

ANNUAL REPORT

2013-2014



SHAH FOODS LIMITED

An ISO : 22000 Certified Company



Regd. Office :

Block No. 453/1, Kalol-Mehsana Toll Road, Chhatral-382729, Sub-Dist. Kalol, Dist. Gandhinagar.

Phone : 2764-233931/932

BOARD OF DIRECTORS

MR. PRADIP P. SHAH	Chairman
MR. JANAK P. SHAH	Vice-Chairman
MR. VIRENDRA P. SHAH	Director
MR. SUSHIL P. SHAH	Director
MR. NIRAV J. SHAH	Managing Director
MR. SHRICHANDR. KAHAR	Director Operations

AUDITORS

DINESH R. SHAH & CO.
Chartered Accountants

BANKERS

BANK OF BARODA
HDFC BANK LTD.

REGISTERED OFFICE & WORKS

CHHATRAL
KALOL-MEHSANA HIGHWAY
TALUKA KALOL, DISTRICT GANDHINAGAR
GUJARAT - 382 729.

SHAH FOODS LTD.

NOTICE

Notice is hereby given that the Thirty Second Annual General Meeting of the Company will be held at Chhatral, Kalol-Mehsana Highway Road, Taluka-Kalol, Dist. Gandhinagar, Gujarat-382729 on Saturday, 20 September, 2014, at 11.00 am to transact the following business.

ORDINARY BUSINESS:

1. To receive consider & adopt the audited Statement of Profit & Loss Account for the financial year ended 31st. March, 2014, the Balance Sheet as at that date and the Reports of the Directors & the Auditors thereon.
2. To appoint a Director in place of Shri Nirav Shah [DIN 01880069] who retires by rotation and, being eligible, offers himself for reappointment.
3. To appoint a Director in place of Shri Pradip Shah [DIN 00066242] who retires by rotation and, being eligible, offers himself for reappointment.
4. To consider and, if thought fit, to pass, with or without modification, the following resolution as an Ordinary Resolution

RESOLVED THAT M/s. Dinesh R. Shah & Co., Chartered Accountants [Membership No: 047928] be and are hereby appointed as Statutory Auditors of the Company from the conclusion of this Annual General Meeting of the Company until the conclusion of the Thirty Three Annual General Meeting of the Company on such remuneration as shall be fixed by the Board of Directors."

SPECIAL BUSINESS

5. Appointment of Shri Nirav Shah as an Managing Director

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

"RESOLVED that pursuant to the provisions of Sections 196, 197, 203 and any other applicable provisions of the Companies Act, 2013 and the rules made there under (including any statutory modification(s) or re-enactment thereof for the time being in force), read with Schedule V to the Companies Act, 2013 and subject to the requisite approvals, the consent of the Company be and is hereby accorded to the appointment of Mr. Nirav Shah (holding DIN 01880069), who was appointed as the "Managing Director" of the Company for a period of five years effective from 1/10/2014, on the terms and conditions of appointment and remuneration as contained in the draft agreement, a copy whereof initialed by the Chairman for the purpose of identification is placed before the meeting, and the Board of Directors or any committee thereof be and is hereby authorised to alter and vary such terms of appointment and remuneration so as to not exceed the limits specified in Schedule V to the Companies Act, 2013, as may be agreed to by the Board of Directors and Mr. Nirav Shah."

RESOLVED FURTHER that pursuant to provisions under section II, of Part II of Schedule V of the Companies Act, 2013, the remuneration payable to Mr Nirav Shah, Managing Director, be considered as minimum remuneration in the event of absence or inadequacy of profit in any financial year during the currency of tenure of Shri Nirav Shah (holding DIN 01880069).

FURTHER Resolved that the Board of Directors of the company or any committee thereof be and is hereby authorized to do all such acts, deeds and things as in its absolute discretion it may think necessary, expedient or desirable, to settle any question or doubt that may arise in relation thereto in order to give effect to the foregoing resolution and to seek such approval / consent from the Government departments, as may be required in this regard.

6. Appointment of Shri Janak P. Shah as a Whole Time Director

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

“RESOLVED that pursuant to the provisions of Sections 196, 197, 203 and any other applicable provisions of the Companies Act, 2013 and the rules made there under (including any statutory modification(s) or re-enactment thereof for the time being in force), read with Schedule V to the Companies Act, 2013 and subject to the requisite approvals, the consent of the Company be and is hereby accorded to the appointment of Mr. Janak P. Shah (holding DIN 01880079), who was appointed as the “Whole Time Director” of the Company for a period of five years effective from 1/10/2014, on the terms and conditions of appointment and remuneration as contained in the draft agreement, a copy whereof initialed by the Chairman for the purpose of identification is placed before the meeting, and the Board of Directors or any committee thereof be and is hereby authorised to alter and vary such terms of appointment and remuneration so as to not exceed the limits specified in Schedule V to the Companies Act, 2013, as may be agreed to by the Board of Directors and Mr. Janak Shah.”

RESOLVED FURTHER that pursuant to provisions under section II, of Part II of Schedule V of the Companies Act, 2013, the remuneration payable to Mr Janak Shah, Whole Time Director, be considered as minimum remuneration in the event of absence or inadequacy of profit in any financial year during the currency of tenure of Shri Janak Shah (holding DIN 01880079).

FURTHER Resolved that the Board of Directors of the company or any committee thereof be and is hereby authorized to do all such acts, deeds and things as in its absolute discretion it may think necessary, expedient or desirable, to settle any question or doubt that may arise in relation thereto in order to give effect to the foregoing resolution and to seek such approval / consent from the Government departments, as may be required in this regard.

7. Appointment of Shri Virendra Shah as an Independent Director

To consider and, if thought fit, to pass with or without modification, if any, the following resolution as an Ordinary Resolution:

RESOLVED that pursuant to the provisions of sections 149, 152 and other applicable provisions, if any, of the Companies Act, 2013 and the Rules framed there under, read with Schedule IV to the Act, as amended from time to time, Shri Virendra Shah (DIN 00643925), a Non-Executive Director of the Company, who has submitted a declaration that he meets the criteria for independence as provided in section 149(6) of the Act and who is eligible for appointment, be and is hereby appointed as an Independent Director of the Company with effect from 20/09/2014 up to 19/09/2019.

Place: Ahmedabad
Date: 26/07/2014

By Order of the Board

Vice Chairman

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NOTES:

1. An Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 relating to the Special Businesses to be transacted at the Annual General Meeting (AGM) is annexed hereto.
2. A Member entitled to attend and vote is entitled to appoint a proxy to attend and vote on his/her behalf and the proxy need not be a member of the company. Pursuant to the provisions of Section 105 of the Companies Act, 2013, a person can act as a proxy on behalf of not more than fifty members and holding in aggregate not more than ten percent of the total Share Capital of the Company. Members holding more than ten percent of the total Share Capital of the Company may appoint a single person as proxy, who shall not act as a proxy for any other Member. The instrument of Proxy, in order to be effective, should be deposited at the Registered Office of the Company, duly completed and signed, not later than 48 hours before the commencement of the meeting. A Proxy Form is annexed to this Report. Proxies submitted on behalf of limited companies, societies, etc., must be supported by an appropriate resolution / authority, as applicable.
3. The Register of Members and Share Transfer Books of the Company will remain closed from, Saturday 13th September, 2014, to Saturday, 20th September, 2014 (both days inclusive). The book closure dates have been fixed in consultation with the Stock Exchanges.
4. As per the provisions of the Companies Act, 2013, Independent Directors are required to be appointed for a term of up to five consecutive years and are not liable to retire by rotation. Accordingly, resolutions proposing appointment of Independent Directors are given at item nos. 7 & 8.
5. Pursuant to Section 101 and Section 136 of the Companies Act, 2013 read with relevant Rules made there under, Companies can serve Annual Reports and other communications through electronic mode to those Members who have registered their e-mail address either with the Company or with the Depository. Members holding shares in demat form are requested to register their e-mail address with their Depository Participant(s) only. Members of the Company, who have registered their e-mail address, are entitled to receive such communication in physical form upon request.
6. The Notice of Annual General Meeting, Annual Report and Attendance Slip are being sent in electronic mode to Members whose e-mail IDs are registered with the Company or the Depository Participant(s) unless the Members have registered their request for a hard copy of the same. Physical copy of the Notice of Annual General Meeting, Annual Report and Attendance Slip are being sent to those Members who have not registered their e-mail IDs with the Company or Depository Participant(s).
7. Members who have received the Notice of Annual General Meeting, Annual Report and Attendance Slip in electronic mode are requested to print the Attendance Slip and submit a duly filled in Attendance Slip at the registration counter to attend the Annual General Meeting.
8. Pursuant to Section 108 of the Companies Act, 2013, read with the relevant Rules of the Act, the Company is pleased to provide the facility to Members to

exercise their right to vote by electronic means. The Members, whose names appear in the Register of Members / list of Beneficial Owners as on 16th September, 2014, i.e. the date prior to the commencement of book closure date

are entitled to vote on the Resolutions set forth in this Notice. Members who have acquired shares after the dispatch of the Annual Report and before the book closure may approach the Company for issuance of the User ID and Password for exercising their right to vote by electronic means. The e-voting period will commence at 9.00 a.m. on 18th September, 2014 and will end at 5.00 p.m. on 20th September, 2014. The Company has appointed M/s Pinakin Shah & Co, Ahmedabad, Practicing Company Secretary [FCS 2562] to act as the Scrutinizer, for conducting the scrutiny of the votes cast. The Members desiring to vote through electronic mode may refer to the detailed procedure on e-voting given hereinafter.

I. In case of members receiving e-mail:

- (i) Log on to the e-voting website www.evotingindia.com
- (ii) Click on "Shareholders" tab.
- (iii) Now, select the "COMPANY NAME" from the drop down menu and click on "SUBMIT"
- (iv) Now Enter your User ID
 - a. For CDSL: 16 digits beneficiary ID,
 - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
 - c. Members holding shares in Physical Form should enter Folio Number registered with the Company.
- (v) Next enter the Image Verification as displayed and Click on Login.
- (vi) If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any company, then your existing password is to be used.
- (vii) If you are a first time user follow the steps given below:

For Members holding shares in Demat Form and Physical Form

PAN* Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)-

Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the last 8 digits of the demat account/folio number in the PAN field.-

In case the folio number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. Eg. If your name is Ramesh Kumar with folio number 100 then enter RA00000100 in the PAN field.

DOB Enter the Date of Birth as recorded in your demat account or in the company records for the said demat account or folio in dd/mm/yyyy format.

Please enter the DOB in order to login. If the details are not recorded with the depository or company please enter the number of shares held by you as on the cutoff date in the Dividend Bank details field.

(viii) After entering these details appropriately, click on "SUBMIT" tab.

- (ix) Members holding shares in physical form will then reach directly the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for

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e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

- (x) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
 - (xi) Click on the EVSN for the relevant <Company Name> on which you choose to vote.
 - (xii) On the voting page, you will see “RESOLUTION DESCRIPTION” and against the same the option “YES/NO” for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
 - (xiii) Click on the “RESOLUTIONS FILE LINK” if you wish to view the entire Resolution details.
 - (xiv) After selecting the resolution you have decided to vote on, click on “SUBMIT”. A confirmation box will be displayed. If you wish to confirm your vote, click on “OK”, else to change your vote, click on “CANCEL” and accordingly modify your vote.
 - (xv) Once you “CONFIRM” your vote on the resolution, you will not be allowed to modify your vote.
 - (xvi) You can also take out print of the voting done by you by clicking on “Click here to print” option on the Voting page.
 - (xvii) If Demat account holder has forgotten the changed password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- Institutional shareholders (i.e. other than Individuals, HUF, NRI etc.) are required to log on to <https://www.evotingindia.co.in> and register themselves as Corporates.
 - They should submit a scanned copy of the Registration Form bearing the stamp and sign of the entity to helpdesk.evoting@cdslindia.com.
 - After receiving the login details they have to create a user who would be able to link the account(s) which they wish to vote on.
 - The list of accounts should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
 - They should upload a scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, in PDF format in the system for the scrutinizer to verify the same.

II. In case of members receiving the physical copy:

- a) Please follow all steps from sl. no. (i) to sl. no. (xvii) above to cast vote.
- b) The voting period begins on <Date and Time> and ends on <Date and Time>. During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of <Record Date>, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- c) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions (“FAQs”) and e-voting manual available at www.evotingindia.co.in under help section or write an email to helpdesk.evoting@cdslindia.com.

III. Other Instructions:

- a) The e-voting period commences at 9.00 a.m. on 14th September, 2014 and will end at 5.00 p.m. on 16th September, 2014. During this period, Members of the Company, holding shares either in physical form or in dematerialized form, as on Wednesday, 13th September, 2014, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter. Once the vote on a resolution is cast by the Member, he shall not be allowed to change it subsequently.
- b) The voting rights of Members shall be in proportion to their shares of the paid up equity share capital of the Company as on 31st March, 2014.
- c) Mr. Pinakin Shah Practicing Company Secretary (FCS 2562), has been appointed as the Scrutinizer to scrutinize the e-voting process in a fair and transparent manner.
- d) The Scrutinizer shall, within a period not exceeding three working days from the conclusion of the e-voting period, unblock the votes in the presence of at least two witnesses not in the employment of the Company and make a Scrutinizer's Report of the votes cast in favour or against, if any, forthwith to the Chairman of the Company.
- e) A Member can opt for only one mode of voting i.e. either through e-voting or by Ballot. If a Member casts votes by both modes, then voting done through e-voting shall prevail and Ballot shall be treated as invalid.
- f) The results declared along with the Scrutinizer's Report shall be placed on the Company's website www.shahfoodslimited.com and on the website of CDSL www.evoting.CDSL.com within two days of the passing of the resolutions at the Thirty Second AGM of the Company on 20th September, 2014 and communicated to the BSE Limited, where the shares of the Company are listed.
- g) The Register of Directors' and Key Managerial Personnel and their shareholding maintained under Section 170 of the Companies Act, 2013, the Register of contracts or arrangements in which the Directors are interested under Section 189 of the Companies Act, 2013, will be available for inspection at the AGM.
- h) Members holding shares in demat form are hereby informed that bank particulars registered with their respective Depository Participant(s), with whom they maintain their Demas accounts, will be used by the Company for payment of dividend. The Company or its Registrar cannot act on any request received directly from the Members holding shares in demat form for any change in bank particulars. Members holding shares in demat form are requested to intimate any change in their address and / or bank mandate to their Depository Participants immediately.
- i) Members holding shares in physical form are requested to intimate any change of address and / or bank mandate to M/s. Big Share Services Pvt Ltd/Investor Service Department of the Company immediately.
- j) The Securities and Exchange Board of India has mandated submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in demat form are, therefore, requested to submit PAN details to the Depository Participants with whom they have demat accounts. Members holding shares in physical form can submit their PAN details to M/s. Big Share Services Pvt Ltd / Investor Service Department of the Company.
- k) Members desiring any information relating to the accounts are requested to write to the Company well in advance so as to enable the management to keep the information ready.

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- l) Details of the Directors seeking appointment in the Thirty Second Annual General Meeting [Pursuant to Clause 49 of Listing Agreement of Bombay Stock Exchange] are provided below:

Particulars	Shri Pradip Shah	Shri Nirav Shah	Shri Janak Shah	Shri Virendra Shah
Relationships with other Directors	Brother	Father	Brother	None
Date of Appointment	18/03/1982	06/08/2005	07/06/1988	24/03/1986
Expertise	Administration	Administration	Administration	Marketing
Qualification	Chartered Accountant	H.S.C	Civil Engineer	Mechanical Engineer
No. of Equity Shares held in the Company	67955	10765	36080	29800
List of other companies in which directorship are held	<ul style="list-style-type: none">• Panasonic Energy India Company Limited• Sonata Software Limited• Pfizer Limited• Basf India Limited• Godrej And Boyce Manufacturing Company Limited• Grindwell Norton Limited• Kansai Nerolac Paints Limited• Mukand Limited• Tata Investment Corporation Limited• K S B Pumps Limited• Wyeth Limited	None	None	Indosol Drugs Limited
Chairmanship/ Membership of committees (includes only Audit Committee and Shareholders Grievances Committee)	None	None	None	None

Note: The Directorships held by Directors as mentioned above, do not include Directorships of Private Limited Companies.

Place: Ahmedabad

By Order of the Board

Date: 26/07/2014

Vice Chairman

Registered Office:

Chhatral, Kalol-Mehsana Highway Road,
Taluka-Kalol, Dist. Gandhinagar. Gujarat-382729