

Partner  
Dinesh R. Shah  
Hiren D. Shah

## DINESH R. SHAH & CO.

Chartered Accountants



51, Madhuban, Nr. Madalpur Underbridge,  
Ellisbridge, Ahmedabad-380 006. (INDIA)

Phone : 079-26443145, 26464077

Fax : 91-79-26446973

### FORM A

(Clause 31(a) of the Listing Agreement)

Sr. No	Particulars	Details
1	Name of the Company	SHAH FOODS LIMITED
2	Annual financial statements for the year ended	31-03-2014
3	Type of Audit observation	NO Observation
4	Frequency of observation	N.A
5	To be signed by- <ul style="list-style-type: none"><li>• Director</li><li>• Chairman of Audit Committee</li><li>• Auditors of the Company</li></ul>	<p>Janak Shah</p> <p>N.A</p> <p>Dinesh R Shah &amp; Co (Chartered Accountant) (FRN.No.102610W)</p> <p> (Hiren D Shah) Partner Membership No 047928</p> <p>Date:-26/07/2014 Place:- Ahmedabad</p> 

Associate Concern : Dinesh R. Shah & Nanavati

305, M/2, Abhishak, Samuel Street, Vadagadi, Mumbai-400 003. Phone : 234 45 316, 234 13 277

# 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

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**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  
HDFCBANKLTD.

**REGISTERED OFFICE & WORKS**

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

**SHAH FOODS LTD.**

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**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

## SHAH FOODS LTD.

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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 18<sup>th</sup> September, 2014 and will end at 5.00 p.m. on 20<sup>th</sup> 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](http://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](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:

**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](mailto: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](mailto: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](http://www.evotingindia.co.in) under help section or write an email to [helpdesk.evoting@cdslindia.com](mailto: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 16<sup>th</sup> September, 2014. During this period, Members of the Company, holding shares either in physical form or in dematerialized form, as on Wednesday, 13<sup>th</sup> 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 31<sup>st</sup> 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](http://www.shahfoodslimited.com) and on the website of CDSL [www.evoting.CDSL.com](http://www.evoting.CDSL.com) within two days of the passing of the resolutions at the Thirty Second AGM of the Company on 20<sup>th</sup> 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"><li>· Panasonic Energy India Company Limited</li><li>· Sonata Software Limited</li><li>· Pfizer Limited</li><li>· Basf India Limited</li><li>· Godrej And Boyce Manufacturing Company Limited</li><li>· Grindwell Norton Limited</li><li>· Kansai Nerolac Paints Limited</li><li>· Mukand Limited</li><li>· Tata Investment Corporation Limited</li><li>· K S B Pumps Limited</li><li>· Wyeth Limited</li></ul>	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

Date: 26/07/2014

By Order of the Board

Vice Chairman

Registered Office:

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

**Explanatory statement**

**[Pursuant to section 102 of the Companies Act, 2013]**

Tem No. 5

The existing tenure of Mr. Nirav Shah, Managing Director, will be expiring on 30<sup>th</sup> September, 2014. The Board of Directors of the Company at their meeting held on 26<sup>th</sup> July, 2014 reappointed Mr. Nirav Shah as an Managing Director, whose period of office is liable to determination by retirement of directors by rotation and designated as “Chief Executive Officer” for a period of five years commencing from 1<sup>st</sup> October, 2014.

Mr. Nirav Shah joined the Company in 2005 and has had a distinguished career with the Company.

The approval of the members is being sought to the terms, conditions and stipulations for the appointment of Mr. Nirav Shah as the Managing Director and the remuneration payable to him. The terms and conditions proposed (fixed by the Board of Directors at their meeting held on 26<sup>th</sup> July, 2014 as recommended by remuneration committee) are keeping in line with the remuneration package that is offered in the industry.

The material terms of appointment and remuneration as contained in the draft Agreement are given below: -

I. Basic salary: At the rate not exceeding Rs 86000/ per month; and the payment may be made on a pro-rata basis every month or on an annual basis or partly monthly and partly on an annual basis at the discretion of the Board.

II. Perquisites:

He shall be eligible for the following perquisites which shall not be included in the computation of the ceiling on remuneration:—

- a) contribution to provident fund, superannuation fund or annuity fund to the extent these either singly or put together are not taxable under the Income-tax Act, 1961 (43 of 1961);
- b) gratuity payable at a rate not exceeding half a month's salary for each completed year of service; and
- c) encashment of leave at the end of the tenure.

III. Minimum Remuneration:

Notwithstanding anything herein contained, where in any financial year during the period of his office as an Managing Director, the Company has no profits or its profits are inadequate, the Company may pay Mr. Nirav Shah remuneration by way of salary, allowances, perquisites as stated above as minimum remuneration.

IV. Other Terms:

- a) Mr. Nirav Shah shall, subject to the superintendence, control and direction of the Board of Directors, manage and conduct the business and affairs of the Company relating to Finance. He shall not be paid any sitting fee for attending meetings of the Board or Committee thereof.
- b) The appointment can be terminated by Mr. Nirav Shah or the Company, by one party giving to the other 3 (three) calendar months' notice in writing or by payment of a sum equivalent to remuneration for the notice period or part thereof in case of shorter notice or on such other terms as may be mutually agreed.
- c) The period of office of Mr. Nirav Shah shall be liable to determination by retirement of directors by rotation. If Mr. Nirav Shah is re-appointed as a director, immediately on retirement by rotation he shall continue to hold office of

## SHAH FOODS LTD.

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Managing Director designated as “Chief Executive Officer” and such re-appointment as director shall not be deemed to constitute break in his appointment as an Managing Director designated as “Chief Executive Officer”.

In view of the provisions of Sections 196, 197, 203 and any other applicable provisions of the Companies Act, 2013, the Board recommends the Ordinary Resolution set out at item no. 5 of the accompanying Notice for the approval of the Members. The re-appointment of Mr. Nirav Shah is appropriate and in the best interest of the Company.

Copy of the Draft Agreement referred to in the Resolution and the Register maintained in pursuance of erstwhile Section 301 of the Companies Act, 1956, would be available for inspection by the members at the Registered Office of the Company during normal business hours on any working day, up to and including the date of the Annual General Meeting.

Except Mr. Nirav Shah being an appointee and Mr Janak Shah being a relative of an appointee, none of the Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, financial or otherwise, in the resolution set out at Item No. 5.

This Explanatory Statement together with the accompanying Notice may also be regarded as a disclosure under Clause 49 of the Listing agreement with the Stock Exchange.

### Item No. 6

The existing tenure of Mr. Janak Shah, Whole-time Director, will be expiring on 30<sup>th</sup> September, 2014. The Board of Directors of the Company at their meeting held on 26<sup>th</sup> July, 2014 reappointed Mr. Janak Shah as a Whole-time Director , whose period of office is liable to determination by retirement of directors by rotation and designated as “Chief Financial Officer” for a period of five years commencing from 1<sup>st</sup> October, 2014.

Mr. Janak Shah is Civil Engineer. He joined the Company in 1988 and has had a distinguished career with the Company.

The approval of the members is being sought to the terms, conditions and stipulations for the appointment of Mr. Janak Shah as the Whole-time Director and the remuneration payable to him. The terms and conditions proposed (fixed by the Board of Directors at their meeting held on 26<sup>th</sup> July, 2014 as recommended by remuneration committee) are keeping in line with the remuneration package that is offered in the industry.

The material terms of appointment and remuneration as contained in the draft Agreement are given below: -

V. Basic salary: At the rate not exceeding Rs 79000/ per month; and the payment may be made on a pro-rata basis every month or on an annual basis or partly monthly and partly on an annual basis at the discretion of the Board.

VI. Perquisites:

He shall be eligible for the following perquisites which shall not be included in the computation of the ceiling on remuneration:—

- a) contribution to provident fund, superannuation fund or annuity fund to the extent these either singly or put together are not taxable under the Income-tax Act, 1961 (43 of 1961);
- b) gratuity payable at a rate not exceeding half a month’s salary for each completed year of service; and
- c) encashment of leave at the end of the tenure.

VII. Minimum Remuneration:

Notwithstanding anything herein contained, where in any financial year during the period of his office as a Whole Time Director, the Company has no profits or its profits are inadequate, the Company may pay Mr. Janak Shah remuneration by way of salary, allowances, perquisites as stated above as minimum remuneration.

VIII. Other Terms:

- a) Mr. Janak Shah shall, subject to the superintendence, control and direction of the Board of Directors, manage and conduct the business and affairs of the Company relating to Finance. He shall not be paid any sitting fee for attending meetings of the Board or Committee thereof.
- b) The appointment can be terminated by Mr. Janak Shah or the Company, by one party giving to the other 3 (three) calendar months' notice in writing or by payment of a sum equivalent to remuneration for the notice period or part thereof in case of shorter notice or on such other terms as may be mutually agreed.
- c) The period of office of Mr. Janak Shah shall be liable to determination by retirement of directors by rotation. If Mr. Janak Shah is re-appointed as a director, immediately on retirement by rotation he shall continue to hold office of Whole Time Director designated as "Chief Financial Officer" and such re-appointment as director shall not be deemed to constitute break in his appointment as a Whole Time Director designated as "Chief Financial Officer".

In view of the provisions of Sections 196, 197, 203 and any other applicable provisions of the Companies Act, 2013, the Board recommends the Ordinary Resolution set out at item no. 6 of the accompanying Notice for the approval of the Members. The re-appointment of Mr. Janak Shah is appropriate and in the best interest of the Company.

Copy of the Draft Agreement referred to in the Resolution and the Register maintained in pursuance of erstwhile Section 301 of the Companies Act, 1956, would be available for inspection by the members at the Registered Office of the Company during normal business hours on any working day, up to and including the date of the Annual General Meeting.

Except Mr. Janak Shah being an appointee and Mr Nirav Shah being a relative of an appointee, none of the Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, financial or otherwise, in the resolution set out at Item No. 6.

This Explanatory Statement together with the accompanying Notice may also be regarded as a disclosure under Clause 49 of the Listing agreement with the Stock Exchange.

Item No. 7

The provisions of the Companies Act, 2013 with respect to appointment and tenure of the Independent Directors have come into effect. As per the said provisions, the Independent Directors shall be appointed for not more than two terms of five years each and shall not be liable to retire by rotation at every Annual General Meeting. Every listed public company is required to have at least one-third of the total number of directors as independent directors.

The Board of Directors of the Company has decided to adopt the provisions with respect to appointment and tenure of Independent Directors which is consistent with the Companies Act, 2013 and the amended Listing Agreement. In the transition to the Companies Act, 2013, which is effective 1st April, 2014, those Independent Directors who have already served for ten or more years will serve for a maximum period of one term of five years. With the above changes, the Company would not have any upper age limit of retirement of Independent Directors from the Board and their appointment and tenure will be governed by the provisions of Companies Act, 2013.

In terms of Section 149 and any other applicable provisions of the Companies Act, 2013, Shri Virendra Shah being eligible, offer themselves for appointment as Independent Directors on the Board of the Company. They are all non-

## SHAH FOODS LTD.

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executive directors of the Company and have given a declaration to the Board that they meet the criteria of independence as provided under section 149(6) of the Act. In the opinion of the Board, each of these directors fulfill the conditions specified in the Act and the Rules framed there under for appointment and they are independent of the management. The Nominations & Remuneration Committee has recommended their reappointment as Independent Directors from 20<sup>th</sup> September, 2014 up to 19<sup>th</sup> September, 2019. A brief profile of proposed Independent Directors, including nature of their expertise, is provided in this Annual Report. Notices have been received from members proposing candidature of the above Directors for the office of Independent Director of the Company. In the opinion of the Board, Shri Virendra Shah fulfill the conditions specified in the Companies Act, 2013 and the Rules made there under for appointment as Independent Directors of the Company. A copy of the draft Letter of Appointment for Independent Directors, setting out terms and conditions of their appointment, is available for inspection at the Registered Office of the Company during business hours on any working day and is also available on the website of the Company [www.shahfoodslimited.com](http://www.shahfoodslimited.com).

None of the Directors or Key Managerial Personnel of the Company and their relatives, other than Independent Directors for their respective appointment, are concerned or interested, financially or otherwise, in these resolutions.

The Board commends the resolution at Item No.5 to 7 for approval by the Members.

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

**DIRECTORS' REPORT****TO THE MEMBERS**

Your Directors are pleased to present the Thirty Second Annual Report and the Audited Accounts for the financial year ended March 31, 2014.

<b>SUMMARY OF FINANCIAL RESULTS</b>	<b>F.Y. 2013-2014</b>	<b>F.Y.2012-2013</b>
	(Rs. in Lacs)	(Rs. in Lacs)
INCOME FROM OPERATIONS	36,711,299	24,042,897
Add : Gain/-Loss From Trading	5,45,576	1,80,199
Add : Other Income	5,40,570	248,469
<b>Total Income</b>	<b>37,797,445</b>	<b>24,111,167</b>
Less : Expenditures	36,191,872	23,347,381
Less : Finance Charges	2,36,677	43,643
Less : Depreciation	8,01,356	710,862
<b>PROFIT FOR THE YEAR BEFORE TAX</b>	<b>5,67,540</b>	<b>9,282</b>
Less : Provision for Taxation	190,000	43,000
Less : Provision for Deferred Tax	(34,278)	(58,671)
<b>Net Surplus for the year</b>	<b>4,11,818</b>	<b>24,952</b>

**Financial Performance**

Net Revenue from Operations for the year ended March 31, 2014 was Rs 377.97lacs representing an increase of 56.76 per cent over the previous year.

Profit before tax for the year was at Rs 5.67lacs representing an increase of 6014.41 per cent over the previous year.

**Appropriations**

Dividend

The Company has not recommended any dividend for current year.

Transfer to Reserves

According to Companies (Transfer of Profits to Reserves) Rules, 1975, Company is not mandatorily required to transfer certain minimum percentage of profits to general reserve and hence the Board has recommended a transfer of Rs. NIL to the general reserve and an amount of Rs. 4,11,818/- has been retained in statement of Profit and Loss.

**Listing Of Shares**

The Company's share continues to remain listed with the Bombay Stock Exchange, where the shares are actively traded.

**Outlook**

We are in active dialogue with Britannia, for whom we have worked for 23 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.



## SHAH FOODS LTD.

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### **Directors**

Shri Nirav Shah [DIN 01880069] and Shri Pradip Shah [DIN 00066242] retire at the Annual General Meeting and have offered themselves for re-appointment. It is also proposed to reappointment Shri Janak Shah [Din 01880079] as a Whole Time Director,[CFO] and Shri Nirav Shah [Din 01880069] as an Managing Director,[CEO]. It is also proposed to reappoint Shri Virendra Shah [DIN 00643925] as Independent Directors of the Company for a term up to five years, at the forthcoming Annual General Meeting.

Necessary Resolutions for the appointment of the aforesaid Directors have been included in the Notice convening the ensuing Annual General Meeting and details of the proposals for appointment are mentioned in the explanatory statement to the Notice. **Statutory Disclosures:**

Conservation of energy, technology absorption and Foreign Exchange earnings and outgo is provided below:

#### **1. Conservation of energy:**

- a. The company has not made any investment [for energy conservation] and taken any specific measures to reduce energy cost per unit. However, it intends to conserve energy for future generation.
- b. Part A pertaining to conservation of energy is applicable to the Company.

#### **Power & Fuel Consumption**

##### a. ELECTRICITY

I. Purchased	Current year	Previous Year
Unit	3,22,310	2,15,520
Total Amount	Rs.21,95,694	Rs.16,03,992
Rate/Unit	Rs. 7.40	Rs. 6.81
II. Own generation		
1. Through diesel generator	Nil	
2. Through stream turbine generator	Nil	
b. Consumption of coal	Nil	
c. Consumption of furnace oil	Nil	

#### **2. Technology Absorption**

There is no Research and Development activity carried out by the Company.

#### **3. Foreign Exchange Earnings and Outgo**

The Company has neither used nor earned any foreign exchange during the year

### **Personnel**

The Industrial Relations scenario continued to be cordial. The Company regards its employees as a great asset and accords high priority to training and development of employees.

Information as required under Section 217(2A) of the Companies Act, 1956, read with the Companies (Particulars of Employees) Amendment Rules, 2011 is Nil.

### **Directors' Responsibility Statement**

Pursuant to Section 217(2AA) of the Companies Act, 1956, the Directors confirm that:

- (a) In the preparation of the annual accounts, the applicable accounting standards have been followed;

- (b) Appropriate accounting policies have been selected and applied consistently and have made judgments and estimates that are reasonable and prudent, so as to give a true and fair view of the state of affairs of the Company as at March 31, 2014 and of the profit of the Company for the year ended March 31, 2014;
- (c) Proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- (d) The annual accounts have been prepared on a going concern basis.

**Cash Flow**

A Cash Flow statement for the year ended on 31st March, 2014 is attached to the Balance Sheet.

**Auditors**

M/s Dinesh R Shah & Co., Chartered Accountants, Ahmedabad [Membership No.047928] were appointed as the statutory auditors of the Company for financial year 2013-14 at the Annual General Meeting of the Company held on 21/09/2013. M/s Dinesh R Shah & Co., Chartered Accountants, Ahmedabad [Membership No.047928] have been the Auditors of the Company since 29/09/2007 and have completed a term of 7 years. As per the provisions of section 139 of the Act, no listed company can appoint or re-appoint an audit firm as auditor for more than two terms of five consecutive years and has also provided a period of three years from the date of commencement of the Act to comply with this requirement.

In view of the above, M/s Dinesh R Shah & Co., Chartered Accountants, Ahmedabad [Membership No.047928] being eligible for re-appointment, offer themselves for re-appointment and based on the recommendation of the Audit Committee, the Board of Directors proposes their reappointment as the statutory auditors of the Company. However they will be eligible for reappointment for a maximum period of three years to hold office from the conclusion of this AGM.

**Fixed Deposits**

No fixed deposits were accepted from the public during the year.

**Insurance**

The Company's assets are adequately insured against major risks.

**ISO: 22000-2005 CERTIFICATE**

Your company has obtained ISO: 22000-2005 certificate for food safety by TUV-SUD Management Services GmbH - trading as TUV South Asia Private Ltd., valid up to 22-01-2016.

**Acknowledgement**

The Board appreciates and places on record the contribution made by employees to the sustained satisfactory business performance during the period under review. The Board also places on record their appreciation of the support of all stakeholders particularly shareholders, customers, suppliers, the medical fraternity and business partners, all of whom have contributed to the Company's success.

Place: Ahmedabad

Date: 26/07/2014

Registered Office:

Chhatral,

Kalol-Mehsana Highway Road,

Taluka-Kalol,

Dist. Gandhinagar.

Gujarat-382729

For and on behalf of the Board

Vice Chairman

## SHAH FOODS LTD.

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### COMPLIANCE CERTIFICATE

To,

The Members

Shah Foods Limited

I have examined the registers, book and papers of M/s Shah Foods Limited as required to be maintained under the Companies Act, 1956, (the Act) and the rules made there under and also the provisions contained in the Memorandum and Articles of Association of the Company for the financial year ended on 31st March 2014. In my opinion and to the best of my our information and according to the examinations carried out by me and explanations furnished to me by the Company, its officers and agents, I certify that in respect of the aforesaid financial year:

1. The Company has kept and maintained all registers as stated in Annexure 'A' to this certificate, as per the provisions of the Act and the rules made there under and all entries therein have been duly recorded.
2. The Company has duly filed the forms and returns as stated in 'B' to this certificate, with the Registrar of Companies, Regional Director, Central Government, Company Law Board or other authorities within time prescribed under the Act and the rules made there under.
3. The Company, being a public limited company, has the minimum prescribed paid-up capital.
4. The Board of Directors duly met 4 (Four) times respectively on 28/05/2013, 29/07/2013, 29/10/2013, 29/01/2013 in respect of which meeting proper notices were properly recorded and signed including the circular resolutions passed in the Minutes Book maintained of the purpose.
5. The Company closed its Register of Members, from 14/09/2013 to 21/09/2013 and necessary compliance of Section 154 of the Act has been made.
6. The annual general meeting for the financial year ended on 31/03/2013 was held on 21/09/2013 after giving due notice to the members of the Company and resolutions passed thereat were duly recorded in Minutes Book maintained for the purpose.
7. No Extra Ordinary Meeting(s) was/were held during the financial year.
8. The Company has not advanced loans to its Directors or persons or firms or companies referred to under Section 295 of the Act.
9. The Company has not entered into any contracts falling within the purview of Section 297 of the Act.
10. The Company has made entries in the register maintained under Section 301 of the Act.
11. As there were no instances falling within the purview of Section 314 of the Act, The Company has not obtained any approvals from the Board of Directors, members or Central Government, as the case may be.
12. The Company has not issued any duplicate certificates during the financial year.
13. The Company has-
  - (i) not allotted but transferred / transmitted and delivered all the certificates on transfer in accordance with the provisions of the Act.
  - (ii) not declared dividend during the financial year and hence no amount transferred in a separate bank account;
  - (iii) not posted warrants to members of the Company within period prescribed as no dividend was declared;

(iv) duly complied with the requirements of Section 217 of the Act.

14. The Board of Directors of the Company is duly constituted. There was no appointment of Directors, additional Directors, alternate Directors and Directors to fill casual vacancies during the financial year.

15. The Company has not appointed any Manager, Managing Director/Whole-time Director during the financial year. .

16. The Company has not appointed any sole-selling agents during financial year.

17. The Company was not required to obtain any approvals of the Central Government, Company Law Board, Registrar of Companies and/or such authorities prescribed under the various provisions of the Act.

18. The Directors have disclosed their interest in other firms/companies to the Board of Directors pursuant to the provisions of the Act and the rules made thereunder.

19. The Company has not issued any shares, debentures or other securities during the financial year.

20. The Company has not bought back any shares during the financial year.

21. There was no redemption of preference shares or debentures during the financial year.

22. There were no transaction necessitating the Company to keep in abeyance the right to dividend, right shares and bonus shares pending registration of transfer of shares.

23. The Company has not invited/accepted any deposits including any unsecured loans falling within the purview of Section 58A during the financial year.

24. The Company has not made any borrowing during the financial year.

25. The Company has not made any loans or advances or given guarantees or provided securities to other bodies corporate and consequently no entries have been made in the register kept for the purpose.

26. The Company has not altered the provisions of the memorandum with respect to situation of the Company's registered office from one state to another during the year under scrutiny.

27. The Company has altered the provisions of the memorandum with respect to the objects of the Company during the year under scrutiny.

28. The Company has not altered the provisions of the memorandum with respect to name of the Company during the year under scrutiny.

29. The Company has not altered the provisions of the memorandum with respect to share capital of the Company during the year under scrutiny.

30. The Company has not altered its articles of association during the financial year.

31. There was no prosecution initiated against or show cause notices received by the Company, during the financial year, for offences under the Act.

32. The Company has not received any money as security from its employees during the financial year.

33. The Company has deposited both employee's and employer's contribution to Provident Fund with prescribed authorities pursuant to section 418 of the Act.

Place : Ahmedabad

Date : 26-07-2014

PINAKIN SHAH & CO.

C.P.No./F.C.S. No. 2932/2562

**ANNEXURE A****REGISTERS AS MAINTAINED BY THE COMPANY:**

SN	Register Name	Whether maintained
1.	Register of Members u/s150(1)	Yes
2.	Copies of Annual Return u/s 159-160	Yes
3.	Minutes Books of Board Meetings & any other meetings u/s193	Yes
4.	Minutes Books of General Meetings u/s193/196	Yes
5.	Proper Books of Accounts u/s 209(1)(a)(b)(c)	Yes
6.	Register of contracts, companies & firms in which directors are interested u/s301	Yes
7.	Register of Directors/Managing Director/manager/whole time director/ secretary u/s303(1)	Yes
8.	Register of Directors shareholdings etc. u/s 307	Yes
9.	Register of Director's Attendance u/s 285	Yes

**ANNEXURE B****Forms and Returns as filed by the Company with Registrar of Companies, Regional Director, Central Government or other authorities during the financial year 2013-14**

DOCUMENT FILED	DUE DATE	FILED ON DATE	WHETHER IN TIME
Form 66 filed u/s 383A	21-10-2013	30-09-2013	Yes
Form 23 AC/ACA Xbrl filed u/s 220	21-10-2013	18-10-2013	Yes
Form 20B filed u/s 159	20-11-2013	18-10-2013	Yes

Place : Ahmedabad

Date : 26-07-2014

PINAKIN SHAH &amp; CO.

C.P.No./F.C.S. No. 2932/2562

**AUDITORS' REPORT**

To,  
The Members of SHAH FOODS LTD.

**Report on Financial Statements:**

We have audited the accompanying financial statements of Shah Foods Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2014, and the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

**Management's responsibility for the Financial Statements:**

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance of the Company in accordance with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 ("the Act"). This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

**Auditor's Responsibility:**

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

**Opinion:**

In our opinion and to the best of our information and according to the explanations given to us, the financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- a) in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2014;
- b) in the case of the Statement of Profit and Loss, of the profit for the year ended on that date; and
- c) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

**Report on Other Legal and Regulatory Requirements:**

1. As required by the Companies (Auditor's Report) Order, 2003 ("CARO") issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
2. As required by section 227(3) of the Act, we report that:
  - a) we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
  - b) in our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books
  - c) the Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement dealt with by this Report are in agreement with the books of account.
  - d) in our opinion, the Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement comply with the Accounting Standards referred to in subsection (3C) of section 211 of the Companies Act, 1956;
  - e) on the basis of written representations received from the directors as on March 31, 2014, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2014, from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.
  - f) Since the Central Government has not issued any notification as to the rate at which the cess is to be paid under section 441A of the Companies Act, 1956 nor has it issued any Rules under the said section, prescribing the manner in which such cess is to be paid, no cess is due and payable by the Company.

PLACE : AHMEDABAD  
DATED : 29-05-2014

FOR DINESHR. SHAH & Co.  
CHARTERED ACCOUNTANTS  
Hiren D. Shah FRN No. 102610W  
(PARTNER)  
MEMBERSHIP NO: 47928

**ANNEXURE TO AUDITORS' REPORT**

**The Annexure referred to in paragraph 1 of the Our Report of even date to the members of Shah Foods Limited on the accounts of the company for the year ended 31<sup>st</sup> March, 2014.**

1. (a) The Company is maintaining proper records showing full particulars including quantitative details and situation of its fixed assets.  
  
(b) The fixed assets of the Company have been physically verified by the Management during the year and no material discrepancies between the book records and the physical inventory have been noticed. In our opinion, the frequency of verification is reasonable.  
  
(c) In our opinion and according to the information and explanations given to us, a substantial part of fixed assets has not been disposed of by the Company during the year.
2. (a) There management has conducted physical verification of inventory at reasonable intervals during the year..  
  
b) The procedures of physical verification of inventory followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.  
  
(c) The Company is maintaining proper records of inventory and no material discrepancies were noticed physical verification carried out at the end of the year.
3. (a) The Company has not granted any loans during the year.  
  
(b) In our opinion and according to the information and explanations given to us, the rate of interest and other terms and conditions for such loans are not prima facie prejudicial to the interest of the Company.  
  
(c) The loans granted are re-payable on demand and the payment of interest has been regular.  
  
(d) As informed, the Company has not taken any loans, secured or unsecured from companies, firms or other parties covered in the register maintained under section 301 of the companies Act, 1956.
4. In our opinion and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the Company and the nature of its business for the purchase of inventory, fixed assets and for sale of goods and services. Further, on the basis of examination of the books of account and records of the Company, and according to the information and explanations given to us, we have neither come across nor have we been informed of any continuing failure to correct major weaknesses in the aforesaid internal control system.
5. To the best of our knowledge and belief and according to the information and explanations given to us, we are of the opinion that the particulars of contracts and arrangements that need to be entered into the register maintained under section 301 of the Companies Act, 1956 have been properly entered in the said register.
6. The Company has not accepted any deposits from the public within the meaning of Sections 58A and 58AA of the Act and the rules framed there under.
7. In our opinion, the Company has sufficient and regular internal checks and internal controls in place commensurate with the size and nature of its business which acts as a substitute to internal audit.
8. To the best of our knowledge and as explained, the Central Government has not prescribed maintenance of cost records under clause (d) of sub-section (1) of section 209 of the Companies Act, 1956 for the products of the Company.
9. (a) According to the books of accounts and the records as produced and examined by us in accordance with the generally accepted auditing procedures in India, in our opinion, the Company is regular in depositing the undisputed statutory dues in respect of provident fund, investor education and protection fund, employees' state insurance, income tax, sales tax, wealth tax, service tax, customs duty, excise duty, cess and other material statutory dues as applicable with the appropriate authorities in India.  
  
(b) According to the information and explanations given to us and the records of the Company examined by us, there are no dues of sales tax, wealth tax, service-tax, customs duty, excise duty and cess as at March 31, 2014 which have not been deposited on account of any dispute.

10. The Company has no accumulated losses as at March 31, 2014 and it has not incurred cash losses in the financial year ended on that date or in the immediately preceding financial year.
11. According to the books of account and records of the Company examined by us and the information and explanations given to us, the Company has not defaulted in repayment of dues to any financial institution or bank or debenture holders as at the Balance Sheet date.
12. The Company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
13. The provisions of any special statute applicable to chit fund / nidhi / mutual benefit fund / societies are not applicable to the Company.
14. In our opinion, the Company is not a dealer or trader in shares, securities, debentures and other investments. The shares and securities held by the company as investments are in its own name, except to the extent of exemption granted under section 49 of the Companies Act, 1956.
15. According to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from banks or financial institutions during the year.
16. In our opinion and according to the information and explanations given to us, the company has not taken term loan during the period covered by our report.
17. According to the information and explanations given to us and on an overall examination of the balance sheet of the Company, we report that no funds raised on short-term basis have been used for long-term investment.
18. The Company has not made any preferential allotment of shares to parties and companies covered in the register maintained under Section 301 of the Act during the year.
19. The Company has not issued debentures during the year.
20. The Company has not raised any money by public issues during the year.
21. During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of material fraud on or by the Company, noticed or reported during the year, nor have we been informed of such case by the Management.

PLACE : AHMEDABAD

DATED : 29-05-2014

**FOR DINESH R. SHAH & Co.**

CHARTERED ACCOUNTANTS.

Hiren D. Shah FRN No. 102610W  
(PARTNER)

MEMBERSHIP NO: 47928



# SHAH FOODS LTD.

## BALANCE SHEET AS ON 31ST MARCH 2014

PARTICULARS	Note No.	As at 31st March 2014		As at 31st March 2013	
		Rs.	Rs.	Rs.	Rs.
<b>I EQUITY AND LIABILITIES</b>					
<b>1. Shareholder's funds</b>					
(a) Share Capital	3	59,75,000		59,75,000	
(b) Reserves and surplus	4	71,22,804		67,10,986	
(c) Money received against share warrants					
			<u>1,30,97,804</u>		<u>1,26,85,986</u>
<b>2. Share application money pending allotment</b>					
<b>3. Non-current liabilities</b>					
(a) Long-term borrowings		-		-	
(b) Deferred Tax liabilities (Net)	5	3,98,861		4,33,138	
(c) Other Long term liabilities	6	6,43,744		-	
(d) Long-term Provisions	7	2,12,672		2,13,172	
			<u>12,55,277</u>		<u>6,46,310</u>
<b>4. Current Liabilities</b>					
(a) Short term borrowings		-		-	
(b) Trade payables		-		-	
(c) Other current liabilities	8	36,80,347		13,83,999	
(d) Short term provisions		-		-	
			<u>36,80,347</u>		<u>13,83,999</u>
<b>TOTAL</b>			<u>1,80,33,428</u>		<u>1,47,16,296</u>
<b>II ASSETS:</b>					
<b>1. Non-current assets</b>					
(a) Fixed assets					
(i) Tangible assets	9	62,10,743		47,85,642	
(ii) Intangible assets		-		-	
(iii) Capital work-in-progress		-		-	
(iv) Intangible assets under development		-		-	
(b) Non-current investments	10	6,000		6,000	
(c) Long-term loans and advances	12	11,68,284		27,73,846	
(e) Other non-current assets	13	32,11,691		19,19,086	
			<u>1,05,96,718</u>		<u>94,84,575</u>
<b>2. Current Assets</b>					
(a) Current investments		-		-	
(b) Inventories	11	36,25,187		34,26,905	
(c) Trade receivables		-		-	
(d) Cash and Cash equivalents	14	38,11,523		18,04,816	
(e) Short-term loans and advances		-		-	
(f) Other current assets		-		-	
			<u>74,36,710</u>		<u>52,31,721</u>
<b>TOTAL</b>			<u>1,80,33,428</u>		<u>1,47,16,296</u>

See significant accounting policies and accompanying notes forming part of the Financial Statements

As per our audit report even date  
**FOR DINESH R. SHAH & CO.**  
CHARTERED ACCOUNTANTS  
Firm registration no. 102610W  
**CA HIREND. SHAH (PARTNER)**  
MEMBERSHIP NO. 047928  
Place : Ahmedabad  
Date : 29<sup>th</sup> May, 2014

For and on behalf of the Board of Directors  
SHAH FOODS LIMITED

PRADIP P. SHAH  
Chairman

JANAK P. SHAH  
Vice Chairman

Place: Ahmedabad  
Date : 29<sup>th</sup> May, 2014

STATEMENT OF PROFIT & LOSS AS ON 31ST MARCH 2014

PARTICULARS	Note No.	For the year ended 31st March 2014		For the year ended 31st March 2013	
		Rs.	Rs.	Rs.	Rs.
<b>I Revenue from Operations</b>					
a Revenue from operations (net) - Job Charges		3,67,11,299		2,40,42,897	
b Income from Share Trading activities	16	5,45,576		(1,80,199)	
			3,72,56,875		2,38,62,698
<b>II Other Income</b>	15		5,40,570		2,48,469
<b>III Total (I + II)</b>			<b>3,77,97,445</b>		<b>2,41,11,167</b>
<b>IV Expenses</b>					
a Cost of materials consumed		-		-	
b Purchases of Stock in Trade		-		-	
c Changes in inventories of finished goods, work in progress and Stock-in-trade		-		-	
d Employee benefits expense	17	44,37,457		41,26,578	
e Other expense	19	3,17,54,416		1,92,20,803	
<b>Total</b>			<b>3,61,91,872</b>		<b>2,33,47,381</b>
Earnings before exceptional items and extraordinary items, interest					
<b>V Tax, depreciation and amortization (EBITA)(III-IV)</b>			<b>16,05,572</b>		<b>7,63,786</b>
<b>VI Finance Costs</b>	18	2,36,677		43,643	
<b>VII Depreciation and amortization expense</b>	9	8,01,356		7,10,862	
			10,38,033		7,54,504
Profit before exceptional and extraordinary items and extra or tax (V-VI & VII)			5,67,540		9,282
<b>IX Exceptional Items</b>			-		-
<b>X Profit before extraordinary items and tax (IX-VIII)</b>			5,67,540		9,282
<b>XI Extraordinary items</b>			-		-
<b>XII Profit before tax (X-XI)</b>			<b>5,67,540</b>		<b>9,282</b>
<b>XIII Tax expense:</b>					
1 Current tax expenses for the current year		1,90,000		43,000	
2 Deferred tax		(34,278)		(58,671)	
			1,55,722		(15,671)
Profit/(Loss) for the period from continuing operations (IX - X)			4,11,818		24,952
Profit/(Loss) from discontinuing operations (after tax) (XII-XIII)					-
<b>XVI Earnings per equity share:</b>					
1 Basic			0.69		0.04
2 Diluted			0.69		0.04

See significant accounting policies and accompanying notes forming part of the Financial Statements

As per our audit report even date  
**FOR DINESH R. SHAH & CO.**  
 CHARTERED ACCOUNTANTS  
 Firm registration no. 102610W  
**CA HIREND. SHAH (PARTNER)**  
 MEMBERSHIP NO. 047928  
 Place : Ahmedabad  
 Date : 29<sup>th</sup> May, 2014

For and on behalf of the Board of Directors  
 SHAH FOODS LIMITED  
 PRADIP P. SHAH Chairman  
 JANAK P. SHAH Vice Chairman  
 Place: Ahmedabad  
 Date : 29<sup>th</sup> May, 2014

# SHAH FOODS LTD.

## CASH FLOW STATEMENT FOR THE YEAR MARCH 31, 2014

	Rupees
<b>A</b>	
<b>Cash flow from operating activities</b>	
Profit/(Loss) before tax	5,67,540
Depreciation	8,01,356
Current tax expenses for the current year	(1,90,000)
Interest expense	2,36,677
Interest (income)	(5,40,570)
<b>Operating profit before working capital changes</b>	<b>8,75,003</b>
<b>Movements in fund / capital :</b>	
Increase/ (decrease) in Long-term borrowings	-
Increase/ (decrease) in other long term liabilities	6,43,744
Increase/ (decrease) in other long term provisions	(500)
Increase/ (decrease) in short term borrowings	-
Increase/ (decrease) in trade payable	-
Increase/ (decrease) in other current liabilities	22,96,348
Increase/ (decrease) in short term provision	-
Decrease / (increase) in Long-term loans and advances	16,05,562
Decrease / (increase) in Other non-current assets	(12,92,604)
Decrease / (increase) in current investments	-
Decrease / (increase) in inventories	(1,98,292)
Decrease / (increase) in trade receivables	-
Decrease / (increase) in short-term loans and advances	-
Decrease / (increase) in other current assets-	-
Cash generated from /(used in) operations	39,29,270
<b>Net cash flow from/ (used in) operating activities A</b>	<b>39,29,270</b>
<b>B</b>	
<b>Cash flows from investing activities</b>	
Purchase of non-current investments	-
Purchase of fixed assets	(22,26,457)
Sale of fixed assets	-
Interest and Dividend received	(5,40,570)
<b>Net cash flow from/ (used in) investing activities B</b>	<b>(16,85,887)</b>
<b>C</b>	
<b>Cash flows from financing activities</b>	
Dividend paid	-
Interest paid	(2,36,677)
<b>Net cash flow from/ (used in) in financing activities C</b>	<b>(2,36,677)</b>
<b>Net increase/(decrease) in cash and cash equivalents A + B + C</b>	<b>(20,06,706)</b>
Cash and cash equivalents at the beginning of the year	18,04,816
<b>Cash and cash equivalents at the end of the year</b>	<b>38,11,522</b>
<b>Components of cash and cash equivalents</b>	
Cash in hand	22,421
With banks- in current account	(5,12,458)
- in deposit account and accrued interest account	43,01,559
<b>Total cash and cash equivalents (note 7)</b>	<b>38,11,522</b>
Summary of significant accounting policies	2 0

### Notes :

1. The above Cash flow statement has been prepared under the indirect method set out in AS-3 as notified under section 211(3C) of the Companies Act, 1956.
2. Figures in brackets indicate cash outflow.
3. Following non cash transactions have not been considered in the cash flow statement: - Tax deducted at source (on income)
4. Previous year's figures have been regrouped or reclassified wherever necessary to conform to current year's grouping and classification.

As per our audit report even date

**FOR DINESH R. SHAH & CO.**  
CHARTERED ACCOUNTANTS

Firm registration no. 102610W  
**CA HIREND. SHAH (PARTNER)**  
MEMBERSHIP NO. 047928

Place : Ahmedabad  
Date : 29<sup>th</sup> May, 2014

For and on behalf of the Board of Directors  
SHAH FOODS LIMITED

PRADIP P. SHAH                      JANAK P. SHAH  
Chairman                                      Vice Chairman

Place: Ahmedabad  
Date : 29<sup>th</sup> May, 2014

**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2014****1. Corporate information**

Shah Foods Ltd. is a public limited company in India and incorporated under the provisions of the Companies Act 1956. its shares are listed in BSE. The company's activities are in manufacturing of Biscuits for Britannia Industries Limited and Trading of shares and securities.

**2. Significant accounting policies****2.1 Basis of accounting and preparation of financial statements**

The financial statements of the Company have been prepared in accordance with the Generally Accepted Accounting Principles in India (Indian GAAP) to comply with the Accounting Standards notified under the Companies (Accounting Standards) Rules, 2006 (as amended) and the relevant provisions of the Companies Act, 1956. The financial statements have been prepared on accrual basis under the historical cost convention and prepares its accounts on a going concern basis. The accounting policies adopted in the preparation of the financial statements are consistent with those followed in the previous year.

All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria set out in the Revised Schedule VI to the Companies Act, 1956. Based on the nature of products and the time between the acquisition of assets for processing and their realisation in cash and cash equivalents, the Company has ascertained its operating cycle as 12 months for the purpose of current – non current classification of assets and liabilities.

**2.2 Use of estimates**

In the preparation of the financial statements, the management of the Company makes estimates and assumptions in conformity with the applicable accounting principles in India that affect the reported balances of assets and liabilities and disclosures relating to contingent assets and liabilities as at the date of the financial statements and reported amounts of income and expenses during the period. Examples of such estimates include provisions for doubtful debts, future obligations under employee retirement benefit plans, income taxes, and the useful lives of fixed assets and intangible assets.

**2.3 Tangible fixed assets**

Fixed assets are stated at cost. Cost comprises cost of acquisition, freight, duties levies and directly attributable cost of bringing the assets to their working condition up to the date, the asset is ready for its intended use.

Consumables and other assets in such nature as computers parts, individually costing Rs. 5,000 or less are not capitalized, except when they are part of a large capital investment program.

**2.4 Capital work-in-progress**

Projects under which assets are not ready for their intended use and other capital work-in-progress are carried at cost, comprising direct cost and related incidental expenses.

**2.5 Intangible assets**

The company recognizes intangible assets in accordance with Accounting Standard i.e. AS 26 issued by the Institute of Chartered Accountants of India on intangible assets less accumulated amortisation and impairment losses.

**2.6 Depreciation & amortisation**

Depreciation is provided in accordance with the provisions of Schedule XIV of the Companies Act, 1956 on "straight-line" method as:

Office Equipment	@ 4.75%
Factory Building & Tube well	@ 3.34%
Furniture and Fixtures	@ 6.33%
Computers	@ 16.21%
Vehicle	@ 5.25%

## SHAH FOODS LTD.

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### 2.7 Impairment of assets

The carrying values of assets / cash generating units at each Balance Sheet date are reviewed for impairment. If any indication of impairment exists, the recoverable amount of such assets is estimated and impairment is recognised, if the carrying amount of these assets exceeds their recoverable amount. The recoverable amount is the greater of the net selling price and their value in use. Value in use is arrived at by discounting the future cash flows to their present value based on an appropriate discount factor. When there is indication that an impairment loss recognised for an asset in earlier accounting periods no longer exists or may have decreased, such reversal of impairment loss is recognised in the Statement of Profit and Loss.

### 2.8 Inventories

Inventories are valued at the lower of cost (on FIFO / weighted average basis) and the net realisable value after providing for obsolescence and other losses, where considered necessary. Cost includes all charges in bringing the goods to the point of sale, including Octroi and other levies, transit insurance and receiving charges.

Work-in-progress and finished goods include appropriate proportion of overheads and, where applicable, excise duty

### 2.9 Revenue Recognition:

#### Sales

Income from sales of goods is recognised upon passage of risks and rewards of ownerships to goods, which generally coincide with delivery of goods to customers.

Interest income from deposit is accounted on accrual bases and considered as operating income

Dividend Income is accounted when the right to receive the payment is established.

### 2.10 Investments

Long-term investments are carried individually at cost less provision for diminution, other than temporary, in the value of such investments. Current investments are carried individually, at the lower of cost and fair value. Cost of investments include acquisition charges such as brokerage, fees and duties.

### 2.12 Employee benefits

Employee benefits include provident fund, gratuity fund and compensated absences.

Annual leave benefits / leave encashment to employees and retirement benefits in form of gratuity are charged to Statement of Profit and Loss based on undiscounted amount (actual bases) rather than actuarial valuations.

#### Defined contribution plans

The Company's contribution to provident fund are considered as defined contribution plans and are charged as an expense as they fall due based on the amount of contribution required to be made.

#### Short-term employee benefits

"The undiscounted amount of short-term employee benefits expected to be paid in exchange for the services rendered by employees are recognised during the year when the employees render the service. These benefits include performance incentive and compensated absences which are expected to occur within twelve months after the end of the period in which the employee renders the related service. The cost of such compensated absences is accounted as under :

(a) in case of accumulated compensated absences, when employees render the services that increase their entitlement of future compensated absences; and

(b) in case of non-accumulating compensated absences, when the absences occur."

#### Long-term employee benefits

Compensated absences which are not expected to occur within twelve months after the end of the period in which the employee renders the related service are recognised as a liability at the present value of the defined benefit obligation as at the Balance Sheet date less the fair value of the plan assets out of which the obligations are expected to be settled. Long Service Awards are recognised as a liability at the present value of the defined benefit obligation as at the Balance Sheet date.

**2.13 Research and development expenses**

Revenue expenditure pertaining to research is charged to the Statement of Profit and Loss. Development costs of products are also charged to the Statement of Profit and Loss unless a product's technological feasibility has been established, in which case such expenditure is capitalised. The amount capitalised comprises expenditure that can be directly attributed or allocated on a reasonable and consistent basis to creating, producing and making the asset ready for its intended use. Fixed assets utilised for research and development are capitalised and depreciated in accordance with the policies stated for Tangible Fixed Assets and Intangible Assets.

**2.14 Taxes on Income**

"Current tax is the amount of tax payable on the taxable income for the year as determined in accordance with the provisions of the Income Tax Act, 1961. and based on expected outcome of the assessment."

Deferred tax is recognised on timing differences, being the differences between the taxable income and the accounting income that originate in one period and are capable of reversal in one or more subsequent periods. Deferred tax is measured using the tax rates and the tax laws enacted or substantially enacted as at the reporting date.

Deferred tax liabilities are recognised for all timing differences.

Deferred tax assets in respect of unabsorbed depreciation and carry forward losses are recognised only if there is virtual certainty that there will be sufficient future taxable income available to realise such assets. Deferred tax assets are recognised for timing differences of other items only to the extent that reasonable certainty exists that sufficient future taxable income will be available against which these can be realised.

Deferred tax assets and liabilities are offset if such items relate to taxes on income levied by the same governing tax laws and the Company has a legally enforceable right for such set off. Deferred tax assets are reviewed at each Balance Sheet date for their reliability.

Current and deferred tax relating to items directly recognised in equity are recognised in equity and not in the Statement of Profit and Loss.

**2.15 Provisions and contingencies**

A provision is recognised when the Company has a present obligation as a result of past events and it is probable that an outflow of resources will be required to settle the obligation in respect of which a reliable estimate can be made. Provisions (excluding retirement benefits) are not discounted to their present value and are determined based on the best estimate required to settle the obligation at the Balance Sheet date. These are reviewed at each Balance Sheet date and adjusted to reflect the current best estimates. Contingent liabilities are disclosed in the Notes.

However, all known, material contingent liabilities are disclosed by way of separate notes.

**2.16 Prior Expenditure / Income**

Expenditure / Income relating to prior year are disclosed separately, if any.

**2.18 Earnings Per Share****Basic EPS**

The earnings considered in ascertaining the Company's basic EPS comprise the net profit/ (loss) after tax. The number of shares used in computing basic EPS is the weighted average number of shares outstanding during the year.

**Diluted EPS**

The net profit/ (loss) after tax and the weighted average number of shares outstanding during the year are adjusted for all the effects of dilutive potential equity shares for calculating the diluted EPS.

## SHAH FOODS LTD.

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3 SHARE CAPITAL	As at 31st March 2014		As at 31st March 2013	
	No. of Shares	Rupees	No. of Shares	Rupees
<b>a. AUTHORISED</b>				
Equity Share Capital of Rs. 10 each (with voting rights)	10,00,000	1,00,00,000	10,00,000	1,00,00,000
<b>b. ISSUED, SUBSCRIBED &amp; FULLY PAID UP SHARES</b>				
Equity Share Capital of Rs. 10 each fully paid (with voting rights )	5,97,500	59,75,000	5,97,500	59,75,000
<b>TOTAL</b>		<b>59,75,000</b>		<b>59,75,000</b>

**c. Reconciliation of the shares (with voting rights) outstanding**

	As at 31st March 2014		As at 31st March 2013	
	No. of Shares	Rupees	No. of Shares	Rupees
At the beginning of the year	5,97,500	5,975,000	5,97,500	59,75,000
Issued during the year	-	-	-	-
Outstanding at the end of the year	5,97,500	59,75,000	5,97,500	59,75,000

**d. Details of shareholders holding more than 5% shares in the Company**

Name of Share Holder	As at 31st March 2014		As at 31st March 2013	
	No. of Shares	Rupees	No. of Shares	Rupees
PRADIP P SHAH- Chairman	67955	11.37%	67,955	11.37%

As per records of the Company, including its register of shareholders / members and other declarations received from shareholders regarding beneficial interest, the above shareholding represents both legal and beneficial ownerships of shares.

**e. Rights & Restriction attached to shares**

**Equity shares**

The Company has one class of equity shares having a par value of Rs. 10 per share. Each shareholder is eligible for one vote per share held. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting, except in case of interim dividend. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholding.

## ANNUAL REPORT 2013-2014

	As at 31st March 2014		As at 31st March 2013	
	Rupees	Rupees	Rupees	Rupees
<b>4 RESERVE &amp; SURPLUS</b>				
<b>a General Reserve</b>				
Opening Balance	18,34,256		18,34,256	
Additions / Reduction during the year	-		-	
Adjusted Against Opening Profit & Loss (Debit Balance)	-		-	
<b>Closing Balance</b>		18,34,256		18,34,256
<b>b Surplus/ (deficit) in the statement of profit and loss</b>				
Balance as per last financial statements	48,76,730		48,51,778	
Add : Profit during the Year	<u>4,11,818</u>		<u>24,952</u>	
Net surplus in the statement of profit and loss		<u>52,88,548</u>		<u>48,76,730</u>
<b>TOTAL</b>		<b>71,22,804</b>		<b>67,10,986</b>
		<b>As at 31st March 2014</b>		<b>As at 31st March 2013</b>
<b>5 DEFERRED TAX LIABILITIES (NET)</b>	<b>Rupees</b>	<b>Rupees</b>	<b>Rupees</b>	<b>Rupees</b>
<b>a</b> Difference between book and tax written down of fixed assets	14,43,811		15,64,943	
Gross deferred tax liability		4,46,138		4,83,567
<b>b</b> Less Deferred tax assets				
Difference in provision disallowance	(1,53,000)		(1,63,200)	
Adjustments to the carrying amount of investment				
Gross deferred tax assets		(47,277)		(50,429)
Net deferred tax liability		<u>3,98,861</u>		<u>4,33,138</u>
<b>TOTAL</b>		<b>3,98,861</b>		<b>4,33,138</b>
		<b>As at 31st March 2014</b>		<b>As at 31st March 2013</b>
<b>6 LONG TERM PROVISIONS</b>	<b>Rupees</b>	<b>Rupees</b>	<b>Rupees</b>	<b>Rupees</b>
<b>a</b> Provision for employee benefits	-		-	
<b>b</b> Unclaimed dividend	<u>2,12,672</u>		<u>2,13,172</u>	
<b>TOTAL</b>		<u>2,12,672</u>		<u>2,13,172</u>
		<b>2,12,672</b>		<b>2,13,172</b>
		<b>As at 31st March 2014</b>		<b>As at 31st March 2013</b>
<b>7 LONG TERM OTHER CURRENT LIABILITIES</b>	<b>Rupees</b>	<b>Rupees</b>	<b>Rupees</b>	<b>Rupees</b>
HDFC Bank Vehicle Loan		6,43,744		
<b>TOTAL</b>		<u>6,43,744</u>		
		<b>6,43,744</b>		
<b>8 SHORT TERM OTHER CURRENT LIABILITIES</b>	<b>Rupees</b>	<b>Rupees</b>	<b>Rupees</b>	<b>Rupees</b>
<b>a</b> Other payable		34,16,740		10,94,450
<b>b</b> Statutory dues		<u>2,63,607</u>		<u>2,89,549</u>
<b>TOTAL</b>		<u>36,80,347</u>		<u>13,83,999</u>
		<b>36,80,347</b>		<b>13,83,999</b>



**SHAH FOODS LTD.**

9 FIXED ASSETS	In Rupees												
	GROSS BLOCK				DEPRECIATION				NET BLOCK				
	As on 1-Apr-13	Addition	Deduction	As at 31-Mar-14	As on 1-Apr-13	Addition	Deduction	As at 31-Mar-14	As at 31-Mar-14	As at 31-Mar-14	As at 31-Mar-13	As at 31-Mar-13	
Rupees	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees	
<b>Tangible Assets</b>													
a Computer	763478	1,14,103	---	8,77,581	5,98,912	59,801	---	6,58,713	2,18,867	1,64,565			
b Factory Building	41,94,782	---	---	41,94,782	23,12,691	1,40,106	---	24,52,797	17,41,985	18,82,091			
c Furniture and Fixture	4,50,754	204851	---	6,55,605	3,16,727	29,719	---	3,46,446	3,09,159	1,34,027			
d Free Hold Land	2,08,914	---	---	208,914	-	---	---	---	2,08,914	2,08,914			
e Office Equipments	6,80,903	---	---	680,903	85,757	32,343	---	1,18,100	5,62,804	5,95,147			
f Vehicle	5,38,863	1420522	---	1959385	165,169	64,631	---	2,29,800	17,29,585	3,73,694			
g Plant and Machineries	42,55,529	480366	---	4735895	28,79,657	4,69,474	---	33,49,131	13,86,764	13,75,872			
h Tube well	1,51,582	6,615	---	158,197	1,00,250	5,282	---	1,05,532	52,665	51,332			
<b>Total</b>	<b>112,44,805</b>	<b>2226457</b>	<b>---</b>	<b>134,712,62</b>	<b>64,59,163</b>	<b>8,01,356</b>	<b>---</b>	<b>72,60,519</b>	<b>62,10,743</b>	<b>47,85,642</b>			
<b>Previous year</b>	<b>1,08,37,783</b>	<b>4,07,022</b>	<b>---</b>	<b>112,44,805</b>	<b>57,48,301</b>	<b>7,10,862</b>	<b>---</b>	<b>64,59,163</b>	<b>47,85,642</b>	<b>50,89,481</b>			

## ANNUAL REPORT 2013-2014

	As at 31st March 2014		As at 31st March 2013	
	Rupees	Rupees	Rupees	Rupees
<b>10 NONCURRENT INVESTMENT</b>				
At cost and fully paid-up unless otherwise specified				
Investment in Government Securities				
NSC 31-08-09 to 31-08-15		6,000		6,000
<b>TOTAL</b>		<b>6,000</b>		<b>6,000</b>
<b>11 INVENTARIES</b>				
a Raw Materials		53,075		53,075
b Shares in Trading accounts		35,72,112		33,73,830
<b>TOTAL</b>		<b>36,25,187</b>		<b>34,26,905</b>
<b>12 LONG TERM LOANS AND ADVANCES</b>				
a Income Tax refund receivable		8,81,990		12,87,342
b Sabarmati Gas Ltd. -Deposit		-		12,10,950
c UGVCL Deposit		2,86,294		2,75,544
<b>TOTAL</b>		<b>11,68,284</b>		<b>27,73,846</b>
<b>13 SHORT TERM LOANS AND ADVANCES</b>				
a Unsecured & considered good and recoverable in cash or in Kind		20,72,806		12,69,360
b Income Tax refund receivable		11,17,128		6,49,726
c interest on UGVCL Deposit		21,757		-
<b>TOTAL</b>		<b>32,11,691</b>		<b>1,919,086</b>
<b>14 CASH &amp; CASH EQUIVALENTS</b>				
a Cash on Hand		22,422		30,339
b Balance with Scheduled Banks				
i) In Current Accounts	(5,12,458)		2,14,995	
ii) Fixed Deposit with Bank	42,94,846		19,82,759	
iii) Accrued Interest on Bank Fixed Deposit	6,713		6,713	
<b>TOTAL</b>		<b>37,89,101</b>		<b>17,74,477</b>
		<b>38,11,523</b>		<b>18,04,816</b>
<b>15 OTHER INCOME</b>				
a Interest on Bank Fixed Deposit	283,050		167,349	
b Dividend	88,480		75,220	
c Interest on IT Refund order	90,947		-	
d Interest on UGVCL Security Deposit	54,254		-	
c Previous year's excess provision added back	23,839		5,900	
<b>TOTAL</b>		<b>5,40,570</b>		<b>2,48,469</b>



20 *{A}METHOD OF ACCOUNTING:*

Expenses are provided on mercantile system except cash system for Insurance Claims, Sales Tax Refund. The Accounts have been prepared on historical cost basis of accounting. All expenses and income to the extent considered payable and receivable unless stated otherwise are accounted for on accrual basis. Accounting policies not specifically referred to are in consistent with generally accepted accounting practices.

*{B}FIXED ASSETS:*

Fixed Assets are stated at cost of acquisition or construction less Depreciation. All costs relating to the acquisition and installation of fixed assets are capitalised.

*{C}DEPRECIATION:*

Depreciation on Fixed Assets has been provided on straight line method as per rates specified in amended schedule XIV of the Companies Act, 1956 Vide Notification No GSR 758 (2) dated 16th December 1993 other than free hold land for full year.

*{D}INVENTORIES:*

Raw Materials & Furnace Oil is valued at cost. Stock of Shares of Trading activity is valued at cost or market value whichever is lower.

*{E}INVESTMENT:*

Unquoted Investments are stated at cost.

*{F}GRATUITY:*

Payment for present liability of future payment of gratuity is being made to approve Gratuity Funds which fully covers the same under cash accumulation scheme of the Life Insurance Corporation of India.

21 Previous year's figures have been regrouped / rearranged wherever necessary to make them comparable with current year's figures.

22 Provision made of Rs. 1,90,000 for Income Tax has been made from current year profit and Rs. 34,278 for deferred Tax has been added back in current year profit on the basis of claims and deductions as per Income Tax Act 1961.

23 RELATED PARTY DISCLOSURES UNDER ACCOUNTING STANDARD 18

• RELATED PARTY

A) Associate Companies: (1) IND ASIA Funds Advisors Pvt. Ltd. (2) Helios Greentech Pvt. Ltd.

B) Chairman: Shri Pradip P. Shah

C) Vice chairman: Shri. Janak P. Shah

D) Directors (1) Shri. Sushil P. Shah (2) Shri. Virendra P. Shah  
(3) Shri. Shrichand R. Kahar (4) Shri. Nirav J. Shah

• RELATED PARTY TRANSCATIONS

A) Associate Companies - Nil -

B) Directors

	2013-14 (Rupees)	2012-13 (Rupees)
Payments/provision to Directors: (Remuneration & Perquisites)		
Shri Janak P. Shah	8,97,759	8,88,542
Shri S. R. Kahar	3,40,888	3,16,380
Shri Nirav J. Shah	7,64,748	7,04,876
Total	20,03,395	19,09,798

## SHAH FOODS LTD.

- Details of remuneration to Vice Chairman, Operations Director are disclosed in the notes to accounts.
- There are no write offs/write back of any amounts for any of the above-related party.

24	Payments to Auditors:	2013-14	2012-13
		(Rupees)	(Rupees)
	For Audit Fees	25,000	20,732
	For Tax Audit Fees	8,000	8,000
	For Certification & Professional	7,000	3,000
	For Service Tax on Fees	4,944	3,268
		-----	-----
	Total	44,944	35,000

- 25 Expenditure incurred on employees covered u/s 217(2A) of the companies act,1956- Rs. NIL (Previous year Rs. NIL)
- 26 During the year under review, Britannia Industries Limited deducts TDS on job-work receipts on job charges including excise duty and hence TDS rate & job charges are not comparable.
- 27 Balance confirmations for debit/credit balances have been sought.
- 28 Additional information pursuant to para III and IV of part II of schedule VI of Companies Act, 1956 to the extent applicable.(As certified by the Directors)
- (A) Installed Capacity:
- Biscuits 9,000 M.T.
- (B) Production: 2013-14 2012-13
- Biscuits(Job) (M.T.) 5,137 3,485
- (C) Job Charges Rs. 3,67,11,299 2,40,42,297
- (D) Value of Imported and indigenous raw materials (including components) consumed and their percentage:

	2013-14	2012-13
	Rs.(lacs)%	Rs.(lacs)%
Stores & Spares:		
Imported	- - - -	- - - -
Indigenous	- - - -	- - - -

- 29 Expenditure in foreign currency during the year on account of royalty, know-how, professional consultancy fees, interest and other matters Rs. Nil. (Previous years Rs. Nil).
- 30 C.I.F. Value of imports of raw materials, components and spares Rs. Nil.(Previous year Rs. Nil)
- 31 Earning in foreign exchange on account of export etc. Rs.Nil.
- 32 Remittance in foreign currency on account of dividend etc. Rs.NIL. (Previous year Nil)
- 33 In the opinion of Board of Directors, the current assets, loans & advances are approximately of the same value, if realised in the ordinary course of business. The provision for all known liabilities is adequate and not in excess of the amount reasonably necessary.

Signatures to Note No. 1 to 33

By order of this Board

For Dinesh R. Shah & Co.  
Chartered Accountant

Pradip P. Shah Chairman

Janak P. Shah Vice Chairman

(Hiren D. Shah)  
(Membership No. 47928)  
Partner

Ahmedabad

Ahmedabad

Date: 29-05-2014

Date: 29-05-2014

ATTENDANCE SLIP

**SHAH FOODS LIMITED**

Regd. Office : Kalol-Mehsana Highway, Post : Chhatral  
Taluka Kalol, NORTH GUJARAT - 382 729

**ANNUAL GENERAL MEETING**

PLEASE COMPLETE THIS ATTENDANCE SLIP AND HAND IT OVER AT THE ENTRANCE OF THE HALL.  
I/We hereby record my/our presence at the ANNUAL GENERAL MEETING held at Kalol-Mehsana Highway,  
Post : Chhatral, Taluka Kalol, North Gujarat - 382 729 on Saturday, September 20, 2014 at 11.00 a.m.

.....  
Name/s of the Shareholder/s or Proxy

.....  
Regd. Folio No./ ID No.

.....  
Signature/s of the Shareholder/s or Proxy

✂.....**TEAR HERE**.....

**SHAH FOODS LIMITED**

Regd. Office : Kalol-Mehsana Highway, Post : Chhatral  
Taluka Kalol, NORTH GUJARAT - 382 729

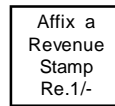
I/We.....  
of.....  
being a member/members of SHAH FOODS LIMITED hereby appoint .....  
.....  
of..... or failing him.....  
..... or failing him.....  
..... as my/our proxy in my/our absence

to attend and vote for me/us on my/our behalf at the ANNUAL GENERAL MEETING of the Company to be held on  
Saturday, September 20, 2014 and at any adjournment thereof.

Signed this ..... day of ..... 2014.

Signature .....

.....  
Regd. Folio No./ ID No.



**Note:** The Proxy must be deposited at the Registered Office of the Company at Kalol-Mehsana Highway,  
Post : Chhatral, Taluka Kalol, North Gujarat - 382 729 not less than 48 hours before the time fixed for holding  
the meeting.

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**BOOK-POST**

If undelivered please return to

**SHAH FOODS LIMITED**

Corporate Office :

"SARAYU"

16/1, Kalyan Society,

Mithakhali, Ellisbridge,

AHMEDABAD-380 006

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