



**SHAH FOODS LIMITED**

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04/11/2022

To,  
The Department of Corporate Services,  
Bombay Stock Exchange Limited,  
2nd floor, P.J. Tower, Dalal Street,  
Mumbai - 400 001

Script code: 519031

Dear Sir,

**REF: FINANCIAL RESULT HALF YEAR ENDED/ QUARTER ENDED 30<sup>TH</sup> SEPTEMBER, 2022**

**SUB: SUBMISSION OF COPIES OF NEWSPAPER ADVERTISEMENT PURSUANT TO REGULATION 47 OF THE SEBI (LODR) REGULATIONS, 2015**

Pursuant to Regulation 47 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, please find enclosed copies of financial results of the Company for the half year/quarter ended September 30, 2022 published in the following newspapers dated on 03-11-2022.

1. The Newslite (Gujarati)
2. Chanakya ni Pothi (English)

Kindly take it on your record.

Thanking you.

**Yours faithfully,  
For, Shah Foods Limited**

  
**Nirav Shah**  
Managing Director  
(DIN:01880069)





# CHANAKYA

NI POTH

## Borrowing costs bite: Interest-rate surge hurts corporate profits

Following the contribution of loans to the corporate bottom line for nearly two years after the outbreak of the pandemic, interest costs on those have begun to weigh on companies' earnings.

The combined interest expenses of listed companies (ex-BFSI) were up 18.5 per cent year-on-year (YoY) in Q2FY23 as against an 8.8 per cent YoY decline in their combined operating profits during the period.

This is the fastest growth in the companies' interest expenses in at least three years.

As a result, their interest coverage ratio (ICR) declined sharply to 7.2X in Q2FY23 from 9X in Q1FY23 and a high of 10.1X in Q3FY22. In contrast, operating profits had grown faster than interest costs in the previous eight quarters, leading to a steady improvement in the ICR.

The ICR is the ratio of a company's operating profit to its interest burden in a given period and shows its debt-servicing capacity. The higher the ICR, the greater is a company's ability to service its debt.

"The gains to corporate earnings from lower interest rates seem to be over and borrowing costs are expected to remain high in the short to medium term. This will have an adverse effect on corporate profits," said Shailendra Kumar, chief investment officer, Namolia Securities.

The combined profits before tax of non-BFSI (banking, financial services, and insurance) companies in the sample were down 20.2 per

cent YoY in Q2FY23 while their reported net profits were down 24.4 per cent YoY in the quarter.

As a result, the companies' net profit margin declined to 6.3 per cent of their revenues in Q2FY23, the lowest in the last nine quarters.

The yield on the benchmark 10-year government of India bond is up nearly 100 basis points since the beginning of calendar 2022 while the Reserve Bank of India has raised its policy rate by 190 basis points in the period, forcing lenders to revise their lending rates.

One basis point is one-hundredth of 1 per cent.

Analysts expect a further rise in the interest burden as the central bank raises rates to battle inflation and companies increase borrowing either for working capital or to fund capex.

According to Kumar, a high double-digit rise in companies' interest expenses is both due to price as well as volume effects.

"The quarter witnessed an upward revision in lending rates by banks as well as a rise in incremental borrowing by companies across sectors," Kumar added.

Analysts say there has been a rise in working capital borrowing by manufacturing companies in the past one year due to a surge in commodity prices and increase in inventory of raw material and finished products across the manufacturing value chain.

There is a fear that a further rise in the interest burden will

result in financial stress in many sectors and contribute to a rise in non-performing assets for banks.

"A combination of a decline in operating profits resulting from higher commodity and energy prices and higher interest burden has severely affected the cash flows of many companies. If this trend continues for some more quarters we will see a rise in bank non-performing assets in the second half of FY23, and FY24," said Dhananjay Sinha, director and head (research, strategy and economics), Systematix Group.

As of now, however, lenders seem to be benefiting from a rise in interest rates in recent quarters. Listed banks' combined interest expenses were up 17.5 per cent YoY in Q2FY23, a sharp acceleration from the 8.4 per cent YoY growth in Q1FY23, but their interest income grew even faster.

The banks' combined gross interest income was up 20.5 per cent YoY in Q2FY23, growing at the fastest pace in at least three years. This resulted in another quarter of expansion in net interest margins for banks.

The banks' combined net profit was up 60.2 per cent YoY in Q2FY23 at a record high of Rs 36,672 crore in the quarter.

Analysts, however, expect a reduction in banks' net interest margin in forthcoming quarters because a decline in deposit growth and tighter liquidity forces them to raise interest on deposits.

Banks have been the single-biggest contributor to growth in corporate earnings in the past one year and a poor showing by them would adversely affect India Inc's bottom line.

## GST collection over Rs 1.51 trillion in October, second highest ever

The government collected Rs 1.52 trillion as goods and services tax (GST) in October, a 16.6 per cent rise year-on-year, driven by festival-related spending, higher tax rates, and better compliance. This was the second-highest monthly collection since the implementation of the indirect tax regime in July 2017. GST collection touched a record high of Rs 1.67 trillion in April.

Of the total gross GST mop-up in October, central GST (CGST) was Rs 26,039 crore, state GST (SGST) Rs 33,396 crore, integrated GST (IGST) Rs 81,778 crore (including Rs 37,297 crore collected on import of goods), and cess was Rs 10,505 crore (including Rs 825 crore collected on import of goods), according to the provisional data released by the finance ministry on Tuesday.

"This is the ninth month — and the eighth month in a row — that monthly GST revenue has been more than Rs 1.4 trillion," the ministry said.

In September 2022, as many as 83 million e-way bills were generated compared to 77 million in the previous month.

Economists expect CGST collection to exceed the FY23 Budget Estimates by Rs 1.3-1.4 trillion.

"The sharp sequential pick-up in the headline GST collection in October reflects a combination of quarter-end flows relating to the transactions in the previous month, as well as the surge in GST e-way bills ahead of a robust festival season. With the festival season in October, the generation of GST e-way

bills is expected to have remained high, which should bolster the collection in November," said Aditi Nayar, chief economist, ICRA.

Nayar said the dip in the YoY growth in GST collection in October was expected given the normalising base, and may continue for the next few months. "We continue to expect CGST collection to exceed the FY2023 BE by Rs 1.3-1.4 trillion," she said.

The Budget 2022 set the CGST target of Rs 6.6 trillion, excluding compensation cess.

Further, the total revenue of the Centre and the states, after regular as well as ad hoc settlements, in October was Rs 74,665 crore for CGST and Rs 77,279 crore for SGST.

GST collection over Rs 1.51 trillion in October, second highest ever. Major states have reported an increase in collections, indicating that it is a broad-based phenomenon across the country. State-wise collection showed an increase of 18 per cent compared to the year-ago period.

"While the festival season aided the GST collection, the increased administration by both the Centre and states have also boosted the revenue growth," said Saurabh Agarwal, tax partner, EY India.

"With both the revenue wings (CBDT and CBIC) charged with increasing tax collection, healthy collection can be expected in the coming months too. The self-sustained economy seems to be trending with a further decline in tax collection on imports due to various fiscal policies of the government," Agrawal added.

## Tata Group plans to add up to 45,000 workers at iPhone parts plant

Tata Group is planning to multiply the number of employees at its electronics factory in southern India that makes iPhone components, adding tens of thousands of workers as part of a push to win more business from Apple Inc.

The plant in the industrial town of Hosur, in Tamil Nadu state, will hire as many as 45,000 women workers within 18 to 24 months as it sets up new production lines, people familiar with the matter said. The factory, which produces iPhone housings or the cases which hold the device together, currently employs about 10,000 workers, most of them women.

The salt-to-software conglomerate is among Indian companies trying to benefit from Apple diversifying its supply chain beyond China. While just a small fraction of iPhones and its components are made in India, the country is making inroads with its push to challenge China as its neighbor struggles with Covid-related lockdowns and political tensions with the US.

The Hosur plant, spread

over more than 500 acres, in September hired about 5,000 women, including those from the indigenous tribal communities, the people said, declining to be named as the staffing plans aren't public. Indian companies are seeking to hire more women to improve the country's gender imbalance in the workforce.

Tata and Apple representatives didn't respond to emails seeking comment.

Women at the Hosur factory get gross salaries of just over 16,000 rupees (\$194) a month, nearly 40% more than the Indian industry average for employees who use hands or tools for assembly, according to the people. The workers are given free food and lodging within the campus, the people said, adding that Tata also plans to provide training and education.

India's fledgling electronics industry is trying to capitalize on China's challenges to cope with the pandemic. Apple's main manufacturing partner, Foxconn Technology Group, is grappling with mounting

concern that a Covid flare-up at its main Chinese plant could hurt production ahead of the all-important holiday shopping season.

To diversify beyond China, Foxconn and fellow Taiwanese contract manufacturers Wistron Corp. and Pegatron Corp. have ramped up iPhone output in India -- a move also boosted by Prime Minister Narendra Modi's financial incentives program. That has helped to increase iPhone exports from the South Asian country.

Adding more local component manufacturing would also bolster India's effort to expand deeper into the technology supply chain. Competing iPhone housing suppliers include Lens Technology Co., Jabil Inc., and Lingyi iTech Guangdong Co., according to Bloomberg Intelligence.

Separately, Tata Group is in talks with Wistron to establish an electronics manufacturing joint venture, seeking to assemble iPhones in India, people familiar with the matter said in September.

## Reliance Retail rolls out athleisure brand Xlerate on AJIO Business

Reliance Retail has launched an athleisure brand, Xlerate, on its new commerce platform, AJIO Business and has signed cricketer Hardik Pandya as its brand ambassador.

The brand caters to requirements of sports and fitness enthusiasts.

Xlerate offerings starts at Rs 699 with merchandise ranging sport shoes, athletic and lifestyle footwear, apparels such as track pants, t-shirts, shorts, and other accessories.

Xlerate products are exclusively available on AJIO

Business, India's leading B2B e-commerce platforms. Any retailer in India, including small-sized general sports stores and



fashion retail outlets, can place an order for Xlerate products by registering on AJIO Business, Reliance Retail said in its release.

Akhilesh Prasad, president

and CEO — fashion and lifestyle, Reliance Retail, said, "Xlerate is sure to delight the value-conscious consumer with its superior and affordable product offering. Our brand ambassador, Hardik Pandya, embodies its spirit of moving ahead in life undeterred by obstacles.

The campaign "Don't Brake, Xlerate" reflects the passion and enthusiasm of the youth, who pursue their goals with a never-say-die attitude.

The brand caters to their requirements across the categories of sports shoes, sandals and apparel."

## FM Sitharaman lists climate finance, crypto regulation as key G-20 agenda

Climate and sustainable development financing, multilateral institution reforms, regulation of digital assets, the spillover effect on developing economies from actions of western central banks, energy and food security in the backdrop of war in Europe, and sanctions on Russia and their impact on the global economy are some of the agenda items that India will take up as President of G-20, Finance Minister Nirmala Sitharaman said on Tuesday.

India will take over as President of the powerful international grouping on December 1 for a year.

There will be around 200 meetings throughout the country, with the summit Heads of State meeting expected to be held in New Delhi next September.

"We are almost at the flag end of all consultations and discussions officially to release what would be India's priorities as G20 President, and will be releasing them in a few days," Sitharaman said at an event organized by the Indian Council for Research on International Economic Relations.

"We have to understand how multilateral institutions, international financing

institutions, are going to be better-reformed institutions. Are they going to serve with better vigour...do they have newer thoughts, are they looking at 21st century ways of leveraging the funds they have? Do they know or do they want to bring in greater resources?" the finance minister said, adding that Prime Minister Narendra Modi had already set the tone of this debate by calling for the reform of institutions like the UN, IMF, and World Bank.

Sitharaman said all countries would have to work together to regulate crypto assets because "no single country can succeed individually being in a solo" and trying to regulate them. "So we need to have all members of G-20 to come on board and see best how it can be done," she said, reiterating that India would not bring its own regulations without wider consensus at international level.

She said India was in a very unique position after having maintained an independent position in today's global geopolitical situation. "India is very carefully maintaining its position and voicing for the emerging markets, the low and middle-income countries and trying to make sure all our voices are heard, particularly at

a time when we are also facing the collateral spillovers," she said.

The finance minister said a detailed discussion on sustainable development goals and climate financing was also needed.

"The process of financing SDGs should be a lot more friendly towards lower income and developing countries," she said.

With Indonesia, India and Brazil set to chair G-20 in three consecutive years, policymakers of these nations are confident that the voice of developing nations can be pushed further in the global order.

"For low and middle-income countries, the process of financing has got to be clearer for all of us. It can't be blind to achieving goals and forget the process itself," she said.

"The topic of sanctions and other actions by countries is something we will discuss with other G20 members, including the actions taken at the earlier stages of the Russia-Ukraine war and the ones taken later," she said.

Sitharaman said India has a lot to learn from Indonesia's presidency.

## UPL Ltd Q2 net profit rises 25.19%; founder Rajju Shroff steps down as CMD

UPL on Tuesday said its consolidated net profit rose 25.19 per cent to Rs 969 crore in the second quarter of FY23 on strong sales, and also announced that founder Rajju Shroff has stepped down as CMD.

The agro-chemical company had posted a consolidated net profit of Rs 774 crore during the second quarter previous year. "Due to ongoing war between Russia and Ukraine, and the sanctions in the region, the Group's business has been impacted to some extent," the company said in a regulatory filing.

Shroff, 90, due to advancing age has expressed his desire to step down from his dual responsibility as Chairman and Managing Director (CMD) and now wishes to devote full time for social causes and focus on improving Indian agriculture and chemical industry, UPL said in the filing.

Shroff will become 'Chairman Emeritus' of the Board, effective from December 1, 2022, it added.

The company's board has designated Jai Shroff, non-executive director, as the

Chairman of the Board with effect from December 1, 2022.

UPL board also accepted resignation of Arun Ashar, whole-time director - finance, with effect from December 1.

Ashar, due to advancing age (74 years), expressed his desire to get relieved from the responsibilities as a full-time board member and Anand Vora, Global CFO, will assume all his current responsibilities, the company said.

The board also accepted resignations of Pradeep Goyal and Reena Ramchandran as independent directors with effect from December 1, 2022.

Meanwhile, the company reported 18 per cent growth in revenue during the quarter ending September 30, at Rs 12,506 crore compared to Rs 10,567 crore in the same period last year.

"We continued to see robust growth momentum in the second quarter of FY23 with 18 per cent YoY. Our focus on quality growth with a better product mix and proactive pricing actions drove a strong 35 per cent YoY growth in EBITDA, with EBITDA margins expanding by 278 bps," UPL Ltd CEO Jai Shroff said.

## SHAH FOODS LIMITED

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Statement of Standalone Unaudited Financial Results for the Quarter Ended 30.09.2022  
(Rs. in lakhs)

SR No.	PARTICULARS	Three Months ended			Half Yearly		Year Ended 31-03-2022 Audited
		30.09.2022 Unaudited	30.06.2022 Unaudited	30.09.2021 Unaudited	30.09.2022 Unaudited	30.09.2021 Unaudited	
1	Total Income From Operations (net)	0.02	0.01	0.12	0.03	0.13	0.17
2	Net Profit/(Loss) for ordinary activities (before Tax, Exceptional and/or Extraordinary Items)	(6.98)	(6.18)	(5.33)	(13.16)	(12.42)	(27.40)
3	Net Profit/(Loss) for the period before tax (after Exceptional and/or Extraordinary items)	(6.98)	(6.18)	(5.33)	(13.16)	(12.42)	(27.40)
4	Net Profit/(Loss) for the period after tax (after Exceptional and/or Extraordinary items)	(6.98)	(6.18)	(5.33)	(13.16)	(12.42)	(27.40)
5	Total Comprehensive Income for the Period (Comprising Profit/Loss for the period (After Tax) and Other Comprehensive Income (After Tax))	(6.98)	(6.18)	(5.33)	(13.16)	(12.42)	(27.40)
6	Equity Share Capital.(face value of Rs.10 each)	59.75	59.75	59.75	59.75	59.75	59.75
7	Reserves (excluding Revaluation Reserve) as shown in balance Sheet of previous	(97.62)	(90.64)	(69.48)	(97.62)	(69.48)	(84.46)
8	Earning Per Share (before extraordinary items) of Rs.10 /- each	(1.17)	(1.03)	(0.89)	(2.20)	(2.08)	(4.59)
	Diluted	(1.17)	(1.03)	(0.89)	(2.20)	(2.08)	(4.59)
9	Earning Per Share (after extraordinary items) of Rs.10 /- each	(1.17)	(1.03)	(0.89)	(2.20)	(2.08)	(4.59)
	Diluted	(1.17)	(1.03)	(0.89)	(2.20)	(2.08)	(4.59)

Notes :

- The above Results have been reviewed by the Audit Committee and approved by the Board of Directors of the Company at its Meeting held on 2nd November, 2022. The statutory auditors have carried out a limited review of the results for the quarter ended September 30, 2022 and have expressed an unqualified audit opinion.
- The figures for the previous period/year have been regrouped /reclassified , wherever necessary.
- This Statement has been prepared in accordance with the Companies (Indian Accounting Standards) Rules, 2015 (Ind As), prescribed under section 133 of the Companies Act, 2013, and other recognized accounting practices and policies to the extent applicable.
- The Disclosure is as per Regulation 33 of SEBI (Listing Obligations & Discloser Requirements) Regulations, 2015.
- The Company is operating in single segment, so above results are for single segment only.

For and on behalf of the Board of Directors  
For, Shah Foods Limited  
Sd /-  
Nirav J. Shah  
Managing Director  
DIN : 01880069

Place : Ahmedabad  
Date : 02-11-2022