

ANNUAL REPORT

2017-2018



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 & Whole-time Director	DIN01880079
	MR. NIRAV J. SHAH	Managing Director	DIN01880069
	MR. SUSHIL P. SHAH	Director	DIN02529990
	MR. VIRENDRA P. SHAH	Non-executive Independent Director	DIN00643925
	MRS. PUSHPA J. SHAH	Director	DIN07144650
	MR. SHRICHAND R. KAHAR	Director Operations	DIN02538221
	MR. HEMANT. M. ASARPOTA	Non-executive Independent Director	DIN00364044
	MR. KUNAL R. ASARPOTA	Non-executive Independent Director (w.e.f. 09-02-2018)	DIN06779773

AUDITORS SURESH R. SHAH & ASSOCIATES (Firm registration No: 110691W)
Chartered Accountants

BANKERS BANK OF BARODA
HDFC BANK LTD.

**REGISTERED OFFICE
& WORKS** BLOCK NO. 453/1, CHHATRAL
KALOL-MEHSANA HIGHWAY
TALUKA KALOL, DISTRICT GANDHINAGAR
GUJARAT - 382729

NOTICE

Notice is hereby given that the 36th Annual General Meeting of the Company will be held at Block No. 453/1, Chhatral, Kalol Mehsana Highway Road, Taluka Kalol, Dist. Gandhinagar, Gujarat-382729 on Saturday, 22nd day of September, 2018, at 11.00 am to transact the following business.

ORDINARY BUSINESS:

1. To receive, consider and adopt the Statement of Profit and Loss for the year ended on 31st March, 2018 and the Audited Balance Sheet of the Company as on that date together with the Reports of the Directors and Auditors thereon.
2. To declare a Dividend on equity shares for the financial year ended 31st March, 2018.
3. To appoint Smt. Pushpa Janak Shah, Director (DIN-07144650), who retires by rotation and, being eligible, offers herself for reappointment.

SPECIAL BUSINESS:

4. Appointment of Mr. Kunal Rajesh Asarpota (DIN: 06779773) as an Independent 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 149, 152 and 161 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, Mr. Kunal Rajesh Asarpota (DIN: 06779773), who was appointed as an Additional & Independent Director of the Company with effect from 09/02/2018, and whose term expires at this AGM, not liable to retire by rotation, be and is hereby appointed as an Independent Director of the Company to hold office for a period of 5 years with effect from 09/02/2018.’

Place: Ahmedabad
Date: 06/08/2018

By order of the Board

Mr. Janak P Shah
Whole Time Director
DIN: 01880079

Registered office:
Block No. 453/1, Chhatral,
Kalol-Mehsana Highway,
Taluka- Kalol
Gujarat-382729

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, 14th day of September, 2018, to 22nd day of September, 2018 (both days inclusive).
4. The dividend on equity shares for the year ended 31st March, 2018, if declared at the meeting, will be paid / dispatched on due date to those members whose names appear on the Company's Register of Members or on records of National Securities Depository Limited and Central Depository Services (India) Limited as beneficial owners as on 14th September, 2018.
5. 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
6. 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.
7. 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).
8. 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.
9. 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.

10. **(a) Submission of PAN and Bank Details**

Pursuant to SEBI Circular No. SEBI/HO/MIRSD/DOPI/CIP/P/2018/73 dated April 20, 2018; regarding collection of PAN and Bank Account details of all securities holders holding securities in physical form, you are requested to provide us the copy of PAN card duly attested and Bank Details (Cancelled Cheque leaf/attested bank passbook showing name of account holder). Shareholders holding shares in electronic form are required to furnish their PAN to their Depository Participant with whom they maintain their account along with documents as required by them. Shareholders holding shares in physical form are requested to submit photocopy of the PAN Card of all the holders including joint holders duly attested either to the Company's Registered Office or at the office of its Registrar at the address mentioned above.

(b) Intimation of Share Transfer in Demat form only w.e.f December 5, 2018.

Pursuant to Amendment to Regulation 40 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 vide Gazette Notification dated June 8, 2018, transfer in securities of the Company shall be allowed in dematerialized form only w.e.f. December 5, 2018 and therefore shareholders of the Company still holding shares in physical form are hereby advised to dematerialize their shares as soon as possible. Transfer of the shares in physical form shall not be allowed after December 5, 2018.

The Members desiring to vote through electronic mode may refer to the detailed procedure on e-voting given hereinafter. 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 19th day of September, 2018 at 9.00 am and ends on 21st day of September, 2018 at 5.00 pm. 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 14th day of September, 2018 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
- (iii) Click on Shareholders
- (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:

PAN	For Members holding shares in Demat Form and Physical Form 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 sequence number which is printed on Postal Ballot/Attendance Slip indicated in the PAN field.
Dividend Bank Details OR Date of Birth (DOB)	Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login. If both the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (iv).

- (viii) After entering these details appropriately, click on "SUBMIT" tab.
- (ix) Members holding shares in physical form will then directly reach 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 SHAH FOODS LIMITED 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.
- (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 the App Store and the Windows Phone Store respectively on or after 30th June 2017. 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.) and Custodian are required to log on to www.evotingindia.com and register themselves as Corporates.
 - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.
 - After receiving the login details, 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 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 favour 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, under help section or write an email to 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 19th September, 2018 at 9.00 am and ends on 21st September, 2018 at 5.00 pm. 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 14th September, 2018 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 under help section or write an email to 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, 2018.
 - 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 declared 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 and on the website of CDSL 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: 06/08/2018

By Order of the Board

Mr. Janak P shah
Whole Time Director
DIN: 01880079

Registered Office:
Block No. 453/1, Chhatral,
Kalol-Mehsana Highway Road,
Taluka-Kalol,
Gandhinagar – 382729

Explanatory Statement**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.4 of the accompanying Notice:

ITEM No. 4**Appointment of Mr. Kunal Rajesh Asarpota (DIN: 06779773) as Director**

The Company had, pursuant to the provisions of Regulation 17 of SEBI (LODR), 2015 appointed of Mr. Kunal Rajesh Asarpota (DIN: 06779773), as an Additional Independent Director in its Board Meeting held on 09/02/2018. Pursuant to the provisions of Section 149 of the Companies Act, 2013, every listed public company is required to have at least one-third of the total number of directors as independent directors. Such Independent Director shall be appointed for not more than two terms of five years each and shall not be liable to retire by rotation. Thus, it is proposed to appoint of Mr. Kunal Rajesh Asarpota for a term of five years from 09/02/2018. He has given a declaration to the Board that he meets the criteria of independence as provided under Section 149(6) of the Act. He is also not disqualified from being appointed as a Director in terms of Section 164 of the Act and has given her consent to act as a Director of the Company. In the opinion of the Board, Mr. Kunal Rajesh Asarpota fulfills the conditions for his appointment as an Independent Director as specified in the Act and the Listing Regulations and he is independent of the management. Appointment of Mr. Kunal Rajesh Asarpota as an Independent Director is now being placed before the Members for their approval, for the term stated above. Other terms and conditions for their appointment shall be available for inspection by the Members at the Registered Office of the Company during business hours on any working day, excluding Saturday. None of the Directors, except the proposed appointee in resolution concerning their individual appointment or any of Key Managerial Personnel of the Company or relatives of any of them are, in any way, concerned or interested, financially or otherwise, in this resolution.

The Board recommends the Ordinary Resolutions set out at Item No. 4 of the Notice for approval by the shareholders.

Details of Director is as under Regulation 17 of SEBI (LODR) Regulations, 2015

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

Name of Director	Pushpa Janak Shah	Kunal Rajesh Asarpota
Date of Birth	08/03/1947	24/07/1979
Date of Appointment	25/03/2015	09/02/2018
Qualification	MBBS	M.Com
Expertise	Doctor	Marketing
Chairman/Designated Partner/	None	Director in Director of other Companies/LLP KentradeDevelopments Pvt. Ltd. And Bias Kut Designs Private Limited & Designated Partner in KentradeDevelopments LLP
Chairman/Member Committees of Companies	Chairman: NIL Member: NIL-	Chairman: NIL Member: 2
No of shares held in the Company	8100	NIL

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

Place: Ahmedabad
Date: 06/08/2018

Registered office:
Block No. 453/1, Chhatral,
Kalol-Mehsana Highway
Taluka-Kalol,
Gandhinagar – 382729

By order of the Board

Mr. Janak P shah
Whole Time Director
DIN: 01880079

Director's Report

To,
The Members of
SHAH FOODS LIMITED

Your Directors have pleasure in presenting the 36th 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, 2018.

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

FINANCIAL HIGHLIGHTS

(Rs. in Lakhs)

Particulars	Current year	Previous Year
Sales	539.16	540.17
Other Income	6.89	7.09
Total Income	546.06	547.26
Depreciation	14.08	14.64
Tax		
Current Tax	4.50	18.50
Deferred Tax	-0.68	0.75
Profit/(Loss) after Tax	12.29	50.63
Earnings per share (Rs.) :		
Basic	2.06	8.47
Diluted	2.06	8.47

STATE OF COMPANY'S AFFAIRS

During the year under review, the total Income of the Company was Rs 546.06 Lakhs against Rs 547.26 Lakhs in the previous year. The Company has earned a Profit after tax of Rs. 12.29 Lakh compared to Rs 50.63 Lakhs 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.

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.

SHAH FOODS LTD

CHANGE IN THE NATURE OF BUSINESS

There is no change in the nature of the business of the Company.

MEETINGS OF THE BOARD OF DIRECTORS

The information on meetings of the Board of Directors held during the Financial Year 2017-18 is provided under clause 2 (B) of the Corporate Governance Report.

CORPORATE GOVERNANCE

As provided under Regulation 15(2) of the SEBI (LODR) Regulations, 2015, the compliance with Corporate Governance as specified in Regulation 17 to 27, 46(2)(b) to (i) & para c, d & e of Schedule V are not applicable to the Company as paid up share capital doesn't exceed Rs. 10 Crore. However the Report on Corporate Governance and the Requisite Certificate from M/s Pinakin Shah & Co., Practicing Company Secretary, Ahmedabad is annexed to this Report.

PERFORMANCE EVALUATION

Pursuant to the provisions of the Companies Act, 2013 read with the rules issued there under, Regulation 17(10) of the Listing Regulations and the circular issued by SEBI dated 5th. January, 2017 with respect to Guidance Note on Board Evaluation, the evaluation of the annual performance of the Directors/Board/Committees was carried out for the financial year 2017-18.

The details of the evaluation process are set out in the Corporate Governance Report which forms a part of this report.

DIVIDEND

The Board has recommended 10% of dividend on equity shares of the Company for the financial year 2017-18 subject to approval of Members in the 36th Annual General Meeting.

DEPOSITS

Your Company has not accepted any fixed deposits during the year under review.

RISK MANAGEMENT

There is an adequate risk management infrastructure in place capable of addressing risks that the organization faces such as strategic, financial, market, property, IT, legal, regulatory, reputational and other risks those have been identified and assessed.

DIRECTORS & KEY MANAGERIAL PERSON

Smt. Pushpa Janak Shah, Director (DIN: 07144650) retires by rotation and being eligible offers herself for reappointment. Pursuant to Regulation 17 of the SEBI (LODR) Regulations, 2015, details of Director retiring by rotation is provided under explanatory statement of the Notice of the 36th Annual General Meeting.

Mr. Kunal Rajesh Asarpota, Director (DIN: 06779773) has been appointed as a Non-Executive Independent Director with effect from 09/02/2018, pursuant to the provisions of Sections 149, 152 and 161 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. He meets the criteria for independence as provided in Section 149(6) of the Act read with Regulation 17 of the SEBI (LODR) .

AUDITORS

M/s. Suresh R. Shah & Associates, Chartered Accountants, Ahmedabad (Firm Registration No: 110691W) were appointed as a Statutory Auditors of the Company with the approval of members at the 36th Annual General Meeting to hold office till the conclusion of the 39th Annual General Meeting. As per the recent amendment issued by Ministry of Corporate Affairs, ratification of statutory auditors at every AGM is not required and hence your Directors have not proposed the ratification of M/s Suresh R. Shah & Associates at ensuing AGM. Auditor's Report for the year under review does not contain any qualifications, reservations or adverse remarks.

AUDITORS' REPORT

The Notes on financial statement referred to in the Auditors' Report are self-explanatory and do not call for any further comments. The Auditors' Report does not contain any qualification, reservation or adverse remark.

SECRETARIAL AUDITOR

M/s Pinakin Shah & Co, Practising Company Secretary has been appointed as the Secretarial Auditor of the Company for the financial year 2017-18 as required under Section 204 of the Companies Act 2013 and Rules thereunder. The Secretarial Audit Report for the financial year ended March 31, 2018 is annexed herewith marked as **Annexure III** to this Report. The Secretarial Audit Report contains certain adverse remarks which are dealt with as under: