulations 17 to 27 and clauses

(b) to (i) of sub-regulation (2) of Regulation 46 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

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

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

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

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

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

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

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

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

Dematerialization of Shares:

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

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

GREEN INITIATIVES

In the line with the 'Green Initiative' the company has affected electronic delivery of Annual Report 2019-2020 to members whose email address are registered with the company / Depository Participant(s). For members who have not registered their email addresses, physical copies are sent.

QUOTE FOLIO NO. / DP ID NO.:

Shareholders/Beneficial Owners are requested to quote their Folio Nos. / DP ID Nos., as the case may be, in all correspondence with the Company. Shareholders are also requested to quote their email – IDs, Contact/ Fax Numbers for prompt reply to their correspondence

CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

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

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

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

In our opinion and to the best of our information and according to the verifications (including Directors Identification Number (DIN) status at the portal www.mca.gov.in) as considered necessary and explanations furnished to me by the Company & its officers, We hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ended on 31st March, 2020 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs or any such other Statutory Authority.

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

Ensuring the eligibility for the appointment / continuity of every Director on the Board is the responsibility of the management of the Company. Our responsibility is to express an opinion on these based on our verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

FOR DM & ASSOCIATES COMPANY SECRETARIES LLP
COMPANY SECRETARIES

DINESH KUMAR DEORA
PARTNER

Membership No.: FCS 5683 COP No 4119

Place: Mumbai
Date: 15-06-2020



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

This is to inform you that the Board of Directors of the company has laid down a Code of Conduct for its Members and Senior Management Personnel of the company's website. It is further confirmed that all the Directors and Senior Management Personnel of the company have affirmed compliance with the Code of Conduct of the company for the Financial Year ended 31st March, 2020.

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

Place : Mumbai
Date: 30th June, 2020

NHC FOODS LIMITED

CERTIFICATE ON CORPORATE GOVERNANCE

**To
The Members,
NHC Foods Limited**

We have examined the compliance of conditions of corporate governance by **NHC Foods Limited (“the Company”)** for the year ended 31st March, 2020, as per the relevant provisions of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“**the SEBI Listing Regulations, 2015**”) as referred to in Regulation 15(2) of the SEBI Listing Regulations, 2015 for the period from April 01, 2019 to March 31, 2020.

The Compliance of the conditions of Corporate Governance is the responsibility of the Company’s management and our examination was limited to a review of procedures and implementation thereof, adopted by the Company for ensuring compliance of the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the SEBI Listing Regulations, 2015.

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

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

FOR DM & ASSOCIATES COMPANY SECRETARIES LLP
COMPANY SECRETARIES

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

Place: Mumbai
Date: 18th June, 2020

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

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

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

- a. We have reviewed the financial statements and the cash flow statement for the year ended 31st March, 2020 and that to the best of our knowledge and belief:
 - i. these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
 - ii. these statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- b. There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or violate the Company's code of conduct.
- c. We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting and we have disclosed, to the auditors and the Audit Committee, wherever applicable, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
- d. We have indicated to the auditors and the Audit Committee, wherever applicable,
 - i. significant changes in internal control over financial reporting during the year;
 - ii. significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
 - iii. instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or any employee having a significant role in the Company's internal control system over financial reporting.

For NHC Foods Limited

Apoorva Shah
(Chairman & Managing Director)
DIN : 00573184

Place : Mumbai
Date : 30-06-2020

For NHC Foods Limited

Awdheshkumar Kannaujia
(Chief Financial Officer)

ANNUAL SECRETARIAL COMPLIANCE REPORT

Pursuant to Regulation 24A of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

Secretarial Compliance report of **NHC FOODS LIMITED** for the year ended **MARCH 31, 2020**.

We have examined:

- (a) all the documents and records made available to us and explanation provided by NHC FOODS LIMITED (“the listed entity”),
- (b) the filings/ submissions made by the listed entity to the stock exchanges,
- (c) website of the listed entity,
- (d) any other document/ filing, as may be relevant, which has been relied upon to make this certification, for the year ended March 31, 2020 (“Review Period”) in respect of compliance with the provisions of:
 - (a) the Securities and Exchange Board of India Act, 1992 (“SEBI Act”) and the Regulations, circulars, guidelines issued thereunder; and
 - (b) the Securities Contracts (Regulation) Act, 1956 (“SCRA”), rules made thereunder and the Regulations, circulars, guidelines issued thereunder by the Securities and Exchange Board of India (“SEBI”);

The specific Regulations, whose provisions and the circulars/ guidelines issued there under, have been examined, include:-

- (a) Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;
- (b) Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 – **Not Applicable**;
- (c) Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
- (d) Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018 – **Not Applicable**;
- (e) Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 – **Not Applicable**;
- (f) Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 – **Not Applicable**;
- (g) Securities and Exchange Board of India (Issue and Listing of Non-Convertible and Redeemable Preference Shares) Regulations, 2013 – **Not Applicable**;
- (h) Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015; and circulars/ guidelines issued thereunder; and based on the above examination, We hereby report that, during the Review Period:
 - (a) The listed entity has complied with the provisions of the above Regulations and circulars/ guidelines issued thereunder.
 - (b) The listed entity has maintained proper records under the provisions of the above Regulations and circulars/ guidelines issued thereunder insofar as it appears from my/our examination of those records.
 - (c) There was no instances of actions taken against the listed entity/ its promoters/ directors/ material subsidiaries either by SEBI or by Stock Exchanges (*including under the Standard Operating Procedures issued by SEBI through various circulars*) under the aforesaid Acts/ Regulations and circulars/ guidelines issued thereunder;
 - (d) There was no observations for which listed entity had to take any actions to comply with the observations made in previous reports:

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

Dinesh Kumar Deora
Partner
FCS NO 5683
C P NO 4119

Place: Mumbai
Date: 15th June, 2020

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

FORWARD LOOKING STATEMENTS

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

1. FINANCIAL & OPERATING OVERVIEW

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

The Financial Statements are prepared in accordance with Indian Accounting Standards (Ind AS) read with Section 133 of the Companies Act, 2013. Your Management accepts responsibility for the integrity and objectivity of the financial statements, as well as for the various estimates and judgements used therein. These estimates and judgements relating to financial statements are prudently made to reflect in a true and fair manner the form and substance of transactions. This also enables in reasonably presenting the Company’s State of Affairs and Profits and Cash Flows for the year ended March 31, 2020

FINANCIAL PERFORMANCE

The Total Revenue of the company increased in March 2020 to Rs. 13299.69 Lacs as compared to previous year revenue which amounted to Rs. 12531.21 Lacs. Also Profit after Tax of the company increased to Rs. 141.17 Lacs as compared to Profit after Tax in previous year which is Rs. 130.51 Lacs.

2. GLOBAL ECONOMIC OVERVIEW

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

- In Financial Year 2020, spices worth US\$ 3.65 billion were exported. During Financial Year 2019, a total of 1.10 million tonnes of spices and spice products values US\$ 2.80 billion was exported from the country as against 1.02 million tonnes valued US\$ 2.78 billion in Financial Year 2018, registering an increase of 7 percent in volume.
- During Financial Year 2019, India’s chilli export stood at 468,500 tonnes, cumin export at 180,300 tonnes, turmeric export at 133,600 tonnes and cardamom large export at 860 tonnes.
- Till December 2019, ginger export showed the highest growth of 47 percent with 19,140 tonnes, followed by cardamom with 31 percent at 1,060 tonnes and cumin with 14 percent at 7350 tonnes.

Today, Indian spices are the most sought-after globally, given their exquisite aroma, texture, taste and medicinal value. India has the largest domestic market for spices in the world. The global seasoning and spices market size

was valued at USD 13.77 billion in 2019 and is expected to grow at a compound annual growth rate (CAGR) of 6.3% from 2020 to 2027. Seasoning and spices have been witnessing a remarkable demand from the commercial and household sectors, not only due to their taste and flavour but also their associated health benefits.

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

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

3. GLOBAL SPICE INDUSTRY

- Top 10 importers of Indian spices in the Financial Year 2019 were US, China, Vietnam, Hong Kong, Bangladesh, Thailand, UK, UAE, Malaysia and Sri Lanka.
- During Financial Year 2019, top 10 exported spices and spice products in terms of value were Chilli, Mint products, Spice Oils & Oleoresins, Cumin, Turmeric, Pepper, Curry powders/paste, Cardamom seeds, other spices (Tamarind, Asafoetida, and Cassia) and Garlic.

4. RISKS AND CONCERNS

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

- Ø **Procurement Risk:** Adequate availability of key raw materials at the right prices is crucial for the Company. The major raw material being agro based, availability of same depends on the vagaries of nature. Therefore, any disruption in the supply due to a natural or other calamity or violent changes in the cost structure could adversely affect the Company's ability to reach its consumers with the right value proposition. However, the Company is adopting best possible measures to ensure constant supply at right prices.
- Ø **Intense competition from unorganized sector:** One of the characteristics of this industry is the presence of unorganized sector offering products in loose unbranded form which intensifies competition. The Company has invested significantly in building strong brands which helps differentiate its products.
- Ø **Exchange Rate Fluctuation:** The Company being engaged in exports, derives approximately 60% of its revenue from export sales. An appreciation of the Indian Rupee can adversely impact the Company's exports. The Company manages this financial risk through booking of forward contracts in the range of approximately 50% of our projected sales
- Ø **Interest Rate Risk:** The market is highly competitive with no fiscal barriers and entry of large MNCs into the country with inorganic growth strategies. Our Company continues to focus on increasing its market share and taking marketing initiatives that help create differentiation and provide optimum service to its customers
- Ø **Credit Risk:** The Company has the capability of producing spices and spices products ware to suit the budget and tastes of customers across the globe and hence is optimistic of growth in the both export and domestic market. It also enjoys customer loyalty and large percentage of its export business comes from long standing customers.

5. INFRASTRUCTURE

We have with us, dependable and sophisticated infrastructure that helps us in quality processing and packaging of our range of Indian Spices. This well equipped infrastructure is spread across a wide area and has separate hulling unit and cleaning unit, which are ISO 22000:2005 certified. Apart from this unit, we have also developed a packaging unit, which enables us to offer flexible packaging as per the requirements of the clients.

Our infrastructure has following facilities:

- Ø Roaster cum Blender
- Ø Packaging Machine
- Ø Grinding Machine
- Ø Shrink Wrap & Vaccum Pack Machine

6. 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.

7. COMPANY OVERVIEW

The roots of NHC Foods Limited go back to 1960 with the establishment of N. Himatlal & Co. The Company was founded by Himatlal Shah with the aim of promoting export of Indian spices and foodstuff to the world. Today it is 3rd generation in working. NHC Foods Limited is a Government Recognized Two Star Export House engaged in the Business of Exports of Whole & Ground Spices, Lentils, Pulses, Grains, Oil Seeds and various other Agri-products and Assorted Food Products.

NHC FOODS LIMITED

Currently NHC Foods Limited is Exporting the above-mentioned Commodities to more than 85 Countries World-wide.

EXISTING CLIENTELE COUNTRIES:

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

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

NHC Foods Limited has already got its presence in majority of the Spice Importing Countries world-wide like, USA, Canada, Mexico, Brazil, Singapore, Hong Kong, China, Malaysia, Vietnam, Indonesia, Sri Lanka, Bangladesh, New Zealand, Zimbabwe, Taiwan, Thailand, Jamaica, Trinidad & Tobago, Mauritius, Spain, Bulgaria, Turkey, Egypt, Jordan, South Africa, Morocco etc to name a few, but still there is a huge market which can be tapped and captured and in this Direction NHC Foods Limited has strengthened its Core Marketing Team who are utilizing various platforms and marketing tools like sourcing new Clients and markets through various Trade shows like Gulf Food Exhibition in Dubai, ANUGA in Germany, SIAL in Paris, etc, various online B2B Portals like Alibaba.com, etc and also personal visits to our clients in his country.

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

8. CERTIFICATIONS

Our company holds various certificates:

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

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

9. HUMAN RESOURCE STRATEGY

In NHC Foods Limited, we work as a one big family from more than 25 years with effective training, rewards and recognition, and also help to encourage superior performance and a competitive mind set. Also the management of Human Resources is aligned with the organisation's intended future direction. It is concerned with long term people issues and macro concerns about structure, quality, culture, values, commitment and matching resources to future need. HR strategy also involves crisis management. When things go wrong, strategies are required to manage and solve the issue at hand.

10. DISCLAIMER CLAUSE:

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

INDEPENDENT AUDITOR'S REPORT

To,
the Members of
NHC Foods Limited

Report on the Audit of the Ind AS Financial Statements

Opinion

We have audited the accompanying Ind AS financial statements of **NHC FOODS LIMITED** ("the Company"), which comprise the Balance Sheet as at 31st March 2020, the statement of Profit and Loss (Including Other Comprehensive Income), the Statement of Change in Equity and the Statement of Cash Flows for the year ended on that date, and a summary of significant accounting policies and other explanatory information (hereinafter referred to as the "Ind AS financial Statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Ind AS Financial Statements give the information required by the Companies Act, 2013 (the "Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March 2020, the profit and total comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

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

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statement as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

Sr. No.	Key Audit Matter	How was the matter addressed in our audit
1.	<p>Adoption of Ind AS 116 Leases:</p> <p>The Company has adopted Ind AS 116, Leases (Ind AS 116) in the current year. The application and transition to this accounting standard is complex and is an area of focus in our audit since the Company has a large number of leases with different contractual terms.</p> <p>Ind AS 116 introduces a new lease accounting model, wherein lessees are required to recognise a right-of-use (ROU) asset and a lease liability arising from a lease on the balance sheet.</p>	<p>Principal Audit Procedures:</p> <p>Our audit procedures on adoption of Ind AS 116 include:</p> <ul style="list-style-type: none"> Assessed and tested new processes and controls in respect of Ind AS 116 - Leases Assessed the Company's evaluation on the identification of leases based on the contractual agreements and our knowledge of the business; Involvement of our internal subject matters experts, accounting standard specialists to review the judgements exercised by the management in determining the application of the Standard

	<p>The lease liabilities are initially measured by discounting future lease payments during the lease term as per the contract/ arrangement. Implementation of the standard involves review of contractual arrangements to determine those which fall under purview of the Standard. Judgement is also involved in determining the application of the Standard to the relevant contractual arrangements about whether an arrangement is scoped out of the purview of the Standard by virtue of it not involving an identified asset, composite arrangements which involve both, an element of service and identified asset and variable leasing arrangements which do not require recognition of a right of use asset and a corresponding lease liability.</p> <p>This involves significant judgements and estimates including determination of the discount rates and the lease term. Additionally, the standard mandates detailed disclosures in respect of transition. Accordingly, implementation of Ind AS-116 has been reported as a key audit matter</p>	<ul style="list-style-type: none"> • Involved our internal subject matters experts to evaluate the reasonableness of the discount rates applied in determining the lease liabilities; • Upon transition as at 1 April 2019: <ul style="list-style-type: none"> • Evaluated the method of transition and related adjustments; • Tested completeness of the lease data by reconciling the Company's operating lease commitments to data used in computing ROU asset and the lease liabilities. • On a statistical sample, we performed the following procedures: <ul style="list-style-type: none"> • assessed the key terms and conditions of each lease with the underlying lease contracts; • evaluated computation of lease liabilities, amortisation of Right of Use Assets (ROU), and corresponding finance cost and impact on taxation • challenged the key estimates such as, discount rates and the lease term. • Assessed and tested the presentation and disclosures relating to Ind AS 116 including, disclosures relating to transition.
<p>2.</p>	<p><u>Trade receivables and other financial assets and Impairment</u></p> <p>The Company has significant trade receivables and other financial assets at year end. Given the size of the balances and the risk that some of the trade receivables and other financial assets may not be recoverable, judgement is required to evaluate whether any allowance should be made to reflect the risk. The Company recognizes loss allowance for trade receivables and other financial assets at the expected credit loss ('ECL'). Assessment of the recoverability of trade receivables and other financial assets is inherently subjective and requires significant management judgment (which includes repayment history and financial position of entities from whom these balances are recoverable, terms of underlying arrangements, overdue balances, market conditions etc.).</p>	<p>In view of the significance of the matter, we applied the following key audit procedures:</p> <ul style="list-style-type: none"> • Obtaining an understanding of and assessing the design, implementation and operating effectiveness of the Company's key internal controls over the process of estimating the loss allowance for trade receivables and other financial assets including adherence to the requirements of the relevant accounting standards. • Assessing the Company's methodology for provisioning towards trade receivables and other financial assets. • Understanding the key inputs used in the provisioning model by the Company such as repayment history, overdue balances, market conditions. • As a part of substantive audit procedures, we tested on sample basis the aging of trade receivable having different overdue period and checked the computation of ECL is appropriate and in line with the Company's policy. • In case of overdue debts inquired with management for any dispute which may require additional provisions. • Assessing the disclosures made against the relevant accounting standards.

Emphasis of Matter

We draw attention to Note no. 36 to the Ind AS financial Statements, which explain that as per management assessment lockdown did not have any material impact in the operations of the Company for the year ended March 31, 2020. It may impact the business activities of the Company in the Current Financial Year 2020-21. The negative effect of COVID-19 will surely be reflected in the turnover and profitability of the Company for the Financial Year 2020-21, but the expected financial impact of COVID-19 is not ascertainable at this stage

Our opinion is not modified in respect of this matter.

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

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

The Board's Report, Annexures to Board's Report, Corporate Governance Report and Shareholder Information is expected to be made available to us after the date of this auditor's report. Our opinion on the Ind AS Financial Statements does not cover the other information and we will not express any form of assurance conclusion thereon. In connection with our audit of the Ind AS Financial Statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

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

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

The Company's board of directors are responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these Ind AS Financial Statements that give a true and fair view of the financial position, financial performance, including other comprehensive Income, changes in equity and cash flows of the Company in accordance with the Ind AS and other accounting principles generally accepted in India, including the accounting standards specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities, selection and application of appropriate accounting policies; making judgements and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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

Auditor's Responsibility for the Audit of the Ind AS Financial Statements

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

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

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

Materiality is the magnitude of misstatements in the financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the financial statements.

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

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

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

Other Matters

The comparative financial information of the Company for the year ended 31st March 2019 prepared in accordance with Ind AS included in these Financial Statements have been audited by the predecessor auditor. The report of the predecessor auditor on the comparative financial information dated May 16, 2019 expressed an unmodified opinion.

Our opinion on is not modified in respect of above matter.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, we give in the "Annexure A" a

statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

2. As required by Section 143(3) of the Act, based on our audit we report that:
- a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
 - b. In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
 - c. The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, Statement of Changes in Equity and the Statement of Cash Flows dealt with by this Report are in agreement with the relevant books of account;
 - d. In our opinion, the aforesaid Ind AS Financial Statements comply with the Ind AS specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended;
 - e. On the basis of the written representations received from the directors as on 31st March 2020 taken on records by the Board Directors, none of the disqualified as on 31st March 2020 from being appointed as a director in terms of Section 164 (2) of the Act;
 - f. With respect to the adequacy of the Internal Financial Controls over financial reporting of the Company with reference to these Standalone Financial Statements and the operating effectiveness of such controls, refer to our separate report in "Annexure B"; Our report expresses an unmodified opinion on adequacy and operative effectiveness of the Company's internal financial controls over financial reporting;
 - g. With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended, "DS LIMITED
In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid / provided by the Company to its directors during the year is in accordance with the provisions of section 197 read with Schedule V of the Act. The Ministry of Corporate Affairs has not prescribed other details under Section 197(16) which are required to be commented upon by us.
 - h. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company has disclosed the impact of pending litigations on its financial position in its standalone financial statements as referred to Note 30(b) to the Ind AS Financial Statements.
 - ii. The Company did not have any long-term contracts including derivative contracts; as such the question of commenting on any material foreseeable losses thereon does not arise.
 - iii. There were no amounts, which, were required to be transferred, to the Investor Education and Protection Fund by the Company.

For JMMK & Co.

(earlier known as JMK & Co.)

Chartered Accountants

ICAI Firm Registration No. 120459W

CA Timal Maru

Partner

Membership No: 104942

Place: Mumbai

Date: 30th June, 2020

UDIN : 20104942AAAAG4435

Annexure A to the Independent Auditor's Report

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

- i. In respect of the Company's Property, Plant and Equipment:
 - a) The Company has maintained proper records showing full particulars, including situation of Property, Plant and Equipment. However, the Company is in the process of updating quantitative details in fixed assets register and assets identification number in fixed assets register and marked on respective fixed assets.
 - b) Property, Plant and Equipment have been physically verified by the management at regular Interval, which in our opinion is reasonable, having regard to the size of the company and the nature of its assets. No material discrepancies were noticed on such physical verification.
 - c) According to the information and explanation given to us by the management of the Company and based on our examination of the books and records of the Company, immovable properties of freehold land, factory building which was self-constructed, and office premises whose title deed have been pledged as security for loans and not available for our verification, are held in the name of the Company.
- ii. In respect to Inventories:
 - a) As explained to us, the inventories of finished goods and raw materials were physically verified during the year by the Management. In our opinion, having regard to the nature and location of the stocks, the frequency of verification is reasonable.
 - b) In our opinion and according to the information and explanations given to us, the procedures of physical verification of inventories followed by the Management were reasonable and adequate in relation to the size of the Company and the nature of its business.
 - c) In our opinion and according to the information and explanations given to us, the Company has maintained proper records of its inventories and no material discrepancies were noticed on physical verification.
- iii. In our opinion and accordingly to the information, explanations and Management Explanation given to us, the Company has not granted any loans, secured or unsecured to companies, firms, Limited Liability partnerships or other parties covered in the Register maintained under section 189 of the Act. Accordingly, the provisions of clause 3 (iii) (a) to (c) of the Order are not applicable to the Company.
- iv. In our opinion and according to the information and explanations given to us, there are no loans, guarantees or securities granted in respect of which provisions of Section 185 and 186 of the Act are applicable to the Company. The Company has complied with the provision of section 186 of the Act in respect of the investment made.
- v. According to the information and explanations given to us, the Company has not accepted any deposits from the public hence the directives issued by the Reserve Bank of India and provisions of section 73 to Section 76 of the Act and Rules framed there under, are not applicable to it. According to information and explanation provided to us no order has been passed by Company Law Board or National Company Law Tribunal or Reserve Bank of India or any court or any other tribunal in the current year. Accordingly, the provisions of Clause 3(v) of the Order are not applicable to the Company.
- vi. We have broadly reviewed the books of account and records maintained by the Company pursuant to the rules made by the Central Government of India for the maintenance of cost records prescribed under sub-section (1) of section 148 of the Act in respect of manufacturing activities of the Company and are of the opinion that prima facie, the prescribed accounts and records have been maintained. We have however, not made a detailed examination of the records with a view to determine whether they are accurate or complete.

vii. In respect of Statutory Dues:

- a) According to the information and explanation given to us and on the basis of our examination of books and records of the Company, the Company has been generally regular in depositing undisputed statutory dues including Provident Fund, Employees State Insurance, Income Tax, Sales Tax, Goods and Services Tax, Service Tax, duty of Customs, duty of Excise, Value Added Tax, Cess and other Material Statutory Dues, as applicable with the appropriate authorities within the due dates expect non deduction of tax at source. The details of which are as follows:

Name of the Statute	Nature of the dues	Amount (In ₹)	Period to which the amount relates	Due Date	Date of Payment
Income Tax Act, 1961	Tax deducted at Sources	0.64	December, 2019	7th of the subsequent month	Not yet paid
		2.35	July, 2019	7th of the subsequent month	Not yet paid

- b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, no amounts deducted / accrued in the books of account in respect of undisputed statutory dues including provident fund, Income-Tax, Cess, Goods and Service Tax and other material statutory dues, in arrears as at March 31, 2020 for a period of more than six months from the date they became payable except due to non-deduction of tax at source as mentioned in (a) above.
- c) According to the information and explanations given to us and on the basis of our examination of the records of the Company produced before us in accordance with the generally accepted auditing practices in India, following are the dues which have not been deposited as at 31st March, 2020 on account of dispute :

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

- viii. In our opinion and according to the information and explanation given to us, the Company has not defaulted in repayment of dues to banks and Financial Institutions during the year. The Company did not have dues relating to any loans or borrowing from Government or debenture holders.
- ix. In our opinion, and according to the information and explanations given to us, the money raised by way of term loans have been applied for the purposes for which they were obtained. As the Company has not raised any moneys by way of initial public offer and further public offer (including debt instruments), the provisions of Clause 3(ix) of the Order, to that extent, are not applicable to the Company.
- x. According to the information and explanations given to us, no fraud by the Company or on the Company by its officers or employees has been noticed or reported during the year.

- xi. In our opinion and according to the information and explanations given to us, the Company has paid / provided managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Act.
- xii. In our opinion and according to Information and explanations provided to us, the Company is not a Nidhi Company. Accordingly, provisions of the clause 3(xii) of the Order are not applicable to the Company.
- xiii. In our opinion and according to the information and explanations given to us, the Company is in compliance with Section 177 and 188 of the Companies Act, 2013 where applicable, for all transactions with the related parties and the details of related party transactions have been disclosed in the financial statements as required by the applicable accounting standard.
- xiv. During the year, the Company has not made any preferential allotment or private placement of shares or fully or partly paid convertible debentures. Accordingly, provision of the clause 3(xiv) of the Order is not applicable to the Company.
- xv. According to the information and explanations given to us, during the year the Company has not entered into any non-cash transactions with its Directors or persons connected with them and hence provisions of section 192 of the Companies Act, 2013 are not applicable to the Company. Accordingly, clause 3(xv) of the Order is not applicable to the Company.
- xvi. According to the information and explanations given to us the Company the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

NHC FOODS LIMITED

For JMMK & Co.

(earlier known as JMK & Co.)

Chartered Accountants

ICAI Firm Registration No. 120459W

CA Timal Maru

Partner

Membership No: 104942

Place: Mumbai

Date: 30th June, 2020

UDIN : 20104942AAAAG4435

Annexure B to the Independent Auditor's Report

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

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

We have audited the internal financial controls over financial reporting of **NHC FOODS LIMITED** (the "Company") as of 31st March, 2020 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit in accordance with the Guidance Note and the Standards on Auditing prescribed under Section 143(10) Act, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

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

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

Meaning of Internal Financial Controls over Financial Reporting

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

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

the company are being made only in accordance with authorisations of the management and directors of the company; and

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

Inherent Limitations of Internal Financial Controls over Financial Reporting

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

Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March, 2020, based on the internal financial control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the ICAI.

NHC FOODS LIMITED

For JMMK & Co.

(earlier known as JMK & Co.)

Chartered Accountants

ICAI Firm Registration No. 120459W

CA Timal Maru

Partner

Membership No: 104942

Place: Mumbai

Date: 30th June, 2020

UDIN : 20104942AAAAG4435

**BALANCE SHEET AS AT 31ST MARCH, 2020****(Amount in Lakhs)**

PARTICULARS	Note	As at March 31, 2020	As at March 31, 2019
1. Non-Current Assets			
Property, Plant and Equipment	3	1,057.61	1,139.25
Goodwill	4	347.94	386.72
Right to Use Assets		125.59	–
Other Non Current Assets	5	31.67	19.96
Total Non-Current Assets		1,562.81	1,545.92
2. Current Assets			
Inventories	6	1,448.84	1,448.00
Financial Assets			
Investments	7	0.60	0.60
Trade Receivables	8	2,402.26	1,883.48
Cash and Cash Equivalents	9	112.00	112.54
Other Financial Assets	10	176.38	233.59
Other Current Assets	11	516.66	493.77
Total Current Assets		4,656.74	4,171.98
Total Assets		6,219.55	5,717.90
Equity and Liabilities			
1. Equity			
Equity Share Capital	12	1,185.50	1,185.50
Other Equity	13	903.40	766.77
Total Equity		2,088.90	1,952.27
2. Liabilities			
Non-Current Liabilities			
Financial Liabilities			
Borrowings	14	466.13	339.02
Lease Liabilities		123.82	–
Provisions	15	34.93	26.41
Deferred Tax Liabilities (Net)	16	38.88	21.44
Other Non Current Liabilities	17	10.00	–
Total Non-Current Liabilities		673.75	386.87
Current Liabilities			
Financial Liabilities			
Borrowings	18	1,279.33	802.34
Lease Liabilities		15.70	–
Trade Payables	19		
Total outstanding dues of micro enterprises and small enterprises		0.69	5.04
Total outstanding dues of creditors other than micro enterprises and small enterprises		1,715.67	1,903.69
Provisions	20	37.68	18.21
Other Current Liabilities	21	407.82	649.48
Total Current Liabilities		3,456.89	3,378.76
Total Liabilities		4,130.65	3,765.63
Total Equity and Liabilities		6,219.55	5,717.90
Significant Accounting Policies and Notes Forming Part of the Financial Statements	1-43		

As per our report of even date attached

For **JMMK & CO.**
Chartered Accountants
 Firm Reg. No. : 120459W
CA TIMAL MARU
 (Partner)
 M. No. 104942
 Place: Mumbai
 Date: June 30, 2020

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

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

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

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31ST, 2020

(Amount in Lakhs)

PARTICULARS	Note	For the year ended March 31, 2020	For the year ended March 31, 2019
I. Revenue			
Revenue from operations	22	13,160.91	12,473.92
Other Income	23	138.78	57.29
Total Revenue		13,299.69	12,531.21
II. Expenses			
Cost of Materials Consumed	24	13.20	47.10
Purchase of Traded Goods		11,928.73	11,476.45
Changes in inventories of Finished goods, Work in progress and Traded Goods	25	(3.85)	(124.12)
Employee Benefits Expense	26	210.94	208.48
Finance Cost	27	161.29	127.45
Depreciation and Amortisation Expenses	3 & 4	139.50	121.23
Other Expenses	28	659.48	562.01
Total		13,109.29	12,418.60
Profit Before Tax		190.40	112.61
Tax Expenses			
Current Tax		42.19	21.46
MAT Availed / Utilised		6.44	(0.65)
Short MAT utilisation of earlier year		8.87	-
Deferred Tax (Income)		(8.26)	(38.71)
Total Tax Expenses		49.24	(17.90)
Profit After Tax		141.17	130.51
Other Comprehensive Income Items that would not be classified subsequently to Profit and Loss			
Actuarial (loss)/gain on defined benefit obligation		(6.29)	5.07
Income tax relating to these items		1.75	-
		(4.54)	5.07
Balance carried to Balance Sheet		136.63	135.58
Earnings Per Equity Share of Face Value of 10/- each			
Basic Earnings per share (Rs.)		1.19	1.14
Diluted Earnings per share (Rs.)		1.19	1.14
Significant Accounting Policies and Notes Forming Part of the Financial Statements	1-43		

As per our report of even date attached

For **JMMK & CO.**
Chartered Accountants
Firm Reg. No. : 120459W
CA TIMAL MARU
(Partner)
M. No. 104942
Place: Mumbai
Date: June 30, 2020

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

Apoorva Shah
Chairman & Managing Director
DIN: 00573184

Awdheshkumar Kannaujia
Chief Financial Officer

Alpa Shah
Whole Time Director
DIN: 00573190

Krina Mehta
CS & Compliance Officer

Cash flow statement for the year ended 31st March, 2020 (Amount in Lakhs)

Particulars	For the year Ended March 31, 2020	For the year ended March 31, 2019
A. Cash Flows from Operating Activities		
Profit before taxes	190.40	112.61
Adjustments for:		
Depreciation and amortisation expense	139.50	121.23
Interest expense	134.38	120.35
Interest income	31.42	(36.93)
Bad Debts written off	17.97	78.54
Sundry Balance Written back	(9.13)	(20.36)
Profit on sale of Property, Plant and Equipment	(15.01)	
Other Adjustments including other comprehensive income	6.29	5.87
Effect of Expected Credit Loss	13.56	(67.76)
Operating profit before working capital changes	509.39	313.55
Changes In Working Capital :		
(Increase)/Decrease in Inventories	(0.83)	(124.34)
(Increase)/Decrease in Trade receivables	(550.32)	(816.91)
(Increase)/Decrease in Loans and advances and other assets	(7.47)	251.59
(Increase)/Decrease in Trade payables, other liabilities and provisions	(512.94)	1,071.90
Net Changes In Working Capital	(1,071.57)	382.24
Cash generated from the operations	(562.18)	695.79
Direct tax paid	(42.70)	(10.08)
Net Cash provided by/ (used in) operating activities (A)	(604.88)	685.71
B. Cash Flow from Investing Activities		
Purchase of Property, Plant and equipment (Including Capital Advances)	(26.84)	(55.84)
(Purchase)/Sale of Investments	-	0.60
Proceeds from Sale of Property, Plant and Equipment	38.46	-
Interest income	1.34	36.93
Net Cash provided by/ (used in) investing activities (B)	12.96	(18.32)
C. Cash Flow from Financing Activities		
Proceeds from Director	344.04	784.64
(Repayment) of Loan to Director	(216.59)	(1,167.46)
Proceeds from Bank	6,632.48	4,986.32
(Repayment) of borrowings to Bank	(6,263.23)	(4,979.10)
Proceeds from others borrowings	519.78	49.51
(Repayment) of other borrowings	(309.93)	(194.96)
Repayment of Lease Liability (Including interest)	(1.77)	-
Interest expense	(113.38)	(118.88)
Net Cash provided by/ (used in) financing activities (C)	591.39	(639.92)
Net increase/ (decrease) in Cash and Cash Equivalents (A+B+C)	(0.54)	27.47
Cash and Cash Equivalents at the beginning of the year	112.54	85.07
Cash and Cash Equivalents at the end of the year	112.00	112.54
Earmarked Deposits with Banks	-	-
Cash and Bank Balances at the end of the year	112.00	112.54
Components of Cash and Bank Balances at the end of the year:		
	As At	As At
	31st March, 2020	31st March, 2019
Balance with Bank	105.31	86.67
Cash in Hand	6.69	25.87
Total Cash and Cash equivalents as per Balance Sheet	112.00	112.54

As per our report of even date attached

For **JMMK & CO.**
Chartered Accountants
Firm Reg. No. : 120459W
CA TIMAL MARU
(Partner)
M. No. 104942
Place: Mumbai
Date: June 30, 2020

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

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

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

Statement of changes in equity for the year ended 31st March 2020:

A. Equity Share Capital

₹ in Lakhs (Except No. of Shares)

Particulars	Number of Shares	Amount
As at April 1, 2018	1,18,55,000	1,185.50
Changes in equity share capital		
As at March 31, 2019	1,18,55,000	1,185.50
Changes in equity share capital		
As at March 31, 2020	1,18,55,000	1,185.50

B. Other Equity

Attributable to equity holders of the Company

(Amount in Lakhs)

Particulars	Reserves & Surplus		Other Comprehensive Income (OCI)	Total
	Securities Premium Reserves	Retained earnings	Remeasurements of net defined	
As at April 1, 2018	174.29	456.85	(0.74)	630.39
Profit for the year	–	130.51	–	130.51
Other Comprehensive income for the year	–	–	5.07	5.07
Other Adjustments	–	0.80		0.80
As at April 01, 2019	174.29	588.16	4.33	766.77
As at April 01, 2019	174.29	588.16	4.33	766.77
Profit for the year	–	141.17	–	141.17
Other Comprehensive income for year (OCI)	–	–	(6.29)	(6.29)
Tax adjustment of OCI items			1.75	1.75
Balance at 31st March, 2020	174.29	729.33	(0.21)	903.40

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

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

CA Timal Maru
(Partner)
Membership No. 104942

Apoorva Shah
Chairman & Managing Director
DIN: 00573184

Alpa Shah
Whole Time Director
DIN: 00573190

Place: Mumbai
Date: 30th June, 2020

Awdheshkumar Kannaujia
Chief Financial Officer

Krina Mehta
CS & Compliance Officer

Notes to Financial Statements for the year ended March 31, 2020

1. Corporate Information

NHC Foods Limited (NHC) (“the Company”) (CIN : L15122GJ1992PLC076277) is a public company domiciled in India and is incorporated under the provisions of the Companies Act applicable in India.

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

The financial statements were authorised for issue by the board of directors on June 30, 2020.

2. Significant Accounting Policies

2.1 Basis of preparation of financial statements

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

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

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

(b) Application of New Accounting pronouncements

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

2.2 Use of estimates and judgments

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

2.3 Summary of significant accounting policies

(a) Foreign currency translation

(i) Functional and presentation currency

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

(ii) Transactions and balances

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

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

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

(b) Property, plant and equipment

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

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

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

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

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

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

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

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

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

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

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

(d) Intangible assets

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

Amortisation methods and periods

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

(e) Impairment of non financial assets

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

NHC FOODS LIMITED

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

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

(f) Leases

(i) As a lessee

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

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

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

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

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

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

Short-term leases and leases of low-value assets

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

(ii) As a lessor

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

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

The Company recognizes lease payments received under operating leases as income on a straight-line basis over the lease term. Contingent rents are recognised as revenue in the period in which they are earned.

The accounting policies applicable to the Company as a lessor in the comparative period were not different from Ind AS 116.

(g) Inventories

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

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

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

(h) Revenue recognition

Revenue is measured based on the consideration specified in a contract with a customer and excludes amounts collected on behalf of third parties including taxes. Revenue is recognized upon transfer of control of promised products or services to customers in an amount that reflects the consideration we expect to receive in exchange for those products or services.

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

The following are the specific revenue recognition criteria:

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

Contract balances

Contract assets

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

Trade receivables

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

Contract liabilities

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

Assets and liabilities arising from rights of return

Right of return assets

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

Refund liabilities

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

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

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

c) Interest income

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

d) Dividend income

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

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

(i) Taxes

(i) Current income tax

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

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

(ii) Deferred tax

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

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

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

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

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

(iii) Minimum Alternate Tax

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

(j) Financial Instruments

Financial assets and financial liabilities are recognised when a Company becomes a party to the contractual provisions of the instruments which give rise to a financial asset of one entity and financial liability or equity of another entity.

Initial Recognition

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

Classification and Subsequent Measurement: Financial Assets

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

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

(i) Amortised Cost

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

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

(ii) Fair Value through other comprehensive income

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

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

(iii) Fair Value through Profit or Loss

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

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

Classification and Subsequent Measurement: Financial liabilities

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

i. Financial Liabilities at FVTPL

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

ii. Other Financial Liabilities:

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

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

Impairment of financial assets

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

Derecognition of financial assets

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

On derecognition of a financial asset in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognised in other comprehensive income and accumulated in equity is recognised in profit or loss if such gain or loss would have otherwise been recognised in profit or loss on disposal of that financial asset.

Derecognition of financial liabilities

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

Equity investment in subsidiaries, joint ventures and associates

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

Offsetting of financial instruments

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

(k) Financial liabilities and equity instruments

Classification as debt or equity

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

Equity instruments

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

(l) Convertible financial instrument

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

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

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

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

(m) Employee benefits

(i) Short-term obligations

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

(ii) Other long-term employee benefit obligations

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

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

(iii) Post-employment obligations

The company operates the following post-employment schemes:

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

Gratuity obligations

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

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

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

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

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

Defined contribution plans

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

(iv) Termination benefits

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

(n) Provisions, Contingent Liabilities and Contingent Assets

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

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

A present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle or a reliable estimate of the amount cannot be made, is disclosed as a contingent liability. Contingent liabilities are also disclosed when there is a possible obligation arising from past events, the existence of which will

be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company.

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

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

(o) Borrowing costs

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

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

(p) Segment Reporting - Identification of Segments

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

(q) Earnings per share

Basic earnings per share

Basic earnings per share is calculated by dividing:

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

Diluted earnings per share

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

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

(r) Current/non-current classification

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

- Expected to be realised or intended to be sold or consumed in normal operating cycle
- Held primarily for the purpose of trading

- Expected to be realised within twelve months after the reporting period, or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

All other assets are classified as non-current.

A liability is current when:

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

The company classifies all other liabilities as non-current.

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

(s) Cash and cash equivalents

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

(t) Cash Flow Statement

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

(u) Dividends

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

(v) Rounding of amounts

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

(w) Events after Reporting date

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

2.4 Key Significant accounting judgements, estimates and assumptions

The preparation of these financial statements in conformity with the recognition and measurement principles of Ind AS requires the management of the Company to make estimates and assumptions that affect the reported balances

of assets and liabilities, disclosures relating to contingent liabilities as at the date of the financial statements and the reported amounts of income and expense for the periods presented.

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

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

(i) Impairment of non - financial assets

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

(ii) Useful lives of property, plant and equipment

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

This reassessment may result in change in depreciation expense in future periods.

(iii) Income taxes

The Company's tax jurisdiction is India. Significant judgements are involved in estimating budgeted profits for the purpose of paying advance tax, determining the provision for income taxes, including amount expected to be paid/recovered for uncertain tax positions.

(iv) Valuation of deferred tax assets

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

(v) Defined benefit plans

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

(vi) Provisions

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

(vii) Fair value measurement

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

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

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

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

2.5 Recent accounting pronouncements**Standards are issued but not yet effective**

Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards. There is no such notification which would have been applicable from April 1, 2020.

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

(Amount in Lakhs)

Sr. No.	Descriptions	Gross Block					Depreciation					Net block		
		As at April 1, 2018	Additions	As at April 1, 2019	Additions	Deduction	As at March 31, 2020	As at April 1, 2019	For the year ended March 31, 2020	As at March 31, 2020	Amount transferred to Reserves	As at March 31, 2020	As at March 31, 2019	
Note 3:														
Tangible assets														
1	Freehold land	21.19		21.19			21.19					21.19	21.19	
2	Factory Building	595.72		595.72			595.72			23.62	93.29	502.43	526.05	
3	Office Premises	286.32		286.32			286.32			5.05	20.05	266.27	271.31	
4	Leasehold Improvement*	115.60	50.21	165.81	2.75		168.56			14.42	30.48	138.09	151.39	
5	Machinery	160.55		160.55	0.48	35.31	125.72			15.13	47.77	77.95	114.27	
6	Furniture	27.85		27.85			27.85			4.25	17.16	10.70	14.94	
7	Vehicles	48.92		48.92	22.39	7.66	63.65			9.44	34.23	29.42	17.40	
8	Office Equipment	11.71	5.55	17.26	1.22		18.48			1.59	12.31	6.17	6.54	
9	Computer	5.24	0.09	5.32			5.32			0.10	3.97	1.36	1.46	
10	Electrical Fittings	41.77		41.77		4.14	37.63			9.80	33.59	4.04	14.68	
	Total (A)	1,314.87	55.84	1,370.72	26.84	47.11	1,350.44	148.91	82.55	231.47	292.85	1,057.61	1,139.25	
	Previous year	1,205.71	109.16	1,314.87	55.84	-	1,370.72	76.33	72.58	148.91	-	231.47	1,165.96	
Note 4:														
Intangible assets														
1	Goodwill on amalgamation	503.30		503.30			503.30							
2	Right to Use (Lease)													
	Total (B)	503.30	-	503.30	-	-	503.30	77.92	38.67	116.59	155.37	347.94	386.72	
	Previous year	503.30	-	503.30	-	-	503.30	36.61	41.31	77.92	116.59	386.72	425.39	
	Total (A+B)	1,818.18	55.84	1,874.02	26.84	47.11	1,995.03	226.83	121.22	348.06	23.65	1,531.14	1,525.97	
	Previous year	1,709.02	109.16	1,818.18	55.84	-	1,874.02	112.94	113.89	226.83	-	348.06	1,591.35	

i) Property, Plant and Equipment pledged as security against borrowings by the group, if any

Refer to Note : 41 Assets Hypothecated as security

ii) There are no Contractual Obligations for the year

* Additions to Leasehold premises for the year 2019-20 relating to Leasehold improvement previous year i.e F Y 2018-19 is captlised in F Y 2019-20.

(Amount in Lakhs)

	As at March 31, 2020	As at March 31, 2019
Note 5: Other Non-Current Assets (Unsecured, Considered good)		
Security Deposits	11.17	11.56
Deduction of Income tax (Net of provision for income tax)	7.17	0.46
Loans to Employees*	13.33	7.95
Total	31.67	19.96
* Includes Rs.2.36 lakhs (2019 Rs.3.66 lakhs) due from KMP		
Note 6: Inventories		
Raw Material	1.50	3.10
Work in Progress	1.06	2.25
Packing material	26.29	27.71
Finished Goods	0.31	0.92
Stock in Trade	1,419.68	1,414.03
Total	1,448.84	1,448.00
Note 7: Current Financial Assets - Investments Non - Trade Investments In Government and Other Securities Unquoted		
National Saving Certificates *(6 Units of INR 10,000 each)	0.60	0.60
Total	0.60	0.60
*Under lien with Sales Tax Department		
Note 8: Trade Receivables (Unsecured)		
Considered Good	2,402.26	1,883.48
Considered Doubtful Which have significant increase in credit risk	149.62	246.76
Less: Provision for Doubtful Debts	2,551.88	2,130.23
Less: Allowance for Expected credit loss	149.62	246.76
Total	2,402.26	1,883.48

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

(Amount in Lakhs)

	As at March 31, 2020	As at March 31, 2019
Note 9: Cash and Cash equivalents Cash and Cash equivalents Balance with banks:		
In current account	105.31	86.67
Cash in hand	6.69	25.87
	112.00	112.54
Note 10: Other Financial Assets		
Interest receivable	0.47	0.47
Export incentives receivable	174.65	232.31
Loan to Employees	1.25	0.80
Total	176.38	233.59

(Amount in Lakhs)

	As at March 31, 2020	As at March 31, 2019
Note 11: Other Current Assets (Unsecured, Considered good)		
Advance Given to Suppliers	39.22	29.91
Prepaid Expenses	7.92	8.29
Other Loans and Advances	436.99	401.18
Balances with Statutory, Government Authorities*	32.52	54.39
Total	516.66	493.77

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

Note 12: Equity Share Capital

Name of Shareholders	As at March 31, 2020		As at March 31, 2019	
	No. of Shares	Amount	No. of Shares	Amount
Authorised 2,40,00,000 Equity Shares of Rs. 10 each/-	2,40,00,000	2,400.00	2,40,00,000	2,400.00
	2,40,00,000	2,400.00	2,40,00,000	2,400.00
Issued, Subscribed and Fully Paid-up 11,855,000 Equity Shares of Rs. 10/- each fully paid	1,18,55,000	1,185.50	1,18,55,000	1,185.50
	1,18,55,000	1,185.50	1,18,55,000	1,185.50

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

Particulars	As at March 31, 2020		As at March 31, 2019	
	No. of Shares	Amount	No. of Shares	Amount
Equity Share Capital At the beginning of the year	1,18,55,000	1,185.50	1,18,55,000	1,185.50
Add :- Issued during the year				
At the end of the year	1,18,55,000	1,185.50	1,18,55,000	1,185.50

(b) Terms/rights attached to equity shares

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

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

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

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

Name of Shareholders	As at March 31, 2020		As at March 31, 2019	
	No. of Shares	% of Holding	No. of Shares	% of Holding
Equity Share				
Alpa Shah	10,01,435	8.45%	10,01,435	8.45%
Apoorva Himatlal Shah	38,52,816	32.33%	38,32,816	32.33%
Total	48,54,251	40.78%	48,34,251	40.78%

(Amount in Lakhs)

	As at March 31, 2020	As at March 31, 2019
Note 13: Other Equity Securities Premium		
Add : Received During The Year	174.29	174.29
	174.29	174.29
Retained Earnings		
Opening Balance	588.16	456.10
Add: Profit for the year	141.17	135.58
Less : Adjustment for depreciation pursuant to Schedule II of the Companies Act, 2013		
Add: Other Adjustments	-	0.80
	729.33	588.16
Remeasurements of net defined benefit plans		
Opening Balance	4.32	(0.74)
Add: Profit/(loss) for the year	(4.54)	5.07
	(0.22)	4.32
Total	903.40	766.77
Note 14: Non-Current Borrowings		
Secured		
Term Loan from banks	-	5.85
Less: Current Maturity of Loan	-	5.85
Total	-	-
Unsecured		
From Others :		
Loan From Related parties	434.74	307.30
Less: Current Maturity of Non Current Borrowing	107.74	-
	327.00	307.30
Loan From Others (Long Terms Maturities)	358.65	148.80
Less: Current Maturity of Non Current Borrowing	219.52	117.08
	139.13	31.72
Total	466.13	339.02
Net Debt Reconciliation : Refer Note No. 41		
(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 + 2.50%.		
(ii) Unsecured loans from others carries rate of interest of 18-20% p.a.		
(iii) For Repayment Schedule refer Note No.38 (B) (i)		
	As at March 31, 2020	As at March 31, 2019
Note 15: Long Term Provisions		
Provision for Gratuity	34.93	26.41
Total	34.93	26.41
Note 16: Deferred Tax Liability (Net)		
Deferred Tax Liability		
On Fixed Assets	238.13	196.08
	238.13	196.08
Deferred Tax Asset		
Disallowances under Income Tax Act, 1961	124.41	72.36
	124.41	72.36
Less: Mat Credit Entitlement	74.84	102.29
Deferred Tax Liability/Assets (Net)	38.88	21.44
Income Tax Reconciliation : Refer Note No. 42		

(Amount in Lakhs)

	As at March 31, 2020	As at March 31, 2019
Note 17: Other Non-Current Liabilities		
Other Liabilities-Rent Deposits	10.00	–
Total	10.00	–
Note 18: Short-Term Borrowings		
Secured*		
Working Capital Borrowings from Banks	1,171.59	802.34
Term Loan From Bank		
Unsecured		
Loan From Related parties	107.74	–
Total	1,279.33	802.34
* Working Capital Borrowings from Banks is secured against stock-in-trade , receivables and Equitable Mortgage of immovable property as collateral and Guarantee by Directors. It includes Packing Credit carrying rate of interest LIBOR + 2.5% p.a. which is repayable as per PCFC sanction terms.		
	As at March 31, 2020	As at March 31, 2019
Note 19: Trade Payables		
Trade Payables (Refer Note 30)		
Total outstanding dues of mirco enterprises and small enterprises	0.69	5.04
Total outstanding dues of creditors other than micro enterprises and small enterprises	1,715.67	1,903.69
Total	1,716.36	1,908.73
Note 20: Short-Term Provisions		
Provision for Gratuity	6.56	5.38
Provision for Tax (Net of Advance Tax)	24.99	12.83
Provision for Leave Encashment	2.27	–
Bonus Payable	3.86	–
Total	37.68	18.21
Note 21: Other Current Liabilities		
Interest Accrued on borrowings	–	–
Current Maturities of Long-Term Debts	219.52	117.08
Interest Accrued but not due on borrowings	2.54	1.46
Advances From Customers	167.12	229.20
Other Liabilities	–	271.00
Other Payables*	18.64	30.75
Total	407.82	649.48
* Includes Statutory dues payable i.e. TDS, PT, and GST etc.		
* Includes salary amount of Rs.7.70 lakhs (2019 Rs.6.75 lakhs) payable to Related parties		
Note 22: Revenue from Operations		
Sale of Ready to eat and Bulk Agriculture items	12,818.39	12,209.29
Other Operating Revenues		
Export Incentives	342.52	264.63
Total	13,160.91	12,473.92

(Amount in Lakhs)

	As at March 31, 2020	As at March 31, 2019
Note 23: Other Income		
Interest Income :		
On Income Tax Refund	–	0.23
On Others	31.42	36.69
Other non-operating income	15.43	–
Maturity of Keyman Insurance	82.80	–
Sundry Balance W/Back	9.13	20.36
Total	138.78	57.29
Note 24: Cost of Raw Material Consumed		
Raw Material		
As at beginning of the year	3.10	4.38
Add : Purchase	6.12	36.66
Add : Direct Expense	3.81	5.28
Less : As at end of the year	1.50	3.10
	11.52	43.22
Packing Material Consumed		
Packing Material		
As at beginning of the year	27.71	26.21
Add : Purchase	0.26	5.38
Less : As at end of the year	26.29	27.71
	1.68	3.88
Total	13.20	47.10
Note 25: Changes in Inventories of Finished Goods, Work-in-Progress and Stock-in-Trade		
Inventories as at the end of the year		
Work in progress	1.06	2.25
Finished goods	0.31	0.92
Stock in Trade	1,419.68	1,414.03
	1,421.05	1,417.20
Inventories as at the beginning of the year		
Work in progress	2.25	2.55
Finished goods	0.92	0.11
Stock in Trade	1,414.03	1,290.42
	1,417.20	1,293.08
	–	–
Net Decrease / (Increase) in Inventories	(3.85)	(124.12)
Note 26: Employee Benefits Expense		
Salaries , Wages and Bonus	196.60	195.47
Contribution to Provident and Other funds	11.99	10.80
Staff Welfare Expenses	2.35	2.21
Total	210.94	208.48
Note 27: Finance Cost		
Interest Expense	118.15	120.35
Other Borrowing Costs	26.91	7.10
Interest on Lease liability	16.23	–
Total	161.29	127.45

(Amount in Lakhs)

	As at March 31, 2020	As at March 31, 2019
Note 28 :		
Transportation	262.54	213.75
Travelling Expenses	29.65	17.88
Sales promotion expenses	48.68	39.92
Electricity	14.77	11.21
Legal and Professional Fees	59.77	28.10
Bad Debts written off	17.97	78.54
<u>Repairs and Maintenance</u>		
Plant and Machinery	0.55	0.49
Building	1.47	–
Others	8.33	3.63
Rent	3.73	18.42
Rates and Taxes	2.27	1.17
<u>Payments to Auditors</u>		
Statutory Audit Fees	3.45	4.38
Other services	0.05	–
Foreign exchange fluctuation loss(net)	105.20	109.06
Insurance	5.56	7.87
Prior Period Expenses		
Donations	0.14	0.37
Expected Credit Loss	13.56	(67.76)
Miscellaneous Expenses	81.79	95.00
Total	659.48	562.01

Note 29: Commitments and Contingencies

29(a) Estimated amount of contracts remaining to be executed on capital account and not provided for (net of Advances) Rs. Nil (2019: Rs. Nil)

29(b) Contingent Liabilities not provided for:

(Amount in Lakhs)

Particulars	2019-20	2018-19
A. Bills discounted and outstanding	480.57	390.78
B. Bank certificate for cancelled guarantees.	–	–
C. Disputed Demands Outstanding:*		
Income Tax	38.82	5.47
Excise Duty	2.27	2.27

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

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

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

(Amount in Lakhs)			
	Particulars	March 31, 2020	March 31, 2019
	<u>Total outstanding dues of micro enterprises and small enterprises :</u>		
a)	Principal amount and interest due thereon remaining unpaid*	0.69	0.67
b)	Interest paid by the Company in terms of Section 16 of the Micro, Small and Medium Enterprises Development Act, 2006, along with the amount of the payment made to the supplier beyond the appointed day.	-	-
c)	Interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the period) but without adding interest specified under the Micro, Small and Medium Enterprises Act, 2006	-	-
d)	Interest accrued and remaining unpaid at the end of each accounting year	-	-
e)	Interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprises, for the purpose of disallowance of a deductible expenditure	-	-

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

There are no Micro, Small and Medium Enterprises, to whom the Company over dues which are outstanding for more than 45 days as at March 31, 2020 and no interest payment during the year to any Micro, Small and Medium Enterprises. This information as required to be disclosed under the Micro, Small and Medium Enterprises Development Act, 2006 has been determined to the extent such parties have been identified on the basis of information available with the Company. This has been relied upon by the auditors.

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

(Amount in Lakhs)		
Particulars	2019-20	2018-19
Segment Revenue- External Turnover		
Within India	7049.91	7125.02
Outside India	6111.00	5348.91
Total Revenue	13160.91	12473.93
Segment Assets		
Within India	6114.16	5621.27
Outside India*	105.39	9663.03
Total Assets	6219.55	5717.90
Segment Liability		
Within India	2792.10	2822.11
Outside India	1338.54	943.52
Total Liability	4130.65	3765.63
Capital Expenditure		
Within India	26.84	55.85
Outside India	-	-
Total Expenditure	26.84	55.85

* net of bill discounted of Rs. 480.57(2019 - Rs. 390.78), which is disclosed as contingent liability.

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

Particulars	As at March 31, 2020	As at March 31, 2019
(i) Total Comprehensive Income (Amount in Lakhs)	141.17	130.51
(ii) Nominal Value of Ordinary Shares (Rs.)	10	10
(iii) Weighted Average Number of Ordinary Shares (No's)	118.55	118.55
(iv) Weighted Average Number of Diluted Share (No's)	118.55	118.55
(v) Basic Earnings per Ordinary Shares (Rs.)	1.19	1.10
(vi) Diluted earning per Share (Rs.)	1.19	1.1

33. Transition to IND AS 116 ‘Leases’

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

Effective 1st April 2019, the Company has adopted IND AS 116 - ‘Leases’ and applied the Standards to all lease contracts existing on April 1, 2019 using the modified retrospective method. The Company has recorded the lease liability at the present value of the lease payments discounted at the incremental borrowing rate at the date of initial application and right of use asset at an amount equal to the lease liability adjusted for any prepayments/accruals recognized in the balance sheet as on March 31, 2019. There is no impact on retained earnings as on April 1, 2019.

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

Particulars	Amount
Lease liabilities as on 01.04.2019 (on adoption of IND AS 116 - Leases)	141.29
Additions during FY 2019-20	–
Finance costs incurred during the year	16.23
Payment of lease liabilities and interest	(18.00)
Lease liabilities as on 31.03.2020	139.542

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

Particulars	Amount
Recognition on Initial application of Ind AS 116 as at April 01, 2019	141.29
Additions during FY 2019-20	–
Depreciation charged during the year	15.70
Right to use asset as on 31.03.2020	125.59

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

Particulars	Amount
Depreciation on Right of use asset	15.70
Finance costs incurred during the year	16.23
Total amounts recognised in the statement of profit & loss	31.93

d. Maturity Analysis of contractual undiscounted cash flows:

Particulars	Amount
Less than one year	19.80
One to Three years	72.09
Three to Five Years	60.88
More than five years	73.66

34. Related Party Disclosure:

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

List of Key Management Personnel and Relatives

Key Management Personnel

Mr. Apoorva H. Shah - Managing Director
 Mrs. Alpa A. Shah - Whole time Director
 Mr. Awdhesh Kannujia - Chief Financial Officer
 Miss. Krina Mehta - Company Secretary

Relatives of KMP Key Management Personnel

Miss. Aneri Shah – (Daughter of Managing Director)
 Mr. Apr Shah - (Son of Managing Director)

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

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

a) Transaction with related Parties

(Amount in Lakhs)

Nature of transactions	Key Management Personnel	Company over which key management personnel is able to exercise significant influence	Relatives of Key Management Personnel
1. Loan Taken	344.04 (784.64)	- (-)	- -
2. Repayment of Loans taken	216.59 (1167.46)	- (-)	- (-)
3. Remuneration	1,00.95 (1,00.55)	- (-)	18.98 (9.79)
4. Royalty	(-)	0.10 (0.10)	(-)
5. Loans and Advances given	2.00 (-)	-	-
6. Received back Loans and Advances given	3.30 (-)	-	-
Balance payable at the end of Year			
7. Loan Payable	434.74 (307.30)	- (-)	- (-)
8. Loans and Advances given	2.36 (3.66)	-	-
9. Remuneration Payable	6.35 (6.16)	-	1.35 (0.59)
10. Royalty Payable	-	0.10 (0.10)	-

(Figures in bracket indicate previous year figures)

b) Key management personnel compensation

(Amount in Lakhs)

Particulars	March 31, 2020	March 31, 2019
Short term employee benefits	100.95	100.55
Post-employment benefits (refer Note No. viii)	-	-
	100.95	100.55

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

- i) Loan Taken includes from Mr. Apoorva H. Shah Rs.344.03 (2019: Rs.784.64)
- ii) Repayment of Loans taken includes to Mr. Apoorva H. Shah Rs 216.59 (2019: Rs.1167.46)

- iii) Remuneration includes to Mr. Apoorva H. Shah Rs.43.10 (2019: Rs.43.10), to Mrs. Alpa A. Shah Rs. 43.10 (2019: Rs. 43.10), to Mr. Awdheshkumar Kannaujia Rs.11.70 (2019 : Rs. 10.62), to Miss. Krina Mehta Rs. 3.05 (2019 : 2.44)
- iv) Remuneration includes to Miss. Aneri A. Shah Rs.12.65 (2019: Rs.9.79), to Mr. Apar A. Shah Rs.6.33 (2019 : Rs. Nil)
- v) Loan payable includes from Mr. Apoorva H. Shah Rs.434.74 (2019: Rs.307.30)
- vi) Remuneration Payable includes to Mr. Apoorva H. Shah Rs.2.48 (2019: Rs.2.12); to Mrs. Alpa A. Shah Rs. 2.48 (2019: Rs.2.12); to Mr. Awdheshkumar Kannaujia Rs.1.17 (2019: Rs.1.07); to Miss. Krina Mehta Rs. 0.23 (2019: Rs.0.27)
- vii) Remuneration Payable includes to Miss. Aneri A. Shah Rs. 0.87 (2019: Rs. 0.59), to Mr. Apar A. Shah Rs.0. 48 (2019 : Rs. Nil)
- viii) Loans & Advances given and received back includes amount given to and received back from Mr. Awdheshkumar Kannaujia)
- ix) Post-Employment benefits are actuarially determined on overall company basis and separate amount attributable to KMPs and relatives of KMPs are not identifiable and hence not disclosed separately.

35. Employee Benefit Obligations (as per Ind AS 19 “Employee benefits”) :

Post-Employment obligations-

a) Defined benefit plan – Gratuity

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

The gratuity plan is an unfunded plan.

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

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

Particulars	Gratuity (Unfunded) 2019-20	Gratuity (Unfunded) 2018-19
Present Value of the Obligation as at the beginning of the year	31.79	23.63
Interest Cost	2.41	1.70
Past Service Cost	–	11.97
Current Service Cost	1.59	1.56
Benefits Paid	(0.59)	(2.01)
Actuarial (gain)/ loss on obligations	6.29	(5.07)
Present Value of the Obligation as at the end of the Year	41.48	31.79

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

Particulars	Gratuity (Unfunded) 2019-20	Gratuity (Unfunded) 2018-19
Present Value of the Obligation as at the end of the year	41.48	31.79
Fair value of plan assets	–	–
Un-funded Liability	41.48	31.79
Unrecognized actuarial gains/ losses	–	–
Un-funded liability recognized in Balance Sheet	41.48	31.79

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

Particulars	Gratuity (Unfunded) 2019-20	Gratuity (Unfunded) 2018-19
Interest Cost	2.41	1.70
Current Service Cost	1.59	1.56
Past Service Cost	–	11.96
Expected Return on Plan Assets	–	–
Actuarial (gain)/ loss on obligations	6.29	(5.06)
Total expense recognized in the Profit and Loss Account	10.29	10.16

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

Actuarial (Gain) / Loss on Obligation - Due to Demographic Assumptions	–
Actuarial (Gain) / Loss on Obligation - Due to Financial Assumptions	–
Actuarial (Gain) / Loss on Obligations - Due to Experience	6.29
Actuarial (Gain) / Loss on Obligations – Total	6.29

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

Particulars	Gratuity 2019-20	Gratuity 2018-19
Discount Rate	6.67%	7.65%
Expected Rate of increase in compensation levels	3.00%	5.00%
Expected Rate of return on plan Assets	N.A.	N.A.

Sensitivity Analysis

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

Summary of Financial & Demographic Assumptions

Scenario	Gratuity 2019-20		Gratuity 2018-19	
	DBO	Percentage Change	DBO	Percentage Change
Under Base Scenario	41.48	0.00%	31.79	0.00%
Salary Escalation - Up by 1%	42.98	3.60%	32.82	3.30%
Salary Escalation - Down by 1%	40.07	-3.40%	30.92	-2.70%
Withdrawal Rates - Up by 1%	42.73	3.00%	32.45	2.10%
Withdrawal Rates - Down by 1%	40.03	-3.50%	31.06	-2.30%
Discount Rates - Up by 1%	38.74	-6.60%	29.78	-6.30%
Discount Rates - Down by 1%	44.69	7.70%	34.07	7.20%

Expected Cash flow for following year

Maturity Profile of Defined Benefit Obligations (Amount in Lakhs)

Year	Gratuity 2019-20	Gratuity 2018-19
Year 1	6.56	5.38
Year 2	0.88	0.69
Year 3	0.91	0.72
Year 4	0.93	0.74
Year 5	3.47	0.77
Year 6	18.80	4.97
Year 7	0.56	15.62
Year 8	17.83	0.41
Year 9	0.22	14.82
Year 10	0.22	0.11

The weighted average duration of the defined benefit obligation is 14.49

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

b) Defined contribution plans - Provident fund

The company also has defined contribution plans. Contributions are made to provident fund in India for employees at the rate of 12% of basic salary as per regulations. The contributions are made to registered provident fund administered by the government. The obligation of the company is limited to the amount contributed and it has neither contractual nor any constructive obligation. The expense recognised during the period towards defined contribution plan is INR 11.99 Lakhs (March 31, 2019: INR 10.79 Lakhs).

36. In March-2020, the World Health Organisation declared COVID-19 to be a Pandemic. Consequent to this, The Central Government of India and State Government declared a national Lockdown from 25th March 2020 and the Company has suspended operations for some time. The Company has considered the possible effects that may result due to lockdown announcement consequent to outbreak of COVID-19 on the carrying amount of property, plant and equipment, goodwill, inventories, receivables and other assets. Based on the internal and external source of information and economic forecast, the Company expects the carrying amount of these assets will be recovered and sufficient liquidity would be available as and when required to fund the business operations. Though the lockdown did not have any material impact in the operations of the Company and carrying value of assets for the Year ended 31st March 2020. It may impact the business activities of the Company in the Current Financial Year 2020-21. However, the management expects the negative effect of COVID-19 will surely be reflected in the turnover and profitability of the Company for the Financial Year 2020-21. A definite assessment of the impact, at this stage is not possible in view of the highly uncertain economic environment and the situation is still evolving. The Company being in the business of food products which has been declared as essential services, started operating its operations in phase manner from the first week of April 2020.

37. FAIR VALUE MEASUREMENTS

i. Financial Instruments by Category

(Amount in Lakhs)

Particulars	Carrying Amount		Fair Value	
	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019
Amortised cost				
Investments	0.60	0.60	0.60	0.60
Trade Receivables	2,402.27	1,883.48	2,402.27	1,883.48
Cash and Cash Equivalents	112.00	112.54	112.00	112.54
Bank Balances other than above	–	–	–	–
Other Financial Assets	176.38	233.59	176.38	233.59
Total	2,691.25	2,230.21	2,691.25	2,230.21
FINANCIAL LIABILITIES				
Amortised cost				
Borrowings	1,745.46	1,141.36	1,745.46	1,141.36
Lease Liabilities	139.52	–	139.52	–
Trade Payables	1,716.37	1,908.73	1,716.37	1,908.73
Total	3,601.35	3,050.09	3,601.35	3,050.09

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

ii. Fair Value Measurement

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

Level 2 - The fair value of financial instruments that are not traded in an active market is determined using valuation techniques which maximise the use of observable market data and rely as little as possible

on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

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

iii. Valuation technique used to determine fair value Specific Valuation techniques used to value financial instruments include:

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

iv. Valuation processes

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

38. FINANCIAL RISK MANAGEMENT

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

i. Credit risk management

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

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

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

iv. Reconciliation of loss allowance provision - Trade receivables

Particulars	(Amount in Lakhs)
Loss allowance on March 31, 2018	314.26
Changes in loss allowance	(67.51)
Loss allowance on March 31, 2019	246.75
Changes in loss allowance	(97.14)
Loss allowance on March 31, 2020	149.61

(B) Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities and the availability of funding through an adequate amount of committed credit facilities to meet obligations when due and to close out market positions. Due to the dynamic nature of the underlying businesses, company maintains flexibility in funding by maintaining availability under committed credit lines.

Management monitors rolling forecasts of the company's liquidity position (comprising the undrawn borrowing facilities) and cash and cash equivalents on the basis of expected cash flows. In addition, the company's liquidity management policy involves projecting cash flows in major currencies and considering the level of liquid assets necessary to meet these, monitoring balance sheet liquidity ratios against internal and external regulatory requirements and maintaining debt financing plans.

(i) Maturities of financial liabilities

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

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

Contractual maturities of financial liabilities (Amount in Lakhs)

Particulars	Less than 1 month	1 to 3 months	3 months to 1 year	Between 1 and 3 years	Between 3 and 5 years
March 31, 2020					
Borrowings	–	841.19	657.66	448.52	17.61
Trade payables	503.08	1,021.98	191.30	–	–
Total liabilities	503.08	1,863.17	848.96	448.52	17.61
March 31, 2019					
Borrowings	–	845.42	381.43	13.95	17.64
Trade payables	541.08	1,149.54	218.11		
Total liabilities	541.08	1,994.96	599.54	13.95	17.64

(C) Market risk

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

(i) Foreign currency risk

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

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

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

The company uses a combination of foreign currency option contracts and foreign exchange forward contracts to hedge its exposure in foreign currency risk. The company designates the spot element of forward contracts and the intrinsic value of foreign currency option contracts as the hedging instrument. The changes in the

forward element that relate to the hedged item ('aligned forward element') and the changes in time value that relate to the hedged item ('aligned time value') are deferred in the costs of hedging reserve and recognised against the related hedged transaction when it occurs. The forward element and the time value relate to the respective hedged item if the critical terms of the forward or the option are aligned with hedged item. Any residual time value and forward points (the non-aligned portion) are recognised in the statement of profit and loss.

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

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

(a) Foreign currency risk exposure

(Amount in Lakhs)

Particulars	USD	Total
March 31, 2020		
Trade Receivables	7.72	581.82
Bill Discounting	(6.37)	(480.57)
Advance from Customer	(2.32)	(166.96)
PCFC	(15.54)	(1,171.59)
Net exposure to foreign currency risk	(16.52)	(1,237.30)
March 31, 2019		
Trade Receivables	6.62	458.07
Trade Payables	(5.65)	(390.78)
Advance from Customer	(1.96)	(139.58)
PCFC	(11.60)	(802.34)
Net exposure to foreign currency risk	(12.59)	(874.63)

(b) Foreign currency sensitivity

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

	2019-20		2018-19	
	1% Decrease	1% Increase	1% Decrease	1% Increase
Net Increase/(Decrease) in profit or loss	(12.37)	12.37	(8.75)	8.75

(ii) Interest rate risk

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

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

(iii) Price risk

(a) Exposure

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

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

38. CAPITAL MANAGEMENT

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

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

(Amount in Lakhs)

Particulars	March 31, 2020	March 31, 2019
Borrowings	1,745.46	1,141.36
Trade payables	1,716.37	1,908.73
Other payables	18.64	30.75
Less: cash and cash equivalents	(112.00)	(112.54)
Net Debt	3,368.46	2,968.30
Equity	2,088.90	1,952.27
Total Capital	2,088.90	1,952.27
Capital and net debt	5,457.36	4,920.57
Gearing ratio	62	60

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

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

40. ASSETS PLEDGED AS SECURITY

(Amount in Lakhs)

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

Particulars	March 31, 2020	March 31, 2019
CURRENT ASSETS		
i. Financial Assets		
First Charge		
Trade Receivables	2,402.27	1,883.48
Investments	0.60	0.60
Cash and Cash Equivelant	112.00	112.54
Other Financial Assets	176.38	233.59
ii. Non Financial Assets		
First Charge		
Inventories	1,448.00	1,448.00
Other Current Assets	516.66	493.77
Total Current Assets Pledge as Security	4,656.74	4,171.98
NON CURRENT ASSETS		
First Charge		
Office Premises	266.27	271.31
Factory Building	502.43	526.05
Total Non Current Assets Pledge as Security	768.70	797.36

41. Net debt Reconciliation

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

(Amount in Lakhs)

Particulars	March 31, 2020	March 31, 2019
Current Borrowings	1,498.85	919.42
Non-current Borrowings	466.13	339.02
Net Debt	1,964.98	1,258.44

(Amount in Lakhs)

Particulars	Liabilities from financing activities			Total
	Non Current Borrowings	Current Borrowings	Total Interest on Borrowings	
Net Debt as at March 31, 2019	339.02	919.42	1.45	1,259.89
Cash Inflow - Taken	756.08	6,740.22	-	7,496.30
Cash Out Flow - Repaid	(628.97)	(6,160.79)	-	(6,789.76)
Interest Expense			118.15	118.15
Interest Paid			(117.07)	(117.07)
Net Debt as at March 31, 2020	466.13	1,498.85	2.53	1,967.51

(Amount in Lakhs)

Particulars	Liabilities from financing activities			Total
	Non Current Borrowings	Current Borrowings	Total Interest on Borrowings	
Net Debt as at March 31, 2018	1,079.74	795.12	10.84	1,885.70
Cash Inflow –Taken	827.95	4,986.32	–	5,814.27
Cash Out Flow –Repaid	(1,568.67)	(4,862.02)	–	(6,430.77)
Interest Expense	–	–	111.01	111.01
Interest Paid	–	–	(120.40)	(1120.40)
Net Debt as at March 31, 2019	339.02	919.42	1.45	1,259.89

42. INCOME TAX

Deffered Tax

(Amount in Lakhs)

Particulars	March 31, 2020	March 31, 2019
Deferred tax liabilities :		
Accelerated Depreciation for tax purposes	(203.19)	(196.08)
Right to use	(34.94)	–
	(238.13)	(196.08)
Deferred tax Assets :		
Lease Liabilities & Provisions	38.81	–
Gratuity	11.54	8.26
Expected Credit Loss	72.35	64.09
Bonus	1.07	–
Leave Encashment	0.63	–
Tax credit available		
Others - Mat Credit Entitlement	74.84	102.29
	199.25	174.64
Net Deferred Tax Assets / (Liabilities)	(38.88)	(21.44)

Movement in deferred tax liabilities/assets

(Amount in Lakhs)

Particulars	March 31, 2020	March 31, 2019
Opening balance at the opening of the year	21.44	62.12
Tax income/(expense) during the period recognised in the statement of profit or loss	(8.26)	(38.71)
Tax income/(expense) during the period recognised in Other Comprehensive Income	(1.75)	(1.36)
Other	–	0.04
MAT Adjustments recognised in the statement of profit or loss	15.31	(0.65)
MAT Adjustments through Balance Sheet	12.13	–
Closing balance at the end of the year	38.88	21.44

The Company off sets tax assets and liabilities if and only if it has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same tax authority.

Considering the probability of availability of future taxable profits in the period in which tax losses expire, deferred tax assets have not been recognised in respect of tax losses carried forward by the Company.

Major Components of income tax expense for the years ended March 31, 2020 and March 31, 2019 are as follows:

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

Particulars	2019-20	2018-19
Current income tax charge	42.19	21.46
MAT Adjustment	15.31	(0.65)
Deferred tax		
Relating to origination and reversal of temporary differences	(8.26)	(38.71)
Income tax expense recognised in profit or loss	49.24	(17.90)

Significant estimates

In calculating the tax expense for the current period, the company has treated certain expenditures as being deductible for tax purposes. However, the tax legislation in relation to these expenditures is not clear and the company has applied for a private ruling to confirm their interpretation.

Reconciliation of tax expense and accounting profit multiplied by income tax rate for March 31, 2020 and March 31, 2019. (Amount in Lakhs)

Particulars	March 31, 2020	March 31, 2019
Profit before tax from continuing operations	190.40	112.61
Accounting profit before income tax	190.40	112.61
Enacted tax rate in India	27.82%	26.78%
Income tax on accounting profits	52.97	30.16
Effect of		
Other non taxable income	23.04	36.64
Due to Temporary difference	(8.26)	(38.71)
Non-deductible expenses for tax purposes:	(33.82)	(45.34)
Other non deductible expenses	15.31	(0.65)
Tax at effective income tax rate	49.24	(17.90)

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

For **JMMK & CO.**
Chartered Accountants
Firm Reg. No. : 120459W

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

CA Timal Maru
(Partner)
Membership No. 104942

Apoorva Shah
Chairman & Managing Director
DIN: 00573184

Alpa Shah
Whole Time Director
DIN: 00573190

Place: Mumbai
Date: 30th June, 2020

Awdheshkumar Kannaujia
Chief Financial Officer

Krina Mehta
CS & Compliance Officer

NHC FOODS LIMITED
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URL : <http://www.nhcgroun.com>

Factory & Registered Office :

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NHC FOODS LIMITED

(Govt. Recognised Two Star Export House)

Quality Spices & Agro Products

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