



SHAH FOODS LIMITED

Corporate Office :

"SARAYU"

16/1, Kalyan Society,
Near Nagri Hospital, Mithakhali,
Ellisbridge, Ahmedabad-380 006. INDIA

Telefax : 91-79-26420273

91-79-26448371

Mobile : 91-99040 03700

E-mail : shahfoods.ahmedabad@gmail.com

CIN - L15419GJ1982PLC005071

Date: 09/10/2018

To,

The Department of Corporate Services
BSE Limited
Phiroze Jeejeebhoy Towers,
Dalal Street,
Mumbai-400001.

Dear Sir,

Subject: 36th Annual Report of the Company

Scrip Code: 519031


We are pleased to inform you that the 36th Annual General Meeting of the Company was held on Saturday, 22nd day of September, 2018 at the Registered Office of the Company.

We hereby submit a copy of the Annual Report as per Regulation 34 (1) of SEBI (LODR), 2015 as adopted in the duly convened AGM.

Kindly take it on your record.

Thanking you

Yours faithfully


Nirav Shah
Managing Director
DIN: 01880069.



ANNUAL REPORT

2017-2018



SHAH FOODS LIMITED

CIN-L15419GJ1982PLC005071

An ISO : 22000 Certified Company



Regd. Office :

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

Phone : 2764-233931/932

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

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

BANKERS BANK OF BARODA
HDFC BANK LTD.

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

NOTICE

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

ORDINARY BUSINESS:

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

SPECIAL BUSINESS:

4. Appointment of Mr. Kunal Rajesh Asarpota (DIN: 06779773) as an Independent Director
To consider and, if thought fit, to pass with or without modification(s) the following resolution as an Ordinary Resolution:
“RESOLVED THAT pursuant to the provisions of Sections 149, 152 and 161 and other applicable provisions, if any, of the Companies Act, 2013 and the rules framed there under, read with Schedule IV to the Act, as amended from time to time, Mr. Kunal Rajesh Asarpota (DIN: 06779773), who was appointed as an Additional & Independent Director of the Company with effect from 09/02/2018, and whose term expires at this AGM, not liable to retire by rotation, be and is hereby appointed as an Independent Director of the Company to hold office for a period of 5 years with effect from 09/02/2018.’

Place: Ahmedabad
Date: 06/08/2018

By order of the Board

Mr. Janak P Shah
Whole Time Director
DIN: 01880079

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

NOTES:

1. An Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 relating to the Businesses to be transacted at the Annual General Meeting (AGM) is annexed hereto.
2. A Member entitled to attend and vote is entitled to appoint a proxy to attend and vote on his / her behalf and the proxy need not be a member of the company. Pursuant to the provisions of Section 105 of the Companies Act, 2013, a person can act as a proxy on behalf of not more than fifty members and holding in aggregate not more than ten percent of the total Share Capital of the Company. Members holding more than ten percent of the total Share Capital of the Company may appoint a single person as proxy, who shall not act as a proxy for any other Member. The instrument of Proxy, in order to be effective, should be deposited at the Registered Office of the Company, duly completed and signed, not later than 48 hours before the commencement of the meeting. A Proxy Form is annexed to this Report. Proxies submitted on behalf of limited companies, societies, etc., must be supported by an appropriate resolution / authority, as applicable
3. The Register of Members and Share Transfer Books of the Company will remain closed from, 14th day of September, 2018, to 22nd day of September, 2018 (both days inclusive).
4. The dividend on equity shares for the year ended 31st March, 2018, if declared at the meeting, will be paid / dispatched on due date to those members whose names appear on the Company's Register of Members or on records of National Securities Depository Limited and Central Depository Services (India) Limited as beneficial owners as on 14th September, 2018.
5. The Register of Directors' and Key Managerial Personnel and their shareholding maintained under Section 170 of the Companies Act, 2013, the Register of contracts or arrangements in which the Directors are interested under Section 189 of the Companies Act, 2013, will be available for inspection at the Annual General Meeting
6. Pursuant to Section 101 and Section 136 of the Companies Act, 2013 read with relevant Rules made there under, Companies can serve Annual Reports and other communications through electronic mode to those Members who have registered their e-mail address either with the Company or with the Depository. Members holding shares in demat form are requested to register their e-mail address with their Depository Participant(s) only. Members of the Company, who have registered their e-mail address, are entitled to receive such communication in physical form upon request.
7. The Notice of Annual General Meeting, Annual Report and Attendance Slip are being sent in electronic mode to Members whose e-mail IDs are registered with the Company or the Depository Participant(s) unless the Members have registered their request for a hard copy of the same. Physical copy of the Notice of Annual General Meeting, Annual Report and Attendance Slip are being sent to those Members who have not registered their e-mail IDs with the Company or Depository Participant(s).
8. Members who have received the Notice of Annual General Meeting, Annual Report and Attendance Slip in electronic mode are requested to print the Attendance Slip and submit a duly filled in Attendance Slip at the registration counter to attend the Annual General Meeting.
9. Pursuant to Section 108 of the Companies Act, 2013, read with the Companies (Management and Administration) Rule, 2014 as amended and clause 35B of the Equity Listing Agreement, the Company is pleased to provide the facility to Members to exercise their right to vote by electronic means. The Members, whose names appear in the Register of Members / list of Beneficial Owners as on Cut-off date i.e. a date not earlier than seven days before the date of general meeting are entitled to vote on the Resolutions set forth in this Notice.

Members who have acquired shares after the dispatch of the Annual Report and before the Cut-off date may approach the Company for issuance of the User ID and Password for exercising their right to vote by electronic means. A person, who is not a member as on the Cut-off date, should treat this notice for the information purpose only.

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

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

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

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

The Members desiring to vote through electronic mode may refer to the detailed procedure on e-voting given hereinafter. In case of members receiving e-mail from CDSL (for Members whose e-mail addresses are registered with Company/ Depositories):

- (i) The voting period begins on 19th day of September, 2018 at 9.00 am and ends on 21st day of September, 2018 at 5.00 pm. During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of 14th day of September, 2018 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- (ii) Log on to the e-voting website www.evotingindia.com
- (iii) Click on Shareholders
- (iv) Now Enter your User ID
 - a. For CDSL: 16 digits beneficiary ID,
 - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
 - c. Members holding shares in Physical Form should enter Folio Number registered with the Company.
- (v) Next enter the Image Verification as displayed and Click on Login.
- (vi) If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any company, then your existing password is to be used.
- (vii) If you are a first time user follow the steps given below:

PAN	For Members holding shares in Demat Form and Physical Form Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders). Members who have not updated their PAN with the Company/Depository Participant are requested to use the sequence number which is printed on Postal Ballot/Attendance Slip indicated in the PAN field.
Dividend Bank Details OR Date of Birth (DOB)	Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login. If both the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (iv).

- (viii) After entering these details appropriately, click on "SUBMIT" tab.
- (ix) Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (x) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (xi) Click on the EVSN for the relevant SHAH FOODS LIMITED on which you choose to vote.
- (xii) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (xiii) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- (xiv) After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
- (xv) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.

- (xvi) You can also take out print of the voting done by you by clicking on "Click here to print" option on the Voting page.
- (xvii) If Demat account holder has forgotten the changed password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- (xviii) Shareholders can also cast their vote using CDSL's mobile app "m-Voting" available for android based mobiles. The m-Voting app can be downloaded from Google Play Store. Apple and Windows phone users can download the app from the App Store and the Windows Phone Store respectively on or after 30th June 2017. Please follow the instructions as prompted by the mobile app while voting on your mobile.
- (xix) **Note for Non – Individual Shareholders and Custodians**
 - Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to www.evotingindia.com and register themselves as Corporates.
 - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.
 - After receiving the login details, user would be able to link the account(s) for which they wish to vote on.
 - The list of accounts linked in the login should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
 - A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
- (xx) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at www.evotingindia.com, under help section or write an email to helpdesk.evoting@cdslindia.com.

In case of members receiving the physical copy:

- a) Please follow all steps from sl. no. (i) To sl. no. (xix) above to cast vote.
 - b) The voting period begins on 19th September, 2018 at 9.00 am and ends on 21st September, 2018 at 5.00 pm. During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of 14th September, 2018 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
 - c) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions (FAQs) and e-voting manual available at www.evotingindia.com under help section or write an email to helpdesk.evoting@cdslindia.com.
- II. Other Instructions:
- a) The voting rights of Members shall be in proportion to their shares of the paid up equity share capital of the Company as on 31st March, 2018.
 - b) Mr. Ishan P Shah, Advocate has been appointed as the Scrutinizer to scrutinize the e-voting process in a fair and transparent manner.
 - c) The Scrutinizer shall immediately after the conclusion of voting after the Annual General Meeting, count the votes cast at the meeting, thereafter unblock the votes in the presence of at least two witnesses not in the employment of the company and make, not later than three days of the meeting, a consolidated Scrutinizer's Report of the total votes cast in favour or against, if any, forthwith to the Chairman of the Company. The chairman or person authorised by him in writing shall declared the results of the voting forthwith.
 - d) The results declared along with the Scrutinizer's Report shall be placed on the Company's website www.shahfoodslimited.com and on the website of CDSL www.evotingindia.co immediately after the result is declared by the chairman.
 - e) A Member can opt for only one mode of voting i.e. either through e-voting or by Ballot. If a Member casts votes by both modes, then voting done through e-voting shall prevail and Ballot shall be treated as invalid.
 - f) Members holding shares in physical form are requested to intimate any change of address and / or bank mandate to M/s. Big Share Services Pvt. Ltd./Investor Service Department of the Company immediately.

- g) The Securities and Exchange Board of India has mandated submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in physical form can submit their PAN details to M/s. Big Share Services Pvt. Ltd. / Investor Service Department of the Company.
- h) Members desiring any information relating to the accounts are requested to write to the Company at least seven days in advance so as to enable the management to keep the information ready.

Place: Ahmedabad
Date: 06/08/2018

By Order of the Board

Mr. Janak P shah
Whole Time Director
DIN: 01880079

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

Explanatory Statement**Pursuant to Section 102 of the Companies Act, 2013.**

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

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

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

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

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

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

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

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

Place: Ahmedabad
Date: 06/08/2018

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

By order of the Board

Mr. Janak P shah
Whole Time Director
DIN: 01880079

Director's Report

To,
The Members of
SHAH FOODS LIMITED

Your Directors have pleasure in presenting the 36th Director's Report of your Company together with the Audited Statement of Accounts and the Auditors' Report of your company for the financial year ended, 31st March, 2018.

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

FINANCIAL HIGHLIGHTS

(Rs. in Lakhs)

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

STATE OF COMPANY'S AFFAIRS

During the year under review, the total Income of the Company was Rs 546.06 Lakhs against Rs 547.26 Lakhs in the previous year. The Company has earned a Profit after tax of Rs. 12.29 Lakh compared to Rs 50.63 Lakhs in the previous year. Your Directors are continuously looking for avenues for future growth of the Company.

TRANSFER TO RESERVES

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

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

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

DETAILS OF SUBSIDIARY/JOINT VENTURES/ASSOCIATE COMPANIES

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

SHAH FOODS LTD

CHANGE IN THE NATURE OF BUSINESS

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

MEETINGS OF THE BOARD OF DIRECTORS

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

CORPORATE GOVERNANCE

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

PERFORMANCE EVALUATION

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

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

DIVIDEND

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

DEPOSITS

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

RISK MANAGEMENT

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

DIRECTORS & KEY MANAGERIAL PERSON

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

Mr. Kunal Rajesh Asarpota, Director (DIN: 06779773) has been appointed as a Non-Executive Independent Director with effect from 09/02/2018, pursuant to the provisions of Sections 149, 152 and 161 and other applicable provisions, if any, of the Companies Act, 2013 and the rules framed there under, read with Schedule IV to the Act, as amended from time to time. He meets the criteria for independence as provided in Section 149(6) of the Act read with Regulation 17 of the SEBI (LODR) .

AUDITORS

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

AUDITORS' REPORT

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

SECRETARIAL AUDITOR

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

Sr. No	Remarks	Explanation
1.	Non Compliance of Section 204 of Companies Act, 2013	No Company Secretary likes to join Small Scale Industry (SSI) Company.
2.	Non Compliance of Section 138 of the Companies Act, 2013	The Company has no Internal Auditor commensurate with the size of the Company.
3.	Non Compliance Regulation 46 of SEBI (LODR) Regulations, 2015	The website was not updated at the time of Secretarial Audit.

COST AUDITOR

The Company is not required to maintain cost records as Section 148 of the Company's act is not applicable to the Company.

COMMITTEES OF THE BOARD

The Committees of the Board is provided under **Clause 3** of the Corporate Governance Report.

PARTICULARS OF LOANS GIVEN, INVESTMENTS MADE, GUARANTEES GIVEN AND SECURITIES PROVIDED

The Company has not given any loan, made any investment or given any guarantee hence information is nil.

DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to the provisions of Section 134 (3)(c) of the Companies Act, 2013, the Board of Directors hereby confirms that,

- I. In the preparation of the annual accounts, the applicable accounting standards have been followed and that there are no material departures.
- II. It has in the selection of the accounting policies, consulted the Statutory Auditors and has applied them consistently and 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 31st March, 2018 and of the profits of the company for that period.
- III. It has taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities, to the best of its knowledge and ability. There are however, inherent limitations, which should be recognized while relying on any system of internal control and records.
- IV. It has prepared the annual accounts on a going concern basis.
- V. The Directors, had laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and were operation efficiently.
- VI. The Directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

EXTRACT OF ANNUAL RETURN

Extract of Annual Return of the Company is annexed herewith as **Annexure II** to this Report.

PARTICULARS OF EMPLOYEES AND RELATED DISCLOSURES

Disclosures pertaining to remuneration and other details as required under Section 197(12) of the Act read with Rule 5(1) & 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is annexed herewith as **Annexure I** to this report.

TRANSFER TO INVESTOR EDUCATION AND PROTECTION FUND

During the year, the Company has transferred unclaimed dividend of Rs. NIL to the Investor Education and Protection Fund in compliance with provisions of the Companies Act, 2013.

INSURANCE

All Inventories including Buildings, Machinery etc., is adequately insured.

SHAH FOODS LTD

CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES

There were no Related Party Transactions entered by the Company.

DECLARATION BY INDEPENDENT DIRECTORS

The Board of Directors of the Company hereby confirms that Independent director has given the declaration and he meets the criteria of independence as provided under Section 149(6) of the Companies Act, 2013.

FAMILIARIZATION PROGRAMME

The company has not conducted familiarization programme for independent director.

VIGIL MECHANISM / WHISTLE BLOWER POLICY

The Company has established a Vigil Mechanism / Whistle Blower Policy to deal with instances of fraud and mismanagement, if any. The Policy has a systematic mechanism for directors and employees to report concerns about unethical behavior, actual or suspected fraud or violation of the Company's Code of Conduct or policy.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION

A. Conservation of Energy

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. Technology absorption

There is no research and development activity carried out by the Company.

FOREIGN EXCHANGE EARNINGS AND OUT GO

There were no foreign exchange earnings and outgo during the year under review.

EQUITY CAPITAL

a) BUY BACK OF SECURITIES

The Company has not bought back any of its securities during the year under review.

b) SWEAT EQUITY

The Company has not issued any Sweat Equity Shares during the year under review.

c) BONUS SHARES

No Bonus Shares were issued during the year under review.

d) EMPLOYEES STOCK OPTION PLAN

The Company has not provided any Stock Option Scheme to the employees.

e) EQUITY SHARES WITH DIFFERENTIAL RIGHTS

The company has not issued equity shares with differential rights as to dividend, voting or otherwise.

SHARES IN SUSPENSE ACCOUNT

- Aggregate number of shareholders and the outstanding shares in the Suspense Account lying at the beginning of the year: NIL
- Number of shareholders who approached issuer for transfer of shares from Suspense Account during the year: Not Applicable
- Number of shareholders to whom, shares were transferred from Suspense Account during the year: Not Applicable
- Aggregate number of shareholders and the outstanding shares in the Suspense Account lying at the end of the year: NIL

- That the voting rights on these shares shall remain frozen till the rightful owner of such shares claims the shares: Not Applicable

SHARES IN UNCLAIMED SUSPENSE ACCOUNT

- Aggregate number of shareholders and the outstanding shares lying in the Unclaimed Suspense Account lying at the beginning of the year: NIL
- Number of shareholders who approached issuer for transfer of shares from the Unclaimed Suspense Account during the year: Not Applicable
- Number of shareholders to whom, shares were transferred from the Unclaimed Suspense Account during the year: Not Applicable
- Aggregate number of shareholders and the outstanding shares lying in the Unclaimed Suspense Account lying at the end of the year: NIL

ANY SIGNIFICANT AND MATERIAL ORDER PASSED BY REGULATORS OR COURTS OR TRIBUNALS

No orders were passed by the regulators or courts or tribunals impacting the going concern status and company's operation in future.

INTERNAL FINANCIAL CONTROLS

The Company has in place adequate internal financial controls with reference to financial statements. During the year, such controls were tested and no reportable material weaknesses in the design or operation were observed.

DISCLOSURE AS PER THE SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013

The Company has zero tolerance for sexual harassment at workplace and has adopted a policy on prevention, prohibition and redressal of sexual harassment at workplace in line with the provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and no complaint has been received on sexual harassment during the financial year 2017-18.

ACKNOWLEDGEMENT

Your Directors wish to express the continued co-operation received from all the Stakeholders.

Date : 06/08/2018
Place : Ahmedabad

For, Shah Foods Limited

Shri Janak Shah
Whole Time Director
DIN : 01880079

Annexure-1**A. PARTICULARS OF REMUNERATION FOR THE FINANCIAL YEAR 2017-18.**

As required under Rule 5(1) of the Companies

(Appointment and Remuneration of Managerial Personnel) Rules, 2014:

i. The ratio of the remuneration of each director to the median remuneration of the employees

Name of Director	Designation	Remuneration of the Directors for 2017-18 (Rs. in lacs)	Median Remuneration of the employees (Rs. in lacs)	Ratio of Remuneration of the directors to the median Remuneration of employees
Janak Shah	Whole Time Director	7.61	1.42	5.34:1
Nirav Shah	Managing Director	17.50	1.42	12.32:1
Shrichand Kahar	Director Operations	5.57	1.42	3.92:1

ii. The percentage increase in remuneration of each Director

Name of Director	Designation	Remuneration paid during 2017-18	Remuneration paid during 2016-17	% Increase in remuneration
Janak Shah	Whole Time Director	7.61	7.08	7.5
Nirav Shah	Managing Director	17.50	15.09	15.07
Shrichand Kahar	Director Operations	5.57	5.23	6.50

iii. The percentage increase in the median remuneration of employees in the financial year 2017-18 : 35.23%**iv. No. of Permanent employees on the rolls of Company as on 31st March, 2018 – 15 Employees****v. Company confirms that the remuneration is as per remuneration policy of the Company.**

B. PARTICULARS OF EMPLOYEE

Information in terms Rule 5(2) of the Companies

(Appointment and Remuneration of Managerial Personnel) Rules, 2014:

i. Particulars of top Five Employee in terms of remuneration drawn

Name& Designation	Remuneration received (Rs in lacs)	Nature of Employment	Qualification	Experience	Date of commencement of Employment	Age	No. of Equity Shares held
Neha J. Shah	4.05	Permanent	B.A.	20yrs	01/01/2016	46	0
Pradip R Shah	3.05	Permanent	B.Com	32 years	01/08/1984	57	100
Kamlesh Joshi	2.20	Permanent	B.Sc	24 years	01/09/1992	49	0
Jayesh Joshi	2.01	Permanent	B.Com	22 years	01/01/1994	54	0
Iqbal Saiyad	2.16	Permanent	SSC	24 years	29/05/1992	52	0

ii. 'Employees who are employed throughout the year and in receipt of remuneration aggregating**Rs. 1,02,00,000/- or more per year: Nil****iii. Employees who are employed part of the year and in receipt of remuneration aggregating****Rs. 8,50,000/- per month: Nil**

Annexure – 2

FORM NO. MGT 9

EXTRACT OF ANNUAL RETURN

As on financial year ended on 31.03.2016

Pursuant to Section 92 (3) of the Companies Act, 2013 and rule 12(1) of the Company (Management & Administration) Rules, 2014.

I. REGISTRATION & OTHER DETAILS:

1.CIN	L15419GJ1982PLC005071
2.Registration Date	18/03/1982
3.Name of the Company	SHAH FOODS LIMITED
4.Category/Sub-category of the Company	Company Limited by SharesIndian Non-Government Company
5.Address of the Registered office & contact details	CHHATRAL, KALOL-MEHSANA HIGHWAY,, TALUKA KALOL, GANDHINAGAR - 382729 Gujarat Tel. 079-26448371 FAX- 079-26420273 Email-shahfood.ahmedabad@gmail.com
6.Whether listed company	YES
7.Name, Address & contact details of theRegistrar & Transfer Agent, if any.	M/s Big Share Services Pvt. Ltd., 1st floor, Bharat Tin Works Building, Opposite Vasant Oasis, Makwana Road, Marol, Andheri (E), Mumbai –400 059, Maharashtra Email- bssaahd@bigshareonline.com

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY (All the business activities contributing 10 % or more of the total turnover of the company shall be stated)

S. No.	Name and Description of main of products/services	NIC Code of the Product/service	% to total turnover of the company
1	Biscuits	190530.03	100

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES - NIL

IV. SHARE HOLDING PATTERN (Equity Share Capital breakup as percentage of total Equity)

Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				%Change during the year
	Demat	Physical	Total	% of total shares	Demat	Physical	Total	% of total shares	
A. Promoters (1) Indian a) Individual/HUF b) Central Govt c) State Govt (s) d) Bodies Corp. e) Banks / FI f) Any Other....	269400	200	269600	45.12	269400	200	269600	45.12	0
Sub-total (A) (1):-	269400	200	269600	45.12	269400	200	269600	45.12	0
(2) Foreign a) NRIs - Individuals b) Other – Individuals c) Bodies Corp. d) Banks/Fls) Any Other									
Sub-total (A) (2):-									
Total shareholding of Promoter (A) = (A)(1)+(A)(2)	269400	200	269600	45.12	269400	200	269600	46.12	0
B. Public Shareholding 1. Institutions a) Mutual Funds b) Banks / FI c) Central Govt d) State Govt(s) e) Venture Capital Funds f) Insurance Companies g) FIs h) Foreign Venture Capital Funds i) Others (specify)									
Sub-total (B)(1):-									
2. Non-Institutions a) Bodies Corp. i) Indian ii) Overseas b) Individuals i) Individual shareholders holding nominal share capital upto Rs.1 Lac ii) Individual shareholders holding nominal share capital in excess of Rs1lakh c) Others (specify)	175748 30482 22355	98115 0 100	273863 30482 23555	45.83 5.10 3.94	136860 75912 17613	96315 0 1200	233175 75912 18813	39.03 12.71 3.14	-14.84 +149.20 -20.30
Sub-total (B)(2):-	228582	99315	327900	54.88	230385	97515	327900	54.88	0
Total Public Shareholding (B)= (B)(1)+(B)(2)	228582	99315	327900	54.88	230385	97515	327900	54.88	
C. Shares held by Custodian for GDRs & ADRs									
Grand Total (A+B+C)	497685	99815	597500	100.00	497785	97715	597600	100.00	0.00

SHAH FOODS LTD

B) Shareholding of Promoter-

Sr. No	Shareholder's name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in shareholding during the year
		No. of shares	% of total shares of the company	% of shares pledged/ encumbered to total shares	No. of shares	% of total shares of the company	% of pledged/ encumbered to total shares	
1	PRADIP P SHAH	67955	11.37	0.00	67955	11.37	0.00	0.00
2	JANAK PANALAL SHAH	41330	6.92	0.00	41330	6.92	0.00	0.00
3	VIRENDRA P SHAH	29800	4.99	0.00	29800	4.99	0.00	0.00
4	SUSHIL PANALAL SHAH	26550	4.44	0.00	26550	4.44	0.00	0.00
5	SUDHA SHAH	25000	4.18	0.00	25000	4.18	0.00	0.00
6	KALPANA V SHAH	11000	1.84	0.00	11000	1.84	0.00	0.00
7	NIRAV JANAK SHAH	18765	3.14	0.00	18765	3.14	0.00	0.00
8	DR.PUSHPA JANAK SHAH	8100	1.36	0.00	8100	1.36	0.00	0.00
9	NEHA KUNAL VIN	7900	1.32	0.00	7900	1.32	0.00	0.00
10	BIMAL V SHAH	5500	0.92	0.00	5500	0.92	0.00	0.00
11	PRADIP PANALAL SHAH	4500	0.75	0.00	4500	0.75	0.00	0.00
12	CHETAN SUSHIL SHAH	4500	0.75	0.00	4500	0.75	0.00	0.00
13	SUSHIL PANALAL SHAH	3000	0.50	0.00	3000	0.50	0.00	0.00
14	JANAK PANALAL SHAH	3000	0.50	0.00	3000	0.50	0.00	0.00
15	NAYANA SUSHIL SHAH	300	0.05	0.00	300	0.05	0.00	0.00
16	SHRICHAND R. KAHAR	200	0.03	0.00	200	0.03	0.00	0.00
17	KARAN PRADIP SHAH	12200	2.04	0.00	12200	2.04	0.00	0.00

C) Change in Promoters' Shareholding: No change

D) Shareholding Pattern of top ten Shareholders: (Other than Directors, Promoters and Holders of GDRs and ADRs)

Sr. No.	Name	Particulars	Shareholding at the beginning of the year		Cumulative shareholding during the year	
			No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	PREM CHAND GUPTA	PUBLIC	30482	5.10	30482	5.10
2.	PARAMJITKUMAR VERMA	PUBLIC	759	0.13	17035	2.85
3	PRADEEP PORWAL	PUBLIC	16895	2.83	16895	2.83
4	MURTAZA JAFFERALISEVWALA	PUBLIC	12000	2.01	11500	1.93
5	SUMAN PRAKASH SHAH	PUBLIC	7295	1.22	7295	1.22
6	N. PRAKASH KUMAR	PUBLIC	6810	1.14	6810	1.14
7.	PRADIP AMRUTLAL PANCHAL	PUBLIC	2722	0.46	6556	1.10
8	HASUMATI ARVIND SHAH	PUBLIC	6400	1.07	6400	1.07
9	KUNJBALA S SHAH	PUBLIC	5600	0.93	5600	0.93
10	DAVE HARSH VIJAYBHAI	PUBLIC	0	0	3380	0.57

E) Shareholding of Directors and Key Managerial Personnel:

Sr. No.	Name	Particulars	Shareholding at the beginning of the year		Cumulative shareholding during the year	
			No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	VIRENDRA SHAH	Director	29800	4.99	29800	4.99
2	NIRAV JANAK SHAH	Managing Director	18765	3.14	18765	3.14
3	JANAK PANALAL SHAH	Whole-time Director	41330	6.92	41330	6.92
4	SUSHIL PANALAL SHAH	Director	26550	4.44	26550	4.44
5	SHRICHAND RAMBRIKSH KAHAR	Managing Director	200	0.03	200	0.03
6	PUSHPA JANAK SHAH	Director	8100	1.36	8100	1.36

V) INDEBTEDNESS-

Indebtedness of the company including interest outstanding/accrued but not due for payment : Nil

VI) REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL-**A. Remuneration to Managing Director, Whole-time Directors and/or Manager/ Directors**

Sr. No.	Particulars of Remuneration	Name of MD/WTD/Manager			Total Remuneration
1.	Gross Salary	Janak Shah	Shrichand Kahar	Nirav Shah	
	a) Salary as per provisions contained in Section 17(1) of the Income-tax, Act, 1961	7.61 lacs	5.57 lacs	15.50 lacs	30.68 lacs
	b) Value of perquisites u/s 17(2) of the Income-tax Act, 1961	-	-	-	-
	c) Profits in lieu of salary u/s 17(3) of the Income-tax Act, 1961	-	-	-	-
2.	Stock Option	-	-	-	-
3.	Sweat Equity	-	-	-	-
4.	Commission	-	-	-	-
	Total	7.61 lacs	5.57 lacs	15.50 lacs	30.68 lacs

B. Remuneration to other Directors: Nil

C. Remuneration to key managerial personnel other than MD/ Manager/ WTD:

Sr. No.	Particulars of Remuneration	Name of KMP		Total Amount
1.	Gross Salary	CFO* Janak Shah	CEO* Nirav Shah	
	a) Salary as per provisions contained in Section 17(1) of the Income-tax, Act, 1961	-	-	-
	b) Value of perquisites u/s 17(2) of the Income-tax Act, 1961	-	-	-
	c) Profits in lieu of salary u/s 17(3) of the Income-tax Act, 1961	-	-	-

* Shri Janak Shah is a Whole Time Director and CFO of the Company and Shri Nirav Shah is a Managing Director & CEO of the Company, so the details of their remuneration have already been given under clause A-Remuneration to Managing Director, Whole Time Director etc.

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES :

There were no material penalties/punishment/compounding of offences for the year ended on 31st. march, 2018.

Certificate Pursuant To Regulation 17 (8) of The SEBI (LODR) Regulations, 2015

We, Shri Janak Shah, Whole-Time Director & CFO and Shri Nirav Shah, Managing Director & CEO do hereby certify to the Board that:

- a) We have reviewed the Balance Sheet as at 31st March 2018, the Profit and Loss Accountant the Cash Flow Statement for the year ended on that date and that to the best of our knowledge and belief:
 - i. The said statements do not contain any false, misleading or materially untrue statements or figures or omit any material fact, which may make the statements or figures contained therein misleading;
 - ii. The said statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- b) There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or violative of the Company's code of conduct.
- c) We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of the internal control systems of the Company pertaining to financial reporting and have disclosed to the Auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
- d) We have indicated to the Auditors and the Audit Committee:
 - i. Significant changes in internal control over financial reporting during the year, if any;
 - ii. significant changes in accounting policies during the year if any and that the same have been disclosed in the notes to the financial statements; and
 - iii. Instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system over financial reporting.

For Shah Foods Limited

Shri Janak Shah & CFO

DIN: 01880079

Place: Ahmedabad

Date: 06/08/2018

Shri Nirav Shah & CEO

DIN: 01880069

ANNEXURE-3**FORM NO. MR-3****SECRETARIAL AUDIT REPORT FOR THE FINANCIAL YEAR ENDED ON 31ST MARCH, 2018**

(Pursuant to section 204(1) of the Companies Act, 2013 and Rule 9 of the Companies
(Appointment and Remuneration Personnel) Rules, 2014)

To
The Members,
Shah Foods Limited

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Shah Foods Limited (hereinafter called the company). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon. Based on our verification of the Company's Books, Papers, Minute Books, Forms and Returns filed and other Records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the company has, during the financial year ended on 31st March, 2018 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by Company for the financial year ended on 31st March, 2018 according to the provisions of:

1. The Companies Act, 2013 (the Act) and the rules made there under;
2. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made there under;
3. The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;
4. Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
5. Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):
 - a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992 (up to 14th May, 2015);
The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 (effective from 15th May, 2015);
 - c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
 - d) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014;
 - e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
 - f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client – not applicable;
 - g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; and
 - h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998;

Based on our verification, we have observed that the SEBI Regulations mentioned at (c), (d), (e), (g) and (h) are not applicable to the Company during the year as it has not:

- i. Issued further Share Capital;
 - ii. Listed Debt Capital;
 - iii. Proposed to Delist its Equity Shares;
 - iv. Proposed to Buy Back any of its Securities.
6. Specifically applicable Laws to the Company, as identified and confirmed by the Management
 - i. The Food Safety & Standards Act, 2006 and Rules 2011 with allied Rules & Regulations;

- ii. Legal Metrology Act, 2009 & Rules 2011;
 - iii. Factories Act, 1948;
 - iv. Food Adulteration Act, 1954;
 - v. Standard Weights & Measures Act, 1985;
 - vi. Essential Commodities Act, 1955
7. Labor Laws applicable to the Employees of the Company:
- i. Provident Fund Act, 1952;
 - ii. Employees State Insurance Act, 1948;
 - iii. Profession Tax Act, 1975;
 - iv. The Payment of Gratuity Act, 1972

We have also examined compliance with the applicable clauses of the following:

- a) Secretarial Standards issued by the Institute of Company Secretaries of India on Meetings of the Board of Directors (SS 1) and General Meeting (SS 2).
- b) Clauses of Listing Agreements (applicable till November 30, 2015) entered into by the Company with BSE Limited and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (effective from December 01, 2015).

We further report that:

During the period under review the Company has complied with the provisions of the Acts, Rules, Regulations, Guidelines etc mentioned above except the following:

Under the Companies Act, 2013

Sections under the Companies Act, 2013	Non Compliances
Section 204	The Company doesn't have a whole time Company Secretary.
Section 138	The Company doesn't have an Internal Auditor.

Under Listing Agreement/ SEBI (LODR) Regulations, 2015

Regulations under SEBI (LODR) Regulations, 2015	Non Compliances
Regulation 46 – Website	Company's Website is non functioning, not updated regularly.

We further report that:

Compliances of applicable Financial Laws including, Direct & Indirect Tax Laws by the Company has not reviewed in this Audit Report; since the same has been subject to reviewed by the Statutory Auditor & other Designated Professionals.

We further report that:

- The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors. The Board of Directors of the Company is duly constituted with proper balance of executive Directors, Non-Executive Directors and and Independent Directors.
- Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.
- Majority decision is carried through while the dissenting members' views are captured and recorded as part of the minutes.

We further report that :

Based on our review of Compliance Mechanism established by the Company and on the basis of Compliance Certificate(s) issued by the Managing Director and taken on record by the Board of Directors at their meeting(s), we are of opinion that, there are adequate systems and processes in place in the Company, which is commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

SHAH FOODS LTD

As informed the Company has responded appropriately to the notices received from various statutory/regulatory authorities including initiating action for corrective measures, wherever focused necessary.

We further report that:

During the audit period there are no events/actions having a major bearing on the Company's affairs in pursuance of the above referred Laws, Rules, Regulations, Guidelines etc referred above.

Date: 06/08/2018
Place: Ahmedabad

Pinakin Shah & Co.
Company Secretaries

Pinakin Shah
Proprietor

FCS: 2562; COP: 2932

To,
The Members,
Shah Foods Limited

Our report of even date is to be read along with this letter.

Management Responsibility:

1. Maintenance of secretarial record is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.

Auditors Responsibility:

2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and books of accounts of the Company or verified compliances of Laws other than those mentioned above. Wherever required, we have obtained the management representation about the Compliance of laws, rules and regulations and happening of events etc.
4. The Compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.

Disclaimer:

5. The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company

Date: 06/08/2018
Place: Ahmedabad

Pinakin Shah & Co.
Company Secretaries,

Pinakin Shah
Proprietor

FCS: 2562; COP: 2932

CORPORATE GOVERNANCE REPORT

This section on Corporate Governance forms part of the Annual Report to the shareholders. It is not mandatory to give this report in terms of Regulation 15(2) of the SEBI (LODR) Regulations, 2015.

1. COMPANY'S PHILOSOPHY & CODE OF GOVERNANCE

The Company believes in conducting its affairs in a fair & transparent manner and maintaining the good ethical standards in its dealing with all its constituents.

CODE OF CONDUCT AND ETHICS

The Board of Directors has amended the Code of Conduct and Ethics to align with the provisions of the Companies Act, 2013. The confirmation from the Managing Director & CEO regarding compliance with the code by all the Directors and Senior Management forms part of the Report. The Code of Conduct and Ethics is displayed on the website of the Company (www.shahfoods.com).

CEO / CFO CERTIFICATION

Shri Nirav Shah, Managing Director & CEO and Shri Janak Shah, Whole Time Director & CFO have issued certificate pursuant to the provisions of Regulation 27(2) of the SEBI (LODR) Regulations, 2015 certifying that the financial statements do not contain any untrue statement and these statements represent a true and fair view of the Company's affairs. The said certificate is annexed and forms part of the Annual Report.

2. BOARD OF DIRECTORS :

A. COMPOSITION OF THE BOARD OF DIRECTORS

As on March 31, 2018, the strength of the Board was Eight Directors comprising of one Whole Time Director, one Managing Director, one Director Operations, three Non-Executive Independent Directors who is free from any business or other relationship that could materially influence their judgment and one is Woman Director who is appointed in terms of the provisions of Section 149 of the Companies Act, 2013 and Regulation 27(2) of the SEBI (LODR) Regulations, 2015.

Details of Directors as on March 31, 2018 and their attendance at the Board meetings and Annual General Meeting ("AGM") during the financial year ended March 31, 2018 are given below:

	Attendance Particulars			Total Number of Directorship, Committee Chairmanships and Memberships including Shah Foods Ltd. #		
Directors	Category	Board Meeting	Last AGM	Directorship	Committee Committee	Memberships Chairmanship
Shri Virendra Shah	ID	5	Yes	1	Nil	3
Shri Nirav Janak Shah	MD	5	Yes	1	Nil	Nil
Shri Janak Panalal Shah	VC-WTD	5	Yes	1	1	Nil
Shri Sushil Panalal Shah	NED	5	Yes	1	Nil	Nil
Shri Shrichand Rambriksh Kahar	MD	5	Yes	1	Nil	
Shri Pushpa Janak Shah	NED	5	No	1	Nil	Nil
Shri Hemant Murlidhar Asarpota	ID	5	Yes	1	2	
Shri Kunal Rajesh Asarpota*	ID	0	No	1	2	Nil
Shri Bhupendra D. Parikh**	ID	3	Yes	1	Nil	Nil

D= Director ID= Independent Director MD= Managing Director VC-WTD= Vice Chairman & Whole time Director
NED= Non-Executive Director * Appointed on 09/02/2018; **Vacated on 23/12/2017;

Excludes private limited companies and as per Regulation 26 (1) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, Membership/Chairmanship of the Audit Committee and Stakeholders Relationship Committee in Indian public companies have been reported.

B. BOARD MEETINGS

The gap between two Board meetings did not exceed four months. The schedule of Board/Committee meetings are communicated in advance to the directors/committee members to enable them to plan their schedules and to ensure their meaningful participation in the meetings. The Board met five times in financial year details of which are summarized as below:

S No.	Date of Meeting	Board Strength	No. of Directors Present
1	29/05/2017	8	8
2	05/08/2017	8	8
3	13/11/2017	8	8
4	23/12/2017	7	7
5	09/02/2018	7	7

In addition independent directors met exclusively in the last quarter of the financial year i.e. on 19/02/2018.

3. COMPOSITION OF COMMITTEES**A. AUDIT COMMITTEE**

All Members of the Audit Committee have accounting and financial management expertise. The Chairman of the Committee attended the AGM held on 23rd September, 2017 to answer the shareholders' queries. The role of Audit Committee, the powers exercised by it pursuant to the terms of reference, and the information reviewed by it are in accordance with the requirements as specified in the Regulation 18 of SEBI (LODR) Regulations, 2015, Companies Act, 2013 and other applicable laws, if any. Apart from the above, the Audit Committee also exercises the role and powers entrusted upon it by the Board of Directors from time to time.

The Vice-Chairman & Whole-time Director and Statutory Auditors are the invitees to the Audit Committee meetings. During the period under review, the Audit Committee met four times on 29/05/2017, 05/08/2017, 13/11/2017 and 09/02/2018 and was attended by all members. The Audit Committee comprises following members:

Name	Designation	No of meetings attended
Shri Virendra Shah	Chairman	4
Shri Hemant Asarpota	Member	4
Shri Kunal Asarpota	Member	4

NOMINATION AND REMUNERATION COMMITTEE

The roles and responsibilities of the Committee are in accordance with the requirements as specified in the Regulation 19 of SEBI (LODR) Regulations, 2015, Companies Act, 2013 and other applicable laws, if any. Apart from the above, the Committee also exercises the role and powers entrusted upon it by the Board of Directors from time to time.

The Constitution of the Nomination and Remuneration Committee during the financial year ended March 31, 2018 is given below:

Name	Position	Category
Shri Virendra Shah	Chairman	Non – Executive, Independent Director
Shri Hemant Asarpota	Member	Non – Executive, Independent Director
Shri Kunal Asarpota	Member	Non – Executive, Independent Director

Remuneration to Directors

- a. The Whole Time Director & Managing Directors get salary and perquisites. Remuneration paid for the year ended 31st March, 2018 was as under.

Name of the director	Period of appointment	Remuneration
Shri Janak Shah	Five years with effect from 01/10/2016	7.61 lakhs
Shri Shrichand Kahar	Five years with effect from 01/10/2016	5.57 lakhs
Shri Nirav Shah	Five years with effect from 01/07/2017	17.50 lakhs
TOTAL		30.68 lakhs

- b. The criteria for making payments to the Whole time Directors are:

Salary, as recommended by the Nomination and Remuneration Committee and approved by the Board and the shareholders of the Company. Perquisites, retirement benefits and performance pay are also paid/ provided in accordance with the Company's compensation policies, as applicable to all employees and the relevant legal provisions.

Remuneration is determined keeping in view the industry benchmarks.

- c. The Non-Executive Directors are not paid sitting fees for attending the meetings of the Board and Committees.

The Company has not paid sitting fees to any director of the Company.

B. STAKEHOLDER RELATIONSHIP COMMITTEE

The terms of reference of the Committee include reviewing and redressing complaints from shareholders such as non-receipt of annual report, transfer of shares, issue of duplicate share certificates, etc.; to oversee and review all matters connected with transfers, transmissions, dematerialization, rematerialization, splitting and consolidation of securities; to oversee the performance of the Registrar and Transfer Agent and recommends measures for overall improvement in the quality of investor services; and to perform any other function, duty as stipulated by the Companies Act, Securities & Exchange Board of India, BSE and any other regulatory authority or under any applicable laws, as amended from time to time.

Committee met four times during FY 2017-18 i.e. 29/05/2017, 05/08/2017, 13/11/2017 and 09/02/2018. The Composition of the Stakeholders Relationship Committee and details of Members participation at the Meetings of the Committee are as under:

Name	Position	No of meetings attended
Shri Virendra Shah	Chairman	4
Shri Janak P Shah	Member	4

In addition, Details of Shareholders' Complaints received during the year are as follows:

Particulars	No. of Complaints
Investor complaints pending as at April 1, 2017	0
Investor complaints received during the year ended on March 31, 2018	0
Investor complaints resolved during the year ended March 31, 2018	0
Investor complaints pending as on March 31, 2018	0

Share transfer committee

The Stakeholder relationship committee has delegated power of approving transfer of securities to Shri Janak Shah and Shri Virendra Shah. The Committee, inter alia, reviews and approves the transfer/ transmission/ D-mat of equity shares as submitted by Big Share Services Private Limited., the Registrar & Transfer Agent of the Company. There is no physical transfer during the year.

4. SPECIAL RESOLUTIONS PASSED AT THE LAST 3 ANNUAL GENERAL MEETINGS

Year	Venue of AGM	Date & Time	No of special resolution passed
2014-15	Chhatral, Kalol-Mehsana Highway, Taluka Kalol Gandhinagar-382729.	Monday, 19/09/2015 At 11.00 a.m.	Nil
2015-16	Chhatral, Kalol-Mehsana Highway, Taluka Kalol Gandhinagar-382729.	Saturday, 24/09/2016 At 11.00 a.m.	1
2016-17	Chhatral, Kalol-Mehsana Highway, Taluka Kalol Gandhinagar-382729.	Saturday, 23/09/2017 At 11.00 a.m.	NIL

5. DISCLOSURE ON MATERIALLY SIGNIFICANT RELATED PARTY TRANSACTIONS

There were no related party transactions made by the Company.

6. STRICTURES AND PENALTIES

The Company has complied with requirements of the Stock Exchanges, SEBI and other statutory authorities on all matters relating to capital markets during the last three years and they have not imposed any penalties on, or passed any strictures against the Company.

MEANS OF COMMUNICATION

Quarterly and Annual Financial Results of the Company were submitted to the Stock Exchanges immediately after the Board approves them. Thereafter, the same were published in Western Times English and Gujarati Ahmedabad editions. Disclosures pursuant to various clauses of the Listing Agreement were promptly communicated to Bombay Stock Exchange.

No formal presentation was made to the institutional investors or to the analysts during the year under review.

Management Discussion and Analysis forms Part of the Annual Report, which is sent to the Shareholders of the Company.

7. GENERAL SHAREHOLDER INFORMATION

- a. Exclusive e-mail id for investor grievances
Pursuant to Regulation 13(3) of the SEBI (LODR) Regulations, 2015, the following email id has been exclusively designated for communicating investor grievances:
Person in-charge of the Department: Shri Janak Shah.
- b. Annual General Meeting
Saturday, 22nd day of September, 2018 at 11.00 p.m. at registered office of the Company at Chhatral, Kalol-Mehsana Highway, Taluka Kalol Gandhinagar-382729.
- c. Financial Calendar
First quarter results: August 2018
Second quarter results: November 2018
Third quarter results: February 2019
Annual results: April/May 2019
Annual General Meeting: September 2018.
- d. Book Closure
The Register of Members and the Share Transfer Register will be closed from Saturday, 14th day of September, 2018 to Saturday, 22nd day of September, 2018, (both days inclusive).
- e. Dividend Payment Date
Dividend for the year ended 31st March, 2018, if declared, at the Annual General Meeting shall be paid to:
 - i. Beneficial owners in respect of shares held in electronic form as per the data made available by CDSL/ NSDL, as of the close of the business hours on 14th September, 2018; and
 - ii. To all members in respect of shares held in physical form, after giving effect to valid transfers, in respect of transfer request lodged with the Company on or before the close of business hours on 14th September, 2018.
It shall be paid within five working days from the date of the Annual General Meeting. Dividend shall be remitted through National Electronic Clearing Service (NECS), wherever bank details including MICR No are available with the Company, and in other cases, through Warrants, payable at par.
- f. Shares Listed At
The equity shares of the Company are listed at:
Bombay Stock Exchange Limited (BSE)
Annual Listing fees for the year 2017-18 have been paid to the stock exchange. The Company has also paid the Annual Custodial fees to both the depositories.
- g. Stock Codes
The stock code of the Company is 531854.
- h. International Securities Identification Number (ISIN)
ISIN is a unique identification number allotted to dematerialized scrip.
The ISIN of the Company is INE455D01012.
- i. Corporate Identity Number (CIN)
CIN of the Company is L15419GJ1982PLC005071.
- j. High/Low of monthly Market Price of the Company's Equity Shares

SHAH FOODS LTD

Bombay Stock Exchange		
(In Rs. per Share)		
	Month's High Price	Month's Low Price
April, 2017	86.00	61.05
May, 2017	88.10	68.50
June, 2017	88.85	61.75
July, 2017	105.00	64.10
August, 2017	99.95	69.00
September, 2017	96.80	66.00
October, 2017	97.95	58.20
November, 2017	113.95	78.05
December, 2017	125.00	86.00
January, 2018	219.80	105.10
February, 2018	148.75	90.50
March, 2018	111.10	92.25

k. Share Transfer System

As per the SEBI Guidelines, the Registry and Share Transfer activity is being handled by M/s Bigshare Services Private Limited, Mumbai. The Share Transfer requests received in physical form are normally registered within 15 days from the date of receipt.

l. Distribution Of Shareholding (As on March 31, 2018)

On the basis of Share held

Shareholding Of Nominal	Number Of Shareholders	Percentage of total	Share Amount	Percentage of total
1-5000	1057	92.4759	1324360	22.1650
5001-10000	37	3.2371	327400	5.4795
10001-20000	16	1.3998	261560	4.3776
20001-30000	9	0.7874	218650	3.6594
30001-40000	1	0.0875	33800	0.5657
40001-50000	2	0.1750	90000	1.5063
50001-100000	9	0.7874	634110	10.6127
100001-999999999	12	1.0499	3085120	51.6338
Total	1075		5975000	100.0000

On the basis of category

Category	No Of Shares Held	% Of Total Shares Held
Individual	309087	51.73
Bodies Corporate	16526	2.76
Promoters	269600	45.12
Nonresident Indians	2250	0.38
Clearing Member	37	0.01
Total	597500	100

m. Dematerialization Of Shares And Liquidity

Shares of the Company are traded compulsorily in dematerialized form and are available for trading with both the depositories with whom the Company has established direct connectivity. The D-mat requests received by the Company are continually monitored to expedite the process of dematerialization. The D-mat requests are confirmed to the depositories within 15 working days of receipt.

During the year, the Company does not have any Demat requests for equity shares.

- Liquidity: The Company's Shares are liquid on BSE.

n. Code Of Conduct For Prevention Of Insider Trading

The Company has adopted a comprehensive Code of Conduct pursuant to the provisions of the SEBI (Prohibition of Insider Trading) Regulations, 1992, for prevention of insider trading in shares of the Company. The Code of Conduct is implemented diligently mandating initial and continual disclosures from the senior officials, directors and auditors of the Company upon trading in the shares of the Company. The Code also restricts specified employees to deal in the shares of the Company on the basis of any unpublished price sensitive information available to them by virtue of their position in the Company. The transactions of the insiders in the shares of the Company are subjected to trading window closures, pre-clearance of trades etc. as envisaged in the Code.

o. Reconciliation of Share Capital Audit Report

Pursuant to the provisions of the SEBI (Depositories & Participants) Regulations, 1996, quarterly audit is being undertaken by a Practicing Company Secretary for reconciliation of share capital of the Company. The audit report inter alia covers and certifies that the total shares held in CDSL, NSDL and those in physical form tally with the issued and paid-up capital of the Company, the Register of Members is duly updated; Demat requests are confirmed within stipulated time etc. The Reconciliation of Share Capital Audit Report is submitted with BSE and is also placed before the meetings of the Board of Directors.

p. Outstanding GDRs/ADRs/Warrants or any convertible instrument as on 31st March, 2018

There were no outstanding GDRs/ADRs/Warrants or any convertible instrument as at end March-2018.

q. Plant Locations

Chhatral,
Kalol-Mehsana Highway,
Taluka Kalol
Gandhinagar-382729.
Telephone No. – 079-26448371
E-mail – shahfoods@vsnl.com

r. Address for Correspondence

All enquiries, clarification and correspondence should be addressed to the compliance officer at the following Addresses.

1) Shah Foods Limited.

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

Telephone – 079-26448371

e-mail : shahfoods@vsnl.com

2) Registrar & Transfer Agent

Bigshare Services Private Limited

1st floor, Bharat Tin Works Building, Opposite Vasant Oasis, Makwana Road, Marol, Andheri (E),
Mumbai –400 059, Maharashtra

Tel-022-28470652/40430200

E-mail-info@bigshareonline.com

Website-www.bigshareonline.com

CERTIFICATE ON CORPORATE GOVERNANCE

I have examined compliance of conditions of Corporate Governance by Shah Foods Limited (the Company), for the year ended 31st March, 2018, as stipulated in the relevant provisions of Securities Exchange Board of India (LODR) Regulations, 2015 ('Listing Regulations') as referred to in Regulation 27 of the Listing Regulations for the period 1st April, 2017 to 31st March 2018.

The compliance of conditions of Corporate Governance is the responsibility of the Management. My examination was limited to procedures & implementation thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statement of the Company.

In my opinion and to the best of my information and according to the explanations given to me and the representation by the Directors and the management, I certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing Agreement / Listing Regulations, as applicable except Regulation 17, 18, 19, 46(2)(b) to (i) and 47 of the SEBI (LODR) Regulations, 2015.

I further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

Place: Ahmedabad
Date: 06-08-2018

Pinakin Shah & Co.
Practising Company Secretary
FCS 2562, C.P. NO 2932

DECLARATION ON ADHERENCE TO THE CODE OF CONDUCT UNDER

REGULATION 27(2) 1 D OF THE LISTING AGREEMENT

All the Board members and senior management personnel of the Company have confirmed adherence to the Code of Conduct of Shah Foods Limited for the financial year ended March 31, 2018.

Place: Ahmedabad

Date: 06/08/2018

For and on behalf of the Board

Registered Office:

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

Shri Janak Shah

Whole time Director

DIN : 01880079

INDEPENDENT AUDITOR'S REPORT

To
The Members of
SHAH FOODS LIMITED

Report on The Standalone Financial Statements

We have audited the accompanying standalone financial statements of **SHAH FOODS LIMITED** ("the Company"), which comprise the Balance Sheet as at **March 31, 2018**, and the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows for the year then ended and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the Indian Accounting Standards (Ind AS) prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, and other accounting principles generally accepted in India.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone 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 standalone financial statements based on our audit. In conducting our audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under and the Order issued under section 143(11) of the Act.

We conducted our audit of the standalone financial statements in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the standalone financial statements are free from material misstatement.

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

We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone 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, of the state of affairs of the Company as at **March 31, 2018**, and its profit, total comprehensive income, the changes in equity and its cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, based on our audit we report that:
 - a) we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - b) in our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
 - c) the Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, Statement of Changes in Equity and the Statement of Cash Flow dealt with by this Report are in agreement with the books of account.
 - d) in our opinion, the aforesaid standalone financial statements comply with the Indian Accounting Standards prescribed under section 133 of the Act.
 - e) on the basis of the written representations received from the directors of the Company as on **March 31, 2018** taken on record by the Board of Directors, none of the directors is disqualified as on **March 31, 2018** from being appointed as a director in terms of Section 164(2) of the Act.
 - f) with respect to the adequacy of the **internal financial controls over financial reporting** of the Company and the operating effectiveness of such controls, refer to our separate Report in "**Annexure A**". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.
 - g) with respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the **Companies (Audit and Auditors) Rules, 2014**, as amended, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company has disclosed the impact of pending litigations on its financial position in its standalone financial statements.
 - ii. The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts.
 - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.
2. As required by the **Companies (Auditor's Report) Order, 2016 ("the Order")** issued by the Central Government in terms of Section 143(11) of the Act, we give in "**Annexure B**" a statement on the matters specified in paragraphs 3 and 4 of the Order.

Suresh R Shah & Associates
Chartered Accountants
FRN:110691W

Place: Ahmedabad
Date: 30-05-2018

Mrugen K Shah
(Partner)
M. No.: 117412

ANNEXURE “A” TO THE INDEPENDENT AUDITOR’S REPORT

(Referred to in paragraph 1(f) under ‘Report on Other Legal and Regulatory Requirements’ section of our report to the Members of **SHAH FOODS LIMITED** of even date)

Report on the Internal Financial Controls Over Financial Reporting under Clause (i) of Sub- section 3 of Section 143 of the Companies Act, 2013 (“the Act”)

We have audited the internal financial controls over financial reporting of **SHAH FOODS LIMITED** (“the Company”) as of **March 31, 2018** in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management’s Responsibility for Internal Financial Controls

The Board of Directors of the Company is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditor’s Responsibility

Our responsibility is to express an opinion on the internal financial controls over financial reporting of the Company based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the “Guidance Note”) issued by the Institute of Chartered Accountants of India and the Standards on Auditing prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor’s judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained, is sufficient and appropriate to provide a basis for our audit opinion on the Company’s internal financial controls system over financial reporting.

Meaning of Internal Financial Controls Over Financial Reporting

A company’s internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company’s internal financial control over financial reporting includes those policies and procedures that

(1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;

- (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and
- (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2018, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

Suresh R Shah & Associates
Chartered Accountants
FRN:110691W

Place: Ahmedabad
Date: 30-05-2018

Mrugen K Shah
(Partner)
M. No.: 117412

ANNEXURE 'B' TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 2 under 'Report on Other Legal and Regulatory Requirements' section of our report to the Members of SHAH FOODS LIMITED of even date)

- i. In respect of the Company's fixed assets:
 - (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
 - (b) The Company has a program of verification to cover all the items of fixed assets in a phased manner which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the program, certain fixed assets were physically verified by the management during the year. According to the information and explanations given to us, no material discrepancies were noticed on such verification.
 - (c) According to the information and explanations given to us, the records examined by us and based on the examination of the conveyance deeds provided to us, we report that, the title deeds, comprising all the immovable properties of land and buildings which are freehold, are held in the name of the Company as at the balance sheet date. In respect of immovable properties of land and building that have been taken on lease and disclosed as fixed assets in the standalone financial statements, the lease agreements are in the name of the Company.
- ii.
 - (a) The management of the company has conducted the physical verification of inventory at reasonable intervals.
 - (b) The discrepancies noticed on physical verification of the inventory as compared to books records which has been properly dealt with in the books of accounts were not material.
- iii. According to the information and explanations given to us, the Company has not granted secured or unsecured loans to any Company, Firm, Limited Liability Partnership or other party covered in the register maintained under section 189 of the Companies Act, 2013.
- iv. In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of Sections 185 and 186 of the Act in respect of grant of loans, making investments and providing guarantees and securities, as applicable.
- v. The Company has not accepted deposits during the year and does not have any unclaimed deposits as at **March 31, 2018** and therefore, the provisions of the clause 3 (v) of the Order are not applicable to the Company.
- vi. The maintenance of cost records has not been specified by the Central Government under section 148(1) of the Companies Act, 2013 for the business activities carried out by the Company. Thus reporting under clause 3(vi) of the order is not applicable to the Company.
- vii. According to the information and explanations given to us, in respect of statutory dues:
 - (a) The Company has generally been regular in depositing undisputed statutory dues, including Provident Fund, Employees' State Insurance, Income Tax, Sales Tax, Service Tax, Goods and Service Tax, Value Added Tax, Customs Duty, Excise Duty, Cess and other material statutory dues applicable to it with the appropriate authorities.

- (b) There were no undisputed amounts payable in respect of Provident Fund, Employees' State Insurance, Income Tax, Sales Tax, Service Tax, Value Added Tax, Goods and Service Tax, Customs Duty, Excise Duty, Cess and other material statutory dues in arrears as at **March 31, 2018** for a period of more than six months from the date they became payable.
- viii. The Company has not taken any loans or borrowings from financial institutions, banks and government or has not issued any debentures. Hence reporting under clause 3 (viii) of the Order is not applicable to the Company.
- ix. The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) or term loans and hence reporting under clause 3 (ix) of the Order is not applicable to the Company.
- x. To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company or no material fraud on the Company by its officers or employees has been noticed or reported during the year.
- xi. In our opinion and according to the information and explanations given to us, the Company has paid/provided managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Act.
- xii. The Company is not a Nidhi Company and hence reporting under clause 3 (xii) of the Order is not applicable to the Company.
- xiii. In our opinion and according to the information and explanations given to us, the Company is in compliance with Section 177 and 188 of the Companies Act, 2013 where applicable, for all transactions with the related parties and the details of related party transactions have been disclosed in the standalone financial statements as required by the applicable accounting standards.
- xiv. During the year, the Company has not made any preferential allotment or private placement of shares or fully or partly paid convertible debentures and hence reporting under clause 3 (xiv) of the Order is not applicable to the Company.
- xv. In our opinion and according to the information and explanations given to us, during the year the Company has not entered into any non-cash transactions with its Directors or persons connected to its directors and hence provisions of section 192 of the Companies Act, 2013 are not applicable to the Company.
- xvi. The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

Suresh R Shah & Associates
Chartered Accountants
FRN:110691W

Place: Ahmedabad
Date: 30-05-2018

Mrugen K Shah
(Partner)
M. No.: 117412

SHAH FOODS LTD

Balance Sheet as at 31st. March, 2018

	PARTICULARS	Note No.	As at 31 st March 2018 Rs.		As at 31 st March 2017 Rs.	
I.	ASSETS					
	Non-current assets					
	Property, Plant and Equipment					
	(i) Tangible assets	4	1,03,71,953		1,05,40,492	
	(ii) Intangible assets		-		-	
	(iii) Capital work-in-progress		-		-	
	(iv) Intangible assets under development		-		-	
	Financial Assets					
	Investments	5	-		-	
	Long-term loans and advances	7	6,80,857		6,80,857	
	Other non-current assets		-		-	
				1,10,52,810		1,12,21,348
	Current assets					
	Inventories	6	35,37,229		47,03,260	
	Financial Assets					
	Investments		-		-	
	Trade receivables		-		-	
	Cash and Cash equivalents	9	92,57,892		40,68,778	
	Loans and advances	8	45,58,883		66,54,458	
	Other current assets		-		-	
				1,73,54,004		1,54,26,495
	TOTAL			2,84,06,814		2,66,47,843
I.	EQUITY AND LIABILITIES					
	Equity					
	Equity Share Capital	10	59,75,000		59,75,000	
	Other Equity	11	1,66,09,656		1,61,00,237	
				2,25,84,656		2,20,75,237
	Liabilities					
	Non- current liabilities					
	Deferred Tax liabilities (Net)	12	4,44,406		5,12,503	
	Long-term Provisions	13	64,972		64,972	
	Other Non Current liabilities	14	-		-	
				5,09,378		5,77,475
	Current Liabilities					
	Short term borrowings		-		-	
	Trade payables		-		-	
	Other current liabilities	15	53,12,780		39,95,131	
	Short term provisions		-		-	
				53,12,780		39,95,131
	TOTAL			2,84,06,814		2,66,47,843
See significant accounting policies and accompanying notes forming part of the Financial Statements						

As per our report of even date
FOR SURESH R SHAH & ASSOCIATES
Chartered Accountants
Firm registration no. 110691W

CA MRUGEN SHAH
Partner
Membership No. 117412
Place : Ahmedabad
Date : 29th May, 2018

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

JANAK P. SHAH **NIRAV J. SHAH**
Vice Chairman Managing Director
Place : Ahmedabad
Date : 29th. May, 2018

Statement of Profit & Loss for the year ended on 31st. March, 2018

	PARTICULARS	Note No.	For the year ended		For the year ended	
			Rs.	Rs.	Rs.	Rs.
I	Revenue from operations					
	a Revenue from operations (net) - Job Charges		5,48,03,075		5,27,69,593	
	b Income from Share Trading activities	17	(8,86,776)		12,46,909	
II	Other Income	16		5,39,16,298		5,40,16,502
	Total (I + II)			6,89,402		7,09,165
				5,46,05,701		5,47,25,667
IV	Expenses					
	a Cost of materials consumed		20,67,080			
	(Deduction from Job charges)		-			
	b Purchases of Stock in Trade		-	-		
	c Changes in inventories of finished goods, work in progress and Stock-in-trade		-	-		
	d Employee benefits expense	18	61,54,397		54,92,561	
	e Finance Costs	19	58,072		1,42,313	
	f Depreciation and amortization expense	4	14,08,003		14,64,465	
	g Other expense	20	4,33,07,687		4,05,82,943	
	Total Expenses			5,29,95,239		4,76,82,282
V	Profit before Exceptional Items and Tax (III-IV)			16,10,461		70,43,385
VI	Exceptional Items			-		-
VII	Profit before Tax			16,10,461		70,43,385
VIII	Tax expense:					
	1 Current tax expenses for the current year		4,50,000		18,50,000	
	2 Earlier Year tax adjustment		-		55,037	
	3 Deferred tax		(68,096)		75,152	
				3,81,904		19,80,189
IX	Profit (Loss) for the period from continuing operations (VII-VIII)			12,28,558		50,63,196
X	Profit/(Loss) from discontinuing operations					
XI	Tax Expense of discontinued operations					
XII	Profit (Loss) from discontinuing operations (after tax) (X-XI)			-		
XIII	Profit (Loss) for the period (IX+XII)			12,28,558		50,63,196
XIV	Other Comprehensive Income					
	A (i) Items that will not be reclassified to profit or loss					
	(ii) Income tax relating to items that will not be reclassified to profit or loss					
	B (i) Items that will be reclassified to profit or loss					
	(ii) Income tax relating to items that will be reclassified to profit or loss					
XV	Total Comprehensive Income for the Period (XIII+XIV)			12,28,558		50,63,196
XVI	Earnings per equity share:					
	1 Basic			2.06		8.47
	2 Diluted			2.06		8.47

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

As per our report of even date
FOR SURESH R SHAH & ASSOCIATES
Chartered Accountants
Firm registration no. 110691W

CA MRUGEN SHAH
Partner
Membership No. 117412
Place : Ahmedabad
Date : 29th May, 2018

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

JANAK P. SHAH **NIRAV J. SHAH**
Vice Chairman Managing Director

Place : Ahmedabad
Date : 29th. May, 2018

Statement of changes in Equity for the year ended on 31st. March, 2018

(A) EQUITY SHARE CAPITAL				
Particulars	As at 31st March,2018	As at 31st March,2017		
Balance as at the beginning of the year	59,75,000	59,75,000		
Issued during the year	-	-		
Balance as at the end of the year	59,75,000	59,75,000		
(B) OTHER EQUITY				
Particulars	Reserves & Surplus		Other Comprehensive Income	Total
	Retained Earnings	General reserves		
Balance as on 01.04.2017	1,42,65,982	18,34,256	-	1,61,00,237
Addition/(deduction) during the year				-
Profit For the year	12,28,558			12,28,558
Other Comprehensive Income				-
Prior Period Loss				-
Dividend	(5,97,500)			(5,97,500)
Dividend Distribution Tax	(1,21,639)			(1,21,639)
Balance as on 31.03.2018	1,47,75,401	18,34,256	-	1,66,09,656
Balance as on 01.04.2016	92,02,786	18,34,256		1,10,37,041
Addition/(deduction) during the year				-
Profit For the year	50,63,196			50,63,196
Other Comprehensive Income				-
Dividend	-			-
Dividend Distribution Tax	-			-
Balance as on 31.03.2017	1,42,65,982	18,34,256	-	1,61,00,237

As per our report of even date
FOR SURESH R SHAH & ASSOCIATES
Chartered Accountants
Firm registration no. 110691W

CA MRUGEN SHAH
Partner
Membership No. 117412
Place : Ahmedabad
Date : 29th May, 2018

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

NIRAV J. SHAH
Managing Director
Place : Ahmedabad
Date : 29th. May, 2018

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st. March, 2018**CORPORATE INFORMATION:**

SHAH FOODS LIMITED ("the company") is engaged in manufacturing of Biscuits for Britannia Industries Limited and Trading of shares and securities.

STATEMENT OF COMPLIANCE:

The financial statements comply in all material aspects with Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013 (the Act) [Companies (Indian Accounting Standards) Rules, 2015] and other relevant provisions of the Act.

The financial statements up to year ended 31st March 2017 were prepared in accordance with the accounting standards notified under Companies (Accounting Standard) Rules, 2006 (as amended) and other relevant provisions of the Act.

These financial statements are the first financial statements of the Company under Ind AS. The date of transition to Ind AS is April 1, 2016. Refer Note 3 for the details of significant exemptions availed by the Company on first-time adoption of Ind AS and for an explanation of how the transition from previous GAAP to Ind AS has affected the Company's financial position, financial performance and cash flows.

1 BASIS OF PREPARATION OF FINANCIAL STATEMENTS**1.1 Basis of preparation and presentation**

The Company has followed the provisions of Ind AS 101-"First Time adoption of Indian Accounting Standards" (Ind AS 101), in preparing its opening Ind AS Balance Sheet as of the date of transition, i.e. April 1, 2016. In accordance with Ind AS 101, the Company has presented reconciliations of Shareholders' equity under Previous GAAP and Ind ASs as at March 31, 2017, and April 1, 2016 and of the Profit/ (Loss) after Tax as per Previous GAAP and Total Comprehensive Income under Ind AS for the year ended March 31, 2017.

For all periods up to and including the year ended March 31, 2017, the Company prepared its financial statements in accordance with Generally Accepted Accounting Principles (GAAP) in India and complied with the accounting standards (Previous GAAP) as notified under Section 133 of the Companies Act, 2013 read together with Rule 7 of the Companies (Accounts) Rules, 2014, as amended, to the extent applicable, and the presentation requirements of the Companies Act, 2013.

In accordance with the notification dated February 16, 2015, issued by the Ministry of Corporate Affairs, the Company has adopted Indian Accounting Standards (Ind AS) notified under Section 133 read with Rule 4A of Companies (Indian Accounting Standards) Rules, 2015, as amended, and the relevant provisions of the Companies Act, 2013 (collectively, "Ind ASs") with effect from April 1, 2017 and the Company is required to prepare its financial statements in accordance with Ind ASs for the year ended March 31, 2018. These financial statements as and for the year ended March 31, 2018 (the "Ind AS Financial Statements") are the first financial statements, the Company has prepared in accordance with Ind AS.

The Company had prepared a separate set of financial statements for the year ended March 31, 2018 and March 31, 2017 in accordance with the Accounting Standards referred to in section 133 of the Companies Act, 2013 (the "Audited Previous GAAP Financial Statements"), which were approved by the Board of Directors of the Company. The management of the Company has compiled the Special Purpose Comparative Ind AS Financial Statements using the Audited Previous GAAP Financial Statements and made required Ind AS adjustments. The Audited Previous GAAP Financial Statements, and the Special purpose Comparative Ind AS Financial Statements, do not reflect the effects of events that occurred subsequent to the respective dates of approval of the Audited Previous GAAP Financial Statements.

The financial statements have been prepared and presented under the historical cost convention on an accrual basis of accounting except for the trading in shares and securities measured at fair value.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Company takes into account the characteristics of the asset or liability if the market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value measurement and/or disclosure purposes in the financial statements is determined on such a basis except for leasing transactions that are within the scope of Ind AS 17, and measurements that have some similarities to fair value but are not fair value, such as net realisable value in Ind AS 2 or value in use in Ind AS 36.

1.2 Functional and presentation currency

The financial statements are presented in Indian Rupees, the currency of the primary economic environment in which the Company operates.

1.3 Use of Estimates

The preparation of financial statements are in conformity with the recognition and measurement principles of Ind AS which requires management to make critical judgments, estimates and assumptions that affect the reporting of assets, liabilities, income and expenditure.

Estimates and underlying assumptions are reviewed on an ongoing basis and any revisions to the estimates are recognised in the period in which the estimates are revised and future periods are affected.

Key source of estimation of uncertainty at the date of financial statements, which may cause material adjustment to the carrying amount of assets and liabilities within the next financial year, is in respect of:

- Useful lives of property, plant and equipment (refer note no. 2.1)
- Valuation of deferred tax assets (refer note no. 2.9)
- Valuation of inventories (refer note no. 2.4)
- Provisions & contingent liabilities (refer note no. 2.7)

2. SIGNIFICANT ACCOUNTING POLICIES

2.1. Property, plant and equipment

2.1.1. Tangible Assets:

Property, plant and equipment are stated at cost of acquisition or construction less accumulated depreciation and any accumulated impairment losses. The cost of fixed assets comprises of its purchase price, non-refundable taxes & levies, freight and other incidental expenses related to the acquisition and installation of the respective assets. Borrowing cost attributable to financing of acquisition or construction of the qualifying fixed assets is capitalized to respective assets when the time taken to put the assets to use is substantial.

When major items of property, plant and equipment have different useful lives, they are accounted for as separate items of property, plant and equipment. The cost of replacement of any property, plant and equipment is recognized in the carrying amount of the item if it is probable that the future economic benefit associated with the item will flow to the Company and its cost can be measured reliably.

The Estimated Useful Lives of assets are in accordance with the Schedule II of the Companies Act, 2013.

2.2. Financial Instruments

2.2.1. Cash and cash equivalents

Cash and cash equivalents consists of cash on hand, short demand deposits and highly liquid investments, that are readily convertible into known amounts of cash and which are subject to an insignificant risk of change in value. Short term means investments with original maturities / holding period of three months or less from the date of investments. Bank overdrafts that are repayable on demand and form an integral part of the Company's cash management are included as a component of cash and cash equivalent for the purpose of statement of cash flow.

2.2.2. Trade Receivables

Trade receivables are amounts due from customers for sale of goods or services performed in the ordinary course of business. Trade receivables are initially recognized at its transaction price which is considered to be its fair value and are classified as current assets as it is expected to be received within the normal operating cycle of the business.

2.2.3. Borrowings

Borrowings are initially recorded at fair value and subsequently measured at amortized costs using effective interest method. Transaction costs are charged to statement of profit and loss as financial expenses over the term of borrowing.

2.2.4. Trade payables

Trade payables are amounts due to vendors for purchase of goods or services acquired in the ordinary course of business and are classified as current liabilities to the extent it is expected to be paid within the normal operating cycle of the business.

2.2.5. Other financial assets and liabilities

Other non-derivative financial instruments are initially recognized at fair value and subsequently measured at amortized costs using the effective interest method.

2.3. Inventories

Items of inventories are measured at lower of cost and net realisable value after providing for obsolescence, if any except inventory of shares and securities held for trading are valued at fair value through P&L. Cost of inventories comprises of cost of purchase, cost of conversion and other costs including manufacturing overheads incurred in bringing them to their respective present location and condition. Cost of raw materials, process, stores and spares, packing materials, trading and other products are determined on weighted average basis.

2.4. Impairment of Assets

Financial assets

At each balance sheet date, the Company assesses whether a financial asset is to be impaired. Ind AS 109 requires expected credit losses to be measured through loss allowance. The Company measures the loss allowance for financial assets at an amount equal to lifetime expected credit losses if the credit risk on that financial asset has increased significantly since initial recognition. If the credit risk on a financial asset has not increased significantly since initial recognition, the Company measures the loss allowance for financial assets at an amount equal to 12-month expected credit losses. The Company uses both forward-looking and historical information to determine whether a significant increase in credit risk has occurred.

Non-financial assets

Tangible and intangible assets

Property, plant and equipment and intangible assets with finite life are evaluated for recoverability whenever there is any indication that their carrying amounts may not be recoverable. If any such indication exists, the recoverable amount (i.e.

higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the cash generating unit (CGU) to which the asset belongs.

If the recoverable amount of an asset (or CGU) is estimated to be less than its carrying amount, the carrying amount of the asset (or CGU) is reduced to its recoverable amount. An impairment loss is recognized in the statement of profit and loss to such extent.

2.5. Employee Benefit

Short term employee benefits

Short term benefits payable before twelve months after the end of the reporting period in which the employees have rendered service are accounted as expense in statement of profit and loss.

Long term employee benefits

Defined benefit plans

The Company has obtained gratuity plan from the LIC and the net obligation in respect of defined benefit plans (gratuity, pension and other retirement benefit plans) is calculated using the projected unit credit method as per old GAAP. The current service cost and interest on the net defined benefit liability / (asset) is recognized in the statement of profit and loss. Past service cost are immediately recognized in the statement of profit and loss. Actuarial gains and losses net of deferred taxes arising from experience adjustment and changes in actuarial assumptions are recognized in other comprehensive income in the period in which they arise.

Defined Contribution Plan

A defined contribution plan is a post-employment benefit plan under which the Company pays specified contributions for provident fund and pension as per the provisions of the Provident Fund Act, 1952 to the government. The Company's contribution is recognised as an expense in the Profit and Loss Statement during the period in which the employee renders the related service. The company's obligation is limited to the amounts contributed by it.

Compensated absences and earned leaves

The company offers a short term benefit in the form of encashment of unavailed accumulated compensated absence above certain limit for all of its employees and same is being provided for in the books at actual cost.

2.6. Provisions, contingent liabilities and contingent assets

Contingent liability :

A possible obligation that arises from past events and the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company are disclosed as contingent liability and not provided for. Such liability is not disclosed if the possibility of outflow of resources is remote.

Contingent assets :

A contingent asset is a possible asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company. Contingent assets are not recognised and disclosed only when an inflow of economic benefits is probable.

Provisions :

A provision is recognized when as a result of a past event, the Company has a present obligation whether legal or constructive that can be estimated reliably and it is probable that an outflow of economic benefits will be required to settle the obligation. If the obligation is expected to be settled more than 12 months after the end of reporting date or has no definite settlement date, the provision is recorded as non-current liabilities after giving effect for time value of money, if material. Where discounting is used, the increase in the provision due to the passage of time is recognized as a finance cost.

2.7. Revenue Recognition

a) Revenue from the sale of goods is recognised when significant risks and rewards in respect of ownership of the goods are transferred to the customer, as per the terms of the order. The company has shown separately in the expenses as the revenues from the operations are stated at gross amount as per the Requirement of Ind AS 18 "Revenue". Further, the amounts collected on behalf of third parties such as government authorities for VAT, Service Tax and GST are excluded from the revenue since the same do not result in increase in Equity.

b) Interest Income is recognised on time proportion basis.

2.8. Income taxes

Income tax expense comprises current and deferred tax expense. Income tax expenses are recognized in statement of profit and loss, except when they relate to items recognized in other comprehensive income or directly in equity, in which case, income tax expenses are also recognized in other comprehensive income or directly in equity respectively.

Current tax is the tax payable on the taxable profit for the year, using tax rates enacted or substantively enacted by the end of reporting period by the governing taxation laws, and any adjustment to tax payable in respect of previous periods. Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Deferred taxes arising from deductible and taxable temporary differences between the tax base of assets and liabilities and their carrying amount in the financial statements are recognized using substantively enacted tax rates and laws expected to apply to taxable income in the years in which the temporary differences are expected to be received or settled.

Deferred tax asset are recognized only to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences can be utilized. The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax assets to be utilized.

2.9. Earnings Per Share

a) Basic earnings per share are calculated by dividing the net profit for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period.

b) For the purpose of calculating diluted earnings per share, the net profit for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares, if any.

2.10. Borrowing cost

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of these assets, until such time as the assets are substantially ready for their intended use or sale.

All other borrowing costs are recognised in statement of profit and loss in the period in which they are incurred.

2.11. Segment Reporting

The company has only one preliminary reportable segment i.e. manufacturing of Biscuits for Britannia Industries Limited and Trading of shares and securities hence there is no separate reportable segments as required in Ind AS 108 issued by ICAI.

2.12. Depreciation

Depreciation on tangible fixed assets is provided using the Straight Line Method based on the useful life of the assets as estimated by the management and is charged to the Statement of Profit and Loss as per the requirement of Schedule II of the Companies Act, 2013. In case of additions or deletions during the year, depreciation is computed from the month in which such assets are put to use and up to previous month of sale or disposal, as the case may be.

2.13. Foreign currency Transactions

Foreign currency transactions are recorded at the exchange rate prevailing at the date of transactions. Exchange difference arising on settlement of transactions is recognised as income or expense in the year in which they arise.

Monetary assets and liabilities related to foreign currency transactions remaining unsettled at the end of the year are restated at the year-end rate and difference in translations and unrealised gains / (losses) on foreign currency transactions are recognised in the statement of profit & loss.

The premium or discount arising at the inception of forward exchange contracts is amortised as expense or income over the life of the contract. Exchange differences on such contracts are recognised in the statement of profit and loss in the year in which the exchange rates change. Any profit or loss arising on cancellation or renewal of forward exchange contract is recognised as income or as expense for the year.

3. EXPLANATION OF TRANSITION TO IND AS

These financial statements are the first financial statements of the Company under Ind AS. The date of transition to Ind AS is April 1, 2016. The transition is carried out from Indian GAAP (previous GAAP) to Ind AS, notified under Section 133 of the Companies Act, 2013 [Companies (Indian Accounting Standards) Rules, 2015] and other relevant provisions of the Act. The Group has applied exceptions and exemptions in accordance with Ind AS 101 "First-time Adoption of Indian Accounting Standards".

Exceptions :**i. Estimates :**

Ind AS estimates on the date of transition are consistent with the estimates as at the same date made in conformity with previous GAAP.

ii. Derecognition of financial assets & liabilities :

The Company has applied the de-recognition requirements of Ind AS 109 prospectively from the date of transition to Ind AS.

iii. Classification and measurement of financial assets :

The Company has assessed classification and measurement of financial assets based on facts and circumstances prevalent on the date of transition to Ind AS.

Exemptions :**i. Deemed cost for property, plant and equipment, investment property, and intangible assets:**

The Company has elected to continue with the carrying value of all of its plant and equipment, investment property and intangible assets recognised as of 1st April, 2016 (transition date), measured as per the previous GAAP and use that carrying value as its deemed cost as of the transition date.

ii. Designation of previously recognised financial instruments :

The Company has classified Inventories of shares and securities at fair value through Profit and Loss Account.

Reconciliation of Equity

Particulars	As at 31.03.2017	As at 01.04.2016	Foot Notes
Equity under previous GAAP	201,16,519	164,96,623	
Proposed dividend including dividend distribution tax	7,19,139		(A)
Fair valuation of equity Instruments held for trading	12,39,580	5,15,418(B)	
Total equity under Ind AS	220,75,237	170,12,041	

Reconciliation of Total Comprehensive Income

Particulars	As at 31.03.2017	Foot Notes
Profit after tax as per previous GAAP	63,19,224	
Fair valuation of equity Instruments held for trading	7,24,162	(B)
Profit after tax as per Ind AS	70,43,385	

(A) Under Ind AS, dividend payable and dividend distribution tax is recognised as a liability in the period in which it is declared and approved by the shareholders. Under previous GAAP, dividend payable and dividend distribution tax was recorded as a liability in the period to which it relates.

(B) Under Ind AS, Equity Instruments held for trading are classified as fair value through Profit & Loss Account while, Under previous GAAP, Equity Instruments held for trading are carried at cost or Market Value/Fair Value whichever is lower.

21. a) In opinion of the directors, contingent liability not provided is Rs. Nil. (Nil)

b) Estimated amount of contracts remaining to be executed on capital account and not provided for: Rs. Nil (Nil).

22. Balances of Trade Payables, Unsecured Loans, Trade Receivables, Long Term and Short Term Loans & Advances, In-operative bank accounts, Other Current and Other Non Current Assets and Provisions are subject to the confirmation of the parties concerned. Wherever confirmation of the parties for the amounts due to them / amounts due from them as per books of accounts are not received, necessary adjustments, if any, will be made when the accounts are reconciled / settled.

23. Previous year accounts being audited by another auditor, opening balances wherever disclosed are being relied upon the said accounts and as certified by management of the company.

24. In the absence of information regarding outstanding dues of MICRO or Small Scale Industrial Enterprise(s) as per The Micro, Small & Medium Enterprise Development Act, the Company has not disclosed the same as required by Schedule III to the Companies Act.

25. Wherever no vouchers and documentary evidences were made available for our verification, we have relied on the authentication given by management of the company.

26 Figures have been rounded off to the nearest rupee wherever required.

27 RELATED PARTY DISCLOSURES UNDER ACCOUNTING STATNDARD 18

RELATED PARTY

A) Associate Company :	Helios Greentech Pvt Ltd
B) Vice Chairman :	Shri Janak P Shah
C) Directors :	Shri Sushil P Shah
	Shri Virendra P Shah
	Shri Shrichand R Kahar
	Mrs. Pushpa Janak Shah
	Shri Nirav J Shah

RELATED PARTY TRANSACTIONS

A) Associate Companies :	Nil
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SHAH FOODS LTD

B) Directors

Particulars	2017-18	2016-17
	(Rupees in Lakhs)	
Payments/Provision to Directors (Remuneration & Perquisites)		
Shri Janak P Shah	7.61	7.08
Shri S.R. Kahar	5.57	5.23
Shri Nirav J Shah	17.50	15.09
Total	30.68	27.40

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

28. Payments to Auditors

Particulars	2017-18 (Rupees)	2016-17 (Rupees)
For Audit Fees	45,000	35,000
For Tax Audit Fees	10,000	10,000
For Certification & Professional	10,000	15,196
For Service Tax on Fees	N.A	9029
For GST	11,700	N.A.
Total	76,700	69,225

29. During the year under review, Britannia Industries Limited deducts TDS on job-work receipts on job charges including excise duty or GST and hence TDS rate & job charges are not comparable.

30. Balance confirmations for debit/credit balances have been sought.

31. Additional information pursuant to Act,2013 to the extent applicable. (As certified by the Directors).

A) Installed Capacity:

Biscuits 7200 M.T.

(B) Production: 2017-18 2016-17

Biscuits(Job) (M.T.) 6,567 6,775

(C) Job Charges Rs. Rs.5,41,86,806 Rs.5,27,69,593/-

(D) Value of Imported and Indigenous raw materials (including components) consumed and their percentage:

	2017-18	2016-17
	Rs.(Lakhs)%	Rs.(Lakhs)%

Stores & Spares:

Imported — —

Indigenous — —

32. 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)

33. C.I.F. Value of Imports of raw materials, components and spares – Rs.Nil(Previous year Rs. Nil)

34. Earning in foreign exchange on account of export etc. – Rs.Nil

35. Remittance in foreign currency on account of dividend etc. – Rs.Nil (Previous year Rs.Nil)

36. In the opinion of Board of Directors, the current asset, 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.

37. DEFERRED TAX

Major components of deferred tax are:

Particulars	31 March 2018	31 March 2017
Deferred Tax Liability		
Depreciation	(68096)	75,152
Deferred Tax Assets		
Disallowance under the Income Tax Act, 1961		
Deferred Tax Liability(Net)	(68096)	75,152s

SHAH FOODS LTD

|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|

5	NON CURRENT INVESTMENT		As at 31st March 2018	As at 31st March 2017	As at 1st April 2016
			Rupees	Rupees	Rupees
	At cost and fully paid-up unless otherwise specified				
	Investment in Government Securities				
	NSC		-	-	6,000
	TOTAL		-	-	6,000

6	INVENTARIES		As at 31st March 2018	As at 31st March 2017	As at 1st April 2016
			Rupees	Rupees	Rupees
	a	Raw Materials		53,075	53,075
	b	Shares in Trading accounts		34,84,154	37,73,361
	TOTAL		35,37,229	47,03,260	38,26,436

7	NON CURRENT LOANS AND ADVANCES		As at 31st March 2018	As at 31st March 2017	As at 1st April 2016
			Rupees	Rupees	Rupees
	a	Income Tax refund receivable		2,30,261	2,30,261
	b	UGVCL Deposit		4,50,596	4,50,596
	TOTAL		6,80,857	6,80,857	6,80,857

8	CURRENT LOANS AND ADVANCES		As at 31st March 2018	As at 31st March 2017	As at 1st April 2016
			Rupees	Rupees	Rupees
	a	Unsecured & considered good and recoverable in cash or in Kind		45,30,946	7,95,378
	b	Income Tax refund receivable		-	7,70,318
	c	Innovative Motors Pvt. Ltd. - Activa advance		65,956	-
	d	interest on UGVCL Deposit		27,937	36,047
	TOTAL		45,58,883	66,54,458	16,01,743

9	CASH & CASH EQUIVALENTS		As at 31st March 2018	As at 31st March 2017	As at 1st April 2016
			Rupees	Rupees	Rupees
	a	Cash on Hand		27,226	23,451
	b	Balance with Scheduled Banks			
	i	In Current Accounts	8,98,005	(6,89,367)	1,08,913
	ii	Fixed Deposit with Bank	81,51,463	44,58,478	52,53,382
	iii	Accrued Interest on Bank Fixed Deposit	1,81,198	2,78,111	3,00,101
			92,30,666	40,47,222	56,62,396
	TOTAL		92,57,892	40,68,778	56,85,847

SHAH FOODS LTD

			As at 31st March 2018		As at 31st March 2017		As at 1st April 2016		
10	EQUITY SHARE CAPITAL		No. of Shares	Rupees	No. of Shares	Rupees	No. of Shares	Rupees	
	a	AUTHORISED							
		Equity Share Capital of Rs. 10 each (with voting rights)	10,00,000	1,00,00,000	10,00,000	1,00,00,000	10,00,000	1,00,00,000	
	b	ISSUED, SUBSCRIBED & FULLY PAID UP SHARES							
		Equity Share Capital of Rs. 10 each fully paid up (with voting rights)	5,97,500	59,75,000	5,97,500	59,75,000	5,97,500	59,75,000	
		TOTAL		59,75,000		59,75,000		59,75,000	
	c	Reconciliation of the shares (with voting rights) outstanding							
			As at 31st March 2018		As at 31st March 2017		As at 1st April 2016		
			No. of Shares	Rupees	No. of Shares	Rupees	No. of Shares	Rupees	
		At the beginning of the year	5,97,500	59,75,000	5,97,500	59,75,000	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	5,97,500	59,75,000	
	d	Details of shareholders holding more than 5% shares in the Company							
					As at 31st March 2017		As at 1st April 2016		
		Name of Share Holder			No. of Shares	Rupees	No. of Shares	Rupees	
		PRADIP P. SHAH			67955	0	67955	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							

11	OTHER EQUITY		As at 31st March 2018		As at 31st March 2017		As at 1st April 2016	
			Rupees	Rupees	Rupees	Rupees	Rupees	Rupees
	a	General Reserve						
		Opening Balance	18,34,256		18,34,256		18,34,256	
		Additions / Reduction during the year	-		-		-	
		Adjusted Against Opening Profit & Loss (Debit B	-		-		-	
		Closing Balance		18,34,256		18,34,256		18,34,256
	b	Surplus/ (deficit) in the						
		Balance as per last financial	1,42,65,982		92,02,786		92,02,786	
		Add : Profit during the Year	12,28,558		50,63,196			
		Less : Proposed Equity Dividend	(5,97,500)				-	
		Less : Tax on Equity Dividend	(1,21,639)				-	
		Net surplus in the statement of		1,47,75,400		1,42,65,982		92,02,786
		TOTAL		1,66,09,656		1,61,00,237		1,10,37,041

12	DEFERRED TAX LIABILITIES (NET)		Rupees		Rupees		Rupees	
			Rupees	Rupees	Rupees	Rupees	Rupees	Rupees
	a	Difference between book and tax written down of fixed asset	17,25,847		17,48,990		16,62,045	
		Gross deferred tax liability		4,44,406		5,40,438		5,13,572
	b	Less Deferred tax assets						
		Difference in provision disallowance	-		(90,407)		(2,46,672)	
		Adjustments to the carrying amount of investment						
		Gross deferred tax assets		-		(27,936)		(76,222)
		Net deferred tax liability		4,44,406		5,12,503		4,37,350
		TOTAL		4,44,406		5,12,503		4,37,350

13	NON CURRENT PROVISIONS		As at 31st March 2018		As at 31st March 2017		As at 1st April 2016	
			Rupees	Rupees	Rupees	Rupees	Rupees	Rupees
	a	Unclaimed Dividend		64,972		64,972		1,14,481
		TOTAL		64,972		64,972		1,14,481

14	OTHER NON CURRENT LIABILITIES		As at 31st March 2018		As at 31st March 2017		As at 1st April 2016	
			Rupees	Rupees	Rupees	Rupees	Rupees	Rupees
	a	HDFC Bank Vehicle Loan		-		-		1,48,038
		TOTAL		-		-		1,48,038

SHAH FOODS LTD

			As at 31st March 2018		As at 31st March 2017		As at 1st April 2016	
15	OTHER CURRENT LIABILITIES		Rupees	Rupees	Rupees	Rupees	Rupees	Rupees
	a	Other payable		53,97,722		32,39,325		48,36,301
	b	Statutory dues		6,49,590		4,09,964		2,99,562
	c	Income Tax Payable		(7,34,532)		3,45,842		-
	d	Proposed Equity Dividend		-		-		-
	e	Tax on Equity Dividend		-		-		-
		TOTAL		53,12,780		39,95,131		51,35,863
16	OTHER INCOME		Rupees	Rupees	Rupees	Rupees		
	a	Interest on Bank Fixed Deposit	5,14,367		3,99,464			
	b	Dividend	1,04,348		65,939			
	c	Interest on I T Refund order	-		32,193			
	d	Interest on UGVCL Security Deposit	27,937		37,179			
	e	Other Income	42,750		-			
	f	Previous year's excess provision added back			1,74,390			
		TOTAL		6,89,402		7,09,165		
			FY 2017-18		FY 2016-17			
17	PROFIT /(LOSS) FROM STOCKS TRADING		Qty	Rupees	Qty	Rupees		
		Sales	6,420	18,95,970	1,520	14,85,734		
	+	Closing Stock	52,700	34,84,154	50,120	46,50,185		
			59,120	53,80,124	51,640	61,35,918		
	-	Opening Stock	50,120	46,50,185	25,800	37,73,361		
	-	Purchase + Coverion and Demat Charges	9,000	16,16,716	25,840	11,15,649		
			59,120	62,66,901	51,640	48,89,010		
		Profit / (Loss) During the Year	-	(8,86,777)	-	12,46,908		
			FY 2017-18		FY 2016-17			
18	PAYMENT TO AND PROVISION FOR EMPLOYEES		Rupees	Rupees	Rupees	Rupees		
	a	Staff Salaries, Wages and other benefits		30,86,546		27,50,903		
	b	Directors Remuneration and other benefits		30,67,850		27,41,657		
		TOTAL		61,54,397		54,92,561		
			FY 2017-18		FY 2016-17			
19	INTEREST AND FINANCE CHARGES		Rupees	Rupees	Rupees	Rupees		
	a	Bank + Credit Card Charges		38,621		86,766		
	b	Interest -Bank		7,053		24,593		
	c	Interest -Others		12,399		30,953		
		TOTAL		58,072		1,42,313		
			FY 2017-18		FY 2016-17			
20	OTHER EXPENSES		Rupees	Rupees	Rupees	Rupees		
	a	Power, Light and Fuel		1,36,95,988		1,37,33,134		
	b	Repairs to Plant and Machineries		5,85,103		6,40,172		
	c	Repairs to Factory Building , Tubewell & FF		7,58,715		8,16,970		
	d	Repairs to Electric and others		5,79,055		4,05,688		
	e	Labour & Other Charges-Net after Reimb. from BIL		2,43,73,368		2,17,20,453		
	f	Factory Expenses		2,29,961		3,36,014		
	g	Laboratory Expenses		1,53,437		2,61,615		
	h	Security Expenses		5,61,922		4,73,345		
	i	Adverstiment Expenses		30,540		34,350		
	j	Audit Fees		65,000		69,225		
	k	Conveyance		27,885		10,555		
	l	Electricity		17,780		23,850		
	m	ROC Filing Fees		13,520		9,240		
	n	E-TDS return Filing Fees		538		351		
	o	Insurance		1,51,988		98,498		
	p	Professional Fees		4,34,324		3,87,113		
	q	License Fees		14,216		42,735		
	s	Listing and Depository Fees		3,11,832		2,57,510		
	t	Miscellaneous Expenses		3,26,971		1,48,517		
	u	Communication Expenses		2,10,976		1,67,012		
	v	Printing and Stationery		79,959		1,01,403		
	w	Professional Tax		2,400		2,400		
	x	Rent, Rate and Taxes		33,746		37,206		
	y	Share Transfer Agent Charges		69,025		65,805		
	z	Vehicle Expenses		3,57,777		4,73,478		
	aa	Travelling & Business Support		1,92,301		2,66,304		
	ab	Income Tax FY 2016-17		29,361				
		TOTAL		4,33,07,687		4,05,82,943		

CASH FLOW STATEMENT FOR THE YEAR MARCH 31, 2018

	For the year ending on 31-03-2018	For the year ending on 31-03-2017
A Cash flow from operating activities		
Profit/(Loss) before tax	16,10,461	70,43,385
<u>Adjustment For:</u>		
Depreciation	14,08,003	14,64,465
Interest and other finance expense	58,072	1,42,313
Interest Income	(5,42,304)	(4,68,836)
Dividend income	(1,04,348)	(65,939)
Operating profit before working capital changes	24,29,884	81,15,388
Movements in fund / capital :		
Increase/ (decrease) in other current liabilities	1317648	(11,40,731)
Decrease / (increase) in inventories	1166031	(8,76,824)
Decrease / (increase) in short-term loans and advances	2095575	(50,52,715)
Cash generated from /(used in) operations	70,09,138	10,45,119
Direct Tax Paid	450000	19,05,037
Net cash flow from/ (used in) operating	65,59,138	(8,59,918)
B Cash flows from investing activities		
Sale of non-current investments	0	6,000
Purchase of fixed assets	(12,39,464)	(9,58,066)
Interest Received	5,42,304	4,68,836
Dividend Received	1,04,348	65,939
Net cash flow from/ (used in) investing	(5,92,812)	(4,17,291)
C Cash flows from financing activities		
Repayment of Vehicle Loan	0	(1,48,038)
Dividend Paid (incl. DDT)	(7,19,139)	(49,509)
Interest paid	(58,072)	(1,42,313)
Net cash flow from/ (used in) in financing	(7,77,211)	(3,39,860)
Net increase/(decrease) in cash and cash	51,89,115	(16,17,069)
Cash and cash equivalents at the beginning of the year	40,68,778	56,85,847
Cash and cash equivalents at the end of the	92,57,892	40,68,778
Components of cash and cash equivalents		
Cash in hand	27,226	21,556
With banks- in current account	8,98,005	(6,89,367)
Fixed Deposits plus accrued interest	83,32,661	47,36,589
Total cash and cash equivalents	92,57,892	40,68,778
Summary of significant	2	

Notes :

- The above Cash flow statement has been prepared under the indirect method set out in AS-3 as notified under section 133 of the Companies Act, 2013
- Figures in brackets indicate cash outflow.
- Following non cash transactions have not been considered in the cash flow statement:
 - Tax deducted at source (on income)
- Previous year's figures have been regrouped or reclassified wherever necessary to conform to current year's grouping and classification.

As per our report of even date
FOR SURESH R SHAH & ASSOCIATES
Chartered Accountants
Firm registration no. 110691W

As per our report of even date
Date : 29th May 2018

JANAK P. SHAH

Vice Chairman

CA MRUGEN SHAH
Partner
Membership No. 117412

NIRAV J. SHAH

Managing Director

SHAH FOODS LIMITED**ATTENDANCE SLIP**

Regd. Office : Chhatral, Kalol-Mehsana Highway,
Taluka - Kalol, Gandhinagar- 382729

ANNUAL GENERAL MEETING: SEPTEMBER 22, 2018 AT 11.00 A.M.

DP ID.	
--------	--

Name & Address of the registered shareholder
--

CLIENT ID./ FOLIO NO.	
--------------------------	--

NO. OF SHARES	
------------------	--

I certify that I am a registered shareholder/proxy for the registered shareholder of the Company

I hereby record my presence at the 36th Annual General Meeting of the Company held on Saturday, September 22, 2018 at 11-00am at Registered Office: Chhatral, Kalol-Mehsana Highway, Taluka - Kalol, Gandhinagar-382729

Signature

Note : Please complete this and hand it over at the entrance of the hall.

SHAH FOODS LTD.**SHAH FOODS LIMITED
PROXY FORM**

[Pursuant to section 105(6) of the Companies Act, 2013 and rule 19(3) of the Companies (Management and Administration) Rules, 2014]

CIN : L15419GJ1982PLC005071

Name of the Company : Shah Foods Limited

Registered Office : Chhatral, Kalol-Mehsana Highway, Taluka-Kalol, Gandhinagar-382729

Name of the member(s)	:
Registered Address	:
E-mail Id	:
Folio No. / Client Id	:
DP Id	:

I(we) being member(s) ofshares of the above named Company, hereby appoint:

1. Name

Address

E-mail Id

Signature

or failing him

2. Name

Address

E-mail Id

Signature

or failing him

3. Name

Address

E-mail Id

Signature

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 35th Annual General Meeting/Extraordinary General Meeting of the Company, to be held on the **22nd** day of September, 2018 at 11-00am at Regd. Office : Chhatral, Kalol-Mehsana Highway, Taluka - Kalol, Gandhinagar- 382729 and at any adjournment thereof in respect of such resolutions as are indicated below:

Resolution No. Resolution

Ordinary Business

1. Adoption of the audited Statement of Profit & Loss Account for the year ended 31st March, 2018, the Balance Sheet as at that date and the Reports of the Directors & the Auditors thereon.
2. Re-appointment of Smt. Pushpa Shah (DIN- 07144650), who retires by rotation
3. To declare a dividend on equity shares for the financial year ended 31st March, 2018

Special Business

4. Appointment of Mr. Kunal Rajesh Asarpota (DIN 06779773) as an Independent Director.

Signed thisday of.....2018

Signature of shareholder

Signature of Proxy holder(s)

Affix a
Revenue
Stamp
here

SPEED-POST/COURIER SERVICE

If undelivered please return to

SHAH FOODS LIMITED

Corporate Office :

"SARAYU"

16/1, Kalyan Society,

Withakhali, Ellisbridge,

AHMEDABAD-380 006