

28<sup>th</sup> ANNUAL REPORT  
(2014-15)



MAHAAN FOODS LIMITED

**Board of Directors**

Mr. Sanjeev Goyal, Chairman & Managing Director  
Mr. Achal Kumar Khaneja  
Ms. Moutushi Sengupta  
Ms. Saloni Goyal

**Bankers**

HDFC Bank  
Axis Bank

**Secretary**

Mr. Vijay Gupta

**Auditors**

M/s D. D. Nagpal & Co.  
Chartered Accountants  
Room No. H, 6th Floor, Gopala Tower,  
25, Rajendra Place,  
New Delhi - 110008

**Registered Office**

Highwinds, National Highways 22,  
Village Datyar, Parwanoo,  
Himachal Pradesh - 173220

**Corporate Office**

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

**Registrar & Transfer Agents**

M/s Alankit Assignments Limited  
1 E/ 13, Alankit House, Jhandewalan Extension,  
New Delhi - 110005

**NOTICE**

Notice is hereby given that the 28th Annual General Meeting of the shareholders of Mahaan Foods Limited will be held at RVCC, Sector-5, Parwanoo, Himachal Pradesh-173220 on Tuesday, 29th September, 2015 at 12.15 P.M. to transact the following business:

**ORDINARY BUSINESS**

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March, 2015 and the Statement of Profit & Loss for the year ended on that date and the Directors' and Auditors' Report thereon.
2. To appoint a Director in place of Mr. Sanjeev Goyal (DIN: 00221099), Director, who retires by rotation and being eligible, offers himself for re-appointment.
3. Appointment of Auditors

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

**"RESOLVED THAT** pursuant to Section 139 and all other applicable provisions, if any, of the Companies Act, 2013 and the Rules framed thereunder, as amended from time to time, the Company hereby ratifies the appointment of M/s. D.D. Nagpal & Co. Chartered Accountants (Registration No. 006413N), as Auditors of the Company to hold office from the conclusion of this Annual General Meeting (AGM) till the conclusion of the next AGM of the Company to be held in the year 2016 on such remuneration, as may mutually be agreed between the Auditors and the Board of Directors of the Company."

**SPECIAL BUSINESS**

4. To consider and if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution

**"RESOLVED THAT** Mr. Achal Kumar Khaneja, (DIN: 02282489) who was appointed by the Board of Directors as an Additional Director of the Company with effect from February 12, 2015 and who holds office upto the date of this Annual General Meeting of the Company in terms of Section 161 of the Companies Act, 2013 ("Act") and in respect of whom the Company has received a notice in writing from a Member under Section 160 of the Act proposing his candidature for the office of Director of the Company, be and is hereby appointed as Director of the Company."

5. 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 149, 150, 152 and other applicable provisions, if any, of the Companies Act, 2013 and the rules made there under (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV to the Companies Act, 2013, Mr. Achal Kumar Khaneja, (DIN: 02282489) be and is hereby appointed as Independent Director of the Company, not liable to retire by rotation, for a period of five years from February 12, 2015 to February 11, 2020."

6. To consider and if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution

**"RESOLVED THAT** Ms. Moutushi Sengupta, (DIN: 07092382) who was appointed by the Board of Directors as an Additional Director of the Company with effect from February 12, 2015 and who holds office upto the date of this Annual General Meeting of the Company in terms of Section 161 of the Companies Act, 2013 ("Act") and in respect of whom the Company has received a notice in writing from a Member under Section 160 of the Act proposing her candidature for the office of Director of the Company, be and is hereby appointed a Director of the Company."

7. 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 149, 150, 152 and other applicable provisions, if any, of the Companies Act, 2013 and the rules made there under (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV to the Companies Act, 2013, Ms. Moutushi Sengupta, (DIN: 07092382) be and is hereby appointed as Independent Director of the Company, not liable to retire by rotation, for a period of five years from February 12, 2015 to February 11, 2020."

8. To consider and if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution

**"RESOLVED THAT** Ms. Saloni Goyal (DIN 00400832) who was appointed by the Board of Directors as an Additional Director of the Company with effect from September 27, 2014 and who holds office upto the date of this Annual General Meeting of the Company in terms of Section 161 of the Companies Act, 2013 ("Act") and in respect of whom the Company has received a notice in writing from a member under Section 160 of the Act proposing her candidature for the office of Director of the Company, be and is hereby appointed as Director of the Company liable to retire by rotation."

By the orders of the Board of Directors  
Sd/-

(Vijay Gupta)  
Company Secretary cum Compliance Officer

Place: New Delhi  
Date: 1st September, 2015

## NOTES

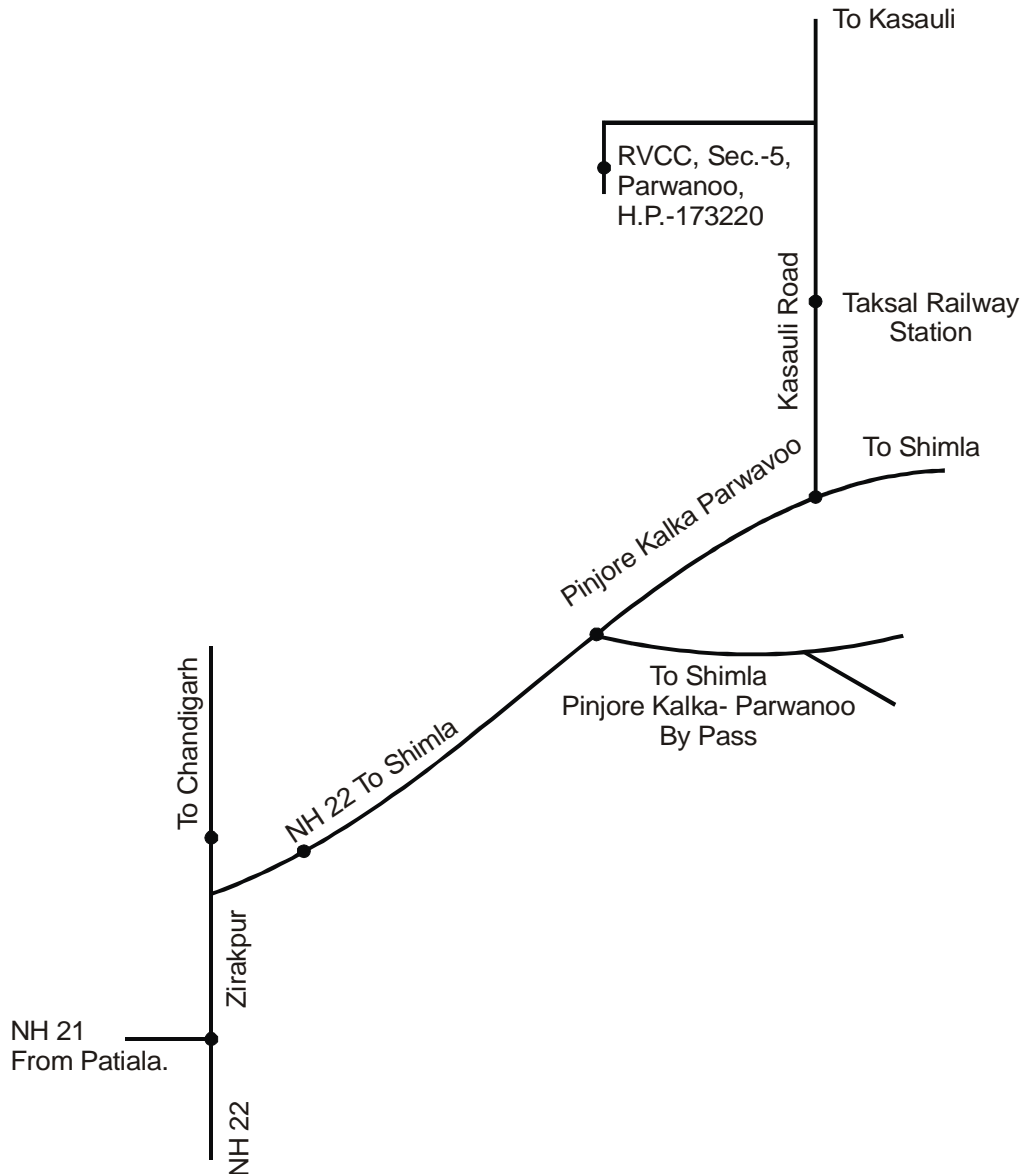
1. The Statement pursuant to Section 102(1) of the Companies Act, 2013 with respect of the Special Business set out in Item Nos. 4 to 8 of the accompanying Notice is annexed hereto.
2. **A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF (ONLY ON A POLL) AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. THE INSTRUMENT APPOINTING THE PROXY, DULY COMPLETED, MUST BE DEPOSITED AT THE COMPANY'S REGISTERED OFFICE NOT LESS THAN 48 HOURS BEFORE THE COMMENCEMENT OF THE MEETING. A PROXY FORM FOR THE AGM IS ENCLOSED.**
3. A person can act as a proxy on behalf of members not exceeding fifty and holding in the aggregate not more than 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.
4. Members / Proxies should bring the duly filled Attendance Slip enclosed herewith to attend the meeting.
5. 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.
6. The Register of Members and Share Transfer Books of the Company will remain closed from thursday, 24th September, 2015 to tuesday, 29th September, 2015 (both days inclusive) for the purposes of AGM.
7. Members are requested to intimate immediately the change of address or demise of any Member, if any, to the Company's Registrar and Transfer Agents or Depository Participant, as the case may be to prevent frauds.
8. Members holding shares in dematerialised form are requested to intimate all changes pertaining to their change of address, change of name, e-mail address, contact numbers, etc. to their Depository Participant (DP). Members holding shares in physical form are requested to intimate such changes to the Company or the Registrar and Transfer Agent of the Company.
9. 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.
10. Corporate members intending to send their Authorized Representative are requested to send a duly certified copy of the Board Resolution authorizing their representative to attend and vote at the Annual General Meeting.
11. The Company is concerned about the environment and utilizes natural resources in a sustainable way. We request you to update your email address with your Depository Participant to enable us to send you the communications via email.
12. Copies of the Annual Report 2015 are being sent by electronic mode to all members whose email addresses are registered with the Company / Depository Participant(s) for communication purposes unless any member has requested for hard copy of the same. For members who have not registered their email addresses, physical copies of the Annual Report 2015 are being sent by the permitted mode.
13. Members may also note that the Notice of the 28th AGM and the Annual Report 2015 will be available on the Company's website, [www.mahaanfoods.com](http://www.mahaanfoods.com). The physical copies of the aforesaid documents will also be available at the Company's Registered Office for inspection during normal business hours on working days. Members who require communication in physical form in addition to e-communication, or have any other queries, may write to us at: [investor@mahaanfoods.com](mailto:investor@mahaanfoods.com).
14. The provisions of the clause 49 of the Listing Agreement are not applicable on your company in view of Securities and Exchange Board of India vide circular no CIR/CFD/POLICY CELL/7/2014 dated 15th September, 2014. However your company is incorporating the information under clause 49 on voluntary basis.
15. Additional Information pursuant to Clause 49 of the Listing Agreement with the Stock Exchanges in respect of the Directors seeking appointment / re-appointment at the AGM are furnished and forms part of the Notice. The Directors have furnished the requisite consents / declarations for their appointment / re-appointment.
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.
17. All documents referred to in the notice will be available for inspection at the company's registered office during normal business hours on working days up to the date of the AGM.
18. Annual Listing Fee for the year 2015-2016 has been paid to the Bombay Stock Exchange Limited.
19. **NO GIFT(S) SHALL BE DISTRIBUTED AT THE ENSUING 28TH ANNUAL GENERAL MEETING OF YOUR COMPANY.**

**Voting through Electronic Means - Remote E-Voting**

- I. In compliance with provisions of Section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Rules, 2014 as substituted by the Companies (Management and Administration) Amendment Rules, 2015, (including any statutory modification(s) or re-enactment thereof, for the time being in force) and Clause 35B of the Listing Agreement, the Company is pleased to provide the Members with a facility to exercise their right to vote for the 28th 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 facility for voting through Poll 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 Poll Paper.
- III. Members who have cast their vote by remote e-voting prior to the AGM may also attend AGM but shall not be entitled to cast their vote again.
- IV. The remote e-voting period commences on Saturday, 26th September 2015 (9:00 am) and ends on Monday, 28th September, 2015 (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. 22nd September, 2015, 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.
- V. Any person who acquires shares of the Company and becomes Member of the Company after dispatch of the Notice of AGM and holding shares as of the cut-off date i.e. 22nd September, 2015 can obtain the login ID and password by sending a request at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) or [investor@mahaanfoods.com](mailto:investor@mahaanfoods.com), however, if you are already registered with NSDL for remote e-voting then you can use your existing user ID and password/PIN for casting your vote. If you forgot your password, you can reset your password by using "Forgot User Details/ Password" option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com).
- VI. Members whose name appears in the Register of Members or in the register of beneficial owners maintained by the depositories as on the cut-off date i.e. 22nd September, 2015 only shall be entitled to avail the facility of remote e-voting and vote at the AGM through Poll Paper.
- VII. The instructions for remote e-voting are as under:
  - A. Members whose shareholding is in the Dematerialization form and whose e-mail address are registered with the Company/ Depository Participants will receive an E-mail from NSDL informing user ID and Password:
    1. Open E-mail and open PDF file viz., "remote e-voting.pdf" with your Client ID or Folio No. as password. The said PDF file contains your user ID and password/PIN for remote e-voting. Please note that the password is an initial password.
    2. Launch internet browser by typing the following URL: <https://www.evoting.nsdl.com/>
    3. Click on Shareholder - Login
    4. Put user ID and password as initial password/PIN noted in step (1) above. Click Login.
    5. Password change menu appears. Change the password/PIN with new password of your choice with minimum 8 digits/characters or combination thereof. Note new password. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
    6. Home page of e-voting opens. Click on remote e-voting: Active Voting Cycles.
    7. Select "EVEN" of Mahaan Foods Limited.
    8. Now you are ready for e-voting as Cast Vote page opens.
    9. Cast your vote by selecting appropriate option and click on "Submit" and also "Confirm" when prompted.
    10. Upon confirmation, the message "Vote cast successfully" will be displayed.
    11. Once you have voted on the resolution, you will not be allowed to modify your vote.
    12. Institutional Members (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority letter etc. together with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer through e-mail to [investor@mahaanfoods.com](mailto:investor@mahaanfoods.com) with a copy marked to [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in).
  - B. For Members whose shareholding is in the Dematerialization form and whose e-mail address are not registered with the Company/Depository Participants and the Members holding Shares in Physical form as well as those Members who have requested for a physical copy of the Notice and Annual Report, the following instruction may be noted:
    1. Initial password will be provided separately REVEN (Remote E Voting Event Number) USER ID PASSWORD/PIN.
    2. Please follow all steps from instructions 2 to 12 of A above to cast vote.
- VIII. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Members and remote e-voting user manual for Members available at the downloads section of <https://www.evoting.nsdl.com> or contact NSDL at the following toll free no.: 1800-222-990.
- IX. Login to the remote 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 Password" option available on the site to reset the password.
- X. If you are already registered with NSDL for remote e-voting then you can use your existing user ID and password/PIN for casting your vote. If you forgot your password, you can reset your password by using "Forgot User Details/Password" option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com).
- XI. You can also update your mobile number and E-mail ID in the user profile details of the folio which may be used for sending future communication(s).

- XII. The voting rights of Members shall be in proportion to their shares of the paid up equity Share Capital of the Company as on the cut-off date i.e. 22nd September, 2015.
- XIII. Mr. Deepak Bansal, Company Secretary in Practice (CP 7433) has been appointed as the Scrutinizer to scrutinize the remote e-voting and poll process in a fair and transparent manner.
- XIV. The Chairman shall, at the AGM, at the end of discussion on the resolutions on which voting is to be held, allow voting with the assistance of scrutinizer, by use of poll paper for all those Members who are present at the AGM but have not cast their votes by availing the remote e-voting facility.
- XV. The Scrutinizer shall immediately after the conclusion of voting at the AGM will count the votes casted at the Meeting and thereafter unblock the votes casted through remote e-voting in the presence of at least two (2) witnesses not in the employment of the Company and make not later than 3 days of conclusion of AGM, a consolidated Scrutinizer's Report of the total votes casted in favour or against, if any, forthwith to the Chairman or a person authorized by him in writing who shall countersign the same and declare the results of the voting forthwith.
- XVI. The Results declared along with the report of the Scrutinizer shall be placed on the Company's website: [www.mahaanfoods.com](http://www.mahaanfoods.com) and on the website of NSDL immediately after the declaration of results by the Chairman or a person authorized by him in writing. The Results shall also be simultaneously forwarded to the concerned Stock Exchanges.

The route map of the venue of the AGM is given herein below :



**STATEMENT AS REQUIRED BY SECTION 102 OF THE COMPANIES ACT, 2013 AND THE INFORMATION REQUIRED TO BE FURNISHED UNDER THE LISTING AGREEMENT****Item No. 4 & 5**

The Board of Directors, on the recommendation of the Nomination and Remuneration Committee, appointed Mr. Achal Kumar Khaneja, as an Additional Director and as also an Independent Director, not being liable to retire by rotation, for a term of 5 (five) years i.e. from 12th February, 2015 to 11th February, 2020, subject to the approval of the Members.

As per Section 161(1) of the Companies Act, 2013 Mr. Achal Kumar Khaneja being an Additional Director, holds office upto date of the forthcoming Annual General Meeting of the Company and is eligible to be appointed a Director of the Company. The Company has received a notice in writing from a Member of the Company along with the deposit of requisite amount under Section 160 of the Companies Act, 2013 proposing the candidature of Mr. Achal Kumar Khaneja for the office of a Director of the Company. Mr. Achal Kumar Khaneja has consented to act as an Independent Director of the Company. The Company has received from Mr. Achal Kumar Khaneja a declaration to the effect that he meets the criteria of independence as provided in Section 149 (6) of the Companies Act, 2013.

The resolution seeks the approval of members for appointment of Mr. Achal Kumar Khaneja as an Independent Director of the Company upto 11th February, 2020 pursuant to Section 149 and other applicable provisions of the Companies Act, 2013 and the rules made there under. He is not liable to retire by rotation. The Board considers that his association would be of immense benefit to the Company and it is desirable to avail the services of Mr. Achal Kumar Khaneja as an Independent Director.

Copy of the letter for appointment of Mr. Achal Kumar Khaneja as Independent Director is available for inspection by members at the corporate office of the Company. This Statement may also be regarded as a disclosure under Clause 49 of the Listing Agreement with the Stock Exchanges.

No Director, Key Managerial Personnel or their relatives, except Mr. Achal Kumar Khaneja to whom the resolution relates, is interested or concerned financially or otherwise in the Resolution.

The Board recommends the Resolution No. 4 & 5 for the approval of the members.

The detail of Mr. Achal Kumar Khaneja along with his brief resume is given in the Annexure to the Notice.

**Item No. 6 & 7**

The Board of Directors, on the recommendation of the Nomination and Remuneration Committee, appointed Ms. Moutushi Sengupta, as an Additional Director and as also an Independent Director, not being liable to retire by rotation, for a term of 5 (Five) years i.e. from 12th February, 2015 to 11th February, 2020, subject to the approval of the Members.

As per Section 161(1) of the Companies Act, 2013, Ms. Moutushi Sengupta being an Additional Director, holds office upto the date of forthcoming Annual General Meeting of the Company and is eligible to be appointed a Director of the Company. The Company has received a notice in writing from a Member of the Company along with the deposit of requisite amount under Section 160 of the Companies Act, 2013 proposing the candidature of Ms. Moutushi Sengupta for the office of a Director of the Company. Ms. Moutushi Sengupta has consented to act as an Independent Director of the Company. The Company has received from Ms. Moutushi Sengupta a declaration to the effect that she meets the criteria of independence as provided in Section 149 (6) of the Companies Act, 2013.

The resolution seeks the approval of members for appointment of Ms. Moutushi Sengupta as an Independent Director of the Company upto 11th February, 2020 pursuant to Section 149 and other applicable provisions of the Companies Act, 2013 and the rules made there under. She is not liable to retire by rotation. The Board considers that her association would be of immense benefit to the Company and it is desirable to avail the services of Ms. Moutushi Sengupta as an Independent Director.

Copy of the letter for appointment of Mrs. Moutushi Sengupta as Independent Director is available for inspection by members at the corporate office of the Company. This Statement may also be regarded as a disclosure under Clause 49 of the Listing Agreement with the Stock Exchanges.

No Director, Key Managerial Personnel or their relatives, except Ms. Moutushi Sengupta to whom the resolution relates, is interested or concerned financially or otherwise in the Resolution.

The Board recommends the Resolution No. 6 & 7 for the approval of the members.

The detail of Ms. Moutushi Sengupta along with her brief resume is given in the Annexure to the Notice.

**Item No. 8**

The Board of Directors, on the recommendation of the Nomination and Remuneration Committee, appointed Ms. Saloni Goyal as an Additional Director in accordance with the Articles of Association and Section 161 of the Companies Act, 2013 with effect from September 27, 2014. As per Section 161 of the Companies Act, 2013 Ms. Saloni Goyal holds office upto the date of the ensuing Annual General Meeting.

The Company has received a notice in writing from a Member of the Company along with the deposit of requisite amount under Section 160 of the Act proposing the candidature of Mrs. Saloni Goyal to be appointed as a Director liable to retire by rotation. Mrs. Saloni Goyal has consented to and declared as qualified for such appointment, if made. Mrs. Saloni Goyal possess requisite knowledge, experience and skill for the position of Director.

No Director, Key Managerial Personnel or their relatives, except Mrs. Saloni Goyal, Mr. Sanjeev Goyal and their relatives is interested or concerned financially or otherwise in the Resolution.

The Board recommends the Resolution No. 8 for the approval of the members.

**DETAILS OF THE DIRECTORS SEEKING APPOINTMENT / RE-APPOINTMENT AT THE ANNUAL GENERAL MEETING PURSUANT TO CLAUSE 49 OF THE LISTING AGREEMENT**

**Mr. Achal Kumar Khaneja - Independent and Non-Executive Director**

Mr. Achal Kumar Khaneja, 49, is MBA and having corporate experience of 25 years and he is a director on the Board of Heritage Brands India Private Limited. He is member of the Audit Committee, Nomination & Remuneration Committee and Stakeholders Relationship Committee. He does not hold any shareholding in the company.

**Mrs. Moutushi Sengupta - Independent and Non-Executive Director**

Mrs. Moutushi Sengupta, 49, is MBA and having corporate experience of 24 years and she is not a director in any other company. She is member of the Audit Committee, Nomination & Remuneration Committee and Stakeholders Relationship Committee. She does not hold any shareholding in the company.

**Mrs. Saloni Goyal -Non-Executive and Non - Independent Director**

Mrs. Saloni Goyal, 49, is Commerce Graduate and PG in international Trade and is having corporate experience of around 15 years.

She is member of Stakeholders Relationship Committee. She holds 1,35,726 equity shares in the company and is director on the Board of M/s Everbright Estates Private Limited.

**By order of the Board of Directors**

**Sd/-**

**(Vijay Gupta)**

**Company Secretary cum Compliance Officer**

**Place: New Delhi**

**Date: 1st September, 2015**



**DIRECTORS' REPORT**

To,  
The Members,

Your Directors have pleasure in presenting their 28th Annual Report on the business and operations of the company together with the Audited Financial Statements for the year ended 31st March, 2015.

**1. Financial Highlights**

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

(` in lakh)

Particulars	2014-2015	2013-14
Sales & other income	949.68	1385.95
Profit Before Interest and Depreciation & Taxes	9.28	5.2
Profit/(Loss) before exceptional item & taxes	-8.83	-168.61
Exceptional item	-	227.59
Profit/(Loss) before Tax	-8.83	58.98
Tax	-47.87	-47.80
Profit/(Loss) after taxes	39.04	106.78

The Company achieved gross turnover including other income of Rs. 949.68 Lakh and posted net profit of Rs 39.04 Lakh for the financial year ended on 31st March, 2015 as against gross turnover including other income of Rs. 1385.95 Lakh and net profit of Rs. 106.78 Lakh in the previous financial year.

**2. State of Company's Affairs and Future Outlook**

Your company's primary business is manufacturing of dairy products. The company's business was severely affected during the year due to various constraints. Your company is trying to reposition itself in the changing business scenario.

Over the past decade, significant transformation took place in the Indian demographic space which led to heightened consumer interest in value added products. This shift in the dynamics of the dairy industry proved beneficial for the manufacturers since value added products have higher margins.

**3. Change in Nature of Business**

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

**4. Dividend**

No Dividend was declared for the current financial year.

**5. Transfer to Reserves**

Your Company has not transferred any amount of profits to reserves.

**6. Changes in Share Capital**

During the year, your Company had increased the Authorized Share Capital of the Company from Rs. 12 Corers to Rs. 20 Corers.

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**

In accordance with Sections 134(3) (a) and 92(3) of the Companies Act, 2013 and Rule 12(1) of the Companies (Management and Administration) Rules, 2014, the details forming part of the extract of the Annual Return in Form MGT-9 is annexed herewith as "**ANNEXURE-A.**"

**9. Number of Board Meetings**

During the year 12 (twelve) Board Meetings were held, the details of which forms part of the Corporate Governance Report.

**10. Particulars of Loans, Guarantees and Investments:**

Details of Loans, Guarantees and Investments covered under the provisions of Section 186 of the Companies Act, 2013 are given in the notes to the Financial Statements.

**11. Particulars of Contracts or Arrangements with Related Parties**

Disclosures as required under form AOC-2 are contained in Note 30 (Notes to Accounts). There are no Related Party Transactions which are not at arm's length basis. The policy on Related Party Transactions as approved by Board is uploaded on the Company's website [www.mahaanfoods.com](http://www.mahaanfoods.com).

**12. Auditors**
**A. Statutory Auditors':**

Pursuant to the provisions of Section 139 of the Act and the rules framed there under, M/s D. D. Nagpal & Co., Chartered Accountants, were appointed as statutory auditors of the Company from the conclusion of the 27th annual general meeting (AGM) of the Company held on September 27, 2014 till the conclusion of the 33rd Annual General Meeting, subject to ratification of their appointment at every Annual General Meeting. In terms of the first proviso to Section 139 of the Companies Act, 2013, the appointment of the auditors shall be placed for ratification at every Annual General Meeting. Accordingly, the appointment of M/s D. D. Nagpal & Co, Chartered Accountants, as statutory auditors of the Company, is placed for ratification by the shareholders at the 28th Annual General Meeting of the Company. In this regard, the Company has received a certificate from the auditors to the effect that if they are reappointed, it would be in accordance with the provisions of Section 141 of the Companies Act, 2013.

**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, the Company has appointed Ms. Shakshi Mittal, Practicing Company Secretary as Secretarial Auditors to undertake the Secretarial Audit of the Company. The Secretarial Audit Report is annexed herewith as "**ANNEXURE B**".

**C. Internal Auditors':**

M/s Naresh Kumar & Co., Chartered Accountants, New Delhi are Internal Auditors of the Company.

The Company has filed its Cost Audit Report for the financial year 2013-14 on 13th February, 2015.

**13. Explanation to Auditor's Remarks**
**A. Statutory Auditors**

As regards observations contained in the Auditor's Report, the respective notes to the accounts are self-explanatory and therefore, do not call for any further comments.

The management reply to Auditors comment in their Auditors Report is as follows:

**Reply to Para 2(e) of the main auditors report**

No significant impact is expected on the working results of the Company on this account.

**B. Secretarial Auditors**

There were no comments in the Secretarial Auditors Report which required any explanation from the directors of the company.

**14. Material Changes Affecting the Financial Position of the Company**

The inordinate delay in implementation of Company Law Board order dated 3rd September, 2010 involving family settlement amongst the promoters of the company has severely affected the financial position of the company.

**15. 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 adopted in all its operations.

**C. FOREIGN EXCHANGE EARNINGS AND OUTGO:- Nil**
**16. Details of subsidiary, joint venture or associates**

The Company is having Zeon Lifesciences Limited as its associate company in accordance with Section 2(6) of the Companies Act, 2013, however, the shareholding held by the company in Zeon Lifesciences Ltd. is subject to inter se transfer of shares between the promoters of the Company & Zeon Lifesciences Ltd. in accordance with the Hon'ble Company Law Board order dated 03.09.2010. The Company does not have any subsidiary or Joint venture company.

## 17. Risk Management

The Audit Committee has additional oversight in the area of financial risks and controls. Major risks identified by the businesses and functions are systematically addressed through mitigating actions on a continuing basis. The Risk Management Policy is available on the Company Website at: [www.mahaanfoods.com](http://www.mahaanfoods.com)

## 18. Directors & Key Managerial Personnel (KMP)

Mr. Sanjeev Goyal, Chairman cum Managing Director, Mr. G. K. Sharma, Chief Financial Officer and Mr. Vijay Gupta, Company Secretary are the Key Managerial Personnel of your Company 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.

At the meeting of the Board of Directors of the Company held on 27 September, 2014, Ms. Saloni Goyal (DIN - 00400832) was appointed as an Additional Director of the Company. She holds the office of directorship up to the date of the ensuing Annual General Meeting.

At the meeting of the Board of Directors of the Company held on 12th February, 2015, Ms. Moutushi Sengupta (DIN - 07092382) and Mr. Achal Kumar Khaneja (DIN - 02282489) were appointed as an Additional/Independent Directors of the Company. The details on their appointment as directors form part of the notice of the AGM. They hold the office of directors up to the date of the ensuing Annual General Meeting. Being eligible, they have also been appointed as Independent Directors of the Company. They have submitted a declaration that each of them meets the criteria of independence as provided in Section 149(6) of the Act and there has been no change in the circumstances which may affect their status as independent director during the year.

During the year under review, Mr. R.K. Dhall, Independent Director resigned from the company with effect from 28th June, 2014, Mr. Youdhveer Singh Rawat, Independent Director, resigned from the Company with effect from 12th February, 2015. The Board places on record appreciation for valuable contribution made by them to the affairs of the Company during their tenure as Independent Director of the Company.

## 19. Details of significant & material orders passed by the regulators or courts or tribunal

Your Company operations were severely affected on account of inordinate delay in the settlement of disputes amongst its promoters. The matter is pending for adjudication before the Arbitrator.

## 20. 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.

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

## 21. Fraud

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.

## 22. 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.

## 23. 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 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.

## 24. Particulars of Employees

The information required pursuant to Section 197 read with Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, names and other particulars in respect of employees of the Company are required to be attached to the Directors' Report. In terms of Section 136 of the Act, the reports and accounts are being sent to the members and other entitled thereto, excluding the information on employees' particulars as there are no employees whose particulars are required to be disclosed in this report.

## 25. Code of Conduct

The Board of Directors has approved a Code of Conduct which is applicable to all the members of the Board & senior management of the company. The Code has been posted on the Company's website [www.mahaanfoods.com](http://www.mahaanfoods.com).

## 26. Audit Committee

The details pertaining to composition of Audit Committee are included in the Corporate Governance Report which forms part of this report.

## 27. Corporate Governance

The clause 49 of the listing agreement is not applicable on your company in view of Securities and Exchange Board of India vide circular no CIR/CFD/POLICY CELL/7/2014 dated 15th September, 2014, however a separate section on Corporate Governance along with a certificate from the Practicing Company Secretary on its compliance forms an integral part of this report. Further, Management Discussion and Analysis which includes review of operations, performance and future outlook of the Company also forms a part of this report.

## 28. Corporate Social Responsibility (CSR)

The provisions 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 the Board has carried out an annual performance evaluation of its own performance, the directors individually as well as the evaluation of the working of its Committees. A structured questionnaire was prepared after taking into consideration inputs received from the Directors, covering various aspects of the Board's functioning such as adequacy of the composition of the Board and its Committees, Board culture, execution and performance of specific duties, obligations and governance.

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. Remuneration Policy

In accordance with the remuneration policy of the company the Nomination and Remuneration Committee recommend the appointment of Director and Senior Management Personnel of the Company, and their appointment or re-appointment, based on their qualifications, professional experience, positive attributes, view points, skills and area of expertise. The Remuneration Policy is placed on the Company's website [www.mahaanfoods.com](http://www.mahaanfoods.com).

## 31. Whistle Blower/Vigilance Policy

Your Company has established a whistle blower policy/vigil mechanism for the Directors, 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 occurring in the organization. The Company has also provided direct access to the Chairman of the Audit Committee in exceptional circumstances.

## 32. Disclosure under sexual harassment of women at Workplace, (Prevention, Prohibition & Redressal) Act, 2013

Your company did not come across any complaint by any employee during the year under review relating to the sexual harassment.

## 33. Directors' Responsibility Statement

Pursuant to Section 134(5) of the Companies Act, 2013, the board of directors, to the best of their knowledge and ability, confirm 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 end of the financial year and of the profit of the Company for that period;
- 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 the internal financial control to be followed by the company and that such Internal financial control 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.

## 34. Acknowledgements

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.

Place: New Delhi  
Date: 1st September, 2015

By order of the Board of Directors  
Sd/-  
(Sanjeev Goyal)  
Chairman cum Managing Director

**FORM NO. MGT 9  
EXTRACT OF ANNUAL RETURN**

**(As on financial year ended on 31.03.2015)**

**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	L15419HP1987PLC007356
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	Highwinds, National Highway 22, Village Datyar, Parwanoo, Himachal Pradesh, 173220 Phone No. 011-43107200
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
1.	Zeon Lifesciences Limited Address: Village Kunja Rampur Road, Paonta Sahib, Distt Sirmour, Himachal Pradesh.	U15209HP1987PLC007355	Associate	22.73	2(6)

**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 [As on 31-March-2014]				No. of Shares held at the end of the year [As on 31-March-2015]				% 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	1397849	15000	1412849	40.36	1397849	-	1397849	39.93	(0.43)
b) Central Govt	-	-	-	-	-	-	-	-	-
c) State Govt(s)	-	-	-	-	-	-	-	-	-
d) Bodies Corp.	467450	-	467450	13.35	467450	-	467450	13.35	NIL
e) Banks / FI	-	-	-	-	-	-	-	-	-
f) Any other	-	-	-	-	-	-	-	-	-
<b>Total shareholding of Promoter (A)</b>	<b>1865299</b>	<b>15000</b>	<b>1880299</b>	<b>53.71</b>	<b>1865299</b>	<b>-</b>	<b>1865299</b>	<b>53.28</b>	<b>(0.43)</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	62500	-	62500	1.79	NIL
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>62500</b>	<b>6300</b>	<b>68800</b>	<b>1.97</b>	<b>NIL</b>
<b>2. Non-Institutions</b>									
a) Bodies Corp.	80937	16800	97737	2.79	106050	16800	122850	3.51	.72
i) Indian									
ii) Overseas									
b) Individuals									
i) Individual shareholders holding nominal share capital upto Rs. 1 lakh	474758	334145	808903	23.11	467203	330645	797848	22.79	(.32)
ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh	433399	14300	447699	12.78	422191	28300	450491	12.87	.09
c) Others (specify)									
Non Resident Indians	17162	164400	181562	5.19	15312	164400	179712	5.13	(.06)
Overseas Corporate Bodies	15700	-	15700	.45	15700	-	15700	.45	NIL
Foreign Nationals	-	-	-	-	-	-	-	-	-
Clearing Members	-	-	-	-	-	-	-	-	-
Trusts	-	-	-	-	-	-	-	-	-
Foreign Bodies	-	-	-	-	-	-	-	-	-
DR	-	-	-	-	-	-	-	-	-

<b>Sub-total (B)(2):-</b>	1021956	529645	1551601	44.32	1026456	540145	1566601	44.75	.43
Total Public Shareholding (B) = (B)(1)+ (B)(2)	1084456	542245	1620401	46.29	1088956	546445	1635401	46.72	.43
<b>C. Shares held by Custodian for GD Rs &amp; ADRs</b>	-	-	-	-	-	-	-	-	-
<b>Grand Total (A+B+C)</b>	2949755	557245	3507000	100	2954255	546445	3500700	100	-

**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	Aditya Goyal	148175	4.23	-	148175	4.23	-	-
2	AnishGarg	47600	1.36	-	47600	1.36	-	-
3	AnishGarg	17667	0.51	-	17667	0.51	-	-
4	Dalip Chand	65000	1.86	-	65000	1.86	-	-
5	Dalip Chand Garg	53195	1.52	-	53195	1.52	-	-
6	Deepa Goyal	90100	2.57	-	90100	2.57	-	-
7	Rajiv Goyal	290889	8.31	-	290889	8.31	-	-
8	Rani Garg	33200	0.95	-	33200	0.95	-	-
9	Saloni Goyal	135726	3.88	-	135726	3.88	-	-
10	Sanjeev Goyal	20600	0.59	-	20600	0.59	-	-
11	Sanjeev Goyal Karta	99900	2.85	-	99900	2.85	-	-
12	Sanya Goyal	239750	6.85	-	239750	6.85	-	-
13	Sita Devi	300	0.01	-	300	0.01	-	-
14	Suresh Garg	120297	3.44	-	120297	3.44	-	-
15	Suresh Garg	5850	0.17	-	5850	0.17	-	-
16	Yashna Garg	29600	0.85	-	29600	0.85	-	-
17	French Foods Private Limited	93250	2.66	-	93250	2.66	-	-
18	Zeon Lifesciences Limited	290000	8.28	-	290000	8.28	-	-
19	Zeon Lifesciences Limited	84200	2.41	-	84200	2.41	-	-
20	Savita Aggarwal	15000	0.43	-	-	-	-	(0.43)
	<b>Total</b>	<b>1880299</b>	<b>53.71</b>		<b>1865299</b>	<b>53.28</b>		<b>(0.43)</b>

**iii. Change in Promoters' Shareholding (please specify, if there is no change)**

Particulars	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
	No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
At the beginning of the year				
Date wise Increase/Decrease in Promoters Shareholding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/sweat equity etc):				
At the end of the year				

NIL

**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 shareholding 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	131100	3.75	29.08.2014	+2400	Purchase	133500	3.81
2	Raju Bhandari	92614	2.65	-	-	-	92614	2.65
3	The Pradeshiya Industrial and Investment Corporation	62500	1.79	-	-	-	62500	1.79
4	S. Chand & co. Ltd	42564	1.22	-	-	-	42564	1.22
5	Rajendra Rajaram Dhole	25700	.73	-	-	-	25700	.73
6	Alliance Holdings Limited	25000	.71	-	-	-	25000	.71
7	Asgar Hussaini Bharmal	24900	.64	-	-	-	24900	.64
8	Jyoti Hareesh Shah	22518	.63	20.06.2014 30.06.2014 11.07.2014	-22518 +20433 -938	Sale Purchase Sale	19495	.55
9	Poonam B Bharwani	22220	.63	04.07.2014 19.09.2014 24.09.2014	+2 -1480 -1000	Purchase Sale Sale	19742	.56
10	Pearl Mary Nirmala George	22000	.62	-	-	-	22000	.62
11.	*Sumit Garg	20700	.59	-	-	-	20700	.59
12	*Behram Naoraji Dastur	20000	.57	-	-	-	20000	.57

Note : The above information is based on the weekly beneficiary position received from depositories.

\*Not in the list of top 10 shareholders as on 01.04.2014, however they are reflected as shareholders on 31.03.2015.

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

SN	Shareholding of each Directors and each Key Managerial Personnel	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	Mr. Sanjeev Goyal, Chairman cum Managing Director	20600	0.588	20600	0.588
2	*Saloni Goyal, Non-Executive Director	135726	3.877	135726	3.877

\* Mrs. Saloni Goyal has been appointed as Additional Director on the board w.e.f. 27.09.2014.



**V. INDEBTEDNESS** -Indebtedness of the Company including interest outstanding/accrued but not due for payment.

(In ` )

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
<b>Indebtedness at the beginning of the financial year</b>				
i) Principal Amount	6,96,684	-	-	6,96,684
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
<b>Total (i+ii+iii)</b>	<b>6,96,684</b>			<b>6,96,684</b>
<b>Change in Indebtedness during the financial year</b>				
* Addition	-	-	-	-
* Reduction	5,50,559	-	-	5,50,559
<b>Net Change</b>	<b>5,50,559</b>	<b>-</b>	<b>-</b>	<b>5,50,559</b>
<b>Indebtedness at the end of the financial year</b>				
i) Principal Amount	1,46,125	-	-	1,46,125
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
<b>Total (i+ii+iii)</b>	<b>1,46,125</b>	<b>-</b>	<b>-</b>	<b>1,46,125</b>

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

S N	Particulars of Remuneration	Key Managerial Personnel			
		CEO	Vijay Gupta (CS)	Mr. G. K. Sharma (CFO)	Total
1	Gross salary				
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	N.A	2,00,930	5,36,400	7,37,330
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	N.A	0	0	0
	(c) Profits in lieu of salary under section 17 (3) Income-tax Act, 1961	N.A	0	0	0
2	Stock Option	N.A	0	0	0
3	Sweat Equity	N.A	0	0	0
4	Commission	N.A	0	0	0
	- as % of profit	N.A	0	0	0
	Others, specify...	N.A	0	0	0
5	Others, please specify	N.A	0	0	0
	Total	N.A	2,00,930	5,36,400	7,37,330

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

Nil

**Form No. MR-3  
SECRETARIAL AUDIT REPORT  
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2015**

**[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  
**M/s Mahaan Foods Limited**  
Highwinds, National Highway-22,  
Village Datar, Parwanoo,  
Himanchal Pradesh-173220

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Mahaan Foods Limited (hereinafter called the Company). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my 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, I hereby report that in my opinion, the Company has, during the audit period covering the financial year ended on **31 March 2015 ('Audit Period')** has generally 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:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31 March 2015 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) 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;  
**(Not applicable to the Company during the Audit Period)**
- (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, 1992;
  - (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 (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 and The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 notified on 28 October 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;  
**(Not applicable as the Company is not registered as Registrar to an issue and Share Transfer Agent during the Audit Period)**
  - (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; and
  - (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998  
**(Not applicable to the Company during the Audit Period).**

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

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India  
**(Not notified hence not applicable to the Company during the audit period).**
- (ii) The Listing Agreements entered into by the Company with Stock Exchanges.

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

**I further report that**, having regard to the 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 generally 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. 10012064000118.

**I 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 out 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, 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 decisions at Board Meetings and Committee Meetings are carried out unanimously as recorded in the minutes of the meetings of the Board of Directors or Committee of the Board, as the case may be.

**I 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.

**I further report that** during the audit period:

- (a) the Company had taken approval of shareholders for making loans, investments, providing guarantees in excess of the limits prescribed under Section 186 of the Companies, Act, 2013.
- (b) the company had taken approval of the shareholders pursuant to Section 12 (5) of the Companies Act, 2013 for change in the situation of registered office of the Company outside the local limits but within the same State
- (c) the Company's operations were interrupted, as explained, on account of inordinate delay in implementation of Company Law Board Order dated 3rd September, 2010 relating to family settlement amongst the promoters of the company.

Date: 1st September,2015  
Place: New Delhi

**Sd/-**  
**(Shakshi Mittal)**  
Practicing Company Secretary.  
ACS: 32114 CP 12649

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

To,

The Members,  
**M/s Mahaan Foods Limited**  
Highwinds, National Highway-22,  
Village Datyar, Parwanoo,  
Himanchal Pradesh-173220

My 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.

Date: 1st September,2015  
Place: New Delhi

**Sd/-**  
**(Shakshi Mittal)**  
Practicing Company Secretary.  
ACS: 32114 CP 12649

## 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 for the financial year cannot be ascertained as no remuneration was paid to any of the Directors of the company.
- ii) There was 10.4% increase in the remuneration of Chief Financial officer of the company in the financial year..
- iii) There was 12.2% increase in the median remuneration of employees in the financial year
- iv) There were only 3(three) permanent employees on the rolls of the Company.
- v) Since the company was less operative for most part of the year, no explanation could be given with respect to relationship between average increase in remuneration and company performance.
- vi) Since the company was less operative for most part of the year the comparison of the remuneration of the Key Managerial Personnel against the performance of the Company could not be given.
- vii) The Market Capitalisation of the Company as on 31st March, 2015 was Rs.363.02 Lacs as compared to Rs.323.81 Lacs as on 31st March, 2014. The price earnings ratio of the Company was 9.34 as at 31st March, 2015 and was 3.03 as at 31st March, 2014. The closing share price of the Company at BSE Limited on 31st March, 2015 was Rs. 10.37 per equity share of face value of Rs.10/- each which has declined 30.87% since the last Initial Public Offer made in the year 1995.
- viii) Average percentile increase in the salaries of employees others than the Managerial Personnel is 14%. There was increase of 10.4% in the remuneration of Managerial Personnel. There is no exceptional increase in Managerial remuneration.
- ix) Since the company was inoperative most part of the year the comparison of remuneration of the Key Managerial Personnel against the performance of the Company could not be given.
- x) The key parameters for any variable component of remuneration availed by the Director is Nil.
- xi) The ratio cannot be computed as no remuneration was paid to any of the Directors of the Company.
- xii) It is hereby affirmed that the remuneration paid during the year ended 31st March, 2015 is as per the Remuneration Policy of the Company.

**REPORT ON CORPORATE GOVERNANCE**
**1. Company's philosophy on Corporate Governance**

At Mahaan Foods Limited, Corporate Governance is an integral part of the Company's values, ethics, business practices and norms. It aims at achievement of high levels of accountability, efficiency, responsibility and fairness in all areas of operations. Our workforce is committed towards the protection of interests of the shareholders, investors, customers etc. Towards this, the Company consistently evaluates and updates its management practices aiming at improvement and maximization of value of all the stakeholders.

**2. Board of Directors**

The composition of the Board of Directors and other details as on 31st March, 2015 is as under:

During the financial year, 12 (twelve) meetings of the Board of Directors of Mahaan Foods Limited were held on 9th May, 2014, 30th May, 2014, 16th July, 2014, 12th August, 2014, 23rd August, 2014, 27th September, 2014, 7th October, 2014, 14th November, 2014, 12th January, 2015, 20th January, 2015, 12th February, 2015 and 27th March, 2015 respectively.

S. No.	Name of the Directors	Category	Designation	No. of Board Meetings attended	Attendance at Last AGM	No. of Directorships in other Public Companies	No. of memberships in committees of the Board of other Public Companies
1	Mr. Sanjeev Goyal	Executive Director	Chairman & Managing Director	11	Yes	1	-
2	*Ms. Saloni Goyal	Non-Executive Non-Independent Director	Additional Director	5	No	Nil	-
3	Ms. Harmeet Kaur	Non Executive Independent Director	Director	12	Yes	1	2
4	#Mr. Youdhveer Singh Rawat	Non Executive Independent Director	Director	11	No	2	-
5	*Mr. Achal Kumar Khaneja	Non-Executive Independent Director	Additional Director	1	No	Nil	-
6	*Ms. Moutushi Sengupta	Non-Executive Independent Director	Additional Director	1	No	Nil	-
7	#Mr. R. K. Dhall	Non-Executive Independent Director	Additional Director	nil	No	Nil	-

\*Ms. Saloni Goyal was appointed as an Additional Director on 27th September, 2014.

\*Mr. Achal Kumar Khaneja and Ms. Moutushi Sengupta were appointed as an Additional and Independent Directors on 12th February, 2015.

# Mr. R. K. Dhall and Mr. Youdhveer Singh Rawat ceased to be Directors w. e. f. 28th June, 2014 and 12th February, 2015 respectively.

**3. Separate meeting of the Independent Directors**

The Independent Directors met during the year under review, inter alia, to discuss review of the performance of Non-Independent Directors and the Board as a whole review the performance of the Chairperson, taking into account the views of the Executive Director's and Non-Executive Directors, assess the quality, quantity and timeliness of flow of information between the company management and the board that is necessary for the Board to effectively and reasonably perform their duties.

All the Independent Directors were present at the Meeting.

**4. Code of conduct for the Board Members and Senior Management**

The Company has adopted a Code of Conduct for the members of the Board and Senior Management personnel of the Company which intends to focus on the areas of ethical risks, provides guidance mechanism to report unethical conduct and helps foster a culture of honesty and accountability. The Code has been circulated to all the members of the Board and Senior Management Personnel and compliance of the same has been affirmed by them.

**5. Committees of the Board**
**• Audit Committee**

The Audit Committee formed in pursuance to Clause 49 of the Listing agreement and Section 177 of the Companies Act, 2013 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 the recommendation for appointment of independent auditors, compliance with legal and statutory requirements and integrity of the Company's financial statements.

During the year, 7 (seven) meetings of the Committee were held on 30th May, 2014, 12th August, 2014, 23rd August, 2014, 14th November, 2014, 12th January, 2015, 12th February, 2015 and 27th March, 2015 respectively. The composition and attendance of the Committee was as under:

Name of Director	Position held in the Committee	No. of Committee Meetings attended
Ms. Harmeet Kaur	Chairperson	7
Mr. Sanjeev Goyal	Member	7
#Mr. Youdhveer Singh Rawat	Member	6
#Mr. R. K. Dhall	Member	-
*Mr. Achal Kumar Khaneja	Member	1
*Ms. Moutushi Sengupta	Member	1

# Mr. R.K. Dhall and Mr. Youdhveer Singh Rawat ceased to be a member of the committee w. e. f. 28th June, 2014 and 12th February, 2015 respectively.

\*Mr. Achal Kumar Khaneja and Ms. Moutushi Sengupta were appointed as an Additional and Independent Directors on 12th February, 2015 and were inducted as members of the committee on 12th February, 2015.

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**

Pursuant to Section 178 of the Companies Act, 2013, the nomenclature of the 'Nomination Committee' was changed to 'Nomination & Remuneration Committee'. Terms of reference of new Committee are as per Section 178 of the Companies Act, 2013 and Clause 49 of the Listing Agreement. The terms of reference of the Committee cover evaluation of compensation and benefits for Executive Director(s), Non-Executive Director(s), KMP and looking after the issues relating to major HR policies.

During the year, 4 (four) meetings of the Committee were held on 27th September, 2014, 7th October, 2014, 12th February, 2015 and 27th March, 2015 respectively. The composition and attendance of the Directors was as under:

Name of Director	Position held in the Committee	No. of Committee Meetings attended
Ms. Harmeet Kaur	Chairperson	4
Mr. Sanjeev Goyal	Member	3
#Mr. Youdhveer Singh Rawat	Member	3
#Mr. R. K. Dhall	Member	-
*Mr. Achal Kumar Khaneja	Member	1
*Ms. Moutushi Sengupta	Member	1

# Mr. R.K. Dhall and Mr. Youdhveer Singh Rawat ceased to be members of the committee w. e. f. 28th June, 2014 and 12th February, 2015 respectively.

\* Mr. Sanjeev Goyal, was inducted as member of the committee from 28th June, 2014 and ceased to be member with effect from 12th February, 2015.

\* Mr. Achal Kumar Khaneja and Ms. Moutushi Sengupta were appointed as an Additional and Independent Director on 12th February, 2015 and were inducted as the members of the committee on 12th February, 2015.

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 other Directors of the Company.

**• Stakeholders' Relationship Committee**

Pursuant to Section 178 of the Companies Act, 2013, the nomenclature of "Shareholders'/ Investors' Grievance Committee" was changed to "Stakeholders' Relationship Committee".

The Stakeholders Relationship Committee is empowered to perform the functions of the Board relating to handling of stakeholders' queries and grievances. It primarily focuses on review of :

1. Investor complaints and their redressal;
2. Performance of the share transfer agent;
3. Corporate actions related to shareholder issues;
4. Stakeholders' queries & grievances.

During the year, nine meetings of the Committee were held on 5th May, 2014, 19th May, 2014, 26th May, 2014, 11th August, 2014, 8th September, 2014, 15th September, 2014, 6th October, 2014, 3rd November, 2014 and 22nd December, 2014 respectively:

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

Name of the Director	Position in the Committee	Number of Meetings attended
Ms. Harmeet Kaur	Chairperson	9
#Mr. Youdhveer Singh Rawat	Member	9
#Mr. R. K. Dhall	Member	Nil
*Ms. Saloni Goyal	Member	3

# Mr. R.K. Dhall and Mr. Youdhveer Singh Rawat ceased to be members of the Committee w. e. f. 28th June, 2014 and 12th February, 2015 respectively.

\* Ms. Saloni Goyal was appointed as an additional director on the board of the company with effect from 27th September, 2014 and was inducted as a member of the Committee on the same day.

The Company Secretary acted as the Secretary to the Committee. All complaints that were received from the shareholders were replied/resolved to the satisfaction of the shareholders.

### Risk Management

The Company manages risks as an integral part of its decision making process. The Audit Committee and the Board of Directors assess, review and monitors the key risk assessment and risk mitigation mechanism in the company.

### Green Initiative

As a responsible corporate citizen, the Company welcomes and supports the 'Green Initiative' taken by the Ministry of Corporate Affairs, Government of India (MCA), by its Circulars, enabling electronic delivery of documents including the Annual Report to shareholders at their e-mail address registered with the Depository Participants(DPs)/Company/Registrars & Share Transfer Agents. Shareholders who have not registered their e-mail address so far are requested to register their e-mail addresses. Those holding shares in DEMAT form can register their e-mail address with their concerned DPs. Shareholders who hold shares in physical form are requested to register their e-mail addresses with Alankit Assignments Ltd., by sending a letter duly signed by the first/sole holder quoting details of Folio Number.

### • General Body Meetings

The detail of last three AGM's are as follows:

Year	AGM	Location	Date	Time	No. of Special Resolutions
2011-2012	25 <sup>th</sup> AGM	Village Kunja, Rampur Road, Paonta Sahib, Distt. Sirmour (HP)	30.09.2013	1.00 P.M.	Nil
2012-2013	26 <sup>th</sup> AGM	Village Kunja, Rampur Road, Paonta Sahib, Distt. Sirmour (HP)	31.12.2013	10.00 A.M.	6
2013-2014	27 <sup>th</sup> AGM	Hotel Park Inn, Plot No. 1, Sector-2, Parwanoo, Himachal Pradesh-173220	27.09.2014	11:00 A.M.	3

### Postal Ballot

During the year 2 (two) special resolutions were passed through Postal Ballot including e-voting. The Notice of the Postal Ballot dated 16th July, 2014 and 14th November, 2014 was sent to all the shareholders of the Company along with a self-addressed postage prepaid business reply envelope to the Members whose email id is not registered with the Company/Depository Participant and sent the respective Notice of Postal Ballots through email along with the details of Login ID & Password to the Members whose email id was registered with the Company/Depository Participant. Mr. Deepak Bansal, Practicing Company Secretary was appointed as the Scrutinizer, who submitted his respective reports to the Managing Director of the Company. The details of the Postal Ballot conducted during the year results of which were announced are provided herein below:

S. No.	Date of Announcement of Results	Item	Total No. of valid votes polled	No. of votes in favour %	No. of votes against %
1	23.08.2014	Special Resolution pursuant to Section 12 (5) of the Companies Act, 2013 for Change in the situation of registered office of the Company outside the local limits but within the same State.	886655	99.86	0.14
2	29.12.2014	Special Resolution for providing authorization to the Board of Directors of the company for making Loans, Investments etc. in excess of the limits prescribed under Section 186 and other applicable provisions of the Companies Act, 2013.	645501	100	Nil

All the resolutions as mentioned in the Notice of Postal Ballot dated 16th July, 2014 and 14th November, 2014 were passed by the requisite majority of the members of the Company.

#### Disclosures

- The related party transactions during the year under the review are mentioned in (Note 30) "Notes to Accounts."
- The Company's Whistle Blower Policy is in line with the provisions of Section 177 of the Companies Act, 2013. This Policy establishes a vigil mechanism for Directors and employees to report genuine concerns regarding unethical behaviour, actual or suspected fraud or violation of the Company's code of conduct
- The said mechanism also provides for adequate safeguards against victimization of persons who use such mechanism and makes provision for direct access to the Chairperson of the Audit Committee in exceptional cases. No employee of the Company was denied access to the Audit Committee during the year.

#### MANAGEMENT DISCUSSION AND ANALYSIS IS REPORTED IN THIS ANNUAL REPORT

##### MD/ CFO certification on the financial statements

Pursuant to Clause 49 of the Listing Agreement, the Managing Director and the Chief Financial Officer of the Company have submitted the desired certificate to the Board of Directors and the same has been taken on record by the Board of Directors at their meeting held on 1st September, 2015.

##### Means of Communication

The Company published its results in two newspapers i.e. Himachal Times (English) and (Hindi) editions respectively. The Company in compliance with the listing agreement regularly intimates un-audited as well as audited results to the Stock Exchanges, immediately after they are approved by the Board in the prescribed format so as to enable the respective Stock Exchanges to put the same on their own websites. The notice of AGM along with Annual Report is sent to the shareholders well in advance of the AGM. Disclosures with regard to shareholding pattern, change in major shareholdings etc. are sent to the Stock Exchanges as required under SEBI Regulations.

#### General Shareholder Information

##### A. Annual General Meeting

Date: 29th September, 2015  
Time: 12:15 P.M.  
Venue : RVCC, Sector-5, Parwanoo, Himachal Pradesh-173220

##### B. Financial Calendar

The Company follows April-March as its financial year. The results for every quarter beginning from April is declared in the month following the quarter except for the last quarter for which the results were declared in May as permitted under the listing Agreement.

##### C. Book Closure Date

From Thursday, 24th September, 2015 to Tuesday, 29th September, 2015 (both days inclusive)

##### D. Dividend Payment

The Directors have not recommended any dividend for the financial year ended 31st March, 2015.

##### E. Listing on Stock Exchanges

The Bombay Stock Exchange Limited.

Annual Listing Fees for the year 2015-16 have been paid to the Bombay Stock Exchange Limited. The Company' shares were delisted from the Delhi Stock Exchange Limited during the year.

The Stock code of the Company at BSE is 519612.



**F. Market Price - Data for the year ended 31st March, 2015**

Month	Bombay Stock Exchange	
	High ( in Rs)	Low ( in Rs)
April, 2014	10.65	8.88
May, 2014	10.06	8.51
June, 2014	13.05	9.00
July, 2014	12.74	10.31
August, 2014	15.48	10.56
September, 2014	12.90	10.65
October, 2014	11.80	10.10
November, 2014	11.85	10.05
December, 2014	11.90	9.10
January, 2015	11.49	9.05
February, 2015	10.50	9.00
March, 2015	11.70	9.61

**G. Registrar and Share Transfer Agents**

M/s Alankit Assignment Limited is the Registrar and Share Transfer Agents of the company for transfer of shares held in Electronic form as well as in Physical Form. Their address is as under:

**Alankit Assignments Limited**

1E/13, Alankit House  
 Jhandewalan Extension  
 New Delhi - 110055  
 Tel: (011) 23541234, 42541234  
 Fax: 011 - 23552001, 42541201  
 Email: alankit@alankit.com  
 Website: www.alankit.com

**Share Transfer Systems**

The Company in compliance of SEBI circular no. 15/2002 dated 27th December, 2002, has appointed M/s Alankit Assignments Limited (Category - I SEBI registered Registrar and Share Transfer Agents) as Share Transfer Agent who follows the Share Transfer System as prescribed by the Securities and Exchange Board of India (SEBI). The share transfer requests in physical form sent by the shareholders are manually checked. If the transfer deed and enclosures are valid, the shares are transferred within 15 days with the approval of the Stakeholders Relationship Committee; otherwise objection memo is sent to the transferor with necessary advice to take the required steps. The process is done within a 15 days of receipt of request. The Company Secretary monitors the same.

**Dematerialization of Shares:**

As on 31st March, 2015 out of the total 3500700 equity shares 2954255 equity shares representing 84.39% of the total paid -up equity capital have been dematerialized.

The transfer- cum -demat facility is available to all shareholders of the Company. ISIN No. in NSDL & CDSL for equity shares is: INE734D01010.

**H. Shareholding Pattern as on 31st March, 2015**

Category	No. of Shares held	%age of Total Shares
<b>Promoter and Promoter Group</b>		
- Indian	1865299	53.28
- Foreign	-	-
<b>Public Shareholding</b>		
Institutions	68800	1.97
Non Institution	122850	3.51
<b>Indian Public</b>		
- Nominal Share Capital upto Rs. 1 lac	797848	22.79
- Nominal Share Capital in excess of Rs. 1 lac	450491	12.87
<b>NRI and OCBs</b>	195412	5.58
Any others	-	-
<b>Total</b>	<b>3500700</b>	<b>100</b>

**I. Distribution of Shareholding as on 31st March, 2015:**

S. No.	Description	No. of Share Holders	% of total holders	Amount	% of total equity
1.	Upto 5000	3197	91.239	3913170	11.178
2.	5001 - 10000	102	2.911	749880	2.271
3.	10001 - 20000	65	1.855	968660	2.767
4.	20001 - 30000	51	1.455	1321400	3.775
5.	30001 - 40000	12	0.342	410020	1.171
6.	40001 - 50000	14	0.4	660390	1.886
7.	50001 -100000	18	0.514	1158750	3.31
8.	100001 and above	45	1.284	25779730	73.642
	<b>Total</b>	<b>3504</b>	<b>100</b>	<b>35007000</b>	<b>100</b>

**K. Investor Correspondence**

All enquiries, clarifications and correspondences should be addressed at the following address:

**Mahaan Foods Limited,**  
M-19, 1st Floor,  
M Block Market  
Greater Kailash - II,  
New Delhi - 110048

E-mail: [investor@mahaanfoods.com](mailto:investor@mahaanfoods.com)  
[vijaygupta@mahaanfoods.com](mailto:vijaygupta@mahaanfoods.com)

## Management Discussion and Analysis

### Outlook for the Industry

With an increase in average household income, the demand in dairy products continues to increase specially bearing in mind the large percentage of vegetarians in the country. Also, the demand for milk and milk products is likely to see continued growth.

### Future Prospects

More and more emphasis is being laid on liquid milk and fresh products such as lassi, pro-biotic milk, ice creams etc. There's an increase in demand for the said products.

The Company is trying to reposition itself in the changing business scenario.

### Risk and Concerns

The huge surge in costs in terms of raw material inputs, services, power and fuel is also affecting the industry. Impact of monsoons on the milk availability is a matter of concern. Governmental policies on exports/ imports are also detrimental to the business.

Your company is facing a quagmire and is trying to wriggle out of the legal impediments which have affected the functioning of the company

### Internal Control Systems

The Company has internal control system commensurated with the size and nature of its business which is monitored for its effectiveness on continuous basis.

### Financial and Operational Performance

The Company achieved gross turnover including other income of Rs. 949.68 Lakh and posted net profit after tax of Rs 39.04 Lakh for the financial year ended on 31st March, 2015 as against gross turnover including other income of Rs. 1385.95 Lakh and net profit of Rs. 106.78 Lakh in the previous financial year. The company's business was severely affected during the year due to various constraints. Your company is looking for possibilities for embanking on new viable projects to regain its position in the dairy industry.

### Human Resource and Industrial Relations

The Company continues to emphasize on optimization of the human resources. The Company also pursue a pro-active policy towards maintaining industrial relations for a peaceful and harmonious environment thus optimizing output.

## CERTIFICATE

### To the Members of Mahaan Foods Limited

We have examined the compliance of conditions of Corporate Governance by Mahaan Foods Limited, for the year ended on 31st March, 2015 as stipulated in Clause 49 of the Listing Agreement of the said Company with Stock Exchange.

The compliance of conditions of Corporate Governance is the responsibility of the Company's management. Our examination was carried out in accordance with the Guidance Note on 'Certification of Corporate Governance (as stipulated in Clause 49 of the Listing Agreement)', issued by the Institute of Chartered Accountants of India and was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, we confirm that the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing Agreement in all material respects.

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

**For Deepak Bansal & Associates**  
Company Secretaries

**Sd/-**  
**(Deepak Bansal)**  
Prop.  
CP No. 7433

Place: New Delhi  
Date: 1st September, 2015

**CEO/CFO CERTIFICATION**

To  
The Board of Directors  
Mahaan Foods Limited

Sub.: Financial Statements for the period ended 31 March 2015: Certification by CEO and CFO.

We, Sanjeev Goyal, Managing Director and G. K. Sharma, Chief Financial Officer, certify that:

- a) We have reviewed the financial statements and cash flow statement of Mahaan Foods Limited for the year ended on March 31, 2015 and to the best of our knowledge and belief certifies that:
- (i) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
  - (ii) these statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- b) To the best of our knowledge and belief, there are no transactions entered into by the Company during the year ended which are fraudulent, illegal or violative of the Company's code of conduct.
- c) We accept responsibility for establishing and maintaining internal controls for financial reporting and we have evaluated the effectiveness of the internal control systems of the Company pertaining to financial reporting and have not come across any reportable deficiency in the design or operations of such internal controls.
- d) We have indicated to the Auditors and the Audit Committee that:
- (i) there has not been any significant change in internal control over financial reporting during the year;
  - (ii) there has not been any significant change in accounting policies during the year; and
  - (iii) that there are no instance of significant fraud of which we have become aware.

Place: New Delhi  
Date: 1st September, 2015

Sd/-  
**(G. K. Sharma)**  
Chief Financial Officer

Sd/-  
**(Sanjeev Goyal)**  
Chairman cum Managing Director

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**DECLARATION - COMPLIANCE WITH THE CODE OF CONDUCT**

In accordance with Clause 49 of the Listing Agreement with the Stock Exchanges, the Board members and the Senior Management personnel have affirmed compliance with the "Code of Conduct" for the financial year ended on March 31, 2015.

Place: New Delhi  
Date: 1st September, 2015

**For Mahaan Foods Limited**  
sd/-  
**(Sanjeev Goyal)**  
Chairman cum Managing Director

**D D NAGPAL & COMPANY**  
**CHARTERED ACCOUNTANTS**  
6H GOPALARAJENDRA PLACE DELHI-110008  
PHONES: 25821021, 25821040, Email.id : ddnagpal@gmail.com

**INDEPENDENT AUDITOR'S REPORT**

**To the Members 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 31 March 2015, the statement of profit and loss and the cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

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

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation and presentation of these standalone financial statements that give a true and fair view of the financial position, financial performance and cash flows 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 maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

**Auditor's Responsibility**

Our responsibility is to express an opinion on these standalone financial statements based on our audit. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder. We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

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

**Opinion**

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2015 and its profit and its cash flows for the year ended on that date.

**Report on Other Legal and Regulatory Requirements**

1. As required by the Companies (Auditor's Report) Order, 2015 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure a statement on the matters specified in the paragraph 3 and 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 it 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) *Attention is invited to Note 25 stating that some of balance of debtors, creditors and loans and advances are subject to confirmation from respective parties. We have relied on the representations of the management that no significant impact is expected on the working results of the Company on this account.*
- (f) on the basis of the written representations received from the directors as on 31 March 2015 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2015 from being appointed as a director in terms of Section 164 (2) of the Act; and
- (g) with respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
  - i. the Company has disclosed the impact of pending litigations on its financial position in its financial statements refer Note 24 to the financial statements.
  - ii. The company did not have any long term contract including derivative contract for which there were any material foreseeable losses;
  - iii. There has been no amount required to be transferred, to the Investor Education and Protection Fund by the Company during the year.

Place : New Delhi  
Date : 30th May 2015

**For D.D Nagpal & Co**  
**Chartered Accountants**  
Firm's registration number: 006413N  
**Sd/-**  
**Dev Dhar Nagpal**  
**Partner**  
Membership number: 085366

**Annexure 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 2015, we report that:

- (i) (a) The Company has maintained list of fixed assets acquired by it. However those are required to be updated substantially with regard to quantitative details/ location, identification etc.
- (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. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets.
- (c) Based on our scrutiny of records of the company and the information and explanations received by us, we report that company has not sold any substantial part of fixed asset during the financial year ended 31st March 2015, that has affected the going concern 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 reasonable.
- (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 inventory. The discrepancies noticed on verification between the physical stocks and the book records were not material.
- (iii) The Company has granted loan to one company of Rs.5,71,67,868 covered in the register maintained under section 189 of the Companies Act, 2013 ('the Act').
  - (a) Receipts of Principal amount and interest in respect of abovementioned loan are regular.
  - (b) There is no overdue amount in respect of above mentioned loan.
  - (c) For this purpose, we have relied on the representations of the management that Rs. 30,43,413 due from one company and two parties covered in the register maintained under section 189 of the Companies Act, are advances and not in the nature of loans.
- (iv) In our opinion and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the Company and the nature of its business with regard to purchase of fixed assets and sale of goods and services. Further, on the basis of our examination of the books and records of the company and according to information & explanations given to us, no major weakness has been noticed or reported.
- (v) The Company has not accepted any deposits from the public covered under Section 73 to 76 of the Companies Act, 2013 during the year.
- (vi) We have broadly reviewed the Cost Records maintained by the company as prescribed by the Central Government under sub section (1) of the Companies Act 2013 and are of the opinion that prima facie, the prescribed accounts and records have been maintained. The company did not undertake manufacturing activity during the year..We have, however not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.
- (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 by the Company with the appropriate authorities in India .The Arrear as on 31st March 2015 on the aforesaid dues were as below.

1	Sales Tax	Rs.48,81,855.00
2	Service tax	Rs.9173.00
3	TDS	Rs.3627.00

- (b) (i) 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. However, according to information and explanations given to us, the following dues of income tax, sales tax, service tax and value added tax have not been deposited by the Company.

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)(ii) According to the information and explanations given to us, the statutory dues that have not been deposited by the Company on account of matters pending before appropriate authorities are as under:

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.
Rajasthan Value Added Tax Act 2003	Penalty	8.49	2008-09	Rajasthan Tax Board, Ajmer
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

(c) There has been no amount required to be transferred, to the Investor Education and Protection Fund by the Company during the year

- (viii) The Company does not have any accumulated losses at the end of the financial year and has not incurred cash losses in the financial year and but has incurred a cash loss of Rs.1,28,91,559.00 in the immediately preceding financial year.
- (ix) The Company has not taken loans from financial institutions, banks or debenture holders during the year.
- (x) In our opinion and according to the information and the explanations given to us, the Company has not given any guarantee for loans taken by others from banks or financial institutions.
- (xi) In our opinion and according to the information and explanation given to us, the company has not raised any term loan during the year.
- (xii) According to the information and explanations given to us, no material fraud on or by the Company has been noticed or reported during the course of our audit.

Place : New Delhi  
Date : 30th May 2015

**For D.D Nagpal & Co**  
Chartered Accountants  
Firm's registration number: 006413N  
Sd/-  
**Dev Dhar Nagpal**  
Partner  
Membership number: 085366



**MAHAAN FOODS LIMITED  
BALANCE SHEET AS AT 31.03.2015**

Particulars	Note No	As at 31.03.2015	As at 31.03.2014
<b>I. EQUITY AND LIABILITIES</b>			
<b>(1) Shareholder's Funds</b>			
Share Capital	<b>3</b>	35,007,000	35,007,000
Reserves and Surplus	<b>4</b>	108,326,819	104,423,414
<b>(2) Non-Current Liabilities</b>			
Deferred tax liabilities (Net)	<b>26</b>	-	1,593,867
<b>(3) Current Liabilities</b>			
(a) Short-term borrowings	<b>5</b>	146,125	696,684
(b) Trade payables	<b>6</b>	67,003,920	65,743,814
(c) Other current liabilities	<b>7</b>	4,974,794	5,774,630
(d) Short-term provisions	<b>8</b>	2,859,167	2,846,939
<b>Total</b>		<b>218,317,825</b>	<b>216,086,348</b>
<b>II. Assets</b>			
<b>(1) Non-current assets</b>			
<b>(a) Fixed assets</b>			
(i) Tangible assets	<b>9</b>	8,363,061	12,147,255
<b>(b) Non Current Investments</b>	<b>10</b>	93,100,000	27,500,000
<b>(c) Deferred tax Assets</b>	<b>26</b>	3,192,846	-
<b>(2) Current assets</b>			
(a) Current investments	<b>11</b>	6,560	6,560
(b) Inventories	<b>12</b>	2,024,493	91,488,287
(c) Trade receivables	<b>13</b>	8,766,605	33,225,740
(d) Cash and cash equivalents	<b>14</b>	968,398	11,144,272
(e) Short-term loans and advances	<b>15</b>	101,075,261	39,753,633
(f) Other current assets	<b>16</b>	820,601	820,601
<b>Total</b>		<b>218,317,825</b>	<b>216,086,348</b>

Significant Accounting Policies (1 & 2)  
 Accompanying notes form Part of the Financial Statements (3 to 35 )  
 As per our report of even date

**For D.D. Nagpal & Co.**  
 Chartered Accountants  
 Firm's Registration No.006413N

**For Mahaan Foods Limited**

sd/-  
**D D Nagpal**  
**FCA**  
**Partner**  
 Membership No. 085366

sd/-  
**(Sanjeev Goyal)**  
**Managing Director**  
 DIN : 00221099

sd/-  
**(Saloni Goyal)**  
**Director**  
 DIN : 00400832

sd/-  
**(Vijay Gupta )**  
**Company Secretary**

Date: 30.05.2015  
 Place: New Delhi

**MAHAAN FOODS LIMITED**  
**STATEMENT OF PROFIT & LOSS ACCOUNT FOR PERIOD ENDED ON 31.03.2015**

Particulars	Note No	For the period ended 31.03.2015	For the period ended 31.03.2014
Revenue from operations	17	88,585,685	133,568,803
Other Income	18	6,382,549	5,026,686
<b>Total Revenue</b>		<b>94,968,234</b>	<b>138,595,489</b>
<b>Expenses:</b>			
Cost of material consumed	19	-	6,594,038
Changes in inventories of finished goods, work-in-progress and Stock-in-Trade	20	89,463,795	99,718,229
Employee benefit expense	21	2,461,341	9,392,728
Financial costs	22	-	13,411,145
Depreciation and amortization expense	9	1,811,263	3,968,945
Other expenses	23	2,115,144	22,370,908
<b>Total Expenses</b>		<b>95,851,543</b>	<b>155,455,993</b>
<b>Profit before exceptional and extraordinary items and tax</b>		(883,308)	(16,860,504)
Exceptional Items		-	22,758,819
<b>Profit before extraordinary items and tax</b>		(883,308)	5,898,315
<b>Profit before tax</b>		<b>(883,308)</b>	<b>5,898,315</b>
<b>Tax expense:</b>		<b>(4,786,713)</b>	<b>(4,780,201)</b>
(1) Current tax		-	-
(2) Deferred tax	26	(4,786,713)	(4,780,201)
<b>Profit(Loss) from the period from continuing operations</b>		<b>3,903,405</b>	<b>10,678,516</b>
<b>Profit/(Loss) for the period</b>		<b>3,903,405</b>	<b>10,678,516</b>
<b>Earning per equity share:</b>			
(1) Basic		1.11	3.05
(2) Diluted		1.11	3.05

Significant Accounting Policies  
Accompanying notes form Part of the Financial Statements  
As per our report of even date

(1 & 2)  
(3 to 35)

**For D.D. Nagpal & Co.**  
Chartered Accountants  
Firm's Registration No.006413N

**For Mahaan Foods Limited**

sd/-  
**D D Nagpal**  
FCA  
Partner  
Membership No. 085366

sd/-  
(Sanjeev Goyal)  
Managing Director  
DIN : 00221099

sd/-  
(Saloni Goyal)  
Director  
DIN : 00400832

sd/-  
(Vijay Gupta)  
Company Secretary

Date: 30.05.2015  
Place: New Delhi

**MAHAAN FOODS LIMITED  
CASH FLOW STATEMENT FOR THE YEAR ENDED ON 31ST MARCH, 2015**

Particulars	2014-15	2013-14
	<b>Rs.</b>	<b>Rs.</b>
<b>CASH FLOW FROM OPERATING ACTIVITIES :</b>		
NET PROFIT BEFORE TAX & EXTRAORDINARY ITEMS :	(883,308)	(16,860,504)
ADJUSTMENTS FOR:-		
Depreciation	1,811,263	3,968,945
Other Income	(1,003,672)	(5,025,566)
Interest Income	(5,378,877)	
Dividend Income	-	(1,120)
Interest Charges	-	13,411,145
Operating profits before working capital changes :	(5,454,594)	(4,507,100)
ADJUSTMENTS FOR:-		
Inventories	89,463,794	128,145,402
Sundry debtors	24,459,135	(2,711,372)
Trade & other receivables	(61,321,628)	12,065,827
Trade payables & other liabilities	472,498	(75,766,312)
Cash generated from (used) in operation	47,619,205	57,226,445
Direct taxes paid		(3,773,889)
<b>Net Cash flow from operating activities (A)</b>	<b>47,619,205</b>	<b>53,452,556</b>
<b>CASH FLOW FROM INVESTMENT ACTIVITIES :</b>		
<b>capital Subsidy received</b>		
Sale of fixed assets	1,972,931	(122,530)
Transfer of fixed assets		40,465,700
Interest received	5,378,877	
Investment In MMFI	(65,600,000)	
Dividend from non trade long term investments	-	1,120
other income	1,003,672	5,025,566
<b>Net Cash flow used in investment activities (B)</b>	<b>(57,244,520)</b>	<b>45,369,856</b>
<b>CASH FLOW FROM FINANCING ACTIVITIES :</b>		
Loan paid/recovered		
Interest paid	-	(13,411,145)
Increase / decrease in term loans ( net )	(550,559)	(13,823,457)
Increase / decrease in cash credits from banks	0	(86,859,933)
<b>Net Cash flow used in financing activities ( C )</b>	<b>(550,559)</b>	<b>(114,094,535)</b>
<b>Cash Flow from Extraordinary items ( D )</b>	<b>-</b>	<b>22,758,819</b>
Increase in cash flow from extraordinary Items		22,758,819
<b>Net decrease in cash and cash equivalents : ( A+B+C+D)</b>	<b>(10,175,874)</b>	<b>7,486,696</b>
Cash & cash equivalents at opening	11,065,745	3,579,049
Cash & cash equivalents at closing	889,871	11,065,745

**Auditors' Report**

As per our Report of even date attached.

**For D.D. Nagpal & Co.**  
Chartered Accountants  
Firm's Registration No.006413N

**For Mahaan Foods Limited**

**sd/-**  
**D D Nagpal**  
**FCA**  
**Partner**  
Membership No. 085366

**sd/-**  
**(Sanjeev Goyal)**  
**Managing Director**  
DIN : 00221099

**sd/-**  
**(Saloni Goyal)**  
**Director**  
DIN : 00400832

**sd/-**  
**(Vijay Gupta )**  
**Company Secretary**

Date: 30.05.2015  
Place: New Delhi

**NOTES TO THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED ON 31ST MARCH 2015**
**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 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 accounting standard 26 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) Till the year ended March 31,2014, Schedule XIV to the Companies Act, 1956, prescribed requirement concerning depreciation of Fixed Assets. From the current year,depreciation has been provided on the straight-line method at rates and in the manner prescribed in Schedule II of the Companies Act, 2013 Unless stated otherwise, the impact mentioned for the current year is likely to hold good for future years also..Depreciation on addition to assets or sales / transfer/ discardment of assets is calculated on pro rata basis from the date of such addition or upto the date of such discardment/transfer/sale as the case may be.
- k) Provision for employee benefits charged on accrual basis is determined based on Accounting standard (AS) 15 (Revised) "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..
- l) 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 Accounting Standard -22 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. However Consignment sale is shown at net of expenses and are recognized when goods are sold to a third party.
- s) Excise duty is not applicable on the finished goods manufactured by the company.
- t) 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.
- u) In the opinion of the company's Management, there is no impairment to the assets to which Accounting Standard 28 "Impairment of Assets" applied requiring any revenue recognition.
- v) The cash flow statement has been prepared under the "Indirect Method" as set out in Accounting Standard-3 "Cash Flow Statement".

## NOTES FORMING PART OF BALANCE SHEET AND PROFIT &amp; LOSS A/C

**Note-3 Share Capital**

Particulars	As at 31 March 2015		As at 31 March 2014	
	No. of Shares	Amount (Rs.)	No. of Shares	Amount (Rs.)
<b>a) AUTHORIZED CAPITAL</b> 2,00,00,000 (Previous year: 1,20,00,000) Equity Shares of Rs. 10/- each.	200,000,000		120,000,000	
<b>b) ISSUED,SUBSCRIBED &amp; PAID UP CAPITAL</b> (Previous year: 3500700) 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)	35,007,000		35,007,000	
	<b>35,007,000</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
<b>d) Rights, preferences and restrictions attached to Shares</b>				
<b>Equity Shares:</b> 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				
<b>e) Details of Shareholders holding more than 5% shares in the Company:</b>				
	<b>No of Shares Held</b>	<b>% Holding</b>	<b>No of Shares Held</b>	<b>% Holding</b>
Name of Shareholder				
Zeon Lifesciences Limited	374200	10.69	374200	10.69
Sanya Goyal	239750	6.85	239750	6.85
Rajiv Goyal	290889	8.31	290889	8.31
<b>Total</b>	<b>904839</b>		<b>904839</b>	
<b>Note:</b> 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-4 Reserves & Surplus**

Particulars	As at 31st March, 2015	As at 31st March, 2014
a) Capital Investment Subsidy	7,320,000	7,320,000
b) Securities Premium reserve	12,253,500	12,253,500
<b>a. Surplus</b>		
Opening balance	84,849,914	74,171,398
(+) Net Profit/(Net Loss) For the current year	3,903,405	10,678,516
(+) Transfer from Reserves	-	-
(-) Proposed Dividends	-	-
(-) Interim Dividends	-	-
<b>(-) Transfer to Reserves:</b>		
i).Customer Protection Fund	-	-
ii). Investor Service Fund	-	-
<b>Closing Balance</b>	<b>88,753,319</b>	<b>84,849,914</b>
<b>Total</b>	<b>108,326,819</b>	<b>104,423,414</b>

**Note- 5 Short Term Borrowings**

Particulars	As at 31st March, 2015	As at 31st March, 2014
<b>Secured Loans</b>		
Term Loan from :		
<b>Vehicle loan from</b>		
Others	146,125	696,684
<b>Cash Credit loan from Bank</b>		
<b>Unsecured, considered good</b>		
From Other	-	-
<b>Total</b>	<b>146,125</b>	<b>696,684</b>

Vehicle finance loans are secured by hypothecation of vehicles amounting to Rs.815,027.00 (Previous year Rs. 19,00,269.00) shown under fixed assets.

**Note- 6 Trade Payables**

Particulars	As at 31st March, 2015	As at 31st March, 2014
Sundry Creditors ( Other Than Micro & Small Enterprises)	65,249,144	63,352,688
Advance received from customer	1,754,776	2,391,126
<b>Total</b>	<b>67,003,920</b>	<b>65,743,814</b>

The Company has not received any confirmation from the suppliers regarding their status of registration" under Micro, Small and Medium Enterprises Development Act, 2006, which came into effect from "October 2, 2006 and hence disclosure required under the said Act has not been given."

Based upon the information available with the Company, the balance due to the Micro and Small Enterprises" as defined under the Micro, Small and Medium Enterprises Development Act, 2006 is Rs. Nil (Previous year Rs. Nil). Further, no interest during the year has been paid or payable under the terms of the said Act. "

**Note- 7 Other Current Liabilities**

Particulars	As at 31st March, 2015	As at 31st March, 2014
Other Liabilities	4,974,794	5,774,630
<b>Total</b>	<b>4,974,794</b>	<b>5,774,630</b>

**Note- 8 Short Term Provisions**

Particulars	As at 31st March, 2015	As at 31st March, 2014
Other Short Term Provisions	607,022	594,794
Provision For Income Tax	2,252,145	2,252,145
<b>Total</b>	<b>2,859,167</b>	<b>2,846,939</b>

**Note- 10 Non-Current Investments**

Particulars	As at 31st March, 2015	As at 31st March, 2014
Unquoted		
Zeon Lifesciences Limited ( formerly known Mahaan Dairies Limited) 400000 (Previous year 400000) equity shares of Rs. 10/- each	6,000,000	6,000,000
Mahaan Proteins Limited 2150000 (Previous year 2150000) equity shares of Rs.10/- each	21,500,000	21,500,000
Mahaan Milk Foods Limited 400000 equity shares of Rs. 10/- each	65,600,000	-
<b>Total</b>	<b>93,100,000</b>	<b>27,500,000</b>

**Note- 11 Current Investments**

Particulars	As at 31st March, 2015	As at 31st March, 2014
QUOTED		
Industrial Development Bank of India 320 (Previous year:320) Equity shares of Rs.10/- each Market Value per share Rs.72.70 on 31.03.2015	6,560	6,560
<b>Total</b>	<b>6,560</b>	<b>6,560</b>

**Note- 12 Inventories**

Particulars	As at 31st March, 2015	As at 31st March, 2014
a. Raw Materials and components	-	-
b. Work-in-progress	-	-
c. Finished goods	-	89,463,795
d. Stock-in-trade	-	-
e. Stores and spares	2,024,493	2,024,492
f. Others (Stationary)	-	-
<b>Total</b>	<b>2,024,493</b>	<b>91,488,287</b>

**Note- 13 Trade Receivable**

Particulars	As at 31st March, 2015	As at 31st March, 2014
Sundry Debtors (Unsecured considered good, unless otherwise stated)		
(I) Outstanding for more than 6 months - Considered Doubtful	-	29,879,181
(II) Other Debts Considered Good	8,766,605	3,346,559
<b>Total</b>	<b>8,766,605</b>	<b>33,225,740</b>



**Note- 14 Cash and cash equivalents**

Particulars	As at 31st March, 2015	As at 31st March, 2014
a. Balances with banks		
Current A/c	523,131	10,443,571
Fixed Deposit Accounts:	260,090	260,090
b. Accrued Interest	78,527	78,527
c. Cash on hand	106,650	362,084
<b>Total</b>	<b>968,398</b>	<b>11,144,272</b>

**Note- 15 Short Term Loans & Advances**

Particulars	As at 31st March, 2015	As at 31st March, 2014
a. Loans and advances to related parties		
Secured, considered good	NIL	NIL
Unsecured, considered good		
Doubtful		
Less: Provision for doubtful loans and advances		
	-	-
b. Others		
Secured, considered good		
Unsecured, considered good		
Share Application Money Refundable	30,100,000	30,100,000
Temporary Loans and Advances	57,167,868	
Advances recoverable in cash or in kind or for value to be received Considered good	5,569,196	2,000,123
Deposit with Government Departments	8,238,197	7,653,510
<b>Total</b>	<b>101,075,261</b>	<b>39,753,633</b>

Advances recoverable in cash or in kind or for value to be received includes Rs. 16,24,963.00 (P.Y. 16,24,963.00) due from two parties who were holding office of Directorship in the company during earlier years . Maximum amount due during the year Rs.16,24,963.00 (P.Y. 16,24,963.00 )

Company has given a temporary loan to one company ( Outstanding balance Rs,57167868.00 ) on interest. Terms and conditions of the said loan are not prejudicial to the interest of the company

**Note- 16 Other Current Assets**

Particulars	As at 31st March, 2015	As at 31st March, 2014
Security Deposit	820,601	1,822,401
<b>Total</b>	<b>820,601</b>	<b>1,822,401</b>

**Note- 17 Revenue From Operations**

Particulars	As at 31st March, 2015	As at 31st March, 2014
Sales	88,585,685	109,291,883
Job Work Charges	-	24,276,920
<b>Total</b>	<b>88,585,685</b>	<b>133,568,803</b>

**Note- 18 Other Income**

Particulars	As at 31st March, 2015	As at 31st March, 2014
Interest Income	5,378,877	-
Lease Rent ( Machinery )	900,000	-
Non-operating income	103,672	5,026,686
<b>Total</b>	<b>6,382,549</b>	<b>5,026,686</b>

**Note- 19 Cost of Material Consumed**

Particulars	As at 31st March, 2015	As at 31st March, 2014
Opening stock:		
Raw material	-	161,327
Add : Raw material purchase	-	6,126,537
	-	6,287,864
Less : Closing Stock		
Raw material		49,016
Stores & spares consumed	-	341,330
Packing expenses	-	13,860
<b>Total</b>	<b>-</b>	<b>6,594,038</b>

**Note- 20 Change in Inventories**

Particulars	As at 31st March, 2015	As at 31st March, 2014
Opening stock:		
Finished goods	89,463,795	189,182,024
Semi finished goods	-	-
Stock in process	-	-
	89,463,795	189,182,024
Less : Closing Stock		
Finished goods		89,463,795
Semi finished goods		-
Stock in process		89,463,795
	-	89,463,795
<b>Total</b>	<b>89,463,795</b>	<b>99,718,229</b>

**Note-21 Employee Benefits Expense**

Particulars	As at 31st March, 2015	As at 31st March, 2014
(a) Salaries and incentives		
i.Directors	-	-
ii.Employees	2,455,308	9,141,442
(b) Contributions to -		
EPF	-	215,447
Staff welfare expenses	6,033	35,839
(e) Others		
<b>Total</b>	<b>2,461,341</b>	<b>9,392,728</b>

**Note- 22 Finance Cost**

Particulars	As at 31st March, 2015	As at 31st March, 2014
On term loan from:		
Himachal Pradesh Financial Corporation	-	982,791
On Vehicle Loan	-	185,785
On Cash Credit loan from Bank		12,032,410
on loans from others		210,159
<b>Total</b>	<b>-</b>	<b>13,411,145</b>

**Note- 23 Other Expenses**

Particulars	As at 31st March, 2015	As at 31st March, 2014
Bad & Doubtful Debts	0	64,125
Commission to selling agents	377,964	467,009
Fine and Penalty (TDS interest)	218,912	
Freight & octroi	-	1,357,878
Insurance	10,298	66,965
Miscellaneous expenses	1065218	4618129
Power & fuel consumed	-	13,238,539
Rates & taxes	1,718	1,988
Rebate & discount	8,750	334,704
Rent	124,500	164,817
Repairs : Buildings	-	105,071
Repairs : Machinery	29,571	575,028
Sales/turnover/entry tax/Service tax	74,358	611,322
Telephone expenses	89,430	161,931
Traveling expenses	37,861	150,004
Vehicle maintenance	76,564	453,398
<b>Total</b>	<b>2,115,144</b>	<b>22,370,908</b>

\*The company generally enters into cancelable operating leases for machinery, office and godown premises and residence to its employees, normally renewable on expiry are and "cancelable at its option."

Lease rent charged to the profit and loss account relating to operating leases" are Rs. 1,24,500.00 (Previous year – Rs. 1,64,817.00). "

**Note 24 Contingent Liabilities:**

Particulars	As at 31st March, 2015	As at 31st March, 2014
Sales Tax	53,17,872	53,17,872
Entry tax	5,31,614	5,31,614

**Note 25**

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-9 Fixed Assets**

S.NO	PARTICULARS	GROSS BLOCK			DEPRECIATION			NET BLOCK			
		AS AT 01-04-14	ADDITION (DISPOSAL)	DEDUCTION	AS AT 31-03-15	AS AT 01-04-14	FOR THE YEAR	ADJUST- MENT	AS AT 31-03-15	AS AT 31-03-14	
1	PLANT & MACHINERY	19921835		3001000	16920835	10323688	1140082	1028069	10435701	6485134	9598147
2	OFFICE EQUIPMENTS	210522			210522	63829	136168		199997	10525	146693
3	FURNITURE & FIXTURE	311700			311700	76935	35411		112346	199354	234765
4	VEHICLES	2453856			2453856	533966	288216		822182	1631674	1919890
5	COMPUTER EQUIPMENTS	824826			824826	587970	210539		798509	26317	236856
6	A.C.EQUIPMENTS	15000			15000	4096	846		4942	10058	10904
	<b>Total</b>	<b>23737739</b>	<b>0</b>	<b>3001000</b>	<b>20736739</b>	<b>11590484</b>	<b>1811263</b>	<b>1028069</b>	<b>12373678</b>	<b>8363061</b>	<b>12147255</b>
	Previous year	119586601	(95848862)	-	23737739	63127231	3968945	55505692	11590484	12147255	52478711

**Note- 26 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 :

	Current year	Previous year
	(Rupees)	(Rupees)
a) Deferred Tax Liability Difference between book depreciation and depreciation under the Income Tax Act, 1961		
b) Deferred Tax assets Disallowances of expenses under Income Tax Act	1777690	1857377
	4970536	263510
Net Deferred Tax Liabilities	(3,192,846)	1593867
Credited to Profit & Loss Account	(4,786,713)	(4,780,201)

**Note- 27 Auditor Remuneration**

	Current year	Previous year
	(Rupees)	(Rupees)
- As Auditors	50,000	225,000
- As Tax Auditors		50,000
- for other matters		100,000
	50,000	375,000

**Note- 28 Managerial Remuneration:**

	Current year	Previous year
	(Rupees)	(Rupees)
- Salaries	0	0
- Contribution to P.F.	0	0
- Other perquisites & benefits	0	0
	0	0
- Director's sitting fees	0	0

**Note- 29 Employee Benifites :**

Defined Contribution Plans :

The Company charged Rs.NIL (Previous year Rs. 2,15,447.00) 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.

Defined Benefit Plans :

Liability for Gratuity and Privilege leaves is determined on actuarial basis.

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.

The basis for determination of liability is as under :

	Gratuity Scheme	
	As at 31 March 2015 (Rs)	As at 31 March 2014(Rs)
<b>Change In present value of obligation</b>		
1. Present value of obligation as at the beginning of the year	61,626	1558605
2. Current service cost	26,655	22795
3. Interest cost	4,930	140274
4. Actuarial (gain)/loss	-23,986	-734112
5. Benefits paid	0	-925936
6. Present value of obligation as at the end of the year	69225	61626
<b>Cost for the year</b>		
1. Current service cost	26,655	22795
2. Interest cost	4,930	140274
3. Actuarial (gain) / loss	-23,986	-734112
4. Net cost	7599	-571043
<b>Main actuarial assumptions</b>		
Discount rate (per annum)	8.00%	9.00%
Rate of increase in compensation levels (per annum)	6.00%	6.00%

	Privilege Leaves	
	As at 31 March 2015 (Rs)	As at 31 March 2014(Rs)
<b>Change In present value of obligation</b>		
1. Present value of obligation as at the beginning of the year	108168	910547
2. Current service cost	39,750	41193
3. Interest cost	8,653	81949
4. Actuarial (gain)/loss	-26,599	-131087
5. Benefits paid	-17,176	-794434
6. Present value of obligation as at the end of the year	112796	108168
<b>Cost for the year</b>		
1. Current service cost	39750	41193
2. Interest cost	8653	81949
3. Actuarial (gain) / loss	-26599	-131087
4. Net cost	21804	-7945
<b>Main actuarial assumptions</b>		
Discount rate (per annum)	8.00%	9.00%
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- 30 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., 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	2014-2015	2013-14
	Rs.	Rs.
<b>Sales of Goods</b>		
Zeon Lifesciences Limited		5,992,734
Ace International		14,725,000
Alpha Overseas		
Mahaan Milk Foods Ltd.	3,115,000	
<b>Rent Paid</b>		
Mrs. Saloni Goyal		56,180
<b>Professional fees paid</b>	-	1,557,143
Mr. Dalip Chand Garg		
<b>Rent Received</b>		
Zeon Lifesciences Ltd.	-	1,339,286
Mahaan Milk Foods Ltd.	900,000	
<b>Job Work Received</b>		
Zeon Lifesciences Ltd.		1,907,420
<b>Interest Received</b>		
Mahaan Milk Foods Ltd.	5,378,877	
<b>Unsecured Loan</b>		
Zeon Lifesciences Limited	50,926,060	50,926,060
<b>Loan Paid</b>		
Mahaan Milk Foods Ltd.	57,167,867	
<b>Creditors</b>		
Mahaan Proteins Limited	7,202,985	7,202,985
Mr. A.N. Goyal	296,346	296,346
Mrs. Shashi Rani Goel	67,500	67,500
Mr. A. N. Goyal (HUF)	189,068	189,068
<b>Advance received</b>		
Mr. Dalip Chand Garg	1,101,784	1,101,784
Dalip Chand Garg (HUF)	1,108,518	1,108,518
Deepa Goyal ( Against Purchase of Share )		1,075,000
<b>Advance Recoverable</b>		
Mr. Suresh Garg	1,537,304	1,537,304
Mr. Rajiv Goyal	87,659	87,659
Healthy India Nutritional Products Pvt. Ltd.	1,418,450	1,418,450
Mahaan Milk Foods Ltd.	3,968,200	
<b>Share Application money paid</b>	30,100,000	30,100,000
<b>Investment made in shares</b>		
Mahaan Milk Foods Ltd	6,56,00,000	
Mahaan Proteins Limited	21,500,000	21,500,000
Zeon Lifesciences Limited	6,000,000	6,000,000

**Note 31 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.)	3,903,405	10,678,516
Basic and diluted Earning per share (Rs)	1.12	3.05

**Note 32 Exceptional Item (Transfer of Assets & Liabilities under family settlement )**

Mahaan group company initially started the business 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 Bioysis 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 :-**

	<b>MPL</b>	<b>ZLL</b>	<b>MFL</b>	<b>ACE INT.</b>
ANG GROUP	29	13	7	25
GARG ROUP	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:-**

- (a) 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)
- (b) The Ownership, Management and control of Mahaan Proteins Ltd has been decided to be accorded to Mr. Rajeev Goyal (RG Group)
- (c) 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)
- (d) Payment of 6.8 Crore by Mr. Suresh Garg to other promoters group.
- (e) Mr. A.N. Goyal Expressed his disire to retire from active business.
- (f) Transfer of Loan liabilities (All secured liabilities towards loans and interests outstanding) of Mahaan Food Ltd. by Garg Group
- (g) Transfer of 1/4th share of property at Greater Kailash by Garg Group in favour of SG Group
- (h) 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 Conciliation 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

1. Garg Group made a part payment of Rs 145 lacs to RG Group
2. Garg Group made payment of Rs. 200 lacs to ANG Group
3. 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.



1. Garg Group acquired two units of Mahaan Foods Limited namely MB and MN along with assets and liabilities

**Pending obligations as on 31.03.2014**

Obligation mentioned at serial no. (d), (g), (h) above are pending as on date

**Pending obligations as on 31.03.2015**

Obligation mentioned at serial no. (d), (g), (h) above are pending as on date

The net difference between the book balances relating to various assets and loans/liabilities taken over by Garg Group and its assumed \ agreed values has been shown as "Exceptional Item". In previous year. Few book balances are yet to be squared up in view of obligations\transactions which are pending under MOFS as on the date of Balance Sheet.

**Note 33 Segment reporting**

There are no reportable segments as per Accounting standard standard 17 on segment reporting

**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 01.04.14		Production		Sales		Closing stock As on 31.03.15		Shortage	
	Qty. Kgs.	Amount Rs.	Qty. Kgs.	Amount Rs.	Qty. Kgs.	Amount Rs.	Qty. Kgs.	Amount Rs.	Qty. Kgs.	Amount Rs.
1. Dairy Creamer	90000 (374416)	12959970 (36453314)	-		90000 (284302)	12596000 (40838513)	0 (90000)	(12959970)	- (114.00)	
2. Pure Ghee	287964 (526047)	76503825 (139768740)	-		287964 (237050)	74965175 (62460636)	0 (287964)	(76503825)	- (1,033.00)	
4. Base Proteins	-	-	-		-	-	-	-	-	
5. Maltodextrine	-	-	-		-	-	-	-	-	
6. Others	-	-	-		-	-	-	-	-	
Total	377964 (900463)	89463795 (176222054)	0 0		377964 (521352)	87561175 (103299149)	0 (377964)	0 (89463795)	- (1,147.00)	

**Note: Goods manufactured for others:**

Complan: The production during the year was NIL MT (Previous Year 899 MT )

**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:**

The products are manufactured in integrated plant, hence product wise installed capacity cannot be given. However, as certified by the Management, the installed capacity is 3,900 MT (Previous year 3,900 MT) for Base Proteins/ Maltodextrine and 6600 MT (Previous year 6,600 MT) for Energy Drinks.

The products viz. Dairy Creamer and Pure Ghee are manufactured in an integrated plant taken on lease, hence product wise installed capacity cannot be given. However, as certified by the Management, the installed capacity is 5000 MT (Previous year 5000 MT) per annum for various types of Milk powders, 2000 MT (Previous year 2000) per annum for Ghee.

**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	96773	6238848
	0	0	96773	6,238,848

**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	Nil	Nil	6238848	100
Total	Nil	Nil	6238848	100
2. Spare parts & components				
- Imported	Nil	Nil	Nil	Nil
- Indegenous	Nil	Nil	341330	100
Total	Nil	Nil	341330	100

**F. EXPENDITURE IN FOREIGN CURRENCY**

Particulars	Current year	Previous year
	Rs.	Rs.
- Travelling	Nil	Nil

**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.D. Nagpal & Co.**

Chartered Accountants

Firm's Registration No.006413N

**For Mahaan Foods Limited**

sd/-

**D D Nagpal**

**FCA**

**Partner**

Membership No. 085366

sd/-

**(Sanjeev Goyal)**

**Managing Director**

DIN : 00221099

sd/-

**(Saloni Goyal)**

**Director**

DIN : 00400832

sd/-

**(Vijay Gupta )**

**Company Secretary**

Date: 30.05.2015

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

**28th ANNUAL GENERAL MEETING**

Tuesday, 29th September, 2015

**CIN:** L15419HP1987PLC007356

**Name:** Mahaan Foods Limited

**Registered Office:** Highwinds, National Highway 22,VillageDatyar, Parwanoo, Himachal Pradesh-173220

**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 28th Annual General Meeting of the company, to be held on Tuesday, 29th September, 2015 at 12:15 P.M. at RVCC, Sector-5, Parwanoo, Himachal Pradesh-173220 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, 2015 together with the reports of the Directors' and Auditors thereon.
2.	Re-appointment of Mr. Sanjeev Goyal as a Director.
3.	Ratification of appointment of M/s D D Nagpal & Co. Chartered Accountants as Statutory Auditors of the Company
4.	Appointment of Mr. Achal Kumar Khaneja as Director
5.	Appointment of Mr. Achal Kumar Khaneja as an Independent Director
6.	Appointment of Ms. Moutushi Sengupta as Director
7.	Appointment of Ms. Moutushi Sengupta, as an Independent Director
8.	Appointment of Ms. Saloni Goyal as Director

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

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

**Notes:**

- 1. 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.**
- 2. The Proxy Form should be signed across the Revenue Stamp as per specimen signature(s) registered with the Company/ Depository Participant.**
- 3. A Proxy need not be a Member.**

Affix  
Revenue Stamp

**Mahaan Foods Limited**

CIN: L15419HP1987PLC007356

Reg. Office: Highwinds, National Highway 22, Village Datyar, Parwanoo, Himachal Pradesh-173220

Attendance Slip

28th Annual General Meeting

Tuesday, 29th September, 2015

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 28th Annual General Meeting of Mahaan Foods Limited held on Tuesday, 29th September, 2015 at 12:15 P.M. at RVCC, Sector-5, Parwanoo, Himachal Pradesh-173220

.....  
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**  
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