

ANNUAL REPORT

2014-2015



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

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.

Notice

Notice is hereby given that the Thirty third (33rd) Annual General Meeting of the Company will be held at Chhatral, Kalol Mehsana Highway Road, Taluka-Kalol, Dist. Gandhinagar, Gujarat-382729 on Saturday, 19th September, 2015, 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, 2015, 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 Janak.P. Shah(DIN- 01880079), who retires by rotation and, being eligible, offers himself for reappointment.
3. To appoint a Director in place of Shri Sushil.P. Shah (DIN-02529990), 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 Fifth Annual General Meeting of the Company on such remuneration as shall be fixed by the Board of Directors."

Special Business

5. Appointment of Mrs. Pushpa Janak Shah as Director

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

"RESOLVED that Mrs. Pushpa Janak Shah (DIN: 07144650), who was appointed an Additional Director of the Company with effect from 25/03/2015 by the Board of Directors and who holds office upto the date of this Annual General Meeting of the Company under Section 161(1) of the Companies Act, 2013 (the Act) but who is eligible for appointment and in respect of whom the Company has received a notice in writing under Section 160(1) of the Act from a Member proposing his candidature for the office of Director, be and is hereby appointed a Director of the Company."

6. Appointment of Mr, Shrichand Kahar as Production Manager

To consider and if thought fit, to pass with or without modifications, the following resolution as an ordinary resolution:-

"RESOLVED that pursuant to the provisions of Sections 196, 197 and other applicable provisions, if any, of the Companies Act, 2013 (the Act) read with Schedule V to the Act and the Rules made there under, as amended from time to time, the Company hereby approves of the reappointment and terms of remuneration of Mr, Shrichand Kahar as Production Manager of the Company for the period of 3 (Three) years effective 1st October, 2015, upon the terms and conditions set out in the Explanatory Statement annexed to the Notice convening this meeting, including the remuneration to be paid in the event of loss or inadequacy of profits in any financial year, with liberty to the Directors to alter and vary the terms and conditions of the said appointment in such manner as may be agreed to between the Directors and Mr, Shrichand Kahar.

RESOLVED FURTHER that the Board of Directors of the Company (which term shall be deemed to include Nomination and Remuneration Committee of the Board constituted to exercise its powers, including the powers conferred by this Resolution), be and is hereby authorised to take all such steps as may be necessary, proper and expedient to give effect to this Resolution."

Place: Ahmedabad

Date: 01/08/2015

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.

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 12th September, 2015, to Saturday, 19th September, 2015 (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) 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: Other Instructions

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 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.
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.
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.

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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.

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 Corporate.

- 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 favor 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) 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 9.00a.m. on 16th September, 2015 and will end at 5.00 p.m. on 18th September, 2015. During this period, Members of the Company, holding shares either in physical form or in dematerialized form, as on 12th September, 2015 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, 2015.

- 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 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 declared the results of the voting forthwith.

- e) 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.evotingindia.co immediately after the result is declared by the chairman.
- f) 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.
- g) 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.
- h) 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.
- i) 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.
- j) Details of the Directors seeking re-appointment in the 33rd Annual General Meeting [Pursuant to Clause 49 of Listing Agreement of Bombay Stock Exchange] are provided overleaf.

Particulars	Shri Janak Shah	Shri Sushil shah	Mrs. Pushpa Shah	Shri Shrichand Kahar
Relationships with other directors	Brother	Brother		None
Date of Appointment	07/06/1988	07/06/1988	25/03/2015	01/10/1997
Expertise	Administration	Administration	Doctor	Production Manager
Qualification	CivilEngineer	B. Sc. Plastic Eng.	M.B.B.S.	11 pass
No. of Equity Shares held in the Company	36080	26550	8100	200
List of other companies in which directorship are held	None	None	None	None
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
Date: 01/08/2015

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

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

As required by Section 102 of the Companies Act, 2013 (the Act), the following Explanatory Statement sets out all material facts relating to the business mentioned under Item No 5 & 6 of the accompanying Notice dated 01/08/2015:

Item No.5 : Appointment of Mrs. Pushpa Janak Shah as Director

Mrs. Pushpa Shah was appointed as an Additional Director of the Company with effect from 25/03/2015 by the Board of Directors under Section 161 of the Act and Article 85 of the Company's Articles of Association. In terms of Section 161(1) of the Act, Mrs. Pushpa Shah holds office only upto the date of the forthcoming AGM but is eligible for appointment as a Director. A notice under Section 160(1) of the Act has been received from a Member signifying its intention to propose Mrs. Pushpa Shah appointment as a Director.

The Directors are of the view that the appointment of Mrs. Pushpa Shah will be beneficial to the Company and accordingly commend the Resolutions at Item No. 5 of the accompanying Notice for approval by the Members of the Company.

None of the Directors except Mrs. Pushpa Janak Shah being appointee and Shri Janak Shah & Shri Nirav Shah being the relatives of the appointee interested in the said resolution.

The Board recommend the resolution at Item No 5 of the accompanying Notice for the approval by the members.

Item No.6: Appointment of Mr, Shrichand Kahar as Production Manager

Shri Shrichand Kahar was appointed as Production Manager of the Company with effect from 01/10/2012 by the members in their meeting held on 22nd September, 2012. The Board on recommendation of Nomination and Remuneration Committee in its Meeting held on 01/08/2015, reappointed Shri Shrichand Kahar as the Production Manager of the Company for a period of three years i.e. from 01/10/2015 to 30/09/2018, subject to approval of the Members..

1. Job profile and his suitability
His varied experience over such long period has resulted into a wide and deep understanding of the levers of business. This enables him to drive operational excellence across the breadth of responsibilities. He has worked diligently since 1986.
2. Pecuniary relationship directly or indirectly with the company, or relationship with the managerial personnel,
He along with his family members and related parties holds 200 equity shares in the Company.
3. Comparative remuneration profile with respect to industry, size of the company
As far as size of the Company is concerned, it falls under the category of Small Size Industry. Manager compensation in small and mid-sized companies at Rs. 50 to 60 thousand per month and industry parameter justifies salary payable to him.
4. Past remuneration
As approved by members in their meeting held on 22nd September, 2012.
5. The principal terms and conditions are as follows:
 - a) Period:
From 01/10/2015 to 30/09/2018.
 - b) Nature of duties:
 - i. The Production Manager shall devote his whole time and attention to the business of the Company and carry out such duties, as may be entrusted to him by the Board from time to time and separately communicated to him and exercise such powers as may be assigned to him, subject to planning, coordination and control of manufacturing processes in connection with and in the best interests of the business of the Company.
 - ii. The Production Manager shall not exceed the powers so delegated by the Board pursuant to clause 2(a) above.
 - iii. The Production Manager ensure that goods and services are produced efficiently and that the correct amount is produced at the right cost and level of quality and comply with the directions and regulations of the Company and all such orders and directions as may be given to him from time to time by the Board.
 - c) Remuneration:
 - a) Salary : Rs 12,000/- p. m. in the grade of Rs. 12000-1000-15000-1300-18900.
 - b) D. A. : 50 % of Basic
 - c) HRA : 40 % of Basic

- d) Conveyance : 40 % of Basic
- e) Bonus : As provided under Payment of bonus Act, If applicable.
- f) Medical expenses : Ceiling of one month's Basic and
D. A. in a year or three months' Basic & D. A. over a period of three years
- g) Leave travel concession : For self and family once in a year up to the maximum of one month Basic &
D. A. (Within India)

Overall remuneration will not exceed Rs 70000/- p. m. and will include payment made by way of perquisites which shall be evaluated at actual cost to the Company and where it is not possible to ascertain actual cost, such perquisites shall be evaluated as per Income Tax Rules, 1962. It will not include followings:

- a) Company's Contribution to Provident Fund as per the rules;
- b) Gratuity payable shall not exceed half a month's salary for each completed year of service;
- i. Minimum Remuneration: Notwithstanding anything to the contrary herein contained, where in any financial year during the currency of the tenure of the Production Manager, the Company has no profits or its profits are inadequate, the Company will pay to the Manager remuneration by way of Salary, Benefits, Perquisites Allowances as specified above.
- d) The personnel policies of the Company and the related Rules which are applicable to other employees of the Company will also be applicable to the Production Manager, unless specifically provided otherwise.
- e) The terms and conditions of the appointment of the Production Manager may be altered and varied from time to time by the Board as it may, in its discretion deem fit, in such manner as may be agreed to between the Board and the Production Manager, subject to such approvals as may be required.
- f) This appointment may be terminated by either party by giving to the other party Three months' notice of such termination or the Company paying Three months' remuneration in lieu of such notice.
- g) The employment of the Production Manager may be terminated by the Company without notice or payment in lieu of notice:
 - i. if the Production Manager is found guilty of any gross negligence, default or misconduct in connection with or affecting the business of the Company to which he is required by the Agreement to render services; or
 - ii. in the event of any serious or repeated or continuing breach (after prior warning) or non-observance by the Manager of any of the stipulations contained in the Agreement; or
 - iii. in the event the Board expresses its loss of confidence in the Manager.
- h) In the event the Production Manager is not in a position to discharge his official duties due to any physical or mental incapacity, the Board shall be entitled to terminate his contract on such terms as the Board may consider appropriate in the circumstances.
- i) Upon the termination by whatever means of his employment under the Agreement:
 - a) the Production Manager shall immediately cease to hold offices held by him in company without claim for compensation for loss of office by virtue of Section 167(1)(h) of the Act;
 - b) the Production Manager shall not without the consent of the Company at any time thereafter represent himself as connected with the Company.
- j) If at any time, the Production Manager ceases to be Production Manager of the Company for any reason whatsoever, he shall cease to be Director, and this Agreement shall forthwith terminate.
- k) The terms and conditions of the appointment of the Production Manager also include clauses pertaining to adherence with the Code of Conduct of the Company.

In compliance with the provisions of Sections 196, 197 and other applicable provisions of the Act, read with Schedule V to the Act, the terms of remuneration specified above are being recommended before the Members for their approval.

None of the Directors in any way concerned or interested in the resolution set out at item no. 6 of the Notice

The Board commends the resolution at Item No.5 & 6 for approval by the Members.

Place: Ahmedabad

By order of the Board

Date: 01/08/2015

Registered office

Mr. Janak P shah

Chhatral, Kalol-Mehsana Highway,

Vice Chairman

Taluka - Kalol, Gandhinagar- 382729

DIN: 01880079

SHAH FOODS LTD.

Board's Report

To.

The Members of

ShahFoods Limited

Your Directors have pleasure in presenting the 33rd Board'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, 2015.

FINANCIAL HIGHLIGHTS

Particulars	(Rs. In Lacs)	
	2014-2015	2013-14
Gross Income	477.71	377.97
Profit Before Interest and Depreciation	31.03	16.04
Finance Charges	(2.72)	(2.36)
Gross Profit	28.31	13.68
Provision for Depreciation	(9.11)	(8.01)
Net Profit Before Tax	19.2	5.67
Tax Expenses	(5.80)	(1.55)
Net Profit After Tax	13.36	4.11

STATE OF COMPANY'S AFFAIRS AND FUTURE OUTLOOK

We are in active dialogue with Britannia, for whom we have worked for 24 years as a reliable and dependable supply chain partner of utmost integrity, to give us sufficient volume at appropriate conversion rate for us to be able to continue operating as we have. We seek a viable commercial arrangement with Britannia.

CHANGE IN NATURE OF BUSINESS, IF ANY

Your Company continues to operate in same business segment as that of previous year and there is no change in the nature of the business

DIVIDEND

In order to conserve the resources of the Company, the Board of directors has not recommended any dividend for current year.

AMOUNTS TRANSFERRED TO RESERVES

The Board of Directors proposed to carry nil amounts to General Reserve Account

CHANGES IN SHARE CAPITAL, IF ANY

There was no change in the share capital of the Company during the year.

INFORMATION ABOUT SUBSIDIARY/ JV/ ASSOCIATE COMPANY

Company does not have any Subsidiary, Joint venture or Associate Company.

TRANSFER OF UNCLAIMED DIVIDEND TO INVESTOR EDUCATION AND PROTECTION FUND

The Company has transferred an amount of Rs. 47493 of unclaimed dividend for accounting year 2006-07 to Investor Education And Protection Fund.