

**32<sup>nd</sup> ANNUAL REPORT  
(2018-19)**



**MAHAAN FOODS LIMITED**

## Corporate Information

### Board of Directors

Mr. Sanjeev Goyal, Chairman & Managing Director  
Mrs. Saloni Goyal  
Mrs. Manisha Goyal  
Mrs. Rupali Chawla

### Company Secretary & Compliance Officer

Mr. Shubham Jain

### Chief Financial Officer

Mr. Jitender Singh Bisht

### Statutory Auditors

M/s D M A R K S & Associates  
Chartered Accountants

### Secretarial Auditors

M/s Shakshi & Associates  
Company Secretaries

### Registrar & Transfer Agents

Alankit Assignments Limited  
1 E/ 13, Alankit House, Jhandewalan Extension,  
New Delhi - 110055

### Bankers

Axis Bank  
HDFC Bank  
State Bank of India

### Registered & Corporate Office

M-19, 1st Floor, M-Block Market,  
Greater Kailash - II,  
New Delhi - 110048

### Website

<https://www.mahaanfoods.com>

**NOTICE**

Notice is hereby given that the 32<sup>nd</sup> Annual General Meeting of the shareholders of Mahaan Foods Limited will be held at Hotel Bluestone CC-24, Nehru Enclave, Opp. Modi Tower, Nehru Place, New Delhi-110019 on Saturday, 28<sup>th</sup> September, 2019 at 11:00 A.M. to transact the following business:

**ORDINARY BUSINESS**

1. To consider and adopt the Audited Financial Statement of the company for the year ended March 31, 2019 and the Reports of the Board of Directors and Auditors Report thereon and in this regard, to consider and if thought fit, to pass, with or without modification(s), the following resolution as an Ordinary Resolution:

**"RESOLVED THAT** the audited financial statement of the Company for the financial year ended March 31, 2019, together with the report of the Board of Directors and of the Auditors thereon be and are hereby considered and adopted."

2. To appoint Mrs. Saloni Goyal who retires by rotation as a Director and in this regard, 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 Section 152 and other applicable provisions of the Companies Act, 2013, Mrs. Saloni Goyal (DIN 00400832), who retires by rotation at this meeting, be and is hereby appointed as a Director of the Company, liable to retire by rotation."

3. To appoint M/s D M A R K S & Associates, Chartered Accountants, as the Statutory Auditors of the Company and to fix their remuneration and in this regard, 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 Section 139, 141, 142 and other applicable provisions, if any, of the Companies Act, 2013 and the rules made thereunder, M/s D M A R K S & Associates, Chartered Accountants (Registration no. 006413N) be and is hereby re-appointed as the Statutory Auditors of the Company for a term of one year i.e. from the conclusion of the 32<sup>nd</sup> Annual General Meeting till the conclusion of 33<sup>rd</sup> Annual General Meeting of the Company, at such remuneration as may be fixed by the Board of Directors of the Company on recommendation of the Audit Committee."

**SPECIAL BUSINESS**

4. To appoint Mr. Sanjeev Goyal (DIN: 00221099) as Managing Director of the Company and in this regard, to consider and if thought fit, to pass, with or without modification(s), the following resolution as an Ordinary Resolution

**"RESOLVED THAT** pursuant to the provisions of Sections 196, 197, 198, 203 and other applicable provisions, if any, of the Companies Act, 2013 ("Act"), read with Schedule V to the Act and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, as amended from time to time and Articles of Association of the Company, the approval of the Company be and is hereby accorded for the re-appointment of Mr. Sanjeev Goyal (DIN 00221099) as Managing Director of the Company for a period of 3 (Three) years commencing from August 31, 2019 to August 30, 2022, liable to retire by rotation, upon the terms including remuneration as set-out in the Explanatory Statement pursuant to Section 102 of the Act annexed to the Notice convening this Meeting.

**RESOLVED FURTHER THAT** the Board of Directors of the company be and is hereby authorized to alter, vary and/or revise the terms and conditions of the said appointment and/or remuneration of Mr. Sanjeev Goyal, Managing Director in accordance with the applicable provisions of the Companies Act, 2013 read with Schedule V of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, during his tenure of office as Managing Director, subject to the approval of shareholders, and to settle any question or difficulty in connection therewith or incidental thereto.

**RESOLVED FURTHER THAT** the Board be and is hereby authorized to do all such acts, deeds and things and execute all such documents, instruments and writings as may be required to give effect to the aforesaid resolution."

By order of the Board  
For **Mahaan Foods Limited**  
Sd/-  
**(Shubham Jain)**

Company Secretary & Compliance Officer  
Membership No.: A49541

Place: New Delhi

Date: 06<sup>th</sup> August, 2019

**NOTES:**

1. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE ANNUAL GENERAL MEETING (AGM) IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE ON A POLL INSTEAD OF HIMSELF / HERSELF AND SUCH PROXY NEED NOT BE A MEMBER OF THE COMPANY. THE INSTRUMENT OF PROXY, IN ORDER TO BE EFFECTIVE MUST BE DEPOSITED, DULY COMPLETED AND SIGNED, AT THE COMPANY'S REGISTERED OFFICE NOT LESS THAN FORTY EIGHT (48) HOURS BEFORE THE COMMENCEMENT OF THE MEETING. A PROXY FORM IS ENCLOSED WITH THE NOTICE.**
2. A person can act as a proxy on behalf of members not exceeding fifty (50) and holding in the aggregate not more ten percent of the total share capital of the company carrying voting rights. A member holding more than ten percent of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person or shareholder.
3. An Explanatory Statement setting out the material facts pursuant to Section 102 of the Companies Act, 2013 ("the Act"), concerning the Special Business in the Notice is annexed hereto. The relevant details, pursuant to Regulations 36(3) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations") and Secretarial Standard

on General Meetings issued by the Institute of Company Secretaries of India, in respect of Directors seeking appointment/re-appointment at this Annual General Meeting ("AGM") are also annexed.

4. Corporate Member(s) intending to send their authorized representative(s) to attend the meeting are requested to send a duly certified copy of the Board Resolution authorizing their representative(s) to attend and vote on their behalf at the meeting.
5. Member(s)/Proxies/Authorized Representatives are requested to bring the enclosed attendance slip duly filled in and signed for attending the meeting. Member(s) who hold equity shares in electronic mode are requested to write the Client ID and DP ID number and those who hold equity shares in physical mode are requested to write their folio number in the attendance slip.
6. As per Regulation 40 of SEBI Listing Regulations, as amended, securities of listed companies can be transferred only in dematerialized form with effect from April 1, 2019, except in case of request received for transmission or transposition of securities. In view of this and to eliminate all risks associated with physical shares and for ease of portfolio management, members holding shares in physical form are requested to consider converting their holdings to dematerialized form. Members can contact the Company or Company's Registrars and Transfer Agents, Alankit Assignments Limited for assistance in this regard
7. Pursuant to Section 72 of the Act, member(s) of the Company may nominate a person in whom the shares held by him/them shall vest in the event of his/ their unfortunate death. Member(s) holding shares in physical form may file nomination in the prescribed Form SH-13 with the Company's Registrar and Transfer Agent (RTA). In respect of shares held in dematerialized form, the nomination form may be filed with the respective Depository Participant.
8. In case of joint holders attending the meeting, only such joint holder whose name is mentioned in the first place in the order of names will be entitled to vote.
9. The business set out in the Notice will be transacted through electronic voting system and the Company is providing facility for voting by electronic means. Instructions and other information relating to e-voting are given below in this Notice. The Company will also send communication relating to remote e-voting which inter alia would contain details about User ID and password along with a copy of this Notice to the members, separately.
10. The Register of Directors and Key Managerial Personnel and their shareholding, maintained under Section 170 of the Companies Act, 2013 and the Register of Contracts and arrangements in which directors are interested maintained under section 189 of the Companies Act, 2013 will be available for inspection by the members at the AGM.
11. The Register of Members and Share Transfer Books of the Company will remain closed from Saturday, 21<sup>st</sup> September, 2019 to Saturday, 28<sup>th</sup> September, 2019 (both days inclusive) for the purpose of AGM.
12. Members are requested to intimate changes, if any, pertaining to their name, postal address, email address, telephone/mobile numbers, Permanent Account Number (PAN), mandates, nominations, power of attorney, bank details such as, name of the bank and branch details, bank account number, MICR code, IFSC code, etc., to their DPs in case the shares are held in electronic form and to Registrar and Transfer Agent of the Company in case the shares are held in physical form.
13. Members desirous of seeking any information or clarification relating to Accounts are requested to send written queries to the Company at least 7 days before the date of the meeting to enable the management to keep the required information available at the Meeting.
14. Notice of the AGM along with the Annual Report 2018-19 is being sent by electronic mode to all members whose email addresses are registered with the Company / Depository Participant(s), unless any Member has requested for a physical copy of the same.  
Members are requested to update their preferred e-mail Ids with the Company / DPs, which will be used for the purpose of future communications.  
Member(s) whose e-mail Id is not registered with the Company are being sent physical copies of the Notice, Annual Report for the FY 2018-19, notice of e-voting etc. at their registered address through permitted mode.  
Member(s) whose e-mail Id is registered with the Company and who wish to receive printed copy of the Annual Report may send their request to the Company at its registered office address or to the RTA, Alankit Assignments Limited Limited, at 1 E/ 13, Alankit House, Jhandewalan Extension, New Delhi - 110055.
15. Members may also note that the Notice of the 32<sup>nd</sup> AGM and the Annual Report for FY 2018-19 will also be available on the Company's website, <https://www.mahaanfoods.com> and on the website of NSDL [www.evoting.nsdl.com](http://www.evoting.nsdl.com).
16. The Securities and Exchange Board of India (SEBI) has mandated the submission of the Permanent Account Number (PAN) by every participant in the securities market. Members holding shares in electronic form are, therefore, requested to submit their PAN to their Depository Participant(s). Members holding shares in physical form shall submit their PAN details to the Company/RTA.
17. M/s D M A R K S & Associates (Formerly known as M/s. D.D. Nagpal & Co), Chartered Accountants, the statutory auditors of the Company, hold office till the conclusion of the 32<sup>nd</sup> Annual General Meeting of the Company. The Board has recommended the re-appointment of M/s D M A R K S & Associates as the statutory auditors of the Company, for a term of one year, from the conclusion of the 32<sup>nd</sup> Annual General Meeting of the Company till the conclusion of the 33<sup>rd</sup> Annual General Meeting to be held in the year 2020, for approval of shareholders of the Company.
18. All relevant documents referred to in the Notice of the Meeting shall be open for inspection at the Registered Office during normal business hours (11.00 am to 1.00 pm) on all working days, upto the date of the meeting.
19. For the security and safety of the members, no article / baggage including water bottles and Tiffin boxes will be allowed at the venue of the meeting. The shareholders/ attendees are requested not to bring any article / baggage etc. at the venue of the Annual General Meeting.
20. The route map showing directions to reach the venue of the meeting is annexed.
21. No gift(s)/gift coupons will be distributed at the venue of 32<sup>nd</sup> Annual General Meeting of your company.

**22. Voting through Electronic Means**

- i. In compliance with provisions of Section 108 of the Companies Act, 2013, Rule 20 of the Companies (Management and Administration) Rules, 2014 as amended by the Companies (Management and Administration) Amendment Rules, 2015 and Regulation 44 of SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015, the Company is pleased to provide members facility to exercise their right to vote on resolutions proposed to be considered at the Annual General Meeting (AGM) by electronic means and the business may be transacted through e-Voting Services. The facility of casting the votes by the members using an electronic voting system from a place other than venue of the AGM (“remote e-voting”) will be provided by National Securities Depository Limited (NSDL).
- ii. The Board of Directors has appointed Mr. Deepak Bansal (Membership No. FCS 3736 and CP No. 7433), Proprietor, M/s Deepak Bansal & Associates, Company Secretaries as the Scrutinizer for providing facility to the members of the Company to scrutinize the voting at the AGM and remote e-voting process in a fair and transparent manner.
- iii. The facility for voting through ballot paper shall be made available at the AGM and the members attending the meeting who have not cast their vote by remote e-voting shall be able to exercise their right at the meeting through ballot paper
- iv. The members who have cast their vote by remote e-voting prior to the AGM may also attend the AGM but shall not be entitled to cast their vote again
- v. The remote e-voting period commences on Wednesday, 25th September 2019 (9:00 am) and ends on Friday, 27<sup>th</sup> September, 2019 (5:00 pm). During this period, members of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date i.e. 19<sup>th</sup> September, 2019, may cast their vote by remote e-voting. The remote e-voting module shall be disabled by NSDL for voting thereafter. Once the vote on a resolution is cast by the Members, the Member shall not be allowed to change it subsequently.
- vi. The details of the process and manner for remote e-voting are explained herein below:

Step 1: Log-in to NSDL e-voting system at <https://www.evoting.nsdl.com>

Step 2: Cast your vote electronically on NSDL e-voting system.

**Details on Step 1 are mentioned below:**

How to Log-in to NSDL e-voting website?

1. Visit the e-voting website of NSDL. Open web browser by typing the following URL: <https://www.evoting.nsdl.com> either on a Personal Computer or on a mobile.
2. Once the home page of e-voting system is launched, click on the icon “Login” which is available under ‘Shareholders’ section.
3. A new screen will open. You will have to enter your User ID, your Password and a Verification Code as shown on the screen. Alternatively, if you are registered for NSDL eservices i.e. IDEAS, you can log-in at <https://eservices.nsdl.com/> with your existing IDEAS login. Once you log-in to NSDL eservices after using your log-in credentials, click on e-voting and you can proceed to Step 2 i.e. cast your vote electronically.
4. Your User ID details are given below :

<b>Manner of holding shares i.e. Demat (NSDL or CDSL) or Physical</b>	<b>Your User ID is:</b>
a) For Members who hold shares in demat account with NSDL.	8 Character DP ID followed by 8 Digit Client ID For example if your DP ID is IN300*** and Client ID is 12***** then your user ID is IN300***12*****.
b) For Members who hold shares in demat account with CDSL.	16 Digit Beneficiary ID For example if your Beneficiary ID is 12***** then your user ID is 12*****
c) For Members holding shares in Physical Form.	EVEN Number followed by Folio Number registered with the company For example if folio number is 001*** and EVEN is 101456 then user ID is 101456001***

5. Your password details are given below:
  - a) If you are already registered for e-voting, then you can use your existing password to login and cast your vote.
  - b) If you are using NSDL e-voting system for the first time, you will need to retrieve the 'initial password' which was communicated to you by NSDL. Once you retrieve your 'initial password', you need to enter the 'initial password' and the system will force you to change your password.
  - c) How to retrieve your 'initial password'?
    - i. If your email ID is registered in your demat account or with the Company, your 'initial password' is communicated to you on your email ID. Trace the email sent to you from NSDL in your mailbox. Open the email and open the attachment i.e. a .pdf file. Open the .pdf file. The password to open the .pdf file is your 8 digit client ID for NSDL account, last 8 digits of client ID for CDSL account or folio number for shares held in physical form. The .pdf file contains your 'User ID' and your 'initial password'.
    - ii. If your email ID is not registered, your 'initial password' would have been communicated to you on your postal address.

6. If you are unable to retrieve or have not received the "initial password" or have forgotten your password:
  - a) Click on "Forgot User Details/Password?" (If you are holding shares in your demat account with NSDL or CDSL) option available on <https://www.evoting.nsdl.com>.
  - b) "Physical User Reset Password?" (If you are holding shares in physical mode) option available on <https://www.evoting.nsdl.com>.  
If you are still unable to get the password by aforesaid two options, you can send a request at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) mentioning your demat account number/folio number, your PAN, your name and your registered address.
7. After entering your password, click on Agree to "Terms and Conditions" by selecting on the check box.
8. Now, you will have to click on "Login" button.
9. After you click on the "Login" button, Home page of e-voting will open.

**Details on Step 2 are mentioned below:**

How to cast your vote electronically on NSDL e-voting system?

1. After successful login at Step 1, you will be able to see the Home page of e-voting. Click on e-voting. Then, click on Active Voting Cycles.
2. After click on Active Voting Cycles, you will be able to see all the companies "EVEN" in which you are holding shares and whose voting cycle is in active status.
3. Select "EVEN" of "Mahaan Foods Limited"
4. Now you are ready for e-voting as the Voting page opens
5. Cast your vote by selecting appropriate options i.e. assent or dissent, verify/modify the number of shares for which you wish to cast your vote and click on "Submit" and also "Confirm" when prompted.
6. Upon confirmation, the message "Vote cast successfully" will be displayed.
7. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.
8. Once you confirm your vote on the resolution, you will not be allowed to modify your vote.

**General Guidelines for shareholders**

1. Institutional shareholders (i.e. other than individuals, HUF, NRI, etc.) are required to send a scanned copy (PDF/JPG Format) of the relevant Board Resolution/Authority letter etc., with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer by email to [deepakbansal.fcs@gmail.com](mailto:deepakbansal.fcs@gmail.com) with a copy marked to [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in)
2. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the "Forgot User Details/Password" or "Physical User Reset Password" option available on <https://www.evoting.nsdl.com> to reset the password.
3. In case of any queries, you may refer to the FAQs for Shareholders and e-voting user manual for Shareholders available at the download section of <https://www.evoting.nsdl.com> or call on toll free no.: 1800-222-990 or send a request at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in)

**Other Instructions**

- i. The voting rights of Members shall be in proportion to their shares in the paid-up equity share capital of the Company as on the cut-off date. A person, whose name is recorded in the register of members or in the register of beneficial owners maintained by the depositories as on the cut-off date only shall be entitled to avail the facility of voting, either through remote e-voting or voting at the AGM through electronic voting system or poll paper.
- ii. Any person, who acquires shares of the Company and becomes a Member of the Company after dispatch of the Notice and holding shares as of the cut-off date, may obtain the login ID and password by sending a request at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in). However, if he/she is already registered with NSDL for remote e-voting then he/she can use his/ her existing User ID and password for casting the vote.
- iii. The Scrutinizer shall, immediately after the conclusion of voting at the AGM, first count the votes cast at the Meeting, thereafter unblock the votes cast through remote e-voting in the presence of at least two witnesses not in the employment of the Company and make, not later than 48 hours of conclusion of the AGM, a consolidated Scrutinizer's Report of the total votes cast in favour or against, if any, to the Chairman or a person authorised by him in writing, who shall countersign the same.
- iv. The Results declared along with the report of the Scrutinizer shall be placed on the Company's website: <https://www.mahaanfoods.com> and on the website of NSDL <https://www.evoting.nsdl.com> immediately. The Company shall simultaneously forward the results to BSE Limited, where the shares of the Company are listed. The results shall also be displayed on the notice board at the Registered Office of the Company.

**STATEMENT PURSUANT TO SECTION 102(1) OF THE COMPANIES ACT, 2013**

The following Statement sets out all material facts relating to the Special Business mentioned in the Notice:

**Item No. 4**

In terms of the provisions of Sections 196, 197, 198, Schedule V and other applicable provisions of the Companies Act, 2013 and the rules made thereunder and Articles of Association of the Company, appointment of the Managing Director requires approval of the shareholders.

Mr. Sanjeev Goyal was appointed as Managing Director of the company for a period of 3 years with effect from 31<sup>st</sup> August, 2016 at the Annual General Meeting held on 30<sup>th</sup> September, 2016.

Upon recommendation of the Nomination and Remuneration Committee, the Board of Directors of the Company at their meeting held on August 06, 2019 has recommended the re-appointment of Mr. Sanjeev Goyal for a further tenure of 3 years i.e. from August 31, 2019 to August 30, 2022 with no remuneration for the time being, subject to the approval of the shareholders. Mr Sanjeev Goyal has provided his consent to be re-appointed as Managing Director at Nil remuneration.

However on recommendation of the Nomination and Remuneration Committee and approval of the Board of Directors and shareholders of the company, he may be paid such remuneration as may be admissible under applicable provisions of the Companies Act, 2013 and SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015, subject to the approval of shareholders, during his tenure as Managing Director of the company.

Mr. Sanjeev Goyal aged about 58 years is Bachelor in Engineering and has 34 years of vast experience in the field of dairy industry. Mr. Sanjeev Goyal satisfies all the conditions set out in Part-I of Schedule V to the Act as also conditions set out under sub-section (3) of Section 196 of the Act for being eligible for his re-appointment. Mr. Sanjeev Goyal is not disqualified from being appointed as a director in terms of Section 164 of the Act and he is not debarred or disqualified from being appointed or continuing as Director of the companies by the SEBI, Ministry of Corporate Affairs or any other Statutory Authority. Mr. Sanjeev Goyal is liable to retire by rotation in accordance with the provisions of the Articles of Association.

Details of Mr. Sanjeev Goyal are annexed to the Notice pursuant to the provisions of (i) the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") and (ii) Secretarial Standard on General Meetings ("SS-2"), issued by the Institute of Company Secretaries of India

The Board of Directors is of the opinion that it will be in the best interest of the Company that Mr. Sanjeev Goyal continues as the Managing Director of the Company and accordingly recommends the passing of resolution under item no. 4 for approval of the shareholders as an Ordinary Resolution.

The above may be treated as a written memorandum setting out the terms of re-appointment of Mr Sanjeev Goyal under Section 190 of the Act and also appropriate disclosure under Listing Regulations.

None of the Directors, Key Managerial Personnel and their relatives, except Mrs. Saloni Goyal, Mr. Sanjeev Goyal and their relatives is interested or concerned financially or otherwise in the Resolution.

By order of the Board  
For **Mahaan Foods Limited**

Sd/-

**(Shubham Jain)**

Company Secretary & Compliance Officer

Membership No.: A49541

**Place:** New Delhi

**Date:** 06<sup>th</sup> August, 2019

Information of Directors to be re-appointed at the forthcoming Annual General Meeting pursuant to Regulation 36(3) of the SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015 and in accordance with provisions of Companies Act, 2013, read with the Secretarial Standard 2.

Name of the Director	Mrs. Saloni Goyal	Mr. Sanjeev Goyal
Directors Identification Number (DIN)	00400832	00221099
Date of Birth (Age in years)	04th December, 1965 (53 years)	17th May, 1961 (58 years)
Original date of appointment	27th September, 2014	05th March, 2009
Qualifications	PG in International Trade	Bachelor in Engineering
Experience and expertise in specific functional area	Mrs. Saloni Goyal is having corporate experience of around 18 years	Mr. Sanjeev Goyal has vast experience of about 34 years in the dairy industry
Shareholding in the Company	516715 (14.76%) Equity Shares of Rs. 10/- each	860759 (24.58%) Equity Shares of Rs. 10/- each
Remuneration last drawn from the Company	NIL	NIL
No. of Board meetings attended during the year 2018-19	8 (Eight)	8 (Eight)
Terms and conditions of re-appointment and remuneration	In terms of Section 152(6) of the Companies Act, 2013, Mrs Saloni Goyal is liable to retire by rotation.	As per the resolution at Item No. 4 of the Notice convening this Meeting read with explanatory statement thereto, Mr Sanjeev Goyal is proposed to be re-appointed as Managing Director.
Relationship with other Directors or KMPs	Spouse of Mr. Sanjeev Goyal, Director and not related to any other Director / Key Managerial Personnel	Spouse of Mrs. Saloni Goyal, Director and not related to any other Director / Key Managerial Personnel
Directorships held in other companies	1. Everbright Estates Private Limited	1. Mahaan Milk Foods Limited
Membership / Chairmanship of committees of other Companies	NIL	<ul style="list-style-type: none"> <li>o Mahaan Milk Foods Limited - Audit Committee (Member)</li> <li>o Mahaan Milk Foods Limited - Nomination and Remuneration Committee (Member)</li> <li>o Mahaan Milk Foods Limited - CSR Committee (Chairman)</li> </ul>

By order of the Board  
For **Mahaan Foods Limited**

Sd/-

**(Shubham Jain)**

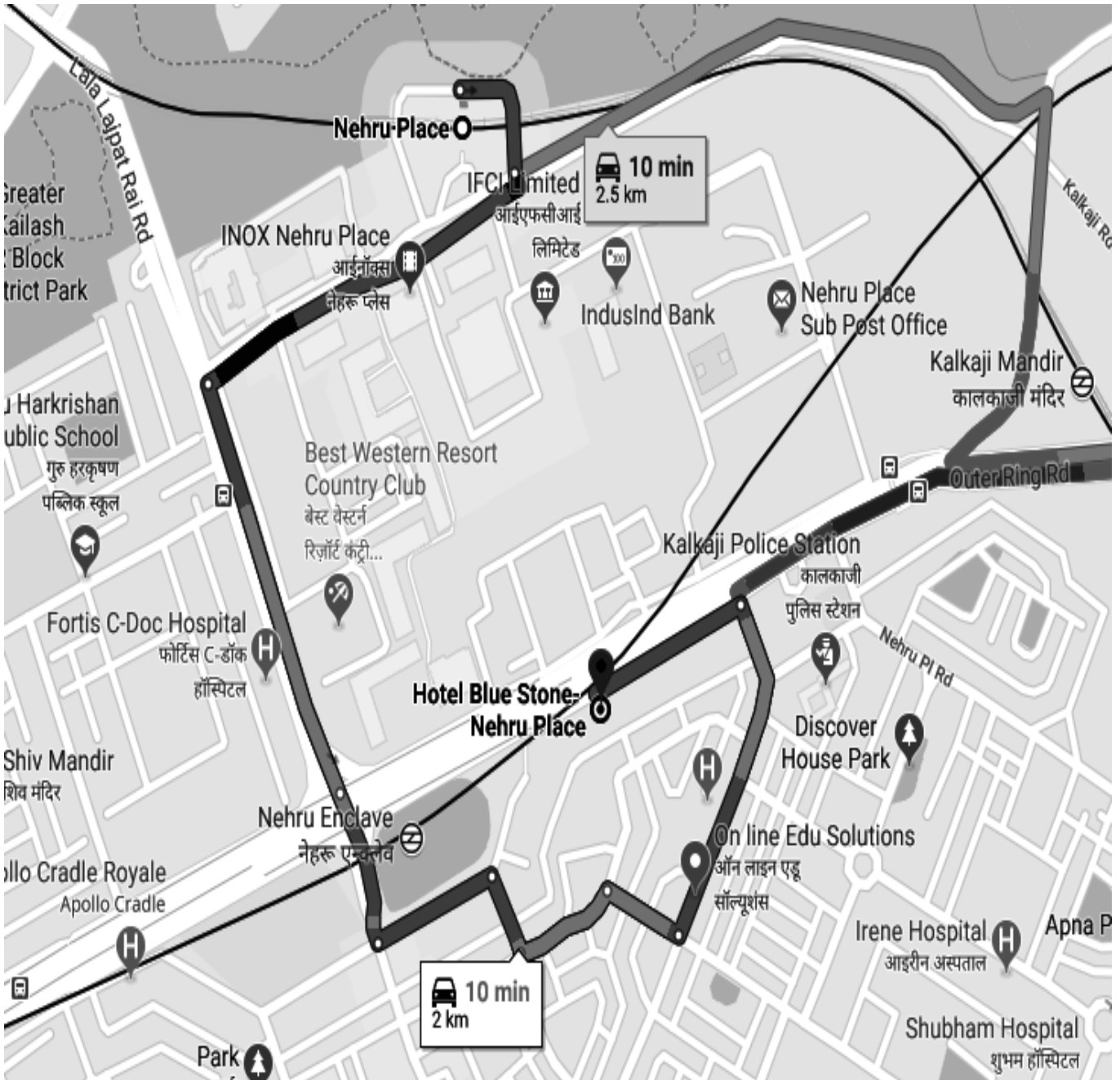
Company Secretary & Compliance Officer  
Membership No.: A49541

**Place:** New Delhi

**Date:** 06<sup>th</sup> August, 2019



Route Map to the venue of the 32nd AGM of Mahaan Foods Limited



Venue Address: Hotel Bluestone CC-24, Nehru Enclave,  
Opp. Modi Tower, Nehru Place, New Delhi-110019

## DIRECTORS' REPORT

To the Members,

Your Directors have pleasure in presenting the Annual Report of Mahaan Foods Limited along with audited financial statements for the financial year ended March 31, 2019.

### 1. FINANCIAL HIGHLIGHTS

During the year under review, financial performance of your Company was as under:

(₹ in lakh)

Particulars	2018-2019	2017-18
Revenue & Other income	135.01	120.53
Profit Before Interest and Depreciation & Taxes	52.37	27.28
Profit/(Loss) before exceptional item & taxes	42.47	14.63
Exceptional item	286.24	145.98
Profit/(Loss) before Tax	328.72	160.61
Taxation	9.27	15.46
Other Comprehensive Income	0	0.15
Profit/(Loss) after taxes	319.45	145.30

The Company achieved gross turnover including other income of Rs. 135.01 Lakh and posted net profit of Rs 319.45 Lakh for the financial year ended on 31st March, 2019 as against gross turnover including other income of Rs. 120.53 Lakh and net profit of Rs. 145.30 Lakh in the previous financial year.

### 2. STATE OF COMPANY'S AFFAIRS AND FUTURE OUTLOOK

During the year, the promoters of your Company executed the Mediation agreement on 22nd November, 2018 between the promoters of the Company under the aegis of Hon'ble High Court, Delhi. The Hon'ble High Court, Delhi has taken the same on record vide its order dated 06th December, 2018.

Your Company is constantly exploring various business opportunities available in the Dairy Industry.

### 3. CHANGE IN NATURE OF BUSINESS

There was no change in the nature of business of your Company during the year.

### 4. DIVIDEND

Your Directors do not recommend any dividend for the financial year ended 31st March, 2019.

### 5. TRANSFER TO RESERVES

During the year, the Company has transferred Rs. 3,19,44,874 to reserves.

### 6. CHANGES IN SHARE CAPITAL

There has been no change in the Authorised and Paid up share capital of the Company during the year. Your Company has neither issued any equity shares with differential rights nor granted any employees stock options/ sweat equity shares to the Directors, Officers or employees of the Company during the year.

### 7. DEPOSITS FROM PUBLIC

During the year, your Company has not accepted any deposits within the meaning of Sections 73 and 74 of the Companies Act, 2013 read with the Companies (Acceptance of Deposits) Rules, 2014.

### 8. EXTRACT OF ANNUAL RETURN

As provided under Section 92 of the Act and rules framed thereunder, the extract of annual return in Form MGT-9 is given in "ANNEXURE-A" which forms part of this report. In compliance with section 134(3)(a) of the Act, Form MGT 9 is uploaded on Companies website and can be accessed at <http://www.mahaanfoods.com>.

### 9. NUMBER OF BOARD MEETINGS & ATTENDANCE OF DIRECTORS

During the financial year, 8 (Eight) Board Meetings were held and the gap between two meetings did not exceed 120 days. The Board Meetings were held on 04th May, 2018, 29th May, 2018, 15th June, 2018, 14th August, 2018, 11th October, 2018, 14th November, 2018, 11th February, 2019 and 25th March, 2019 respectively.

The details of composition of the Board, the attendance record of the Directors at the Board Meetings held during the financial year and at the last Annual General Meeting (AGM), along with the details of their other Directorships, Committee Memberships and Chairmanships are given below:

Category	Name of the Director	No. of Board Meetings attended	Attendance at last AGM	No. of Directorship in other Public Limited Companies	No. of Chairmanship / Memberships of Committees in other Public Limited Companies
Executive Director	Mr. Sanjeev Goyal	8	Yes	1	3
Non-Executive Non-Independent Director	Mrs. Saloni Goyal	8	Yes	-	-
Non-Executive Independent Directors	Mr. Achal Kumar Khaneja <sup>1</sup>	2	No	-	-
	Mr. Deepak Bansal <sup>2</sup>	4	No	1	4
	Mrs. Manisha Goyal <sup>3</sup>	4	No	-	-
	Mrs. Rupali Chawla <sup>4</sup>	4	No	-	-

1 Mr. Achal Kumar Khaneja relinquished the position of Independent Director w.e.f 12th June, 2018

2 Mr. Deepak Bansal relinquished the position of Independent Director w.e.f. 14th August, 2018

3 Mrs. Manisha Goyal was appointed as an Additional and Independent Director on 04th May, 2018

4 Mrs. Rupali Chawla who was appointed as an Additional and Independent Director on 14th August, 2018

Number of Equity Shares held by Directors as on 31st March, 2018 are as under: -

Name of Director	Designation	No. of Equity Shares
Mr. Sanjeev Goyal	Chairman & Managing Director	860,759
Mrs. Saloni Goyal	Non-Executive Director	516,715
Mrs. Manisha Goyal	Independent Director	-
Mrs. Rupali Chawla	Independent Director	-

## 10. PARTICULARS OF LOANS, GUARANTEES AND INVESTMENTS

The Company has not made any investment covered under Section 186 of the Companies Act, 2013 and also not extended any loan, guarantee or provided any security during the financial year ended March 31, 2019.

## 11. PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES

All related party transactions done by the Company during the financial year were at arm's length and in ordinary course of business. All related party transactions were placed in the meetings of Audit Committee and the Board of Directors for their necessary review and approval. During the financial year your Company has not entered into any material transaction as mentioned in the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 with any of its related parties which may have potential conflict with the interest of the Company at large. The details of the related party transactions have been made in note no. 31 to the Financial Statements.

The policy on Related Party Transactions as approved by Board of Directors is uploaded on the Company's website <http://www.mahaanfoods.com>.

## 12. AUDITORS'

### A. STATUTORY AUDITORS'

M/s D M A R K S & Associates (Formerly known as M/s. D.D. Nagpal & Co), Chartered Accountants, the statutory auditors of the Company, hold office till the conclusion of the upcoming 32<sup>nd</sup> Annual General Meeting of the Company. Based on the recommendation of the Audit Committee, the Board has recommended the re-appointment of M/s D M A R K S & Associates (Formerly known as M/s. D.D. Nagpal & Co), Chartered Accountants as the statutory auditors of the Company, for a term of one year, from the conclusion of the 32<sup>nd</sup> Annual General Meeting of the Company till the conclusion of the 33<sup>rd</sup> Annual General Meeting to be held in the year 2020, for approval of shareholders of the Company.

There is no audit qualification, reservation or adverse remark in the Auditors' Report on the financial statements of the Company for the year under review.

### B. SECRETARIAL AUDITORS'

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, M/s Shakshi & Associates, Company Secretaries (C.P.No. 12649) had been appointed as Secretarial Auditors to undertake the Secretarial Audit of the Company for the Financial Year 2018-19. The Secretarial Audit Report for the financial year ended on 31<sup>st</sup> March, 2019 is annexed herewith as "ANNEXURE-B".

There is no audit qualification, reservation or adverse remark in the Secretarial Auditors' Report of the Company for the year under review.

**C. INTERNAL AUDITORS:**

M/s Naresh Kumar & Co., Chartered Accountants, (FRN 005987N), New Delhi are the Internal Auditors of the company.

**D. COST AUDITORS:**

In terms of provision of Section 148(1) of the Companies Act, 2013 read with rule 4 of the Companies (Cost Records and Audit) Rules, 2014, the Company was not required to maintain cost records for the financial year 2018-19.

**13. MATERIAL CHANGES AFFECTING THE FINANCIAL POSITION OF THE COMPANY**

There were no material change that has taken place during the period between the end of the financial year of the company to which the financial statements relate and the date of the Directors' Report.

**14. CONSERVATION OF ENERGY, TECHNOLOGY, ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO**
**A. CONSERVATION OF ENERGY**

- i) Steps taken or impact on conservation of energy.
- ii) The steps taken by the company for utilizing alternate sources of energy.

Your Company has taken adequate measures to ensure optimum use of all equipment's so as to conserve energy.

- iii) Capital Investment on energy conservation equipments: Nil

**B. TECHNOLOGY ABSORPTION**

The company strives continuously to upgrade its technology in all its operations.

**C. FOREIGN EXCHANGE EARNINGS AND OUTGO**

- i. Foreign Exchange Earning: Nil
- ii. Outgo: Purchase finished goods of Rs. 76,27,480

**15. DETAILS OF SUBSIDIARY, JOINT VENTURE OR ASSOCIATES**

The Company does not have any subsidiary or joint venture or associate company.

**16. RISK MANAGEMENT**

The Audit Committee has additional oversight in the area of financial risks and controls. Major risks identified by the business and functions are systematically addressed through mitigating actions on a continuing basis. The policy is available on the Company Website at: <http://www.mahaanfoods.com>.

**17. DIRECTORS & KEY MANAGERIAL PERSONNEL (KMP)**

Mr. Sanjeev Goyal, Chairman cum Managing Director, Mr. Jitender Bisht, Chief Financial Officer and Mr. Shubham Jain, Company Secretary are the Key Managerial Personnel of your Company as on March 31, 2019 under the provisions of Section 2(51) and Section 203 of the Companies Act, 2013 read with Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

In accordance with the provisions of Section 152 of the Companies Act, 2013 and the Company's Articles of Association, Mrs. Saloni Goyal, Director, retires by rotation at the forthcoming Annual General Meeting and, being eligible offers herself for re-appointment. The Board recommends her re-appointment for consideration of the shareholders of the Company at the ensuing Annual General Meeting.

On recommendation of the Nomination & Remuneration Committee, Mrs. Manisha Goyal (DIN-00724073) and Mrs. Rupali Chawla (DIN-06895504) were appointed Additional and Independent Directors at the meetings of the Board of Directors of the company held on 4<sup>th</sup> May, 2018, and 14<sup>th</sup> August, 2018 respectively and were appointed as the Independent Directors of the company by the shareholders of the company in the 31<sup>st</sup> Annual General Meeting held on 28<sup>th</sup> September 2018.

Mr. Achal Kumar Khaneja (DIN-02282489) and Mr. Deepak Bansal (DIN: 00060726) relinquished the position of Independent Directors with effect from 12<sup>th</sup> June, 2018 and 14<sup>th</sup> August, 2018 respectively. The Board places on record its deep appreciation for the valuable contribution made by them to the affairs of the company during their tenure as Independent Directors of the Company.

During the year, Mr. Vijay Kumar Gupta relinquished the position of Company Secretary cum Compliance Officer w.e.f 10<sup>th</sup> October, 2018 and Mr. Shubham Jain was appointed as the Company Secretary cum Compliance Officer of the Company w.e.f 11<sup>th</sup> October, 2018.

All the Independent Directors have submitted a declaration that each of them meets the criteria of Independence as provided in section 149(6) of the Companies Act, 2013 and Regulation 16(1)(b) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and there has been no change in the circumstances which may affect their status as Independent Directors during the year.

**18. DETAILS OF SIGNIFICANT & MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS OR TRIBUNAL**

The Hon'ble High Court of Delhi has taken on record vide its order dated December 06, 2018, the Mediation agreement executed on 22<sup>nd</sup> November, 2018 between the promoters of the Company as per the Memorandum of Family Settlement dated 31<sup>st</sup> August, 2010.

The Regional Director, Northern Region, Ministry of Corporate Affairs has issued an order dated 27<sup>th</sup> March, 2019 for alteration of situation clause of Memorandum of Association of the Company thereby allowing the Company to shift its registered office from the State of Himachal Pradesh to NCT of Delhi.

**19. INTERNAL FINANCIAL CONTROLS**

Your Company has a proper and adequate system of internal financial controls. This ensures that all assets are safeguarded and protected against loss from unauthorised use or disposition and the transactions are authorised, recorded and reported correctly. The internal financial control system has been designed to ensure that the financial and other records are reliable for preparing financial and other statements and for maintaining accountability of assets.

The Audit Committee periodically reviews the performance of internal audit function and discusses internal audit reports with the Internal Auditor.

## 20. FRAUD REPORTING

Neither the Statutory Auditors nor the Secretarial Auditors have brought to the notice of the Audit Committee or the Board of Directors or the Central Government the occurrence or brewing of any fraud in the Company.

## 21. CODE OF CONDUCT FOR REGULATING & REPORTING TRADING BY INSIDERS AND FOR FAIR DISCLOSURE, 2015

Your Company has adopted the "Code of Conduct for Regulating & Reporting Trading by Insiders and for Fair Disclosure, 2015" which, inter alia, prohibits purchase or sale of securities of the Company by Directors, employees and other connected persons while in possession of unpublished price sensitive information in relation to the Company.

## 22. CRITERIA FOR DETERMINING QUALIFICATIONS, POSITIVE ATTRIBUTES AND INDEPENDENCE OF A DIRECTOR

In terms of the provisions of Section 178(3) of the Act, and Regulation 19 of the Listing Regulations, the Nomination and Remuneration Committee ("NRC") has formulated the criteria for determining qualifications, positive attributes and independence of Directors, the key features of which are as follows:

- Qualifications - The Board nomination process encourages diversity of thought, experience, knowledge, age and gender. A person who holds any graduate or post graduate degree fulfills the criteria for becoming a Director.
- Positive Attributes - Apart from the duties of Directors as prescribed in the Act the Directors are expected to demonstrate high standards of ethical behavior, communication skills and independent judgment. The Directors are also expected to abide by the respective Code of Conduct as applicable to them.
- Independence - A Director will be considered independent if he / she meets the criteria laid down in Section 149(6) of the Act, the Rules framed thereunder and Regulation 16(1)(b) of the Listing Regulations

## 23. REMUNERATION POLICY

Pursuant to the provisions of Section 178(3) of the Act, and Regulation 19 of the Listing Regulations, the NRC has formulated a policy relating to the remuneration for the Directors, Key Managerial Personnel (KMP), Senior Management and other employees. The philosophy for remuneration is based on the commitment of fostering a culture of leadership with trust. While formulating this policy, the NRC has considered the factors laid down in Section 178(4) of the Act.

The policy as approved may be accessed on the Company's website at the link: <http://www.mahaanfoods.com>.

## 24. DISCLOSURE OF RATIO OF REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL ETC.

The company did not pay any remuneration to the Managing Director and other directors of the company.

As required under Section 197(12) read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the details of the ratio of the remuneration of each director to the median employee's remuneration and such other details as prescribed therein are given in "ANNEXURE-C" which is attached hereto and forms a part of the Directors' Report.

## 25. PARTICULARS OF EMPLOYEES

There is no information to provide under rules 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 as there was no employee on the payroll of the company receiving remuneration in the excess of the limit prescribed under the said rules.

## 26. COMMITTEES OF THE BOARD

The Board of Directors has the following Committees:

### ❖ AUDIT COMMITTEE

The Audit Committee formed in pursuance to Section 177 of the Companies Act, 2013 and in accordance with Regulation 18 of the Listing Regulations is instrumental in reviewing the procedures of financial reporting besides reviewing the quarterly, half yearly, annual financial results of the Company, internal control systems, auditing and accounting matters including recommending for appointment of independent auditors and compliance with legal and statutory requirements and integrity of the Company's financial statements.

During the year, 4 (Four) meetings of the Committee were held on 29<sup>th</sup> May, 2018, 14<sup>th</sup> August, 2018, 14<sup>th</sup> November, 2018, and 11<sup>th</sup> February, 2019 respectively. The composition and attendance of the Committee was as under:

Name of Director	Position held in the Committee	No. of Committee Meetings attended
Mrs. Manisha Goyal <sup>1</sup>	Chairperson	3
Mr. Sanjeev Goyal	Member	4
Mrs. Rupali Chawla <sup>2</sup>	Member	2

1 Mrs. Manisha Goyal who was appointed as an Additional and Independent Director on 04th May, 2018 was included as Member of the Committee on 15th June, 2018 and thereafter designated as Chairperson of the Committee on 14th August, 2018

2 Mrs. Rupali Chawla who was appointed as an Additional and Independent Director on 14th August, 2018 was included as Member of the Committee on 14th August, 2018.

The Company Secretary acted as the Secretary to the Committee and the Statutory and Internal Auditors attended the meetings on invitation.

**❖ NOMINATION AND REMUNERATION COMMITTEE**

The Nomination and Remuneration Committee (NRC) is constituted pursuant to Section 178 of the Companies Act, 2013, and Regulation 19 of Listing Regulations.

In accordance with the Remuneration policy of the company, the Nomination and Remuneration Committee recommend the appointment/re-appointment of Directors including Independent Directors and senior management & employees of the Company, based on their qualifications, professional experience, positive attributes, viewpoints, skills and area of expertise.

During the year three (3) meetings of the Nomination & Remuneration Committee was held on 04th May, 2018, 14th August, 2018 and 11th October, 2018 respectively.

The composition and attendance of the Committee was as under:

<b>Name of Director</b>	<b>Position held in the Committee</b>	<b>No. of Committee Meetings attended</b>
Mrs. Manisha Goyal <sup>1</sup>	Chairperson	2
Mr. Sanjeev Goyal	Member	3
Mrs. Rupali Chawla <sup>2</sup>	Member	1

1 Mrs. Manisha Goyal who was appointed as an Additional and Independent Director on 04th May, 2018 was included as Member of the Committee on 15th June, 2018 and thereafter designated as Chairperson of the Committee on 14th August, 2018

2 Mrs. Rupali Chawla who was appointed as an Additional and Independent Director on 14th August, 2018 was included as Member of the Committee on 14th August, 2018.

The Company Secretary acted as the Secretary to the Committee.

The Company has not given any Stock Option to any Director.

The Company did not pay any remuneration to the Managing Director and only sitting fees were paid to Non-Executive Directors of the Company.

**❖ STAKEHOLDERS' RELATIONSHIP COMMITTEE**

The Stakeholders Relationship Committee is constituted under Section 178 of the Companies Act, 2013. The terms of reference of Stakeholders' Relationship Committee are in line with the provisions contained under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and the Companies Act, 2013.

The role of Stakeholders Relationship Committee, inter-alia, is to resolve the grievances of the security holders of the Company including complaints related to transfer and transmission of shares, dematerialization / rematerialisation of shares, transposition of names, consolidation of shares, issue of duplicate share certificates, non-receipt of annual report and non-receipt of declared dividends, if any, etc.

During the year, 11(Eleven) meetings of the Committee were held on 21st May, 2018, 22nd October, 2018, 19th November, 2018, 26th November, 2018, 03rd December, 2018, 10th December, 2018, 24th December, 2018, 11th February, 2019, 18th February, 2019, 18th March, 2019 and 30th March, 2019 respectively.

The Composition and attendance of the Stakeholders' Relationship Committee was as below:

<b>Name of Director</b>	<b>Position held in the Committee</b>	<b>No. of Committee Meetings attended</b>
Mrs. Manisha Goyal <sup>1</sup>	Chairperson	10
Mrs. Saloni Goyal	Member	11
Mr. Sanjeev Goyal <sup>2</sup>	Member	1

1 Mrs. Manisha Goyal who was appointed as an Additional and Independent Director on 04th May, 2018 was included as Chairperson of the Committee on 15th June, 2018

2 Mr. Sanjeev Goyal was included as a member of the committee on 25th March, 2019

Mr. Shubham Jain, Company Secretary cum Compliance Officer, acted as the Secretary to the Committee.

The Board has designated Mr. Shubham Jain, Company Secretary of the Company as Compliance Officer of the Company.

No. of shareholders' complaints received upto 31st March, 2019 : Nil

No. of complaints not solved to the satisfaction of the shareholders : Nil

No. of pending complaints : Nil

**27. CORPORATE GOVERNANCE**

In terms of provision of regulation 15(2) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, compliance with the Corporate Governance provisions as specified under regulations 17, 18, 19, 20, 21, 22, 23, 24, 25, 26, 27 and clause (b) to (i) of sub-regulation (2) of regulation 46 and para C, D and E of Schedule V are not applicable to the Company as paid-up share capital of the Company is less than Rs. 10 crore and net-worth of the Company is less than Rs. 25 crores, as on the financial year ended on 31<sup>st</sup> March, 2019. However, in accordance with provisions of regulation 15(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015, the Company has made compliances with the applicable provisions under the Companies Act, 2013.

**28. CORPORATE SOCIAL RESPONSIBILITY (CSR)**

The provisions of Section 135 of the Companies Act, 2013 related to Corporate Social Responsibility are not applicable on the Company.

**29. FORMAL EVALUATION OF BOARD, COMMITTEES & DIRECTORS' PERFORMANCE**

Pursuant to the provisions of the Companies Act, 2013 and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Board has through mutual discussions carried out an annual evaluation of its own performance, the directors individually as well as the evaluation of the working of its Committees.

The Nomination and Remuneration Committee ("NRC") evaluated the performance of the individual directors on the basis of the criteria such as the contribution of the individual director to the Board and committee meetings like preparedness on the issues to be discussed, meaningful and constructive contribution and inputs in meetings, etc.

In a separate meeting of Independent Directors, performance of non-independent directors, performance of the board as a whole and performance of the Chairman was reviewed, taking into account the views of executive directors and non-executive directors of the company.

**30. WHISTLE BLOWER/VIGILANCE POLICY**

Your Company has established a whistle blower policy/vigil mechanism for the Directors and employees of the company, to report genuine concerns, calling the attention of the Audit Committee to some wrong doing occurring within an organization. Your Company has also provided adequate safeguards against victimization of whistleblowers who express their concerns against such wrong doings in the organization. The Company has also provided direct access to the Chairman of the Audit Committee, in exceptional circumstances.

**31. DISCLOSURE UNDER SEXUAL HARASSMENT OF WOMEN AT WORKPLACE, (PREVENTION, PROHIBITION & REDRESSAL) ACT, 2013**

The Company was not required to constitute Internal Complaints Committee. Your company did not come across any complaint by any employee during the year under review relating to the sexual harassment.

**32. SECRETARIAL STANDARDS**

The Company has complied with applicable Secretarial Standards issued by the Institute of Company Secretaries of India.

**33. MANAGEMENT DISCUSSIONS AND ANALYSIS**

The Management Discussions and Analysis forms an integral part of this report as "Annexure-D"

**34. DIRECTORS' RESPONSIBILITY STATEMENT**

Pursuant to Section 134(3)(c) of the Companies Act, 2013, the board of directors, to the best of their knowledge and ability, state that:

- i) in the preparation of the annual accounts, the applicable accounting standards have been followed and there are no material departures;
- ii) the directors had selected such accounting policies and 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 at the financial year ended on 31.03.2019 and of the profit of the Company for that financial year ended 31.03.2019
- iii) the directors had taken proper and sufficient care for the 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 fraud and other irregularities;
- iv) the directors had 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 operating effectively.
- 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.

**35. ACKNOWLEDGEMENT**

Your Directors express their sincere gratitude and deep appreciation for the co-operation and assistance given by the banks, suppliers and customers of the Company during the year under report and look forward to their continued support. Your Directors also thankfully acknowledge the trust and confidence reposed by you in the Company.

**By order of the Board of Directors**

**Sd/-**

**(Sanjeev Goyal)**

Chairman & Managing Director

(DIN: 00221099)

Place: New Delhi

Date: August 06, 2019

**FORM NO. MGT 9**
**EXTRACT OF ANNUAL RETURN**
**(As on financial year ended on 31.03.2019)**
**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	L15419DL1987PLC350285
2.	Registration Date	13.03.1987
3.	Name of the Company	Mahaan Foods Limited
4.	Category/Sub-category of the Company	Company limited by shares/ Indian Non Government Company
5.	Address of the Registered office & contact details	M-19, 1st Floor M-Block Market, Greater Kailash - II, New Delhi-110048 Contact Number:011-43107200 Email-ID-sanjeevgoyal@mahaanfoods.com
6.	Whether listed company	Listed
7.	Name, Address & contact details of the Registrar & Transfer Agent, if any.	M/s Alankit Assignments Limited 1 E/ 13, Alankit House, Jhandewalan Extension, New Delhi - 110055 Tel: +91 11-4254 1234 Email: rta@alankit.com Website: www.alankit.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 products / services	NIC Code of the Product/service	% to total turnover of the company
1	Manufacturing of Dairy Products	105	100%

**III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES**

S. No.	Name and Address of the Company	CIN/GLN	Holding/ Subsidiary / Associate	% of shares held	Applicable Section
-----NIL-----					



**IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)**
**i. Category-wise Share Holding**

Category of Shareholders	No. of Shares held at the beginning of the year April 01, 2018				No. of Shares held at the end of the year March 31, 2019				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>A. Promoter's</b>									
<b>(1) Indian</b>									
(a) Individual/ HUF	1865299	-	1865299	53.28	1865299	-	1865299	53.28	NIL
(b) Central Govt	-	-	-	-	-	-	-	-	-
(c) State Govt(s)	-	-	-	-	-	-	-	-	-
(d) Bodies Corp.	-	-	-	-	-	-	-	-	-
(e) Banks / FI	-	-	-	-	-	-	-	-	-
(f) Any other	-	-	-	-	-	-	-	-	-
<b>Sub-Total (A) (1)</b>	<b>1865299</b>	<b>-</b>	<b>1865299</b>	<b>53.28</b>	<b>1865299</b>	<b>-</b>	<b>1865299</b>	<b>53.28</b>	<b>NIL</b>
<b>(2) Foreign</b>									
(a) NRIs-Individuals	-	-	-	-	-	-	-	-	-
(b) Other-Individuals	-	-	-	-	-	-	-	-	-
(c) Bodies Corp.	-	-	-	-	-	-	-	-	-
(d) Banks / FI	-	-	-	-	-	-	-	-	-
(e) Any other	-	-	-	-	-	-	-	-	-
<b>Sub-Total (A) (2)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total shareholding of Promoter (A)(1)+(A)(2)</b>	<b>1865299</b>	<b>-</b>	<b>1865299</b>	<b>53.28</b>	<b>1865299</b>	<b>-</b>	<b>1865299</b>	<b>53.28</b>	<b>-</b>
<b>B. Public Shareholding</b>									
<b>(1) Institutions</b>									
(a) Mutual Funds	-	6300	6300	0.18	-	6300	6300	0.18	NIL
(b) Banks / FI	-	-	-	-	-	-	-	-	-
(c) Central Govt	62500	-	62500	1.79	-	-	-	-	-1.79
(d) State Govt(s)	-	-	-	-	-	-	-	-	-
(e) Venture Capital Funds	-	-	-	-	-	-	-	-	-
(f) Insurance Companies	-	-	-	-	-	-	-	-	-
(g) FIs	-	-	-	-	-	-	-	-	-
(h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
(i) Others (specify)	-	-	-	-	-	-	-	-	-
<b>Sub-total (B)(1)</b>	<b>62500</b>	<b>6300</b>	<b>68800</b>	<b>1.97</b>	<b>-</b>	<b>6300</b>	<b>6300</b>	<b>0.18</b>	<b>-1.79</b>
<b>(2) Non-Institutions</b>									
(a) Bodies Corp.	104002	16800	120802	3.45	131910	16800	148710	4.25	+0.80
(b) Individuals									
i Individual shareholders holding nominal share capital upto Rs. 1 lakh	398624	320445	719069	20.54	394672	298245	692917	19.80	-0.74
ii Individual shareholders holding nominal share capital in excess of Rs 1 lakh	493451	28300	521751	14.90	549133	33300	582433	16.63	+1.73
(c) NBFC registered with RBI	-	-	-	-	700	-	700	0.02	+0.02
(d) Any Other									
i. Clearing Member	-	-	-	-	600	-	600	0.01	+0.01
ii. Non Resident Indians	11990	159400	171390	4.90	11885	159400	171285	4.89	-0.01
iii. Overseas Corporate Bodies	15700	-	15700	0.45	15700	-	15700	0.45	NIL
iv. Resident HUF	17889	-	17889	0.51	16756	-	16756	0.48	-0.03
<b>Sub-total (B)(2)</b>	<b>1041656</b>	<b>524945</b>	<b>1566601</b>	<b>44.75</b>	<b>1121356</b>	<b>507745</b>	<b>1629101</b>	<b>46.53</b>	<b>NIL</b>
<b>Total Public Shareholding (B)=(B)(1)+ (B)(2)</b>	<b>1104156</b>	<b>531245</b>	<b>1635401</b>	<b>46.72</b>	<b>1121356</b>	<b>514045</b>	<b>1635401</b>	<b>46.72</b>	<b>NIL</b>
<b>C. Shares held by Custodian for GDRs &amp; ADRs</b>									
	-	-	-	-	-	-	-	-	-
<b>GRAND TOTAL (A+B+C)</b>	<b>2969455</b>	<b>531245</b>	<b>3500700</b>	<b>100</b>	<b>2986655</b>	<b>514045</b>	<b>3500700</b>	<b>100</b>	<b>-</b>

**ii. Shareholding of Promoters-**

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 Shares Pledged / encumbered to total shares	
1	Mr. Aditya Goyal	148175	4.23	-	148175	4.23	-	-
2	Mrs. Saloni Goyal	516715	14.76	-	516715	14.76	-	-
3	Mr. Sanjeev Goyal	20600	0.59	-	860759	24.59	-	+24.00
4	Sanjeev Goyal HUF	99900	2.85	-	99900	2.85	-	-
5	Ms. Sanya Goyal	239750	6.85	-	239750	6.85	-	-
6	Mrs. Sita Devi	840159	24.00	-	-	-	-	-
	Total	1865299	53.28		1865299	53.28		

**iii. Change in Promoters' Shareholding**

Sr No	Particular	Shareholding at the beginning of the year		Date	Increase/ Decrease in share-holding during the year	Reasons	Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company				No. of shares	% of total shares of the company
1.	Mr. Aditya Goyal	148175	4.23	-	-	-	148175	4.23
2.	Mrs. Saloni Goyal	516715	14.76	-	-	-	516715	14.76
3.	Mr. Sanjeev Goyal	20600	0.59	23.11.2018	+840159	Purchase	860759	24.59
4.	Ms. Sanya Goyal	239750	6.85	-	-	-	239750	6.85
5.	Sanjeev Goyal HUF	99900	2.85	-	-	-	99900	2.85

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

Sr No	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year		Date	Increase/ Decrease in share-holding during the year	Reasons	Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company				No. of shares	% of total shares of the company
1	Sailesh Vikramsinh Thakker	140000	4.00	18.05.2018 01.03.2019	+2500 -5000	Purchase Sale	137500	3.92
2	Raju Bhandari	140965	4.02	06.04.2018 06.07.2018 20.07.2018 21.09.2018 07.12.2018 01.03.2019 08.03.2019 15.03.2019	-50 -41551 +41551 +3000 +2270 -700 -1359 -3641	Sale Sale Purchase Purchase Purchase Sale Sale Sale	150485	4.29
3	S. Chand & co. Ltd	42564	1.22	-	-	-	42564	1.22
4	Alliance Holdings Limited	25000	0.71	-	-	-	25000	0.71
5	Asgar Hussaini Bharmal	24900	0.64	-	-	-	24900	0.64
6	Karvy Stock Broking Limited	24082	0.68	15.06.2018 30.11.2018 07.12.2018 29.03.2019	-133 +100 -100 +100	Sale Purchase Sale Purchase	24049	0.68

Sr No	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year		Date	Increase/ Decrease in share-holding during the year	Reasons	Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company				No. of shares	% of total shares of the company
7	Suresh Gadaley	84495	2.41	06.04.2018	+45	Purchase	142605	4.07
				20.04.2018	+3697	Purchase		
				27.04.2018	+156	Purchase		
				04.05.2018	+2916	Purchase		
				18.05.2018	+494	Purchase		
				08.06.2018	+11163	Purchase		
				15.06.2018	+1278	Purchase		
				06.07.2018	-104244	Sale		
				20.07.2018	+104375	Purchase		
				27.07.2018	+8933	Purchase		
				03.08.2018	+28297	Purchase		
21.09.2018	+1000	Purchase						
8	Balram Bharwani	36735	1.049	08.06.2018	-1500	Sale	25000	0.71
				06.07.2018	-50	Sale		
				20.07.2018	-400	Sale		
				27.07.2018	-4800	Sale		
				03.08.2018	-2985	Sale		
				22.02.2019	-700	Sale		
				01.03.2019	-1300	Sale		
				01.03.2019	-	-		
9	Pearl Mary Nirmala George	22000	0.63	-	-	-	22000	0.63
10	Shri Parasram Holdings Pvt.Ltd.*	-	-	27.04.2018	-500	Sale	24282	0.69
				03.08.2018	+18674	Purchase		
				17.08.2018	+5608	Purchase		
				22.02.2019	+90	Purchase		
				01.03.2019	+794	Purchase		
				08.03.2019	-791	Sale		
				15.03.2019	+114	Purchase		
				22.03.2019	-10	Sale		
29.03.2019	-197	Sale						

Note: The above information is based on the weekly beneficiary position received from depositories on 1st April, 2018 to 31st March, 2019.

\*Not in the list of top 10 shareholders as on 01.04.2018, however they are reflected as shareholders on 31.03.2019.

**v. Shareholding of Directors and Key Managerial Personnel:**

Sr No	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year		Date	Increase/ Decrease in share-holding during the year	Reasons	Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company				No. of shares	% of total shares of the company
1.	Mrs. Saloni Goyal, Non-Executive Director	516715	14.76	-	-	-	516715	14.76
2.	Mr. Sanjeev Goyal, Chairman cum Managing Director	20600	0.59	23.11.2018	+840159	Purchase	860759	24.59

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-NIL  
 B. REMUNERATION TO OTHER DIRECTORS-

SN.	Particulars of Remuneration	Name of Directors				Total Amount
1	Independent Directors	Mr. Achal Kumar Khaneja*	Mr. Deepak Bansal*	Mrs. Rupali Chawla**	Mrs. Manisha Goyal**	
	Fee for attending board and committee meetings	NIL	20,000	32,000	32,000	84,000
	Commission	NIL				
	Others, please specify	NIL				
	Total (1)	NIL	20,000	32,000	32,000	84,000
2	Other Non-Executive Directors	Mrs. Saloni Goyal				
	Fee for attending board and committee meetings	NIL				
	Commission	NIL				
	Others, please specify	NIL				
	Total (2)	NIL				
	Total Managerial Remuneration Total (B)=(1+2)	Nil	20,000	32,000	32,000	84,000
	Overall Ceiling as per the Act	Sitting fees have been paid within the maximum limit allowed under the provisions of the Companies Act, 2013				

\* Mr. Achal Kumar Khaneja and Mr. Deepak Bansal relinquished the position of Independent Director w.e.f 12th June, 2018 and 14th August, 2018 respectively

\*\* Mrs. Rupali Chawla and Mrs. Manisha Goyal was appointed as an Additional and Independent Director on 14th August, 2018 and 04th May, 2018 respectively

**C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/MANAGER/WTD**

SN	Particulars of Remuneration	Key Managerial Personnel			Total
		Company Secretary		Chief Financial Officer	
		Mr. Vijay Gupta (up to 10.10.2018)	Mr. Shubham Jain (w.e.f 11.10.2018)	Mr. Jitender Bisht	
1	Gross salary				
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	3,04,839	1,82,258	7,02,000	11,89,097
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	NIL	NIL	NIL	NIL
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	NIL	NIL	NIL	NIL
2	Stock Option	NIL	NIL	NIL	NIL
3	Sweat Equity	NIL	NIL	NIL	NIL
4	Commission	NIL	NIL	NIL	NIL
	- as % of profit	NIL	NIL	NIL	NIL
	Others, specify...	NIL	NIL	NIL	NIL
5	Others, please specify	NIL	NIL	NIL	NIL
	Total	3,04,839	1,82,258	7,02,000	11,89,097

**VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:**

There were no penalties / punishment / compounding of offences for the breach of any sections of Companies Act, 2013 against the Company or its Directors or other officers in default during FY 2018-19.

**By order of the Board of Directors**  
**Sd/-**  
**(Sanjeev Goyal)**  
 Chairman & Managing Director  
 (DIN: 00221099)

Place: New Delhi  
 Date: August 06, 2019

**Form No. MR-3**
**SECRETARIAL AUDIT REPORT**
**FOR THE FINANCIAL YEAR ENDED MARCH 31, 2019**
**[Pursuant to section 204(1) of the Companies Act, 2013 and rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]**

To,

The Members

**Mahaan Foods Limited**

M-19, 1st Floor, M-Block Market,

Greater Kailash-II New Delhi - 110048

We have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **Mahaan Foods Limited (CIN: L15419DL1987PLC350285)** (hereinafter called "the Company"). The 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 audit period covering the financial year ended on **31st March, 2019** 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 the Company for the financial year ended on **31st March, 2019** according to the provisions of:

- i) The Companies Act, 2013 (the Act) and the Rules made thereunder;
- ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the Rules made thereunder;
- iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- iv) The Foreign Exchange Management Act, 1999 and the Rules and Regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings; and
- v) The following 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, 2015;
  - c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 (Not Applicable to the Company during the Audit period);
  - d) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 (Not Applicable to the Company during the audit period);
  - e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 (Not Applicable to the Company during the Audit period);
  - 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;
  - g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 (Not Applicable to the Company during the Audit period); and
  - h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998 (Not Applicable to the Company during the Audit period).
  - i) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015
- vi) We further report that having regard to compliance system prevailing in the Company and on examination of the relevant documents and records in pursuance thereof, on test-check basis, the Company has complied with the following laws applicable specifically to the Company:
  - (a) Food Safety and Standards Act, 2006(FSSA) and Rules, 2011 and Regulations, 2011;
  - (b) Food Safety and Standards (Licensing & Registration of food business) Regulations, 2011
  - (c) Food Safety and Standards (Packaging and Labeling) Regulations, 2011

The company is registered with Food Safety and Standards Authority of India vide FSS License No. 10016011003600.

We further report that the compliance by the Company of applicable financial laws, like direct and indirect tax laws, has not been reviewed in this Audit since the same have been subject to review by statutory financial audit and other designated laws.

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

- i) Secretarial Standards (SS) with regard to Meeting of Board of Directors (SS-1) and General Meetings (SS-2) issued by the Institute of Company Secretaries of India.

ii) The Listing Agreement entered into by the Company with BSE Limited.

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above.

We further report that the Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried in compliance with the provisions of the Act.

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 (except in cases where meetings were convened at a shorter notice for which necessary approvals obtained as per applicable provisions), 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.

All the decisions at Board and Committee Meetings were carried out through unanimous consent as recorded in the minutes of the meetings of the Board of Directors or Committees of the Board, as the case may be.

We further report that there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

We further report that during the audit period following major events have happened which are deemed to have major bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards, etc.

- a) The Hon'ble High Court of Delhi had taken on record vide its order dated December 06, 2018, the Mediation agreement executed on 22nd November, 2018 between the promoters of the Company as per the Memorandum of Family Settlement dated 31st August, 2010.
- b) The Regional Director, Northern Region, Ministry of Corporate Affairs had issued an order dated 27th March, 2019 for alteration of situation clause of Memorandum of Association of the Company thereby allowing the Company to shift its registered office from the State of Himachal Pradesh to NCT of Delhi.

**For Shakshi & Associates**

Company Secretaries

Sd/-

**(Shakshi Mittal)**

Proprietor

ACS: 32114 CP 12649

Date: 06th August, 2019

Place: Kaithal

This report is to be read with my letter of even date which is enclosed with this report.

To,

The Members

**Mahaan Foods Limited**

M-19, 1st Floor, M-Block Market,

Greater Kailash-II New Delhi - 110048

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

1. Maintenance of secretarial record is the responsibility of the management of the company. My responsibility is to express an opinion on these secretarial records based on our audit.
2. I 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. I believe that the processes and practices, I followed provide a reasonable basis for our opinion.
3. I have not verified the correctness and appropriateness of financial records and Books of Accounts of the company.
4. Where ever required, I have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. My examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the company.

**For Shakshi & Associates**

Company Secretaries

Sd/-

**(Shakshi Mittal)**

Proprietor

ACS: 32114 CP 12649

Date: 06th August, 2019

Place: Kaithal

**“ANNEXURE-C”**

**Details pertaining to Remuneration as required under Section 197(12) of the Companies Act, 2013 read with 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 of the company and percentage increase in remuneration of each Director, Chief Executive Officer, Chief Financial Officer and Company Secretary in the financial year.

<b>Name</b>	<b>Ratio to median Remuneration@</b>	<b>% increase in Remuneration in the financial year</b>
<b>Non-Executive Directors</b>		
Saloni Goyal	-	-
Manisha Goyal*	-	-
Rupali Chawla**	-	-
Deepak Bansal***	-	-
Achal Kumar Khaneja***	-	-
<b>Executive Director</b>		
Sanjeev Goyal	-	-
<b>Chief Financial Officer</b>		
Jitender Singh Bisht	-	7.01%
<b>Company Secretary</b>		
Shubham Jain#	-	^
Vijay Gupta##	-	^

@ Ratio of the remuneration of each director to the median remuneration of the employees of the company for the financial year cannot be ascertained as no remuneration was paid to any of the Directors of the company

\* Appointed as an Additional and Independent Director w.e.f 04th May, 2018

\*\* Appointed as an Additional and Independent Director w.e.f 14th August, 2018

\*\*\* Relinquished the position of Independent Director w.e.f 14th August, 2018

\*\*\*\* Relinquished the position of Independent Director w.e.f 12th June, 2018

# Appointed as Company Secretary w.e.f 11th October, 2018

## Relinquished the position of Company Secretary w.e.f 10th October, 2018

^ Since the remuneration is only part of the year, the percentage increase in remuneration is not comparable and hence, not stated

ii) There was 4.71% decrease in the median remuneration of employees in the financial year.

iii) There were only 2(two) permanent employees on the rolls of the Company.

iv) The average percentile increase already made in the salaries of employees' others than the managerial personnel in the last financial year is Nil. No comparison could be given with respect to increase in managerial remuneration as no remuneration was paid to any Managerial Personnel during the year.

v) It is hereby affirmed that the remuneration during the year ended 31st March, 2019 is paid as per the Remuneration Policy of the Company.

**By order of the Board of Directors**

**Sd/-**

**(Sanjeev Goyal)**

Chairman & Managing Director

(DIN: 00221099)

Place: New Delhi

Date: August 06, 2019

## **MANAGEMENT DISCUSSION AND ANALYSIS REPORT**

### **ECONOMIC REVIEW**

- **Global**

After a broad-based upswing in cyclical growth that lasted nearly two years, the global economic expansion decelerated in the second half of last year, reflecting a confluence of factors affecting major economies due to trade tensions between the major economies of the world. A decline in business confidence, a tightening of financial conditions, and higher policy uncertainty across many economies are the major reasons of slowdown in global economy. Against this global backdrop, a combination of country- and sector-specific factors further reduced momentum. During the first half of 2018, global growth remained strong at 3.8 percent, but dropped to 3.2 percent in the second half of the year. (Source: World Economic Outlook, April 2019 Growth Slowdown, Precarious Recovery)

- **Outlook**

Global growth is projected to moderate further to 3.3% in 2019, reflecting concerns over potential escalation of trade tensions between US and China, unwinding of fiscal stimulus in US, weakening financial market sentiment, uncertainty about BREXIT outcome and possible slowdown in Chinese economy.

- **India**

Despite the slowdown in global economy during the second half of 2018, at 7.3%, India has emerged as the fastest growing large economy in the world and is expected to be one of the top three economic powers of the world over the next 10-15 years, backed by its strong democracy and partnerships. Indian economy shows a sign of stable and upswing in the economy due to implementation of various policies or schemes and initiatives taken by Government of India which mainly focuses on supporting the needy farmers, economically less privileged, workers in the unorganized sector and salaried employees, while continuing the Government of India's push towards better physical and social infrastructure.

- **Outlook**

India is projected to remain robust and grow at a rate of 7.1% in 2019, benefitting from lower oil prices, sustained growth in private consumption and favorable monetary policy. Risk to forecast includes outcome of the general election in May 2019, monsoons and slowdown in the global economy.

### **INDUSTRY STRUCTURE AND DEVELOPMENTS**

India has been the leading producer and consumer of dairy products worldwide with a sustained growth in the availability of milk and milk products. Dairy activities form an essential part of the rural Indian economy, serving as an important source of employment and income. However, the milk production per animal is significantly low as compared to the other major dairy producers. Moreover, nearly all of the dairy produce in India is consumed domestically, with the majority of it being sold as fluid milk. On account of this, the Indian dairy industry holds tremendous potential for value-addition and overall development. According to the latest report by IMARC Group, titled “**Dairy Industry in India 2019 Edition: Market Size, Growth, Prices, Segments, Cooperatives, Private Dairies, Procurement and Distribution**”, the dairy market in India reached a value of INR 9,168 Billion in 2018 and expected to reach a value of INR 21,971 Billion by 2024, exhibiting a CAGR of around 16% during 2019-2024

Over the years, India has emerged as one of the world's biggest producers of milk, with the total milk production of 176.3 Million Tons in 2017-18 and it is expected to cross 180 Million Tons in 2018-19 mainly on account of various export-linked benefits by the government.

Keeping this in view, the Government of India has introduced various schemes and initiatives aimed at the development of the dairy sector in the country. For instance, the “National Dairy Programme (Phase-I)” aims to improve cattle productivity and increase the production of milk, expanding and strengthening the rural milk procurement infrastructure and provide greater market access to the farmers. Along with government initiatives, private participation both by national and international players in the Indian Dairy Industry plays a vital role in adding the market value to the Industry by increasing the production of milk and processing dairy products at a macro level for the domestic consumption as well for export to other global economies of the world which helps to generate foreign currency inflow to strengthen the Indian Economy. These players are also improving their milk procurement network which is further facilitating the development of the dairy industry in India.

### **OPPORTUNITIES AND STRENGTHS**

The future for the Indian dairy industry looks promising, buoyed by strong domestic consumption. Your company is trying to explore available business avenues by increasing sales and distribution network. Your Company is also making continuous efforts to identify key market trends and introduce a range of innovative and value-added products in the market to cater to the evolving needs of customers

### **THREATS, RISKS & CONCERNS**

The Indian Dairy Industry can face a few risks or threats that can temporarily affect the business of your company. Key risks which can impact business are:

- The business is very sensitive to weather conditions including natural disasters or calamity. Availability and supply of raw material of dairy industry can be majorly affected due to bad weather or natural disaster which can impact on steep increase in prices of milk depending on the availability. It can adversely affect the demand and price of products.
- Dairy Products which your company manufactures or processes are subject to risks such as contamination, adulteration and product tampering during their manufacture, transport or storage processes. Any alleged wrongdoing in quality standards can harm the consumer base of your company. Such risks may be controlled, but not eliminated, by adherence to good manufacturing practices, finished product testing and stabilising adequate storage and distribution network.



- Demand of products majorly depend on the seasonal variations. Fluctuations in seasonal variations can impact the business sales and results of the company.

**SEGMENT WISE OR PRODUCT WISE PERFORMANCE**

Your company does not have the segment or product wise performance.

**INTERNAL CONTROL AND GOVERNANCE**

The Company has internal control system commensurate with the size and nature of the business which is monitored for its effectiveness on continuous basis. These have been designed to provide reasonable assurance with regard to recording and providing reliable financial and operational information, complying with applicable statutes, safeguarding assets from unauthorized use, executing transactions with proper authorization and ensuring compliance with corporate policies.

The Company has appointed M/s Naresh Kumar & Co., Chartered Accountants, (FRN 005987N), New Delhi to oversee and carry out internal audit of its activities.

The internal audit reports are reviewed by the Audit Committee periodically. Based on its evaluation (as defined in section 177 of Companies Act 2013 and Clause 18 of SEBI Regulations 2015), the audit committee has concluded that as on March 31, 2019, your internal financial controls were adequate and operating effectively.

**FINANCIAL AND OPERATIONAL PERFORMANCE**

The Company achieved gross turnover including other income of Rs. 135.01 Lakh and posted net profit of Rs 319.44 Lakh for the financial year ended on 31<sup>st</sup> March, 2019 as against gross turnover including other income of Rs. 120.53 Lakh and net profit of Rs. 145.30 Lakh in the previous financial year.

- **Ratio Analysis**

S.no	Ratios	Units	IND-AS	
			FY 2019	FY 2018
1.	Debtors Turnover Ratio	Times	1.40	1.38
2.	Inventory Turnover Ratio	Times	0.70	3.00
3.	Interest Coverage Ratio	Times	NIL	12.00
4.	Current Ratio	Times	16.21	10.78
5.	Debt-Equity Ratio	Times	NIL	NIL
6.	Operating Profit Margin	%	30.80	10.80
7.	Net Profit Margin	%	31.45	12.13
8.	Earning Per Share	₹	9.13	4.15

**HUMAN RESOURCE AND INDUSTRIAL RELATIONS**

The Company continues to emphasize on optimization of the human resources. The company is having only 2 employees on its permanent rolls.

**DISCLOSURE OF ACCOUNTING TREATMENT**

In the preparation of the financial statements, the Company has followed the Accounting Standards referred to in Section 133 of the Companies Act, 2013. The significant accounting policies which are consistently applied are set out in the Notes to the Financial Statements.

**CAUTIONARY STATEMENT**

Certain statements made in this report relating to the Company's objectives, projections, outlook, expectations, estimates, among others may constitute 'forward-looking statements' within the meaning of applicable laws and regulations. Actual results may differ from such expectations, projections etc., whether express or implied. Several factors could make a significant difference to the Company's operations. These include climatic conditions, economic conditions affecting demand and supply, government regulations and taxation, natural calamity, currency rate changes, among others over which the Company does not have any direct control.

**By order of the Board of Directors**

**Sd/-**

**(Sanjeev Goyal)**

Chairman & Managing Director

(DIN: 00221099)

Place: New Delhi

Date: August 06, 2019

## **D M A R K S & ASSOCIATES**

### **CHARTERED ACCOUNTANT**

6H GOPALARAJENDRA PLACE DELHI-110008

PHONES: 25821021, 25821040

Email.id: ddnagpal@gmail.com

### **INDEPENDENT AUDITOR'S REPORT**

To the Members of Mahaan Foods Limited

#### **Report on the Standalone Financial Statements**

We have audited the accompanying standalone Financial statements of **Mahaan Foods Limited** ('the Company'), which comprise the Balance Sheet as at 31st March, 2019, and the Statement of Profit and Loss, and statement of cash flow for the year ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

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 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 31st March, 2019, and profit/loss, and its cash flow for the year ended on that date.

#### **Basis for Opinion**

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company in accordance with the *Code of Ethics* issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Companies Act, 2013 and the Rules there under, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### **Key Audit Matters**

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

#### **Management's Responsibility for the Financial Statements**

The Company's Board of Directors is responsible for the matters in section 134(5) of the Companies Act, 2013 ('the Act') with respect to the preparation and presentation of the standalone Financial statements that give a true and fair view of the financial position, financial performance, and cash flow of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes the maintenance of adequate accounting records in accordance with the provision of the Act for safeguarding of the assets of the Company and for preventing and detecting the 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 financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

#### **Auditor's Responsibility for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but it is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risk of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013 we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements, or if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timings of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationship and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequence of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

#### **Report on other Legal and Regulatory Requirements**

1. As required by the Companies (Auditor's Report) Order 2016, issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act, we enclose in **Annexure 'A'**, a statement on the matters specified in paragraphs 3 & 4 of the Order, to the extent applicable.
2. As required by section 143(3) of the Act, 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 appears from our examination of those books.
  - c) The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement 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 Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
  - e) On the basis of written representations received from the directors as on 31 March, 2019 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March, 2019, 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, refers to our separate Report in "Annexure B" which is based on the Auditor's Report of the Company. Our report express and unmodified opinion on the adequacy and operating effectiveness of the internal financial controls over reporting of the Company.
  - g) Attention is invited to Note no.26 stating that some of balance of debtors, creditors and loans and advances are subject to confirmation from respective parties. We have relied on the representation of the management that no significant impact is expected on the working results of the company on this account.
  - h) 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, 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 litigation on its financial position in its financial statement.
    - (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 derivatives contracts in financial statements.
    - (iii) There has been no delay in transferring amounts, required to be transferred to the Investor Education and Protection Fund by the Company.

**For D M A R K S & Associates**  
 (Chartered Accountants)  
 Firm Registration No: 006413N  
 Sd/-

**Dev Dhar Nagpal**  
 (Partner)

Membership Number: 085366

Place: New Delhi  
 Date: 29<sup>th</sup> May, 2019

**Annexure A to the Independent Auditors' Report**

The Annexure referred to in our Independent Auditors' Report to the members of the Company on the standalone financial statements for the year ended 31 March 2019, we report that:

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) The Company has a regular programme of physical verification of its fixed assets by which fixed assets are verified in a phased manner over a period of three years. In accordance with this programme, certain fixed assets were verified during the year and no material discrepancies were noticed on such verification.
- (c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties are held in the name of the Company.
- (ii) a. The inventories have been physically verified during the year by the management. In our opinion, the frequency of verification is necessary.
- b. The procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the company and the nature of its business
- c. The company is maintaining proper records of the inventory. The discrepancies noticed on verification between the physical stocks and the book records were not material.
- (iii) The Company has not granted any loans to bodies corporate covered in the register maintained under section 189 of the Companies Act, 2013 ('the Act').
- (iv) In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of section 185 and 186 of the Act, with respect to the loans and investments made.
- (v) The Company has not accepted any deposits from the public covered under Section 73 to 76 of the Companies Act, 2013.
- (vi) The Company was not required to maintain cost records as prescribed by central government under subsection (1) of section 148 of the Companies Act, 2013.
- (vii)(a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted/ accrued in the books of account in respect of undisputed statutory dues including provident fund, income tax, sales tax, wealth tax, service tax, duty of customs, value added tax, cess and other material statutory dues have been regularly deposited during the year. However there are certain delay observed in deposition of dues by the Company with the appropriate authorities in India. The Arrear as on 31st march 2019 on the aforesaid dues were as below:

1	TDS	Rs. 57,910/-
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According to information and explanation given to us following undisputed amounts payable in respect of statutory dues were outstanding as at 31st March, 2019 for a period of more than six months from the date they become payable

Name of Statute	Nature of the Dues	Amount (Rs. In Lacs)	Period to which the amount relates
Himachal Pradesh Value Added Tax Act 2005	Value Added Tax	48.22	01.01.2007 to 30.11.2008
Income tax Act 1961	Fringe Benefit Tax	3.88	01.04.2008 to 31.03.2009
Income tax Act 1961	Fringe Benefit Tax	1.04	01.04.2006 to 31.03.2007

- (b) According to the information and explanations given to us, there are no material dues of wealth tax, duty of customs and cess which have not been deposited with the appropriate authorities on account of any dispute.

Name of Statute	Nature of the Dues	Amount (Rs. In Lacs)	Period to which the amount relates	Forum where dispute is pending
Delhi Sales Tax Act 1975	Sales Tax demand	40.40	2003-04	Dy. Commissioner (Appeals), New Delhi (Demand order has been stayed by Hon'ble Dy. Commissioner)
Punjab Value Added Tax Act 2005	Penalty	2.91	2005-06	Asstt. Excise & Taxation Commissioner cum Deputy Director (Inv.), Patiala for review.
Orissa value Added Tax Act, 2004	Value added tax Penalty	0.46 0.91	01-04-2005 to 30-11-2008	Joint Commissioner of Sales tax, Bhubaneswar
Orissa entry Tax Act, 1999	Entry tax Penalty	1.77 3.54	01-04-2005 to 30-11-2008	Joint Commissioner of Sales tax, Bhubaneswar

- (viii) The Company has not defaulted in repayment of dues to financial institutions, bank or debenture holders during the year.
- (ix) The Company did not raise any money by way of initial public offer or further public offer (including debt instruments) and term loans during the year. Accordingly, paragraph 3 (ix) of the Order is not applicable. Based on the information and explanation given to us by the management term loan were applied for the purpose for which the loans were obtained.
- (x) According to the information and explanations given to us, no material fraud by the Company or on the Company by its officers or employees has been noticed or reported during the course of our audit.
- (xi) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has paid/provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Act.
- (xii) In our opinion and according to the information and explanations given to us, the Company is not a Nidhi company. Accordingly, paragraph 3(xii) of the Order is not applicable.
- (xiii) According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.
- (xiv) Company has not made preferential allotment.
- (xv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with him. Accordingly, paragraph 3(xv) of the Order is not applicable.
- (xvi) The Company is not required to be registered under section 45-IA of the Reserve bank of India Act 1934.

**For D M A R K S & Associates**

*(Chartered Accountants)*

Firm Registration No: 006413N

**Sd/-**

**Dev Dhar Nagpal**

(Partner)

Membership Number: 085366

Place: New Delhi

Date: 29<sup>th</sup> May, 2019

**Annexure - B to the Auditors' Report****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 Mahaan Foods Limited ('the Company'), as of 31 March 2019 in conjunction with our audit of the Ind AS financial statements of the Company for the year ended on that date.

**Management's Responsibility for Internal Financial Controls**

The Company's management 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 ('ICAI'). 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, including adherence to company's policies, 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.

**Auditors' Responsibility**

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting 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") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. 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 judgment, 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 authorizations of management and directors of the company; and
3. provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

**Inherent 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, 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 31 March 2019, 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.

**For D M A R K S & Associates**

(Chartered Accountants)

Firm Registration No: 006413N

Sd/-

**Dev Dhar Nagpal**

(Partner)

Membership Number: 085366

Place: New Delhi

Date: 29<sup>th</sup> May, 2019

**MAHAAN FOODS LIMITED**  
**Balance Sheet as at 31.03.2019**

Particulars	Note No	As at 31.03.2019	As at 31.03.2018
<b>Assets</b>			
<b>(1) Non-current assets</b>			
(a) Property, plant and equipment	3	3,534,413.00	4,775,884.00
(b) Capital work-in-progress		-	-
(c) Intangible Assets		-	-
(d) Financial Assets			
i. Investments	4	65,600,000.00	71,600,000.00
ii. Loans & Advances			
iii. Trade Receivables			
iv. Others			
(e) Deferred tax assets (net)	5	2,971,690.00	2,585,179.00
(f) Other non-current assets			
<b>Total non current assets</b>		<b>72,106,103.00</b>	<b>78,961,063.00</b>
<b>(2) Current Assets</b>			
(a) Inventories	6	8,762,681.00	2,364,621.00
(b) Financial Assets			
i. Investments	7	6,560.00	6,560.00
ii. Trade Receivables	8	4,356,090.00	5,154,908.00
iii. Cash and cash equivalents	9	76,308,727.00	74,631,230.00
iv. Loans & Advances	10	11,370,472.00	42,952,668.00
iv. Others			
(c) Other current assets	11	2,748,694.00	820,600.00
<b>Total Current assets</b>		<b>103,553,225.00</b>	<b>125,930,587.00</b>
<b>Total Assets</b>		<b>175,659,328.00</b>	<b>204,891,650.00</b>
<b>EQUITY AND LIABILITIES</b>			
<b>(1) Equity</b>			
(a) Equity share capital	12	35,007,000.00	35,007,000.00
(b) other equity	13	134,266,845.00	102,321,972.00
Total Equity		169,273,845.00	137,328,972.00
<b>(2) Liabilities</b>			
<b>(I) Non-Current Liabilities</b>			
(a) Financial Liabilities			
i. Borrowings			
ii. Others			
(b) Provisions			
(c) Deferred Tax Liabilities (Net)			
(d) Other non-current liabilities			
<b>Total Non Current Liabilities</b>		-	-
<b>(II) Current Liabilities</b>			
(a) Financial Liabilities			
i. Borrowings	14	-	-
ii. Trade Payables	15	-	55,896,410.00
iii. Others			
(b) Other Current liabilities	16	662,900.00	7,245,449.00
(c) Provisions	17	5,722,583.00	4,420,819.00
<b>Total Current Liabilities</b>		<b>6,385,483.00</b>	<b>67,562,678.00</b>
<b>Total Liabilities</b>		<b>6,385,483.00</b>	<b>67,562,678.00</b>
<b>Total Equity and Liabilities</b>		<b>175,659,328.00</b>	<b>204,891,650.00</b>

Significant Accounting Policies 1 & 2  
Accompanying notes form Part of the Financial 3 to 35

Statements As per our report of even date

For, D M A R K S & ASSOCIATES  
Chartered Accountants  
Firm's Registration No. 006413N

For Mahaan Foods Limited

Sd/-  
D D Nagpal  
FCA  
Membership No. 085366

Sd/-  
(Jitender Singh Bisht)  
CFO  
PAN : BDRPB0631F

Sd/-  
Sanjeev Goyal  
Managing Director  
DIN: 00221099

Sd/-  
Saloni Goyal  
Director  
DIN: 00400832

Sd/-  
Shubham Jain  
Company Secretary  
M.No.A49541

Date: 29.05.2019  
Place: New Delhi

**MAHAAN FOODS LIMITED**  
**Statement of Profit & Loss Account For Period ended on 31.03.2019**

Particulars	Note No	For the period ended 31.03.2019	For the period ended 31.03.2018
Revenue from operations	18	6,105,000	7,159,359
Other Income	19	7,396,745	4,893,502
<b>Total Revenue</b>		<b>13,501,745</b>	<b>12,052,861</b>
<b><u>Expenses:</u></b>			
Cost of Goods Sold	20	4,225,828	6,387,387
Excise Duty and service Tax			
Changes in inventories of finished goods, work-in-progress and Stock-in-Trade	21	-	(340,128)
Employee benefit expense	22	1,200,447	1,297,815
Financial costs	23	5,733	119,390
Depreciation and amortization expense	3	983,474	1,145,882
Other expenses	24	2,838,655	1,979,824
<b>Total Expenses</b>		<b>9,254,136</b>	<b>10,590,170</b>
<b>Profit before exceptional items and tax</b>		4,247,609	1,462,691
Exceptional Items		28,624,654	14,598,382
<b>Profit before tax</b>		32,872,263	16,061,073
<b>Tax expense:</b>		927,389	<b>1,545,908</b>
(1) Current tax		1,313,900	275,372
(2) Deferred tax	5	(386,511)	1,270,536
<b>Profit after tax</b>		<b>31,944,874</b>	<b>14,515,165</b>
Other Comprehensive Income		-	14,924
<b>Profit/(Loss) for the period</b>		<b>31,944,874</b>	<b>14,530,089</b>
<b>Earning per equity share:</b>			
(1) Basic		9.13	4.15
(2) Diluted		9.13	4.15

Significant Accounting Policies  
 Accompanying notes form Part of the Financial

1 & 2  
 3 to 35

Statements As per our report of even date

For, D M A R K S & ASSOCIATES  
 Chartered Accountants  
 Firm's Registration No. 006413N

For Mahaan Foods Limited

Sd/-  
 D D Nagpal  
 FCA  
 Membership No. 085366

Sd/-  
 (Jitender Singh Bisht)  
 CFO  
 PAN : BDRPB0631F

Sd/-  
 Sanjeev Goyal  
 Managing Director  
 DIN: 00221099

Sd/-  
 Saloni Goyal  
 Director  
 DIN: 00400832

Sd/-  
 Shubham Jain  
 Company Secretary  
 M.No.A49541

Date: 29.05.2019  
 Place: New Delhi



**MAHAAN FOODS LIMITED  
CASH FLOW STATEMENT FOR THE YEAR ENDED ON 31ST MARCH, 2018**

Particulars	2018-19 (Rs.)	2017-18 (Rs.)
CASH FLOW FROM OPERATING ACTIVITIES :		
NET PROFIT BEFORE TAX & EXTRAORDINARY ITEMS :	32,872,262.84	16,061,073.06
ADJUSTMENTS FOR:-		
Depreciation	983,473.58	1,145,881.94
Other Income		
Interest Income	(7,396,745.18)	(4,323,246.00)
Dividend Income		
Loss on sale of fixed assets	107,997.00	-
Interest Charges	5,733.00	119,390.00
Operating profits before working capital changes :	26,572,721.24	13,003,099.00
ADJUSTMENTS FOR:-		
Inventories	(6,398,060.00)	(340,128.00)
Sundry debtors	798,817.80	(1,396,086.00)
Trade & other receivables	31,582,195.60	(196,187.00)
Trade payables & other liabilities	(62,478,959.19)	(13,820,983.00)
Other Current Assets	(1,928,094.50)	
Short term provision	1,301,764.00	45,394.00
Cash generated from (used) in operation	<b>(10,549,615.05)</b>	<b>(2,704,891.00)</b>
Direct taxes paid	1,313,900.00	275,372.00
Net Cash flow from operating activities (A)	(11,863,515.05)	(2,980,263.00)
CASH FLOW FROM INVESTMENT ACTIVITIES :		
capital Subsidy received		
Sale of fixed assets	150,000.00	
Transfer of assets	6,000,000.00	
Interest received	7,396,745.18	4,323,246.00
Investment In MMFI	-	-
Dividend from non trade long term investments	-	-
Net Cash flow used in investment activities (B)	13,546,745.18	4,323,246.00
CASH FLOW FROM FINANCING ACTIVITIES :		
Loan paid/recovered		
Interest paid	(5,733.00)	(119,390.00)
Increase / decrease in term loans ( net )		
Increase / decrease in cash credits from banks	-	-
Net Cash flow used in financing activities (C)	(5,733.00)	(119,390.00)
Cash Flow from Extraordinary items (D)	-	-
Increase in cash flow from extraordinary Items	-	-
Net decrease in cash and cash equivalents : ( A+B+C+D )	1,677,497.13	1,223,593.00
Cash & cash equivalents at opening	74,538,976.00	73,315,384.00
Cash & cash equivalents at closing	76,216,473.13	74,538,976.00

**Significant Accounting Policies**

Accompanying notes form Part of the Financial

Statements As per our report of even date

For, D M A R K S & ASSOCIATES  
Chartered Accountants  
Firm's Registration No. 006413N

For Mahaan Foods Limited

Sd/-  
D D Nagpal  
FCA  
Membership No. 085366

Sd/-  
(Jitender Singh Bisht)  
CFO  
PAN : BDRPB0631F

Sd/-  
Sanjeev Goyal  
Managing Director  
DIN: 00221099

Sd/-  
Saloni Goyal  
Director  
DIN: 00400832

Sd/-  
Shubham Jain  
Company Secretary  
M.No.A49541

Date: 29.05.2019  
Place: New Delhi

**MAHAAN FOODS LTD.**
**NOTES TO THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED ON 31ST MARCH 2019**
**1. Overview**

Mahaan Foods Limited (MFL) is an ISO 9001/2000 & HACCP certified company which was incorporated in 1987. The Company is engaged in manufacturing of dairy products and pharma nutritional products.

**2. Significant Accounting Policies:**

- a) The financial statements are prepared under the historical cost convention and have been prepared in accordance with applicable mandatory Indian Accounting Standards and relevant presentational requirements of the Companies Act, 2013.
- b) The Company follows the mercantile system of accounting and recognizes income and expenditure on accrual basis. Accounting policies not specifically referred to otherwise are consistent and in consonance with generally accepted accounting principle in India. Accounting policies are consistently applied and consistent with those used in previous year.
- c) The preparation of financial statement in conformity with generally accepted accounting principle requires management to make estimates and assumption that affect the reported amount of assets and liabilities and disclosure of contingent liabilities and commitments at the end of the reporting period and results of operations during the reporting period. Although these estimates are based upon the management's best knowledge of current events and actions, actual results could differ from those estimates. Difference between the actual result and estimates are recognized in the period which the results are known/ materialized.
- d) Fixed Assets are stated at cost less depreciation. The cost of fixed assets includes interest on specific borrowings obtained for the purpose or acquiring fixed assets up to the date of commissioning of the assets and other incidental expenses incurred up to that date.
- e) Plant and machinery includes expenses incurred on erection and commissioning, foundation, laboratory equipment, air and water pollution devices, electric installations, technical know-how fees, tools, and miscellaneous fixed assets other than land, building, furniture & fixture, vehicles, office equipments, computer equipments and air conditioning equipments. Technical know-how fee is inseparable and hence treated as part of plant & machinery. No adjustment is required to be made as per Indian accounting standard 38 on intangible assets, issued by the Institute of Chartered Accountants of India.
- f) Expenditure related to and incurred during implementation of new /expansion-cum- modernization projects is included under capital work in progress and the same is allocated to the respective tangible assets on completion of its construction/erection.
- g) Long term investments are valued at cost. Where investments are reclassified from current to long term, transfers are made at the lower of cost and fair value at the date of transfer.
- h) Inventories of raw materials, stock-in-process, semi-finished products, stores, packing materials, spares and loose tools, finished products are valued at lower of cost or net realizable value. In determining the cost, first in first out method is used.
- i) Prior year expenses / income, if any are adjusted in the respective head of expenses/ income. This has no effect on the working result of the Company.
- j) Depreciation on Fixed Assets is provided to the extent of depreciable amount on the Straight Line Method (SLM) on useful life of the assets as prescribed in Schedule II to the Companies Act, 2013.
- k) Provision for employee benefits charged on accrual basis is determined based on Indian Accounting standard 19 "Employees Benefits" issued by the Institute of Chartered Accountants of India as under:
  - I) Contribution to provident fund scheme is charged to revenue.
  - II) Liability for gratuity and privilege leave is determined on actuarial basis.
  - III) The Government grants are recognized only on the assurance that the same will be received. The Government grants in respect of capital investment have been shown as capital reserve.
- m) Contingent liabilities are not provided for and are disclosed by way of notes. This has no effect on the working result of the Company.
- n) Taxes are accounted for in accordance with Indian Accounting Standard -12 on Accounting for Taxes on Income. Income Tax Comprise of both current and deferred Tax.  
 Current Tax is measured at the amount expected to be paid to / recovered from the revenue authorities, using applicable tax rates and laws.  
 The tax effect of the timing differences that result between taxable income and accounting income and are capable of reversal in one or more subsequent periods are recorded as Deferred Tax Asset or Deferred Tax Liability. Deferred Tax Assets and Liabilities are recognized for future tax consequences attributable to timing differences. They are measured using substantively enacted tax rates and tax regulations.
- o) Foreign currency transactions denominated in foreign currencies are normally recorded at the exchange rate prevailing at the time of the transaction.
- p) Borrowing costs are directly attributable to the acquisition, construction or production of qualifying assets is capitalized till the month in which the assets is ready to use as part of the cost of that asset. Other interest and borrowing costs are charged to revenue.
- q) In case of the new industrial unit, all the operating expenditure (including borrowing costs) specifically for the project, incurred upto the date of installation, is capitalized and added pro-rata to the cost of fixed assets.
- r) Revenue from sale of goods is recognized on transfer of significant risks and rewards of ownership to the buyer. Gross revenue from operations comprises of sale of products and others operating incomes. Excise duty is not applicable on the finished goods manufactured by the company.
- s) The earning considered in ascertaining the company's Earning per share (E.P.S.) comprise of the net profit after tax attributable to equity shareholders.
- t) In the opinion of the company's Management, there is no impairment to the assets to which Indian Accounting Standard 36 "Impairment of Assets" applied requiring any revenue recognition.
- u) The cash flow statement has been prepared under the "Indirect Method" as set out in Indian Accounting Standard-7 "Cash Flow Statement".

**Note- 3 Fixed Assets**

S.NO	PARTICULARS	GROSS BLOCK			DEPRECIATION			NET BLOCK		
		ASAT 01/04/2018	ADDITION	DEDUCTION	ASAT 31/03/2019	ASAT 01/04/2018	FOR THE YEAR	ADJUST- MENT	ASAT 31/03/2019	ASAT 31/03/2018
1	PLANT & MACHINERY	16,920,835.00	-	-	16,920,835.00	12,957,446.73	840,581.79	-	13,798,028.52	3,963,388.27
2	OFFICE EQUIPMENTS	210,522.00	-	-	210,522.00	199,997.01	-	-	199,997.01	10,524.99
3	FURNITURE & FIXTURE	311,700.00	-	-	311,700.00	218,578.30	35,410.82	-	253,989.12	93,121.70
4	VEHICLES	2,036,342.00	-	834,569.00	1,201,773.00	1,376,253.55	106,634.78	576,571.91	906,316.42	660,088.45
5	COMPUTER EQUIPMENTS	824,826.00	-	-	824,826.00	783,585.37	-	-	783,585.37	41,240.63
6	A.C.EQUIPMENTS	15,000.00	-	-	15,000.00	7,480.55	846.18	-	8,326.73	7,519.45
	<b>Total Property plant &amp; equipment (A)</b>	20,319,225.00	-	834,569.00	19,484,656.00	15,543,341.49	983,473.58	576,571.91	15,950,243.16	4,775,883.51
7	Intangible assets	-	-	-	-	-	-	-	-	-
	<b>Total Intangible Assets (B)</b>	-	-	-	-	-	-	-	-	-
8	Capital work-in-progress	-	-	-	-	-	-	-	-	-
	<b>Total Capital work-in-progress (C)</b>	-	-	-	-	-	-	-	-	-
	<b>Total(A+B+C)</b>	20,319,225.00	-	834,569.00	19,484,656.00	15,543,341.49	983,473.58	576,571.91	15,950,243.16	4,775,883.51
	PREVIOUS YEAR	20,736,739.00	-	4,17,514.00	2,03,19,225.00	14,412,384.00	1,145,882.00	14,924.00	15,543,341.00	5,906,841.00

**Note- 4 Non-Current Investments**

Particulars	As at 31st March, 2019	As at 31st March, 2018
<b>Unquoted</b>		
Zeon Lifesciences Limited ( formerly known Mahaan Dairies Limited) 400000 (Previous year 400000) equity shares of Rs. 10/- each		6,000,000
Mahaan Milk Foods Limited 400000 equity shares of Rs. 10/- each	65,600,000	65,600,000
<b>Total</b>	<b>65,600,000</b>	<b>71,600,000</b>

**Note- 5 Deferred Tax Assets**

Particulars	As at 31st March, 2019	As at 31st March, 2018
At the start of the year	2,585,179	3,855,715
Change/(debit) to statement of Profit & Loss	(386,511)	1,270,536
<b>At the end of year</b>	<b>2,971,690</b>	<b>2,585,179</b>

**Note- 6 Inventories**

Particulars	As at 31st March, 2019	As at 31st March, 2018
a. Raw Materials and components	-	-
b. Work-in-progress	-	-
c. Finished goods	6,738,188.00	340,128
d. Stock-in-trade		
e. Stores and spares	2,024,493	2,024,493
f. Material at Site	-	-
f. Others (Stationary)		
<b>Total</b>	<b>8,762,681</b>	<b>2,364,621</b>

**Note- 7 Current Investments**

Particulars	As at 31st March, 2019	As at 31st March, 2018
<b>QUOTED</b>		
Industrial Development Bank of India 320 (Previous year:320) Equity shares of Rs.10/- each (Market price as on 29.03.2019 is Rs. 46.65)	6,560	6,560
<b>Total</b>	<b>6,560</b>	<b>6,560</b>

**Note- 8 Trade Receivable**

Particulars	As at 31st March, 2019	As at 31st March, 2018
<u>Sundry Debtors (Unsecured considered good, unless otherwise stated)</u>		
(I) Outstanding for more than 6 months - Considered Doubtful		
(II) Other Debts Considered Good	4,356,090	5,154,908
<b>Total</b>	<b>4,356,090</b>	<b>5,154,908</b>

**Note- 9 Cash and cash equivalents**

Particulars	As at 31st March, 2019	As at 31st March, 2018
<b>a. Balances with banks</b>		
Current A/c	1,454,769	13,160,740
Fixed Deposit Accounts:	74,660,090	61,260,090
i. Against Members Security Deposits		
ii. Public Issue Deposits		
iii. Others		
<b>b. Accrued Interest</b>	92,253	92,253
<b>c. Cash on hand</b>	101,615	118,147
<b>d. Others (specify nature)</b>	-	-
<b>Total</b>	<b>76,308,727</b>	<b>74,631,230</b>

**Note- 10 Short Term Loans & Advances**

Particulars	As at 31st March, 2019	As at 31st March, 2018
<b>a. Loans and advances to related parties</b>		
Secured, considered good	Nil	Nil
Unsecured, considered good	-	-
Doubtful	-	-
Less:Provision for doubtful loans and advances	-	-
Intra Company Transcation	-	-
<b>b. Others</b>		
Secured, considered good	-	-
Unsecured, considered good	-	-
Share Application Money Refundable	-	30,100,000.00
Advances recoverable in cash or in kind or for value to be received	158,415.76	2,383,522.00
Considered good	-	-
Rent receivable	-	-
Deposit with Government Departments	11,212,056.64	10,469,146.00
<b>Total</b>	<b>11,370,472.40</b>	<b>42,952,668.00</b>

**Note- 11 Other Current Assets**

Particulars	As at 31st March, 2019	As at 31st March, 2018
Security Deposit	804,600.73	820,600.00
Interest Receivable on FD	1,220,173.00	-
GST Amount Recoverable	706,803.60	-
Prepaid Expenses	17,117.17	-
<b>Total</b>	<b>2,748,694.50</b>	<b>820,600.00</b>

**Notes forming part of Balance Sheet and Profit & Loss A/c**
**Note- 12 Share Capital**

Particulars	As at 31 March 2019		As at 31 March 2018	
	No of Shares	Amount (Rs.)	No. of Shares	Amount (Rs.)
<b>a) AUTHORIZED CAPITAL</b> Equity Shares of Rs. 10/- each.	20,000,000	200,000,000	20,000,000	200,000,000
<b>b) ISSUED, SUBSCRIBED &amp; PAID UP CAPITAL</b> Equity Shares of Rs. 10/- each, each Fully Paid up includes 8,40,000 equity shares issued as bonus shares on 01.08.94 by capitalization of General Reserve)	3,500,700	35,007,000	3,500,700	35,007,000
	<b>3,500,700</b>	<b>35,007,000</b>	<b>3,500,700</b>	<b>35,007,000</b>
<b>c) RECONCILIATION OF NUMBER OF SHARES OUTSTANDING</b>				
At the beginning of the period	3,500,700	35,007,000	3,500,700	35,007,000
At the end of the period	3,500,700	35,007,000	3,500,700	35,007,000

**d) Rights, preferences and restrictions attached to Shares**
**Equity Shares:**

The Company has only one class of equity shares having a par value of Rs.10 per share. Each Shareholder is eligible for one vote per share held. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company

**e) Details of Shareholders holding more than 5% shares in the Company:**

Name of Shareholder	As at 31 March 2019		As at 31 March 2018	
	No of Shares	% Held	No of Shares	% Held
Sita Devi	-	-	840159	24.00
Sanjeev Goyal	860759	24.59	-	-
Saloni Goyal	516715	14.76	516715	14.76
Sanya Goyal	239750	6.85	239750	6.85
Total	1617224		1596624	

**Note:**

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 ownership of shares.

**Note- 13 Other Equity**

Particulars	As at 31st March, 2019	As at 31st March, 2018
a) Capital Investment Subsidy	7,320,000	7,320,000
b) Capital Redemption Reserve	-	-
b) Securities Premium reserve	12,253,500	12,253,500
d) Customer protection Fund	-	-
e) Investor Service Fund	-	-
f) Other Reserve (General Reserve)	82,748,471	-
<b>a. Surplus</b>		
Opening balance	82,748,471	68,218,383
(+) Net Profit/(Net Loss) For the current year	31,944,874	14,530,089
(+) Transfer from Reserves	-	-
(-) Proposed Dividends	-	-
(-) Interim Dividends	-	-
<b>(-) Transfer to Reserves:</b>	-	-
i).Customer Protection Fund	-	-
ii). Investor Service Fund	-	-
Closing Balance	114,693,345	82,748,472
<b>Total</b>	<b>134,266,845</b>	<b>102,321,972</b>

**Note- 14 Short Term Borrowings**

Particulars	As at 31st March, 2019	As at 31st March, 2018
Secured Loans	Nil	Nil
Unsecured, considered good	Nil	Nil
<b>Total</b>	<b>-</b>	<b>-</b>

**Note- 15 Trade Payables**

Particulars	As at 31st March, 2019	As at 31st March, 2018
Sundry Creditors ( Other Than Micro & Small Enterprises)	-	55,023,308
Advance received from customer	-	873,102
<b>Total</b>	<b>-</b>	<b>55,896,410</b>

**Note- 16 Other Current Liabilities**

Particulars	As at 31st March, 2019	As at 31st March, 2018
Other Liabilities	617,900	7,245,449
Audit Fee Payable	45,000	-
<b>Total</b>	<b>662,900</b>	<b>7,245,449</b>

**Note- 17 Short Term Provisions**

Particulars	As at 31st March, 2019	As at 31st March, 2018
Short Term Provisions	472,735	484,871
<b>Other Liabilities</b>		
Provision For Income Tax	5,249,848	3,935,948
<b>Total</b>	<b>5,722,583</b>	<b>4,420,819</b>

**Note- 18 Revenue From Operations**

Particulars	As at 31st March, 2019	As at 31st March, 2018
Sales	6,105,000	7,159,359
<b>Total</b>	<b>6,105,000</b>	<b>7,159,359</b>

**Note- 19 Other Income**

Particulars	As at 31st March, 2019	As at 31st March, 2018
SAD Refund	-	570,256.00
Interest & other income	7,396,745	4,323,246
<b>Total</b>	<b>7,396,745</b>	<b>4,893,502</b>

**Note- 20 Cost of material consumed**

Particulars	As at 31st March, 2019	As at 31st March, 2018
Opening Stock	340,128.00	
Purchase & Import	10,623,888.00	6,387,387.00
Closing Stock	6,738,188.00	
<b>Total</b>	<b>4,225,828</b>	<b>6,387,387.00</b>

**Note- 21 Change in Inventories**

Particulars	As at 31st March, 2019	As at 31st March, 2018
Opening stock:		
Finished goods	-	-
Semi finished goods	-	-
Stock in process	-	-
Less : Closing Stock		
Finished goods	-	340,128
Semi finished goods	-	(340,128)
Stock in process	-	-
<b>Total</b>	<b>-</b>	<b>(340,128)</b>

**Note-22 Employee Benefits Expense**

Particulars	As at 31st March, 2019	As at 31st March, 2018
(a) Salaries and incentives		
i.Directors	-	-
ii.Employees	1,200,135	1,297,301
(b) Contributions to -		
i.EPF	-	-
ii.FPF	-	-
iii.ESI	-	-
(c) Gratuity fund contributions	-	-
(d) Social security and other benefit plans for overseas employees	-	-
(e) expense on Employee Stock Option Scheme (ESOP) and Employee Stock Purchase Plan (ESPP), Staff welfare expenses	312	514
(e) Others		
<b>Total</b>	<b>1,200,447</b>	<b>1,297,815</b>

**Note- 23 Finance Cost**

Particulars	As at 31st March, 2019	As at 31st March, 2018
Interest paid	5,733.00	119,390.00
<b>Total</b>	<b>5,733.00</b>	<b>119,390.00</b>

**Note- 24 Other Expenses**

Particulars	As at 31st March, 2019	As at 31st March, 2018
Insurance	-	60,235.00
General expenses	2,411,022.78	14,02,265.00
Audit Fees	50,000.00	-
Rates & taxes	4,160.00	-
Rent	313,000.00	459,000.00
Sales/turnover/entry tax/Service tax	-	11,952.00
Telephone expenses	31,535.00	24,113.00
Traveling expenses	-	22,259.00
AGM Exps	15,071.00	-
Exgratia Exps	13,866.00	-
<b>Total</b>	<b>2,838,654.78</b>	<b>1,979,824.00</b>

**Note 25 Contingent Liabilities:**

Particulars	As at 31st March, 2019	As at 31st March, 2018
Delhi Sales Tax	4,468,428.00	4,468,428.00
Entry Tax	531,614.00	531,614.00

**Note 26**

Some of balance of debtors, creditors and loans and advances are subject to confirmation from respective parties. No significant impact is expected on the Profit and loss account on this account. The effect of the same if any which is not likely to be material will be adjusted at the time of confirmation.

**Note- 27 Deferred Tax Liability**

The carrying amount of Deferred Tax Liabilities /( Assets ) at each Balance Sheet date is arrived at as follows in accordance with Accounting Standard 22 as issued by The Institute of Chartered Accountants of India :

Particulars	Current year (Rupees)	Previous year (Rupees)
a) Deferred Tax Liability Difference between book depreciation and depreciation under the Income Tax Act, 1961	(482,796.00)	690,313.00
b) Deferred Tax assets Disallowances of expenses under Income Tax Act, 1961	3,454,486.00	3,275,492.00
Net Deferred Tax Liabilities	(2,971,690)	(2,585,179)
Credited to Profit & Loss Account	(386,511)	1,270,536.00

**Note- 28 Auditor Remuneration**

Particulars	Current year (Rupees)	Previous year (Rupees)
- As Auditors	50,000.00	50,000.00
- As Tax Auditors	-	-
- for other matters	-	-
	50,000.00	50,000.00

**Note- 29 Managerial Remuneration:**

Particulars	Current year (Rupees)	Previous year (Rupees)
- Salaries	-	-
- Contribution to P.F.	-	-
- Other perquisites & benefits	-	-
- Director's sitting fees	84000.00	10000.00



**Note- 30 Employee Benifites :**

## a) Defined Contribution Plans :

The Company charged Rs.NIL (Previous year Rs. 0) for provident fund contribution to the profit and loss account. The contributions towards these schemes by the Company are at rates specified in the rules of the schemes.

## b) Defined Benefit Plans :

- i Liability for Gratuity and Privilege leaves is determined on actuarial basis.
- ii Gratuity Scheme provides for a lump sum payment to vested employees at retirement, death while in employment or on termination of employment. Vesting occurs upon completion of five years of service, except death while in employment.
- iii The basis for determination of liability is as under :

Particulars	Gratuity Scheme	
	As at 31 March 2019 (Rs)	As at 31 March 2018 (Rs)
<b>Change In present value of obligation</b>		
1. Present value of obligation as at the beginning of the year	35,266.00	16,936.00
2. Current service cost	12,282.00	17,109.00
3. Interest cost	2,733.00	1,313.00
4. Actuarial (gain)/loss	(24,856.00)	(92.00)
5. Benefits paid	-	-
6. Present value of obligation as at the end of the year	25,425.00	35,266.00
<b>Cost for the year</b>		
1. Current service cost	12,282.00	17,109.00
2. Interest cost	2,733.00	1,313.00
3. Actuarial (gain) / loss	(24,856.00)	(92.00)
4. Net cost	(9,841.00)	18,330.00
<b>Main actuarial assumptions</b>		
Discount rate (per annum)	7.75%	7.75%
Rate of increase in compensation levels (per annum)	6.00%	6.00%

Particulars	Privilege Leaves	
	As at 31 March 2019 (Rs)	As at 31 March 2018 (Rs)
<b>Change In present value of obligation</b>		
1. Present value of obligation as at the beginning of the year	24,605.00	7,113.00
2. Current service cost	10,316.00	13,909.00
3. Interest cost	1,907.00	551.00
4. Actuarial (gain)/loss	(1,185.00)	3,032.00
5. Benefits paid	(13,333.00)	-
6. Present value of obligation as at the end of the year	22,310.00	24,605.00
<b>Cost for the year</b>		
1. Current service cost	10,316.00	13,909.00
2. Interest cost	1,907.00	551.00
3. Actuarial (gain) / loss	(1,185.00)	3,032.00
4. Net cost	11,038.00	17,492.00
<b>Main actuarial assumptions</b>		
Discount rate (per annum)	7.75%	7.75%
Rate of increase in compensation levels (per annum)	6.00%	6.00%

The estimate of future salary increase, considered in actuarial valuation, take account of inflation, seniority, promotions and other relevant factors such as demand and supply in the employment market.

**Note- 31 Related Party Disclosures as per Accounting Standard 18.**

Names of related party and nature of related party relationship:

**Associates**

Zeon Lifesciences Ltd (Previously known as Mahaan Dairies Ltd)., Mahaan Proteins Ltd., Lactomalt Foods Pvt. Ltd., Ace International. Healthy India Nutritional Products Pvt. Ltd. Best Milk Foods Pvt. Ltd.

Key Management Personnel: Mr. Sanjeev Goyal, Managing Director and Mrs. Saloni Goyal, Director

Key Management Personnel's relatives: M/s Rajiv Goyal HUF (HUF of Mr. Rajiv Goyal), Mr. Amar Nath Goyal ( Father of Mr. Sanjeev Goyal), M/s A N Goyal HUF( HUF of father of Mr. Sanjeev Goyal), Mr.Rajiv Goyal ( Brother of Mr. Sanjeev Goyal), Mrs. Shashi Goyal (Mother of Mr. Sanjeev Goyal), Mr.Suresh Garg, Mr.Dalip Chand Garg (Father of Mr. Suresh Garg), Mr.Dalip Chand Garg HUF (HUF of Mr. Suresh Garg's Father),Rani Garg (wife of Mr. Suresh Garg)

The following transactions were carried out with the related parties in the ordinary course of business :

Nature of transaction	2018-19	2017-18
	Rs.	Rs.
<b>Rent Paid</b>		
Mrs. Saloni Goyal	300,000	300,000
<b>Unsecured Loan</b>		
Zeon Lifesciences Limited	NIL	50,926,060
<b>Creditors</b>		
Mr. A.N. Goyal	NIL	296,346
Mrs. Shashi Rani Goel	NIL	67,500
Mr. A. N. Goyal (HUF)	NIL	189,068
<b>Advance received</b>		
Mr. Dalip Chand Garg	NIL	1,101,784
Dalip Chand Garg (HUF)	NIL	1,108,518
<b>Advance Recoverable</b>		
Mr. Suresh Garg	NIL	1,537,304
Healthy India Nutritional Products Pvt. Ltd.	1,418,450	1,418,450
Mahaan Milk Foods Ltd.	-	
<b>Share Application money paid</b>		
Zeon Lifesciences Limited	NIL	30,100,000
<b>Investment made in shares</b>		
Zeon Lifesciences Limited	NIL	6,000,000
Mahaan Milk Foods Ltd	65,600,000	65,600,000

**Note 32 Earning per Share:**

Particulars	Current year	Previous year
Weighted average number of shares at the beginning and at the end of the year	3,500,700	3,500,700
Face Value Per Share ( in Rs.)	10	10
Net profit (Loss) after tax available for Equity shareholders (Rs.)	31,944,874	14,530,089
Basic and diluted Earning per share (Rs)	9.13	4.15

**Note 33 Exceptional Item ( Transfer of Assets & Liabilities under family settelment)**

Mahaan group company initially started the bussiness in the year 1987 with equal contribution and participation of Mr. A.N. Goyal and Mr. Suresh Garg. Mr. Rajeev Goyal (son of Mr. A.N. Goyal), Mr. Sanjeev Goyal (son of Mr. A.N. Goyal) and the member of the family thereafter jointly established and promoted the Mahaan Group constituting the various companies referred to as

- (a) Mahaan Proteins Ltd.
- (b) Zeon Lifescience Ltd.
- (c) Mahaan food Ltd. (Consisting further 2 units Mahaan Biosys and Mahaan Nutritions)
- (d) Ace International

And the promoters groups are referred to as

- (a) Mr. A N Goyal as ANG Group
- (b) Mr. Suresh Garg as Garg Group
- (c) Mr. Saneev Goyal as SG Group
- (d) Mr. Rajeev Goyal as RG Group

**Unitwise ownership of promoters is as under :-**

	MPL	ZLL	MFL	ACE INT.
ANG GROUP	29	13	7	25
GARG GROUP	3	26	23	25
SG GROUP	12	42	11	25
RG GROUP	31	19	11	25
OTHERS	25	0	48	0
<b>Total</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>

All the parties enjoyed good relationship and jointly carried on the business of the Mahaan group for more than 2 decades. However with the passage of time, certain disputed and differences arose between the parties and in order to resolve these disputes and differences, The parties decided to re- arrange the ownership of the companies and to divide the assets and liabilities of the Mahaan Group In order to give effect to the family settlement they entered in to the Memorandum of Family Settlement (MOFS) dated 31.08.2010

**Broad settlement amongst the groups is as under:-**

- The Ownership, Management and control of Zeon Lifescience Ltd. and Mahaan Biosys & Mahaan Nutrition both unit of MFL has been decided to be accorded to Mr. Suresh Garg( Garg Group)
- The Ownership, Management and control of Mahaan Proteins Ltd has been decided to be accorded to Mr. Rajeev Goyal (RG Group)
- The Ownership, Management and control of ACE International and Dairy division of MFL has been decided to be accorded to Mr, Sanjeev Goyal (SG Group)
- Payment of 6.8 Crore by Mr. Suresh Garg to other promoters group.
- Mr. A.N. Goyal Expressed his disire to retire from active business.
- Transfer of Loan liabilities (All secured liabilities towards loans and interests outstanding) of Mahaan Food Ltd. by Garg Group
- Transfer of 1/4th share of property at Greater Kailash by Garg Group in favour of SG Group
- Exchange of Shareholding inter se.

Till November 2011 nothing could be executed amongst the groups due to disagreements on various issues in the settelement. Finally application under Section 9 of Arbitration and Conciliatration Act 1996 was moved by SG Group before the Hon'ble Delhi High Court for expeditious execution of MOFS.

**Obligation completed during Financial Year 2012-13**

In terms of court order dated 30-5-2012 following compliances were made

- Garg Group made a part payment of Rs 145 lacs to RG Group
- Garg Group made payment of Rs. 200 lacs to ANG Group
- Garg Group , RG Group & ANG Group exchange their respective shareholdings.

**Obligation completed during Financial Year 2013-14**

In terms of court order dated 10-5-2013 one compliance was made i.e.

- Garg Group acquired two unils of Mahaan Foods Limited namely MB and MN along with assets and liabilities

**Obligation completed during Financial Year 2016-17**

During the year RG Group and SG Group exchanged their respective shareholding under each group. The balance of assets and liabilities transferred under family settlement have been shown as exceptional item.

**Obligation completed during Financial Year 2018-19**

During the year Garg Group and SG Group exchanged their respective shareholding under each group. The balance of assets and liabilities transferred under family settlement have been shown as exceptional item.

**Note - 34 Additional information pursuant to the provision of part-II of Schedule III to the Companies Act, 2013 (Figures in brackets are in respect of previous year.)**
**A. Capacities, Production, Stocks and Sales:**

Class of goods	Opening stock As on 01.04.18		Purchase	Sales		Closing stock As on 31.03.19		Shortage
	Qty. Kgs.	Amount Rs.		Qty. Kgs.	Amount Rs.	Qty. Kgs.	Amount Rs.	
1. MILK PERMEATE POWDER	0 0	-	200000 0	87000 0	6,105,000.00 -	113000 0	6,398,060.00 -	0 0
2. WHEY PERMEATE POWDER	5325	340,128.00	(100000)	(94675)	(7,159,359.00)	5325 (5325)	340,128.00 (340,128.00)	0 0
3. OTHERS								
<b>TOTAL</b>	5325 0	340,128.00 -	200000 (100000)	87000 (94675)	6,105,000.00 (7,159,359.00)	118325 (5325)	6,738,188.00 (340,128.00)	0 0

**Note: Goods manufactured for others:**
**B. Licensed Capacity:**

Not applicable, as per notification No. 477(E) dated 25.7.91 issued under the Industries (Development & Regulation) Act, 1956.

**C. Installed Capacity:**

Not Applicable. Company has not done manufacturing activity during the year.

**D. Raw Material Consumed:**

Name of items	Current year		Previous year	
	Qty. Kgs.	Value (Rs.)	Qty. Kgs.	Value (Rs.)
1. Skimmed/Partly skimmed/Concentrate milk	0	0	0	0
2. Milk Powder	0	0	0	0
3. Sugar	0	0	0	0
4. Maize Starch	0	0	0	0
5. Others	0	0	0	0
	0	0	0	-

**E. Value of Imported and Indigenous Raw Materials and Stores & spares consumed and percentage of each to the total consumption.**

Particulars	Current year		Previous year	
	Value (Rs.)	% age	Value (Rs.)	% age
1. Raw materials				
- Imported	Nil	Nil	Nil	Nil
- Indigenous	0	0	0	0
Total	0	0	0	0
2. Spare parts & components				
- Imported	Nil	Nil	Nil	Nil
- Indigenous	0	0	0	0
Total	0	0	0	0

**F. EXPENDITURE IN FOREIGN CURRENCY**

Particulars	Current year	Previous year
	Rs.	Rs.
- Travelling	NIL	NIL
- Purchases of Finished goods	7,627,480.00	4,263,980.00

**Note 35 General**

- Figures have been rounded off to nearest rupee.
- Previous year's figures have been regrouped and/or rearranged wherever considered necessary.

**AUDITORS' REPORT**

As per our report of even date attached.

For, D M A R K S & ASSOCIATES  
Chartered Accountants  
Firm's Registration No. 006413N

For Mahaan Foods Limited

Sd/-  
D D Nagpal  
FCA  
Membership No. 085366

Sd/-  
(Jitender Singh Bisht)  
CFO  
PAN : BDRPB0631F

Sd/-  
Sanjeev Goyal  
Managing Director  
DIN: 00221099

Sd/-  
Saloni Goyal  
Director  
DIN: 00400832

Sd/-  
Shubham Jain  
Company Secretary  
M.No.A49541

Date: 29.05.2019  
Place: New Delhi



**FORM NO.: MGT - 11: PROXY FORM**

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

**32nd ANNUAL GENERAL MEETING**

**Saturday, 28th September, 2019**

**CIN:** L15419DL1987PLC350285

**Name:** Mahaan Foods Limited

**Registered Office:** M-19, 1st Floor, M-Block Market, Greater Kailash-II, New Delhi - 110048

**Website:** www.mahaanfoods.com

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

I/We, being the member(s) of ..... Shares of the above named company, hereby appoint:

1. Name:.....

Address:.....

E-mail ID: .....

Signature:.....or failing him / her

2. Name:.....

Address:.....

E-mail ID:.....

Signature:.....or failing him / her

3. Name:.....

Address:.....

.....

E-mail ID:.....

Signature:.....or failing him / her

As my / our proxy to attend and vote (on a poll) for me/ us and on my/ our behalf at the 32nd Annual General Meeting of the company to be held on Saturday, 28th September, 2019 at 11:00 A.M. at Hotel Bluestone CC-24, Nehru Enclave, Opp. Modi Tower, Nehru Place, New Delhi-110019 and at any adjournment thereof in respect of such resolutions as are indicated below:

Resolution No.	Description of Resolutions
1.	Adoption of the Financial Statements of the Company for the year ended 31st March, 2019 and the Reports of the Board of Directors and Auditors Report thereon
2.	Appointment of Mrs. Saloni Goyal as a Director.
3.	Appointment of M/s D M A R K S & Associates, Chartered Accountants, as Statutory Auditors
4.	Appointment of Mr. Sanjeev Goyal (DIN: 00221099) as Managing Director

Signed this .....day of ..... 20.....

Signature of shareholder(s) .....Signature of Proxy holder(s) .....

**Notes:**

- This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Annual General Meeting.**
- The Proxy Form should be signed across the Revenue Stamp as per specimen signature(s) registered with the Company/ Depository Participant.**
- A Proxy need not be a Member.**

**Affix  
Revenue Stamp**



**Mahaan Foods Limited**

CIN: L15419DL1987PLC350285

Reg. Office: M-19, 1st Floor, M-Block Market, Greater Kailash-II, New Delhi - 110048

**Attendance Slip**

32nd Annual General Meeting

Saturday, 28th September, 2019

DP ID- Client ID No./ Folio No.....

No. of Share(s) held:.....

Name of the Member / Proxy:.....

Address of the Member:.....

.....

I/ We hereby record my/our presence at the 32nd Annual General Meeting of Mahaan Foods Limited held on Saturday 28th September, 2019 at 11:00 A.M. at Hotel Bluestone CC-24, Nehru Enclave, Opp. Modi Tower, Nehru Place, New Delhi-110019

.....  
**Signature of Member/ Proxy**

**Notes:**

1. Please complete this attendance slip and hand it over at the entrance of the meeting hall.
2. Members are informed that no duplicate slips will be issued at the venue of the meeting and are requested to bring this slip for the Meeting.

COURIER

*If undelivered, please return to:*

**Mahaan Foods Limited**

M-19, 1st Floor, M-Block Market, Greater Kailash - II, New Delhi - 110048