

# **ANNUAL REPORT**

**2015-2016**



**SHAH FOODS LIMITED**

**CIN-L15419GJ1982PLC005071**  
**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

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**BOARD OF DIRECTORS**

MR. JANAK P. SHAH	Vice-Chairman	DIN01880079
MR. NIRAV J. SHAH	Managing Director	DIN01880069
MR. PRADIP P. SHAH	Director	DIN00066242
MR. SUSHIL P. SHAH	Director	DIN02529990
MR. VIRENDRA P. SHAH	Director	DIN00643925
MRS. PUSHPA J. SHAH	Director	DIN07144650
MR. SHRICHAND R. KAHAR	Director Operations	DIN02538221

**AUDITORS**

DINESH R. SHAH & CO. (MEMBERSHIP NO: 047928)  
Chartered Accountants

**BANKERS**

BANK OF BARODA  
HDFC BANK LTD.

**REGISTERED OFFICE & WORKS**

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

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**Notice**

Notice is hereby given that the Thirty fourth (34<sup>th</sup>) Annual General Meeting of the Company will be held at Chhatral, Kalol Mehsana Highway Road, Taluka-Kalol, Dist. Gandhinagar, Gujarat-382729 on Saturday, 24<sup>th</sup> September, 2016, 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 31<sup>st</sup> March, 2016, 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 Shrichand Rambriksh Kahar (DIN- 02538221), who retires by rotation and, being eligible, offers himself for reappointment.
3. To consider and, if thought fit, to pass, with or without modification, the following resolution as an Ordinary Resolution

RESOLVED THAT pursuant to the provisions of section 139, 142 and other applicable provisions of the Companies Act, 2013 and the rules made thereunder, pursuant to the recommendations of the Audit Committee of the Board of Directors, and pursuant to the resolution passed by the members at the AGM held on 19th September, 2015, the appointment of M/s. Dinesh R. Shah & Co., Chartered Accountants, Ahmedabad (Firm Registration No. 102610W) as the Statutory Auditors of the Company to hold office till the conclusion of this Annual General Meeting to be held in Calendar Year 2017, be and is hereby ratified and that the Board of Directors be and is hereby authorised to fix the remuneration be determined by the Audit Committee.

**Special Business**

4. Re-appointment of Mr. Janak Shah (DIN 00183473), as Whole-time Director of the Company.

To consider and, if thought fit, to pass with or without modification, the following resolution as a Special Resolution:

“RESOLVED THAT pursuant to recommendation of the Nomination and Remuneration Committee, and approval of the Board and subject to the provisions of Sections 196, 197, 198, 203 and other applicable provisions of the Companies Act, 2013 and the rules made thereunder (including any statutory modification or re-enactment thereof) read with Schedule V of the Companies Act, 2013 and Article 99 of Articles of Association of the Company, approval of the members of the Company be and is hereby accorded to the re-appointment of Mr. Janak Shah, as Whole-time Director (designated as CFO) of the Company with effect from 1/10/2016 to 31/9/2019, as well as payment of salary and perquisites (hereinafter referred to as remuneration), upon the terms and conditions as detailed in the explanatory statement attached hereto, which is hereby approved and sanctioned with authority to the Board of Directors to alter and vary the terms and conditions of the said re-appointment and/or agreement in such manner as may be agreed to between the Board of Directors and Mr. Janak Shah.

RESOLVED FURTHER THAT the remuneration payable to Mr. Janak Shah, shall not exceed the overall ceiling of the total managerial remuneration as provided under Schedule V read with Section 196 and 197 of the Companies Act, 2013 or such other limits as may be prescribed from time to time.

RESOLVED FURTHER THAT the Board and is hereby authorised to do all such acts, deeds and things and execute all such documents, instruments and writings as may be required and to delegate all or any of its powers herein conferred to any Committee of Directors or Director(s) to give effect to the aforesaid resolution.

Place: Ahmedabad

Date: 01/08/2016

Registered office:

Chhatral, Kalol-Mehsana Highway, Taluka- Kalol  
Gandhinagar-382729

By order of the Board

Mr. Janak P Shah

Vice-Chairman

DIN: 01880079

## SHAH FOODS LTD.

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### NOTES:

1. An Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 relating to the 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 17th September, 2016, to Saturday, 24<sup>th</sup> September, 2016 (both days inclusive).
4. 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 Annual General Meeting
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 Companies (Management and Administration) Rule, 2014 as amended and clause 35B of the Equity Listing Agreement, 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 Cut-off date i.e. a date not earlier than seven days before the date of general meeting 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 Cut-off date may approach the Company for issuance of the User ID and Password for exercising their right to vote by electronic means. A person who is not a member as on the Cut-off date should treat this notice for the information purpose only.  
  
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 from CDSL (for Members whose e-mail addresses are registered with Company/ Depositories) :
  - i) The voting period begins on 21st. September, 2016 at 9.00am and ends on 23rd. September, 2016 at 5.00pm. 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 19th September, 2016 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.

- ii) Log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com)
- iii) Click on “Shareholders” tab.
- 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](http://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: Other Instructions

	<b>For Members holding shares in Demat Form and Physical Form</b>
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 8 digits of the sequence number (refer serial no. printed on the name and address sticker/mail) in the PAN field. In case the sequence 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 serial number 1 then enter RA00000001 in the PAN field.
Dividend Bank Details	Enter the Dividend Bank Details as recorded in your demat account or in the company records for the said demat account or folio. Please enter the DOB or Dividend Bank Details in order to login. If the details are not recorded with the depository or company please enter the member id / folio number 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 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.

## SHAH FOODS LTD.

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- 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.
- xviii) Shareholders can also cast their vote using CDSL's mobile app m-voting available for android based mobiles. The m-voting app can be downloaded from Google Play Store. Apple and Windows phone users can download the app from App Store and the Windows Phone Store respectively on or after 30th. June, 2016. Please follow the instructions as prompted by the mobile app while voting on your mobile.
- xix) Note for Non-individual shareholders and Custodians
  - Non-individual shareholders (i.e. other than Individuals, HUF, NRI etc.) are required to log on to <https://www.evotingindia.co.in> and register themselves as Corporate.
  - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be e-mailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).
  - After receiving the login details a Compliance User should be created using admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
  - The list of accounts linked in the login should be mailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) and on approval of the accounts they would be able to cast their vote.
  - A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favor of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
- xx) 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.com](http://www.evotingindia.com), under help section or write an e-mail to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).

In case of members receiving the physical copy:

- a) Please follow all steps from sl. no. (i) To sl. no. (xix) above to cast vote.
- b) The voting period begins on 21st. September, 2016 at 9.00am and ends on 23rd. September, 2016 at 5.00pm. 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 17th September, 2016 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.com](http://www.evotingindia.com) under help section or write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).

### II. Other Instructions:

- a) 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, 2016.
- b) Mr. Ishan P. Shah, Advocate, has been appointed as the Scrutinizer to scrutinize the e-voting process in a fair and transparent manner.
- c) The Scrutinizer shall immediately after the conclusion of voting after the Annual General Meeting, count the votes cast at the meeting, thereafter unblock the votes in the presence of at least two witnesses not in the employment of the company and make, not later than three days of the meeting, a consolidated Scrutinizer's Report of the total votes cast in favour or against, if any, forthwith to the Chairman of the Company. The chairman or person authorised by him in writing shall declare the results of the voting forthwith.

- d) The results declared along with the Scrutinizer's Report shall be placed on the Company's website [www.shahfoodslimited.com](http://www.shahfoodslimited.com) and on the website of CDSL [www.evotingindia.co](http://www.evotingindia.co) immediately after the result is declared by the chairman.
- 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) 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.
- g) 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 physical form can submit their PAN details to M/s. Big Share Services Pvt Ltd / Investor Service Department of the Company.
- h) Members desiring any information relating to the accounts are requested to write to the Company at least seven days in advance so as to enable the management to keep the information ready.

Place: Ahmedabad  
Date: 01/08/2016

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

By Order of the Board

Mr. Janak P shah  
Vice Chairman  
DIN: 01880079

## SHAH FOODS LTD.

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### Explanatory Statements Pursuant to section 102 of the Companies Act, 2013.

The following Explanatory Statement sets out all material facts relating to the business mentioned under Item No 2 to 4 of the accompanying Notice:

#### ITEM NO 2

Details of Director Retiring by Rotation and Seeking Re-Appointment under Clause 17 of SEBI (LODR) Regulations, 2015

Name of Director	Shrichand Rambriksh Kahar
Date of Birth	15/07/1960
Date of Appointment	01/10/1997
Qualification	Graduate
Expertise	In specific Functional areas wide Business experience across variety of industries
Chairman/ Director of other Companies	None*
Chairman/ Member of Committees of Companies	Chairman – Nil Member – Nil
No of shares held in the Company	200

**\*Note :** The Directorship held by director mentioned above do not include directorship of Private Limited Company.

#### ITEM NO. 3

This explanatory statement is provided though strictly not required as per Section 102 of the Act. M/s Dinesh R Shah & Co., Chartered Accountants, Ahmedabad (Firm Registration No 102610W), were appointed as the statutory auditors of the Company for a period of three years at the Annual General Meeting (AGM) of the Company held on 19/09/2015, to hold office till the conclusion of the AGM to be held in the Calendar Year 2018. As per provisions of Section 139(1) of the Act, their appointment for the above tenure is subject to ratification by members at every AGM. Accordingly, ratification of the members is being sought for appointment of statutory auditors as per the proposal contained in the Resolution set out at item no. 3 of the Notice.

The Board commends the Resolution for approval by the Members. None of the Directors or Key Managerial Personnel (KMP) or relatives of Directors and KMPs is concerned or interested in the Resolution at Item No. 3 of the accompanying Notice.

#### ITEM NO. 4

Mr. Janak Shah, who was appointed Whole Time Director by the members to hold office upto 30/09/2019 will attain the age of 70 years on 11/11/2016 and hence continuation of his employment as Whole Time Director requires the approval of members by way of a special resolution. Section 196 (3) of the Companies Act, 2013, inter alia, provides that no company shall continue the employment of a person who has attained the age of 70 years, as Managing Director, Whole time director or Manager unless it is approved by the members by passing a special resolution. Part 1 of Schedule V to the Act contains a similar relaxation.

Pursuant to the recommendation of the Nomination and Remuneration Committee, the Board of Directors of the Company passed a resolution on 01/08/2016 approving re-appointment of Mr. Janak Shah, as Whole Time Director (designated as "CFO") of the Company for a further period of three years with effect from 1/10/2016 to 30/09/2019. This is subject to



the approval of the shareholders at this Annual General Meeting. This explanatory statement may also be read and treated as disclosure in compliance with the requirements of Section 190 of the Companies Act, 2013. The details of remuneration payable to Mr. Janak Shah and the terms and conditions of the re-appointment are given below:

- i. Salary: 7,08,000/- per annum which is eligible for revision on a date to be determined by the Nomination & Remuneration Committee.
- ii. Perquisites: The Whole Time Director shall be entitled to all the perquisites listed herein below in addition to the salary mentioned above and the perquisites shall be valued as per the Income Tax Rules, 1962, as may be applicable.;
  - a) Leave Travel Concession: For self and family every year incurred in accordance with the rules of the Company.
  - b) Use of Car with Driver: The Company shall provide a car with driver for business use. In addition, the Company shall also reimburse running and maintenance expenses of another car owned by, or leased/ rented for business use.
  - c) Telephone facility at residence: Telephone facility shall be provided at the residence. All personal long distance calls shall be billed by the Company.

Other terms and conditions:

In the event of absence or inadequacy of profits in any financial year during the tenure of the Chairman, salary and perquisites subject to the limits stipulated under Schedule V read with Section 196 and 197 of the Companies Act, 2013, are payable.

No sitting fees shall be paid for attending the meetings of the Board of Directors or Committees thereof. He shall be liable to retire by rotation. All other existing terms and conditions for the re-appointment shall remain unchanged.

The Board of Directors recommends the resolution in relation to the re-appointment of Whole Time Director, for the approval of the shareholders of the Company. Notice has been received from members signifying their intention to propose appointment of Mr. Janak Shah as Whole Time Director of the Company along with a deposit of Rs. 1,00,000. Except Mr. Janak Shah, Mrs Pushpa Shah and Mr. Nirav Shah or their relatives, none of the Directors and Key Managerial Personnel of the Company and their relatives are concerned or interested, financially or otherwise in this resolution set out at Item No. 4.

The disclosure under Clause 17 of the SEBI (LODR), Regulations, 2015, is provided at below.

Name of Director	Janak Shah
Date of Birth	11/11/1946
Date of Appointment	07/06/1988
Qualification	B.E. Civil
Expertise	Finance & General Administration
Chairman/ Director of other Companies	Hellious Greentech P. Ltd.
Chairman/ Member of Committees of Companies	Chairman – Nil Member –1
No of shares held in the Company	36,080

Place: Ahmedabad  
Date: 01/08/2016

By order of the Board

Registered office  
Chhatral, Kalol-Mehsana Highway,  
Taluka - Kalol, Gandhinagar- 382729

Mr. Janak P shah  
Vice Chairman  
DIN: 01880079

## SHAH FOODS LTD.

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### Director's Report

To  
The Members of  
Shah Foods Limited

Your Directors have pleasure in presenting the 34<sup>th</sup> Director's Report of your Company together with the Audited Statement of Accounts and the Auditors' Report of your company for the financial year ended, 31st March, 2016.

The summary of operating results for the year is given below.

#### **FINANCIAL HIGHLIGHTS**

(Rs. in Lakhs)

Particulars	Current year	Previous Year
Sales	505.77	471.44
Other Income	6.40	6.27
<b>Total Income</b>	<b>512.18</b>	<b>477.71</b>
Depreciation	11.85	9.11
TaxCurrent Tax	8.73	5.80
Deferred Tax	0.35	0.03
<b>Profit/(Loss) after Tax</b>	<b>20.62</b>	<b>13.36</b>
Earnings per share (Rs.) :		
Basic	3.45	2.24
Diluted	3.45	2.24

#### **STATE OF COMPANY'S AFFAIRS**

During the year under review, the total Income of the Company was Rs 512.18 Lakh against Rs 477.71 Lakh in the previous year. The Company has earned a Profit after tax of Rs 20.62 Lakh compared to Rs 13.36 Lakh in the previous year. Your Directors are continuously looking for avenues for future growth of the Company.

#### **TRANSFER TO RESERVES**

There is no proposal to transfer any amount to any reserve.

#### **MANAGEMENT DISCUSSION & ANALYSIS**

A detailed report on the management discussion and analysis is provided as a separate section in this Annual Report.

#### **MATERIAL CHANGES BETWEEN THE DATE OF THE BOARD REPORT AND END OF FINANCIAL YEAR**

There have been no material changes and commitments, if any, affecting the financial position of the Company which have occurred between the end of the financial year of the Company to which the financial statements relate and the date of the report.

#### **DETAILS OF SUBSIDIARY/JOINT VENTURES/ASSOCIATE COMPANIES**

No company has become or ceased to be Subsidiary Company, Joint Venture Company or Associate Company during the year.